

CASE 5333: Application of MARK
PRODUCTION CO. FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY.

CASE No.

5333

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 2, 1972

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Mark Production)
Company for an unorthodox gas)
well location, Eddy County,)
New Mexico.)

Case No. 5333

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:

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

CASE 5333

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I N D E X

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DAVID A. METTS

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Nutter

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E X H I B I T S

Applicant's Exhibits Nos. 1, 2, 3, 4 and 5

10

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

METTS-DIRECT

CASE 5333

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MR. NUTTER: Case 5333.

MR. DEPRYBERRY: Case 5333. Application of Mark Production Company for an unorthodox gas well location, Eddy County, New Mexico.

MR. KELLAHIN: Tom Kellahin, Kellahin and Fox, Santa Fe, New Mexico, appearing on behalf of the Applicant, Mark Production Company, and I have one witness to be sworn.

(Witness sworn.)

DAVID A. METTS

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 David Metts. I am an independent geologist for Mark Production Company in this Cemetery Field Area.

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

A Yes, I have.

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Q Have you previously testified before the Oil Conservation Commission and had your qualifications as an expert witness accepted and made a matter of record?

A Yes.

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

MR. NUTTER: Yes, they are.

BY MR. KELLAHIN:

Q Would you please refer to what has been marked as Applicant's Exhibit No. 1 and identify it, and explain what information it contains?

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

A Exhibit 1 is a structure map of the Cemetery Area on a 1-inch equals 4000-feet scale. It depicts the interpreted structure on top of an Atoka marker, which is slightly above the Morrow Clastic.

One other thing, the green color on this map indicates Morrow gas producing wells.

Q With regard to Exhibit No. 1, your proposed unorthodox location is indicated in the south half of Section 9?

A That is correct.

METTS-DIRECT

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Q Are you aware of any similarly situated unorthodox well locations that have been previously approved by the Commission?

A Yes. I believe Reed and Stevens in Section 30 of 20 South, 25 East was approved on a 660 on the south and east corner of Section 30.

Q Are there any others?

A Yes. David Fasken has an unorthodox location in Section 32 of that same township and range. I believe that is 990 out of the northwest corner.

Q Mark Production Company is seeking a location 660 from the south and west lines of Section 9?

A That is correct, yes.

MR. NUTTER: Where was that Reed and Stevens location?

THE WITNESS: It was in Section 30. It isn't on this map.

MR. NUTTER: 660 out of the south and east?

THE WITNESS: 660 from the south and 660 from the east, yes, sir, and they just completed that well as a dry hole, by the way.

BY MR. KELLAHIN:

Q Please refer to Exhibit 2 and identify it?

A Exhibit 2 is an isopachous map of the A-Sand. The Morrow, for convenience, was divided into three units here in the Cemetery Area, which is called the A, B and C-Sand. A is the uppermost clastic of the Morrow formation, and this isopach delineates what we think are channels in a depositional area, showing some tight areas and the porous areas.

Q Please refer to Exhibit No. 3 and identify it?

A That is an isopach of the B-Sand. This is net -- all these isopach maps are of the net sand and not net porosity. They depict only the net sand.

Q All right, sir. And Exhibit 4?

A Exhibit 4 is also an isopach map, however, it is of the C-Zone which is the lowermost sand interval.

Q How did you describe this area that you described as the "tight sand area"?

A On this map, it is hatched in. We had -- in the Mark Production Company No. 1 Osage in Section 5, the south half there, you will notice a well that is producing from the A and B-Sands, but the C-Sand, which is 19 feet thick, had no permeability.

Q Please refer to Exhibit No. 5 and identify it?

A Exhibit No. 5 is a stratigraphic cross section

from the northwest and southeast to the proposed location, and this cross section was intended to show the sand, the radical nature of the sand interval here. As you can see, the green color on each log, indicates the clean sand or the productive sand, potentially productive sand. These locations, or these wells or logs indicate -- show that there are sands in every well, but none of them appear to be exactly the same sand. This is more or less to show the erratic nature and difficulty in finding the gas-bearing sands.

Q Based upon your analysis of this area, Mr. Metts, and upon your exhibits, is your proposed unorthodox location the best location within the south half of Section 9 in which to commence the well?

A Yes, I believe it is. The main reason, it appears that most of the sands do cover the south half of 9. Of the three, I would say that the A-Sand and B-Sand are probably the most prevalent. The reason that we are asking for this exception is that it seems that if we can get into the center of these channels and bodies, you have a much better chance of, obviously, draining a larger area.

Q Are you aware of the configuration of the adjacent proration units or the producing units?

METTS-DIRECT

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A Yes, I am.

Q Will you describe those for us, commencing with Section 10?

A Section 10. I beg your pardon. There have been no proration units set up in 10.

Q Now, in 15, there are none?

A There are none.

Q In 16 are there any?

A Yes. That's the east half of Section, I believe.

MR. NUTTER: That would be the west half, wouldn't it?

THE WITNESS: I mean, the west half. I beg your pardon.

BY MR. KELLAHIN:

Q And the east half of Section 16 is still open?

A Yes, that's correct.

Q Now, in Section 17?

A I believe it would be the east half of 17.

Q Now, in Section 8?

A In 8, the Mark Production Company No. 1 Osage is the north half and the Monsanto Dagger Draw No. 2 is the south half.

Q And for the north half of Section 9?

A That would be the -- it was designated earlier as the King Resources No. 1 Pubco, but that is a dry hole.

Q With regard to the configuration of the unit as being the south half of Section 9, directing your attention to that, would you conceivably have more producing acreage if the unit was set up on the west half of Section 9?

A No, I don't think so because we have a dry hole there and that precludes any production from any of the sands, at least half of that department.

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

A Yes, I do believe that.

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

A Yes, they were.

MR. KELLAHIN: If the Examiner please, we move the introduction of Applicant Exhibits 1 through 5.

MR. NUTTER: Mark's Exhibits Nos. 1 through 5 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1, 2, 3, 4 and 5 were marked for identification, and were admitted into evidence.)

MR. KELLAHIN: That concludes our direct examination.

MR. NUTTER: Are there any questions of Mr. Metts?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Metts, the well in the north half of Section 8, is it a productive well?

A Yes, it is. That dry hole there is a shallow -- I believe that is a San Andres -- and it is 1600 feet, and the well to the north -- no, 1918 feet was drilled on Malco. Then, William Mark Production Company moved just north of that abandonment or dry hole and drilled our No. 1 First National Bank of Albuquerque.

Q Now, the original wells in this pool were the wells in Sections 17 and 16, weren't they?

A That's correct, and the well in Section 6, the Monsanto Dagger Draw was a Dagger Draw Field, Morrow-Dagger Draw Field. We moved in that direction on 320-acre spacing.

Q And the Reed and Stevens Well down here in 30 has been completed as a dry hole?

METTS-CROSS

Page.....11.....

A It was completed as a dry hole, yes.

MR. NUTTER: Are there any further questions of Mr. Metts? He may be excused.

(Witness dismissed.)

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

MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 5333? If not, we will take the case under advisement.

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

MR. NUTTER: We have to reopen that last case and get a letter in.

Mr. Derryberry, do you have any correspondence in Case No. 5333?

MR. DERRYBERRY: Yes. We have received a letter from Richard B. Johas, Regional Exploration Manager for Monsanto, and I will read the letter in full:

(Reading) In the matter of Case 5333, Application of Mark Production Company for approval of an unorthodox gas well location to be drilled 660 feet from the south and west lines of Section 2, Township 20 South, Range 25 East,

Cemetery-Morrow Gas Pool, Eddy County, New Mexico, please be advised that Monsanto Company objects to the approval of said Application. It is our opinion that a prospective location exists in the south half of said Section 9 which would comply with State-wide rules. It is also our opinion that approval of the unorthodox location would be an unnecessary infringement upon Monsanto's correlative rights under Section 8, and would not be in the best interest of conservation, nor would your approval of this promote the greatest ultimate recovery of the potential gas reserves under said Section 9. (End of reading.)

MR. NUTTER: Thank you, Mr. Derryberry. Does anyone else have anything they wish to offer in Case 5333?

MR. KELLAHIN: That Monsanto is only in the south half of Section 8?

MR. DERRYBERRY: Yes. I think mark has it.

MR. NUTTER: They don't describe where the acreage is.

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

MR. NUTTER: Is there anything further in Case 5333? If not, 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

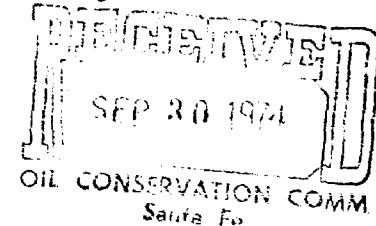
I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5333, heard by me on 10/2, 1974.


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

Monsanto

Monsanto Company
317 First Savings & Loan Building
101 North Marienfeld
Midland, Texas 79701
Phone: (915) 683-3306



September 27, 1974

Mr. Daniel S. Nutter
New Mexico Oil Conservation Commission
Land Office Building
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case 5333
Examiner Hearing, Wednesday, October 2, 1974
State Land Office Building
Santa Fe, New Mexico

Dear Mr. Nutter:

In the matter of Case 5333, application of Mark Production Company for approval of an unorthodox gas well location 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, please be advised that Monsanto Company objects to approval of said application.

It is our opinion that a prospective location exists in the S/2 of said Section 9 which would comply with State-wide rules. It is also our opinion that approval of the unorthodox location would be an unnecessary infringement upon Monsanto's correlative rights under Section 8 and would not be in the best interest of conservation nor would your approval of this promote the greatest ultimate recovery of the potential gas reserves under said Section 9.

Respectfully yours,

Richard D. Jons
Regional Exploration Manager

RDJ:gw

cc: Mr. Carl Ulvog
Mr. E. M. Scholl



OIL CONSERVATION COMMISSION

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

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMJO
MEMBER

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

October 22, 1974

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

Re: CASE NO. 5333

ORDER NO. R-4884

Applicant:

Mark Production Company

Dear Sir:

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

Very truly yours,

N. 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. 5333
Order No. R-4884

APPLICATION OF MARK PRODUCTION
COMPANY 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, Mark Production Company, seeks approval of an unorthodox gas well location 660 feet from the South line and 660 feet from the West line of Section 9, Township 20 South, Range 25 East, NMPM, to test the Morrow formation, Cemetery-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the S/2 of said Section 9 is to be dedicated to the well.

(4) That the entire S/2 of said Section 9 may reasonably be presumed to be productive of gas from one or more sands in the Morrow formation.

(5) That a well drilled at the proposed unorthodox location should encounter a better grade of pay in one or more sands in the Morrow formation than a well drilled at a standard location in the S/2 of said Section 9.

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

(7) 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

-2-

CASE NO. 5333
Order No. R-4884

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:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be drilled by Mark Production Company at a point 660 feet from the South line and 660 feet from the West line of Section 9, Township 20 South, Range 25 East, NMPM, Cemetery-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 9 shall be dedicated to the above-described well.

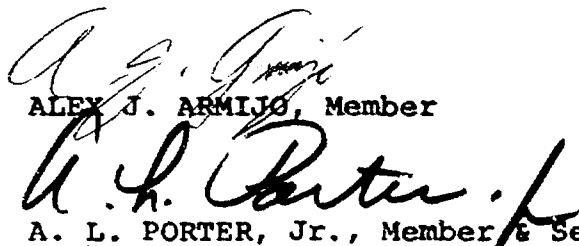
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

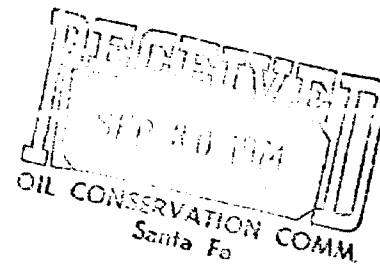
S E A L

jr/

Monsanto

Monsanto Company
317 First Savings & Loan Building
101 North Marienfeld
Midland, Texas 79701
Phone: (915) 683-3306

September 27, 1974



Mr. Daniel S. Nutter
New Mexico Oil Conservation Commission
Land Office Building
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case 5333
Examiner Hearing, Wednesday, October 2, 1974
State Land Office Building
Santa Fe, New Mexico

Dear Mr. Nutter:

In the matter of Case 5333, application of Mark Production Company for approval of an unorthodox gas well location 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, please be advised that Monsanto Company objects to approval of said application.

It is our opinion that a prospective location exists in the S/2 of said Section 9 which would comply with State-wide rules. It is also our opinion that approval of the unorthodox location would be an unnecessary infringement upon Monsanto's correlative rights under Section 8 and would not be in the best interest of conservation nor would your approval of this promote the greatest ultimate recovery of the potential gas reserves under said Section 9.

Respectfully yours,


Richard D. Jons
Regional Exploration Manager

RDJ:gw

cc: Mr. Carl Ulvog
Mr. E. M. Scholl

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, Cross-roads 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 Merrion & 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.

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

September 5, 1974

New Mexico Oil Conservation Commission
P. O. Box 2008
Santa Fe, New Mexico 87501

Re: Application of
Mark Production Co.

Gentlemen:

On behalf of the above referenced applicant, please find enclosed for filing an original and two copies of an application for unorthodox well location, Eddy County, New Mexico.

I would appreciate you scheduling this matter for hearing at the next examiners hearing on October 2, 1974.

Very truly yours,


W. Thomas Kellahin

WTK:ks

Enclosure

cc: Mr. Curtis Mewbourne

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF MARK PRODUCTION COMPANY FOR
UNORTHODOX WELL LOCATION, EDDY
COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES NOW Mark Production Company and applies to the Oil Conservation Commission of New Mexico for authority to drill a Morrow test well at an unorthodox location, 660 feet from the West line and 660 from the South line of Section 9, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant is the owner of the working interest in the S/2 of Section 9, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico and proposes to dedicate that acreage to this well.

2. Applicant proposes to drill a well to the Cemetery-Morrow Gas Pool at an unorthodox well location 660 feet from the West line and 660 feet from the South line of Section 9, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

3. Applicant's requested location is more advantageous for drilling than the orthodox location because of structural reasons.

DOCKET MAILED
Date 7-19-74

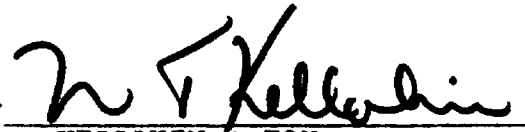
4. Approval of this application will result in the recovery of hydrocarbon not otherwise recoverable and will prevent waste and will not impair correlative rights.

WHEREFORE, applicant respectfully requests that this application be set for hearing before the Commission's duly appointed Examiner and that upon hearing, an order be entered authorizing the unorthodox location as described above.

Respectfully submitted,

MARK PRODUCTION COMPANY

By



KELLAHIN & FOX

P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

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. 5333

Order No. R-4884

APPLICATION OF MARK PRODUCTION
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

No penalty?
GLS
Don Alt
ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 2, 1944
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this 2 day of October, 1944, 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, Mark Production Company, seeks
approval of an unorthodox gas well location 660 feet from the
South line and 660 feet from the West line of Section 9, Township
20 South, Range 25 East, NMPM, to test the Morrow formation,
Cemetery-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the S/2 of said Section 9 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.~~

(7) 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:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well ^{drilled by Mark Production Company} to be located at a point 660 feet from the South line and 660 feet from the West line of Section 9, Township 20 South, Range 25 East, NMPM, Cemetery-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 9 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.

(4) That the entire S/2 of said Section 9 may reasonably be presumed to be productive of gas from one or more sands in the Morrow formation.

(5) That a well drilled at the proposed unorthodox location should encounter a better grade of pay in one or more sands in the Morrow formation than a well drilled at a standard location in the S/2 of said Section 9.

(3) That the S/2 of said Section 9 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.~~

(7) 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:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be ^{drilled by Mark Production Company} located at a point 660 feet from the South line and 660 feet from the West line of Section 9, Township 20 South, Range 25 East, NMPM, Cemetery-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 9 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.

(4) That the entire S/2 of said Section 9 may reasonably be presumed to be productive of gas from one or more sands in the Morrow formation.

(5) That a well drilled at the proposed unorthodox location should encounter a better grade of pay in one or more sands in the Morrow formation than a well drilled at a standard location in the S/2 of said Section 9.