

CASE NO. 5341 Appli. TEXAS OIL
& GAS CORP., unorthodox location,
Eddy County

CASE No.

5341

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 16, 1974

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Texas Oil & Gas Corporation) CASE
for an unorthodox location, Eddy County,) 5341
New Mexico.)
)
)

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, Esq. Legal Counsel for the Commission State Land Office Building Santa Fe, New Mexico
For Texas Oil & Gas Corp.:	A. J. Losee, Esq. LOSEE & CARSON Artesia, New Mexico
For the Petroleum Corp.:	Clarence Hinkle, Esq. HINKLE, BONDURANT, COX & EATON Hinkle Building Roswell, New Mexico

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DAVID MILLER

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MR. STAMETS: We will call the next Case, 5341.

MR. CARR: Case 5341, application of Texas Oil & Gas Corporation for an unorthodox location, Eddy County, New Mexico.

MR. STAMETS: Call for appearances in this Case.

MR. LOSEE: Mr. Examiner, A. J. Losee, Losee and Carson, Artesia, New Mexico appearing on behalf of the Texas Oil & Gas Corporation.

MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant, Cox and Eaton on behalf of the Petroleum Corporation.

MR. STAMETS: Any other appearances in this Case? May the witnesses be sworn, please?

MR. LOSEE: Yes, sir, Mr. Miller, if you will stand, please?

MR. HINKLE: We don't anticipate, but we might have one.

(Whereupon, the witness was duly sworn.)

DAVID MILLER

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

DIRECT EXAMINATION

BY MR. LOSEE:

Q Would you state your name, please?

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

A David Miller.

Q Where do you live?

A Midland, Texas.

Q What is your occupation?

A I'm a geologist with Texas Oil & Gas.

Q Have you previously testified before this Commission and had your qualifications as a geologist accepted?

A Yes, I have.

MR. LOSEE: Are Mr. Miller's qualifications acceptable?

MR. STAMETS: They are.

BY MR. LOSEE:

Q Would you state the purpose of the application of Texas Oil & Gas Corporation in Case 5341?

A We're seeking approval for an unorthodox location for a well, our No. 3 Williamson, to be located 1980 from the east line, 660 from the north line of Section 9, Township 20 South, Range 29 East, Eddy County, New Mexico.

Q That would be dedicated to your No. 3 Williamson well?

A Right, it would be in the east half of the proration unit.

Q All right, now, is this in a designated gas field

or --

A I'm not aware of whether this field has been designated or not at the present time.

Q Are all of your applications for Intention to Drill marked undesigned?

A Quite frankly, I don't know, I haven't seen the applications.

Q Okay. What would an orthodox location be in the northeast quarter of Section 9?

A It would be 1980 from the north line.

Q So that actually you are moving north 1320 feet?

A True.

Q Please turn to what has been marked Exhibit 1, and explain what is shown by this exhibit?

A Exhibit 1 is a land map showing the lease ownership of the leases around our proposed well, and the Wolfcamp and older producing formations are color coded, Wolfcamp being blue, Strawn purple, Atoka in orange, upper Morrow light green, and lower Morrow dark green, and also proposed and drilling wells in the area are shown.

Q Do you have anything further to add with respect to this Exhibit?

A I believe that is all at the present time.

Q Please turn to what has been marked as Exhibit 2, and I will ask you what is portrayed by this structure map?

A Well, this is a structure map on top of the lower Morrow sand, it shows the structural configuration in the area of our proposed location, and it shows basically an east-southeast dip, and, it also is apparent from looking at the map that structure is not important in the controlling of the accumulation of gas in the Morrow and Strawn formations.

Q So that by moving your location you are not really trying to improve your structure position?

A Well, we would be higher, but it doesn't have any bearing on the productive capabilities of the well.

Q Please turn to what has been marked as Exhibit 3 and explain what is shown by this cross section. And, I think before you do it, Mr. Miller, it might be well to point out the cross section on your Exhibit 2.

A I have two cross sections, they are labeled AA and BB and they are shown on Exhibit 2. Exhibit 3 which we are discussing now is the AA prime cross section, and has three wells plus the proposed location depicted on it. The westernmost well is our No. 1 Superior Federal, the middle well is the No. 1 Williamson Federal, and the right hand log

is the No. 2 Williamson Federal. The cross section is hung on a correlation point which is colored purple on the cross sections. The top of the Morrow clastic interval is labeled as well as the top of the lower Morrow formation, which was the datum of Exhibit No. 2, and the top of the Barnett is also shown. The middle or upper Morrow sand sequence is the main productive interval in this field, and these sands that develop sufficient porosity are the ones that are productive. To date no water has been encountered in any of these sands in the upper Morrow interval, and in an attempt to map the occurrence of the clean sands I've used a 50 API Gamma Ray cut off. Those sands which are cleaner or have less gamma ray radiation than 50 API units are colored red on the cross section, and these sands, this thickness will be shown in another exhibit. You will notice also that the perforations are shown; they are colored red, and also on the right-hand side of the log, which is in all cases, I believe, a density neutron porosity. The so-called gas effect which amplifies the variation in porosity on these two logs is colored red. In other words, where you have gas, the neutron log reads lower porosity than is actually present and the density reads more, and this separation of these two porosity curves is a useful and

convenient handle to indicate where gas is present. And the dirtier sands are colored yellow on the cross section, so you can look at the section and see where the red is, and that indicates where the potentially productive sands are located, and in this case you can see that the middle log has several of these zones, whereas the two end logs have very few clean sands. Now, I interpret these sands to be channel-type depositions. The base of the sands, and the tops are rather sharp, and these sands appear to have the characteristic that is commonly referred to as multi-storage sands. In other words, the area of deposition of the sands remains in the same geographical position through time so that you have an area in the center log, for instance, that was the site of deposition of clean sands throughout the upper-Morrow time, whereas the two logs on the end did not receive very much clean sand deposition.

Q Your Superior Federal No. 1 is producing only from the lower Morrow?

A From the lower Morrow which I have not colored. There are three wells in the field that have some perforations in the lower Morrow; this is the only well that has perforations only in the lower Morrow.

Q Now, your Williamson Federal No. 2 on the right

hand side, did you complete that as a producing well?

A No, it was a dry hole.

Q Why did you attribute that it was dry?

A It was not favorably located in an area of maximum clean sand. That position, there are some sand stringers in it, even some clean sand stringers, as evidenced by the red color, but they are thin and lack enough permeability to afford a commercial completion.

Q Do you have anything further to add with respect to Exhibit 3?

A That's all that I have at this time.

Q Please turn to your cross section BB, Exhibit 4, and explain what is shown by this exhibit?

A This cross section is hung and colored the same way as the previous cross section. It is shown on Exhibit 2 as an east-west section south of the AA prime cross section. It goes from our Yates Federal 2 Well through the Yates Federal 4, the Yates Federal 3, the Williamson Federal 1-A, and ends back at the same log, the Texam Gas No. 2 Williamson Federal. It also depicts an area of clean sand deposition, primarily encompassing the center three logs.

Q Do you interpret the center three logs as also being a channel deposition?

A I do, I think that this is a site of another sequence of channels.

Q And the drill stem test for each of these wells in the upper Morrow is noted opposite the log on this exhibit?

A That is true, and on the previous exhibit.

Q Do you have anything further to add with respect to this exhibit?

A I don't believe so.

Q Does this exhibit portray to you that there are clean, productive sands south of your Williamson No. 2?

A Yes, it certainly does.

Q Would you turn to what has been marked Exhibit 5, and explain what is portrayed on this isopach map?

A This is an isopach of the clean sands in the upper Morrow sequence which is merely a total of the sands that were colored red to the cross sections. As I said earlier, I interpret these to be channel sands, probably distributary-type channel sands, and have contoured them accordingly. The primary sites of the deposition then appear to be northwest-southeast channels, and a distributary-type channel, going on through our No. 1 Williamson Federal and through the proposed location.

Q And, are your channels here running parallel with the so-called beach sands?

A No, the primary channel running northwest would be perpendicular to it, the branch channel would run somewhat parallel to the direction of the beach sands.

Q Now, the Petroleum Corporation has recently drilled its No. 3 well in the southwest quarter of Section 4, have they not?

A They have.

Q Do you know whether or not the well has been completed?

A I have seen a CAOF reported in the PI of 2,045,000 cubic feet per day is all.

Q Has there been any other information released on the well?

A Perforations have been released, from this I have judged that the well is completed from the upper and lower Morrow sands.

Q Do you have an opinion as to whether or not a well completed at your proposed unorthodox location would receive contributions of gas from the sands surrounding your abandoned Williamson No. 2 well?

A The sands in there and around there would probably

contribute some gas. I think that the porous center of these channels would drain from tighter sands over a big area adjacent to them, although you could not complete a commercial well from the tighter sands.

Q Do you think the sands south of the Williamson No. 2 will contribute gas to a well at your unorthodox location?

A I don't know whether they would contribute gas to that well or not. I think there are porous sands that would produce there; I'm not an engineer and I don't know how far these sands are going to drain.

Q Do you think the Morrow is productive of gas in the east half of Section 9?

A I certainly do.

Q Now, what is the location of the Petroleum Corporation Well?

A I believe it is 660 from the south and west line of Section 4.

Q Is your proposed location, your unorthodox location, any closer to that unorthodox location than the Petroleum Corporation, than it would be if that were an orthodox location, and your well were at an unorthodox location?

A Yes, it is closer to the well, they would be approxi-

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mately equal distances from the lease lines if both were drilled at an orthodox location, but we are closer together. These two wells are closer now than if they were both drilled at orthodox locations.

Q Aren't they approximately one-half-mile apart?

A They are approximatey a half-a-mile.

Q Did you prepare Exhibits 1 through 5, or were they prepared under your direction?

A They were prepared under my direction.

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

MR. STAMETS: Is there any objection? The exhibits will be admitted.

(Whereupon, Exhibits 1 through 5 were admitted into evidence.)

MR. LOSEE: That's our direct testimony, Mr. Examiner.

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

MR. HINKLE: We have just a few questions here.

CROSS EXAMINATION

BY MR. HINKLE:

Q mr. Miller, if this well was to be drilled as a

regular location, which would be 1980 feet from the north line of Section 9, it would be considerably closer to your dry hole which you referred to as the Williams Well?

A Williamson Well, yes, it would.

Q In your opinion would this unorthodox location give your company any advantage over the regular location?

A I think that we would more than likely encounter some more of these channel sands, or at least better developed sands at the location we are requesting than at a south regular orthodox location.

Q Are you familiar with the Order which was entered into in connection with the Petroleum Corporation Well in Section 4?

A I'm not sure I'm familiar with what you're driving at; I know of some of the testimony involved.

Q As a matter of fact, your company protested that location, did they not?

A They did.

Q And, requested a penalty be invoked?

A I believe they did.

Q And that the Order which was entered assigned a rateable take factor of 76 percent, due to the advantage to be gained over the regular location?

A I learned today of the penalty.

Q Do you think that in this case your company ought to be assigned the same penalty in the event of prorationing?

A Well, that's what we're here for, I guess.

Q Do you have any objection to it?

A Well, we certainly would not prefer to have that penalty.

MR. HINKLE: I might say here that we do not protest the unorthodox location, but we believe that it will afford an undue advantage, and that the same penalty ought to be invoked here as was invoked in the case of the Petroleum Corporation. That's all I have.

MR. LOSEE: I have no further direct.

MR. STAMETS: I have one or two here.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Miller, referring to Section 10 on your Exhibit No. 5, I see a Cactus Drilling well?

A Yes.

Q Is that a Federal?

A Yes.

Q Which appears to have a thick section in this channel area, and it looks like a dry hole; do you know what

happened to that well?

A It has some thick sands in it, but it does not have, or does not appear to have enough permeability to produce. It was drill stem tested and they recovered mud on the DST, from that sand, and then another subsequent test which overlapped it and tested the lower Morrow with that recovered water, I'm assuming the water came from the lower Morrow sequence.

Q Do you know what acreage is dedicated to the Petroleum Corporation well in Section 4?

A It's the west half of 4.

Q The west half of 4?

A Yes, sir.

Q So, do you know of any well that has dedicated to it the east half of Section 4?

A No, there is no well with the east half dedicated to it.

Q Do you know who owns that acreage?

A It appears from the land map that Marathon owns the southeast quarter of the south half of that proration unit. It looks like Dalton Cobb and Superior own the north half of the unit.

Q Have you had any communication with Marathon

relative to this non-standard location?

A As far as I know there has been no communication at all from them.

Q I mean have you had communication with them.

A No, I have not talked to them myself at all.

Q Referring to your Exhibits Nos. 3 and 5, you have a cutoff line on your gamma ray of the clean sands at 50 API units; is this a figure that you have established based on your experience in the area?

A Right, that's all that it is. It certainly does not guarantee that you will have porosity and permeability; it seems to fit in this area remarkably well with the gas effect and with the zones that have been selected by engineers to perforate.

Q This increase above that point would be as a result of shales included in the sand which make it more dirty and less likely to be productive?

A That's right.

Q On the right side of all of these logs the neutron is recorded in the solid line and the density in the dashed line, is that correct?

A Well, I believe it's the other way around, at least in the log I'm looking at, I'm looking at the center

log, and in that case it's the neutron which is dashed and the density is a solid.

Q So your neutron reads farther to the right than you would expect?

A That's right it reads lower porosity because --

Q (Interrupting) Your density, then, drops off to the left of the log?

A Yes.

Q I believe you indicated there might be some problems of drainage from the southeast corner, or south half of the southeast of Section 9 up to your well in Section 3?

A I think there would be problems with any well draining to the other side of the proration unit. I'm not able to correlate these sands and I have several doubts as areal expanse of the sands.

Q Would this other development possibly drain these sands?

A Yes, I suspect that it would.

Q In your opinion, now, looking at Exhibit No. 5, will you achieve that much better position geologically with this non-standard location than you would at a standard location?

A I think so, of course, these maps have a tendency

to change when you drill a well, but it would be most desirable to be in the exact center of the channel suite because you would have more sand developments and thicker sands, and there seems to be a correlation between thickness of the sands and the amount of porosity development.

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

MR. HINKLE: There are no further questions, but I would like to call this to the attention of the Examiner. The advertisement here refers to this area as the Burton Flats-Morrow Gas Pool, and in all of the exhibits it is referred to as the North Burton Flats Field. Larry Shannon has just informed me that he understands that this has been designated as the Russel Field.

MR. STAMETS: I'm sure the Commission's records would properly reflect the nomenclature, and the description is otherwise correct in the advertisement, and this would be clarified in any Order issued by the Commission.

The witness may be excused. Is there anything further in this Case?

MR. LOSEE: Yes, I think I have an observation. First I would like for the Commission to take administrative notice of the record in the Petroleum Corporation's applica-

tion in Case No. 5253 which was for their No. 3 Well.

And, then, I would like to make a short observation or two.

MR. STAMETS: Mr. Hinkle, do you have a statement?

MR. HINKLE: Well, I think I have all ready made a statement. In fact, we have no objection to the unorthodox location, but we think that because of the unorthodox location since it's a penalty in the other, the Petroleum Corporation case, that it ought to be carried through in this case the same way; and that is only effective in case of prorationing.

MR. LOSEE: I would like to make a couple of observations, if I may? Not having been present when the Petroleum Corporation application was heard, but I have read the record. It appears that the objection in that Case, raised by Texas Oil & Gas, was not on the basis of the unorthodox location, but on the basis of the advantage. That well would obtain over Texas Oil & Gas's No. 1 Well in the northwest quarter of Section 9, spaced for the west half of 9. In this case -- let me before I leave that case -- the testimony there shows that the Petroleum Corporation made an effort to lay the unit down south, in the south half, in which event they could have crowded the south line to 660

feet, but Marathon did not wish to participate because of the marginal nature they considered of their acreage in the southeast quarter of Section 4; and when that occurred Petroleum Corporation spaced their well on the west half, and I would say that the penalty was -- 24 percent was assessed, not because of drainage for a well in the northeast quarter of nine, but because of the drainage of the well in the northwest quarter, and that the advantage, if any, by this location, is to the Marathon acreage in the southeast quarter of Section 4, directly adjoining it. There is no particular advantage over the Petroleum Corporation Well in the southwest quarter.

MR. HINKLE: We, of course, disagree with that statement.

MR. CARR: Mr. Examiner, the Oil Commission has received a telegram from D. T. Colley, Petroleum Engineer for Superior Oil Company in Midland, Texas. It reads: (Reading) Re Case 5341, Superior Oil, an offset working interest owner opposes the unorthodox location in the absence of a compensating penalty for doing this. (End of reading.)

MR. STAMETS: I might just make one thing clear for the record, and I believe Mr. Miller did testify to this, but I just want to ask him this: The No. 2 Well, which was

a dry hole actually did recover some gas from the Morrow, indicating that it is productive, it's just not productive in paying quantities?

MR. MILLER: I do not know whether any gas was reported out of it. They had trouble testing this well, and had several packer failures, and several days later when they eventually got a short test off over it, and I don't believe there was gas reported. I know there wasn't on our drilling report; whether there was any gas in the drill pipe, I don't know. I was testifying to the fact that I think you could perforate and treat it and make some gas out of it.

MR. STAMETS: Based on the log?

MR. MILLER: Based on the log.

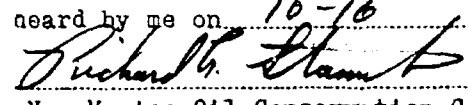
MR. STAMETS: Okay. We will take the case under advisement.

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

I, SIDNEY F. MORRISH, 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.


SIDNEY F. MORRISH, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5341, heard by me on 10-10, 1977.


Richard W. Stamm, Examiner
New Mexico Oil Conservation Commission

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. 5341
Order No. R-4894

APPLICATION OF TEXAS OIL & GAS
CORPORATION 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 16, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th 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 Oil and Gas Corporation, seeks approval of a gas well location for its Williamson Federal Well No. 3 to be drilled to the Morrow formation 660 feet from the North line and 1980 feet from the East line of Section 9, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico.
- (3) That the E/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 due to the unorthodox location of the above-described well, the correlative rights of an offset operator will be impaired if unrestricted production by the subject well is permitted.
- (6) That to offset the advantage to be gained over the offset operator, the subject well to be drilled in the E/2 of Section 9 should be assigned a ratable take factor of 91 percent.

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CASE NO. 5341
Order No. R-4894

(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 the Texas Oil and Gas Corporation Williamson Federal Well No. 3 to be located at a point 660 feet from the North line and 1980 feet from the East line of Section 9, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico.

PROVIDED HOWEVER, that said well is assigned a ratable take factor of 91 percent.

PROVIDED FURTHER, that in the event that said well shall be included in a pool which is prorated, the subject well shall be assigned an acreage factor for proration purposes of 0.91.

(2) That the E/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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

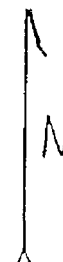
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

jr/



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PMS STATE LAND OFFICE ATTN DANIEL S MUTTER EXAMINER, FONE AND
RAIL
PO BOX 2088
SANTA FE NM 87501
RE CASE #5341 SUPERIOR OIL OFFSET WORKING INTEREST OWNER OPPOSES
UNORTHODOX LOCATION IN ABSENCE OF COMPENSATING PENALTY FOR DRAINAGE
T.D. CLAY, PETROLEUM ENGINEER THE SUPERIOR OIL COMPANY MIDLAND
TEXAS

1223 EDT

IPMFEXA SANA

Docket No. 29-74

Dockets Nos. 30-74 and 31-74 are tentatively set for hearing on October 30 and November 13, 1974. Application for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 16, 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 November, 1974;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for November, 1974.

CASE 5304: (Continued from the September 4, 1974, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Mercury Production Company, American Employers' Insurance Company and all other interested parties to appear and show cause why the Mercury State Well No. 1 located in Unit E of Section 27, Township 10 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5292: (Continued from the September 18, 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 4976: (Reopened) (Continued from the October 2, 1974, Examiner Hearing)

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

(Case 4976 continued from Page 1)

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 5313: (Continued and Readvertised)

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 19, Township 30 North, Range 10 West, San Juan County, New Mexico.

CASE 5338: Application of Amerada Hess Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the Devonian formation through the open-hole interval from 10,980 feet to 11,180 feet in its State BTC Well No. 1, located in Unit N of Section 35, Township 11 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

CASE 5339: Application of John L. Cox for salt water disposal, Lea County, New Mexico. Applicant in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the open-hole interval from approximately 4989 feet to 5017 feet in his U.S.M. Well No. 2, located in Unit H of Section 27, Township 9 South, Range 37 East, West Sawyer-San Andres Pool, Lea County, New Mexico.

CASE 5340: Application of Atlantic Richfield Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its State BR Well No. 1, located in Unit K of Section 16, Township 21 South, Range 26 East, Eddy County, New Mexico, in such a manner as to produce gas from an undesignated Atoka gas pool through the tubing and gas from an undesignated Morrow gas pool through the casing-tubing annulus by means of a cross-over assembly.

CASE 5341: Application of Texas Oil & Gas Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Williamson Fed. Well No. 3, located 660 feet from the North line and 1980 feet from the East line of Section 9, Township 20 South, Range 29 East, NMPM, Burton Flats-Morrow Gas Pool, Eddy County, New Mexico, the E/2 of said Section 9 to be dedicated to the well.

CASE 5342: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Leon Davis, Fidelity and Deposit Company of Maryland, and all other interested parties to appear and show cause why the New Mexico State "Heart" Well No. 1, located in Unit J of Section 16, Township 14 North, Range 32 East, NMPM, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5343: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Paul Haskins, Trustee and Continental Casualty Company, and all other interested parties to appear and show cause why the Arthur Cain Well No. 1, located in Unit N of Section 4, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5344: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit American Fuels Corporation and Aetna Casualty and Surety Company, and all other interested parties, to appear and show cause why the following American Fuels Wells on the W-S Ranch in Colfax County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

NM-B Well No. 1, located in Unit G of Section 6, Township 30 North, Range 19 East;

NM-B Well No. 2, located in Unit P of Section 16, Township 30 North, Range 18 East;

NM-B Well No. 4, located in Unit H of Section 18, Township 30 North, Range 18 East;

NM-B Well No. 5, located in Unit P of Section 30, Township 30 North, Range 19 East; and

NM-B Well No. 10, located in Unit N of Section 24, Township 31 North, Range 19 East.

CASE 5345: Application of Texaco, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Fusselman, Montoya, and Ellenburger formations, North Justis Field, in the wellbore of its G. L. Erwin "B" Fed. (NCT-2) Well No. 5, located in Unit P of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 5346: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Blinebry formation and the East Warren-Drinkard Pool in the wellbore of its Warren Unit Well No. 11, located in Unit A of Section 35, Township 20 South, Range 38 East, Lea County, New Mexico.

CASE 5347: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the West Warren-Blinebry and East Skaggs-Drinkard Pools in the wellbore of its SEMU Berger Well No. 21, located in Unit O of Section 19, Township 20 South, Range 38 East, Lea County, New Mexico.

Examiner Hearing - Wednesday - October 16, 1974

Docket No. 29-74

-4-

CASE 5348: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Blinebry and Drinkard Pools in the wellbores of its Elliott B Well No. 6, located in Unit J of Section 6, Township 22 South, Range 37 East, and its Lockhart B-1 Well No. 9, located in Unit I of Section 1, Township 22 South, Range 36 East, both in Lea County, New Mexico.

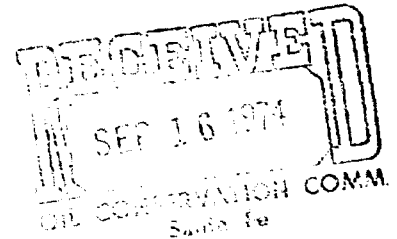
TEXAS OIL & GAS CORP.

DRAWER 591

MIDLAND, TEXAS 79701

24-5341

September 13, 1974



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

Re: Application for Permit to Drill
At an Unorthodox Gas Well Location
Williamson Federal #3
Sec. 9-20S-29E
Eddy County, New Mexico

Gentlemen:

Attached for your consideration and approval are three copies of NMOCC Form 9-331C, Application for Permit to Drill, for our Williamson Federal #3, a proposed 11,850' Morrow gas test. Also attached for your information are copies of NMOCC Form C-102, Well Location and Acreage Dedication Plat, our tentative drilling mud program, surface use check list, sketches showing heads and preventor equipment and location layout, and plats showing our proposed gas gathering line and existing and new roads to this location.

Texas Oil & Gas Corp. is the operator of an oil and gas lease covering all of Section 9-20S-29E, Eddy County, New Mexico. Our Williamson Federal #1 was drilled on this lease at a location 660' FWL, 1980' FNL, and was completed for a CAOF of 15,000 MCFD on 1-9-74. Subsequently, our Williamson Federal #2 was drilled to test Morrow sands underlying a surface location 1980' FS & EL of Section 9. This well encountered substantial Morrow sand thickness; however, these sands had inadequate permeability to provide commercial gas rates and the well was plugged and abandoned.

We now propose to develop the east half of Section 9-20S-29E by drilling the Williamson Federal #3 in the NE/4 of Section 9. We believe the east 320 acres of the section to be productive of gas from the Morrow sands and that the proposed location is necessary to provide a reasonable chance to recover present gas reserves and to protect correlative rights. For these reasons we respectfully request that the Commission grant an exception to Statewide Rule 104 C II to permit Texas Oil & Gas to drill it's Williamson Federal #3

DOUGLAS
10-11-74
D. H. [unclear]

September 13, 1974

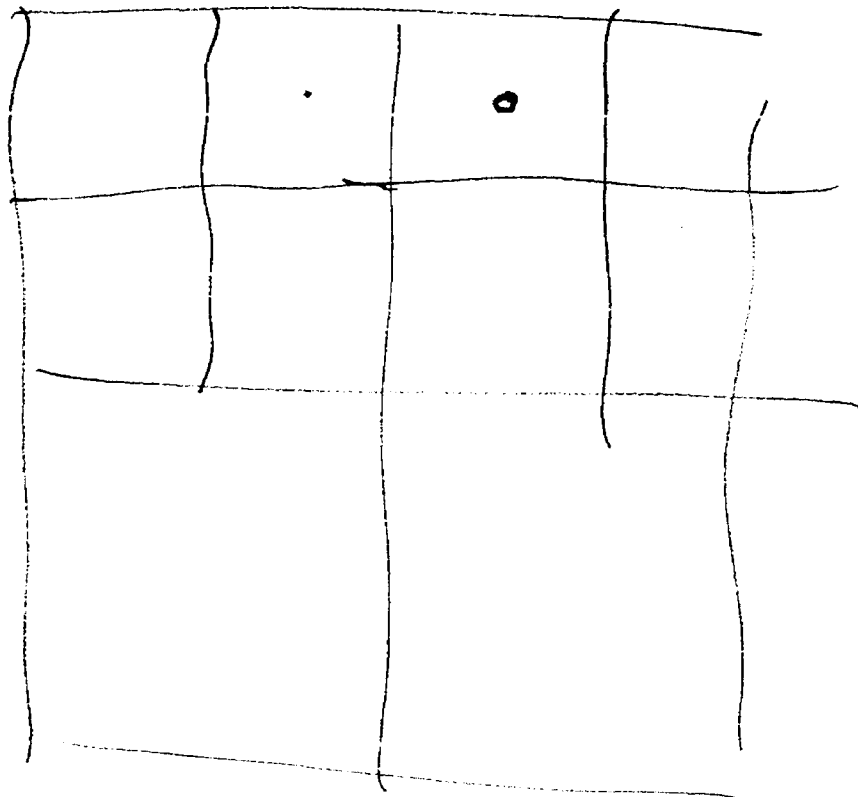
at a location 660' FNL, 1980' FEL, Sec. 9, and to dedicate that portion of the east half of Section 9 which can reasonably be permitted to be productive of Morrow gas. Inasmuch as our proposed location is an unorthodox location as defined by State-wide Rule 104 C II, we respectfully request that this matter be set for hearing before an examiner at the earliest possible time.

Very truly yours,


George Sutphen
District Production Manager

GS:cc

Attachments



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒OTHER ☐SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Texas Oil & Gas Corp.

3. ADDRESS OF OPERATOR

P. O. Dr. 591, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

660' FNL, 1980' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

10 miles NE of Carlsbad, New Mexico

16. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drg. unit line, if any)

660'

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2640'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

NA

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	13 3/8"	48	550	500
12 1/4"	8 5/8"	32	3200	2000
7 7/8"	4 1/2"	11.6 & 13.5	11,850	500

1. Drill to 550' and set 13 3/8" casing
2. Drill 12 1/4" hole to 3200' and set 8 5/8" casing using BOP
3. Drill out with 7 7/8" bit and drill to TD using BOP and hydril
Mud up at 8800' with 10# weight. Well control equipment to be
in compliance with U. S. Dept. of Interior regulations

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

J. R. Colter

TITLE

Staff Engineer

DATE

9-12-74

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

2-341

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒OTHER ☐SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Texas Oil & Gas Corp.

3. ADDRESS OF OPERATOR

P. O. Dr. 591, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)

At surface

660' FNL, 1980' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

10 miles NE of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2640'

19. PROPOSED DEPTH

11,850

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

NA

22. APPROX. DATE WORK WILL START*

October 20, 1974

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	13 3/8"	48	550	500
12 1/4"	8 5/8"	32	3200	2000
7 7/8"	4 1/2"	11.6 & 13.5	11,850	500

1. Drill to 550' and set 13 3/8" casing
2. Drill 12 1/4" hole to 3200' and set 8 5/8" casing using BOP
3. Drill out with 7 7/8" bit and drill to TD using BOP and hydro mud up at 8800' with 10# weight. Well control equipment to be in compliance with U. S. Dept. of Interior regulations

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

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CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

00005341

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

B. TYPE OF WELL

OIL WELL ☐GAS WELL ☒OTHER ☐SINGLE ZONE ☐MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Texas Oil & Gas Corp.

3. ADDRESS OF OPERATOR

P. O. Dr. 591, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

660' FNL, 1980' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

10 miles NE of Carlsbad, New Mexico

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2640'

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20. ROTARY OR CABLE TOOLS

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21. ELEVATIONS (Show whether DF, RT, GR, etc.)

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22. APPROX. DATE WORK WILL START*

October 20, 1974

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1. Drill to 550' and set 13 3/8" casing

2. Drill 12 1/4" hole to 3200' and set 8 5/8" casing using BOP

3. Drill out with 7 7/8" bit and drill to TD using BOP and hydraulic
Mud up at 8800' with 10# weight. Well control equipment to be
in compliance with U. S. Dept. of Interior regulations

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

J. R. Colter
J. R. Colter

TITLE

Staff Engineer

DATE

9-12-74

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

File 2-341

TENTATIVE DRILLING MUD PROGRAM
WILLIAMSON FEDERAL #3
SEC. 9-20S-29E
EDDY COUNTY, NEW MEXICO

1. 0'-700', drill with fresh water
2. Drill out with 10# brine to 3200', using flosal and starch after reaching 3200'
3. Drill out of 8 5/8" casing using fresh water to 8800'. Mud up to 10# wt., 32 vis, 10 WL, using brine water and polymer mud.

TENTATIVE DRILLING MUD PROGRAM
WILLIAMSON FEDERAL #3
SEC. 9-20S-29E
EDDY COUNTY, NEW MEXICO

1. 0'-700', drill with fresh water
2. Drill out with 10# brine to 3200', using flosal and starch after reaching 3200'
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TENTATIVE DRILLING MUD PROGRAM
WILLIAMSON FEDERAL #3
SEC. 9-20S-29E
EDDY COUNTY, NEW MEXICO

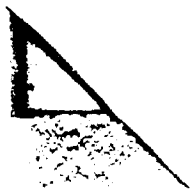
1. 0'-700', drill with fresh water
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3. Drill out of 8 5/8" casing using fresh water to 8800'. Mud up to 10# wt., 32 vis, 10 WL, using brine water and polymer mud.

SURFACE USE CHECK LIST
WILLIAMSON FEDERAL #3
SEC. 9-20S-29E
EDDY COUNTY, NEW MEXICO

1. Existing roads are indicated in green on the attached map.
2. Our planned access will require approximately 1320' of new road as indicated in red on the attached map.
3. All existing wells and our planned location are indicated on the attached map.
4. No laterals are planned.
5. The TB or surface equipment to serve this well will be located on the drilling pad. A planned 3" gas pipeline to tie in to existing gathering lines is indicated in blue on the attached map.
6. Drilling water will be purchased from existing commercial supplies and will be trucked in to the location.
7. Waste disposal will be handled by appropriate approved means at such time as it becomes necessary. No need for waste disposal is currently anticipated.
8. No camps are planned.
9. No airstrips will be constructed. If necessary, the Carlsbad Municipal Airport, approximately 20 miles south of this location, will be used.
10. Location layout is attached.
11. All pits used for drilling will be levelled after drying out.

SURFACE USE CHECK LIST
WILLIAMSON FEDERAL #3
SEC. 9-20S-29E
EDDY COUNTY, NEW MEXICO

1. Existing roads are indicated in green on the attached map.
2. Our planned access will require approximately 1320' of new road as indicated in red on the attached map.
3. All existing wells and our planned location are indicated on the attached map.
4. No laterals are planned.
5. The TR or surface equipment to serve this well will be located on the drilling pad. A planned 3" gas pipeline to tie in to existing gathering lines is indicated in blue on the attached map.
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7. Waste disposal will be handled by appropriate approved means at such time as it becomes necessary. No need for waste disposal is currently anticipated.
8. No camps are planned.
9. No airstrips will be constructed. If necessary, the Carlsbad Municipal Airport, approximately 20 miles south of this location, will be used.
10. Location layout is attached.
11. All pits used for drilling will be levelled after drying out.

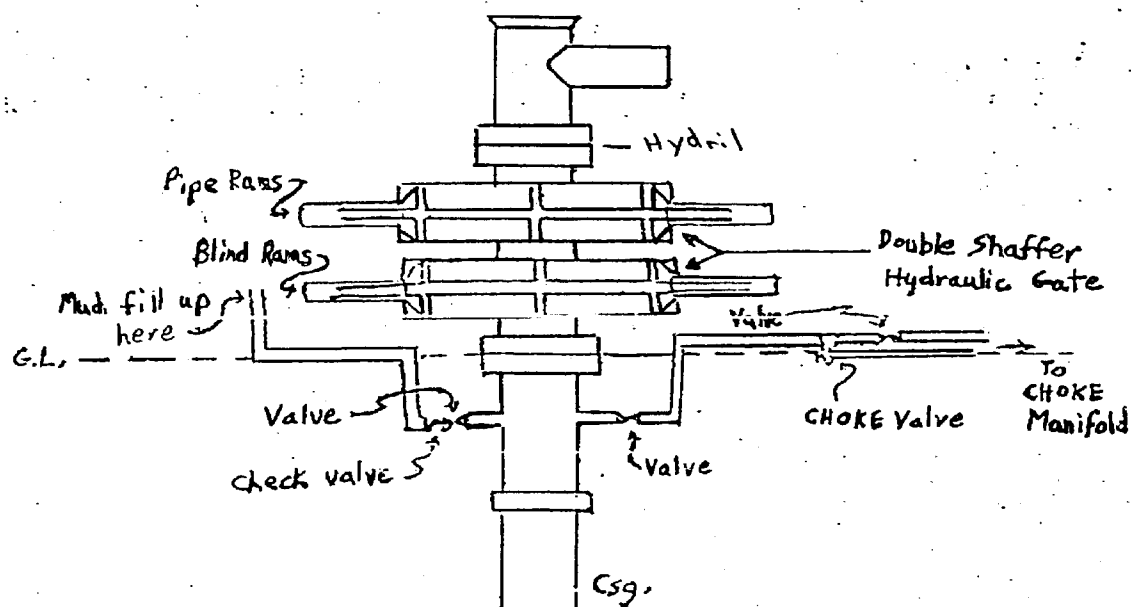
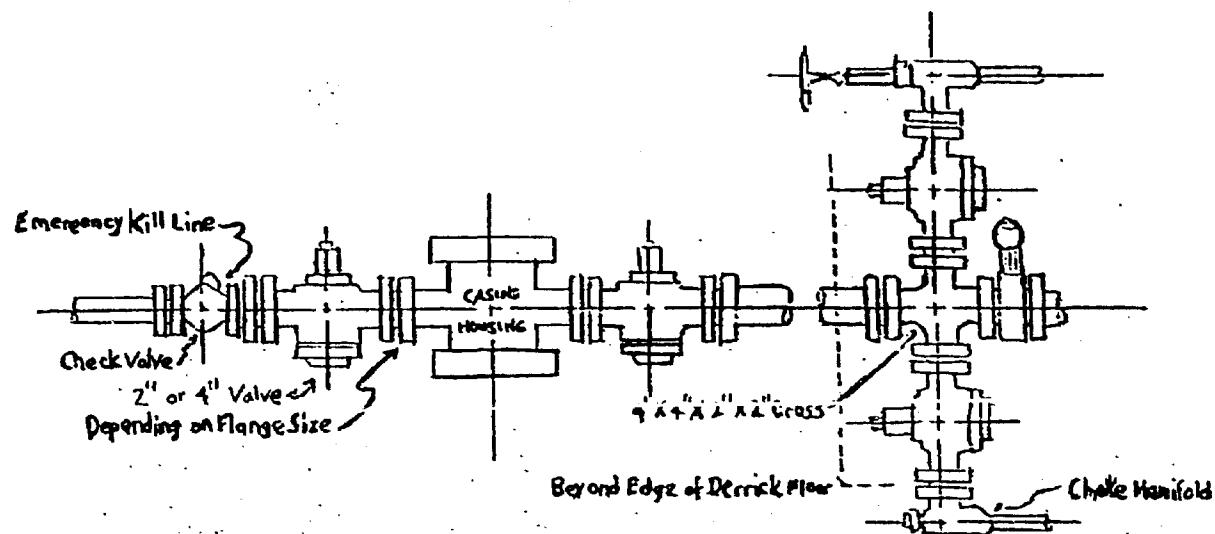


6-10-5341

SURFACE USE CHECK LIST
WILLIAMSON FEDERAL #3
SEC. 9-20S-29E
EDDY COUNTY, NEW MEXICO

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2. Our planned access will require approximately 1320' of new road as indicated in red on the attached map.
3. All existing wells and our planned location are indicated on the attached map.
4. No laterals are planned.
5. The TB or surface equipment to serve this well will be located on the drilling pad. A planned 3" gas pipeline to tie in to existing gathering lines is indicated in blue on the attached map.
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8. No camps are planned.
9. No airstrips will be constructed. If necessary, the Carlsbad Municipal Airport, approximately 20 miles south of this location, will be used.
10. Location layout is attached.
11. All pits used for drilling will be levelled after drying out.

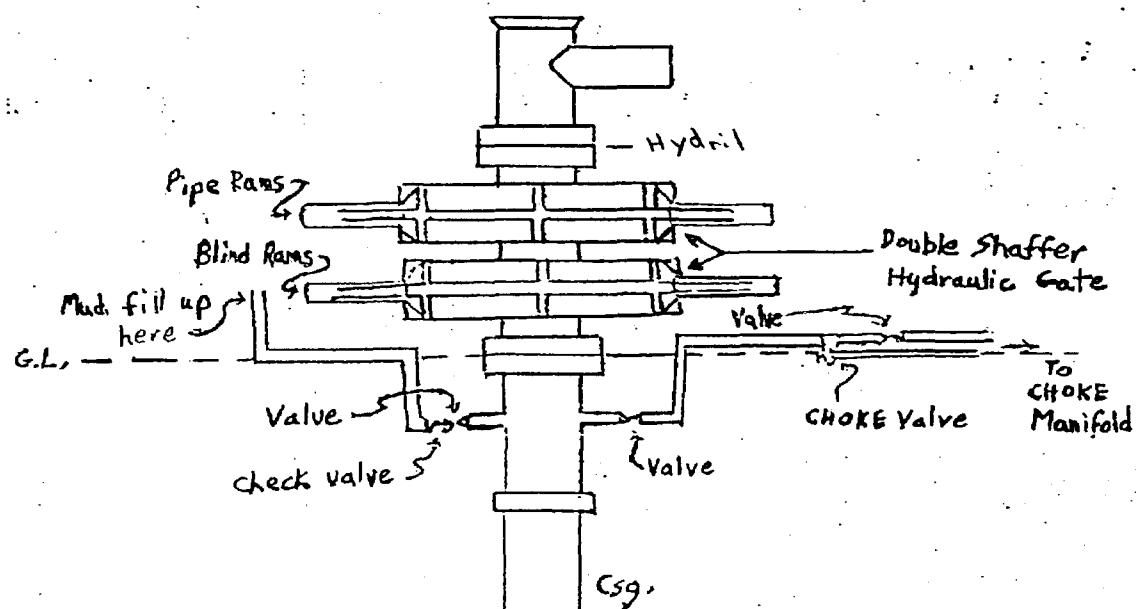
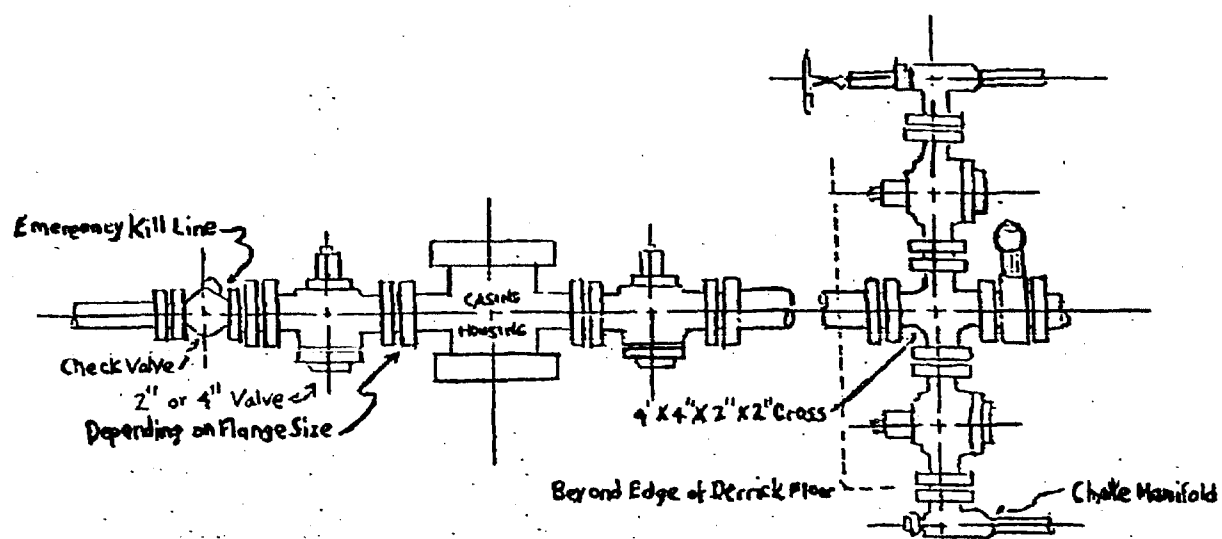
Case 5341



BLOWOUT PREVENTOR - 10" - 900 SERIES
 TEXAS OIL & GAS CORP.
 WILLIAMSON FEDERAL #3
 660' FNL, 1980' FEL, SEC. 9-20S-29E
 EDDY COUNTY, NEW MEXICO

Heads & preventor equipment will all be 3000# WP

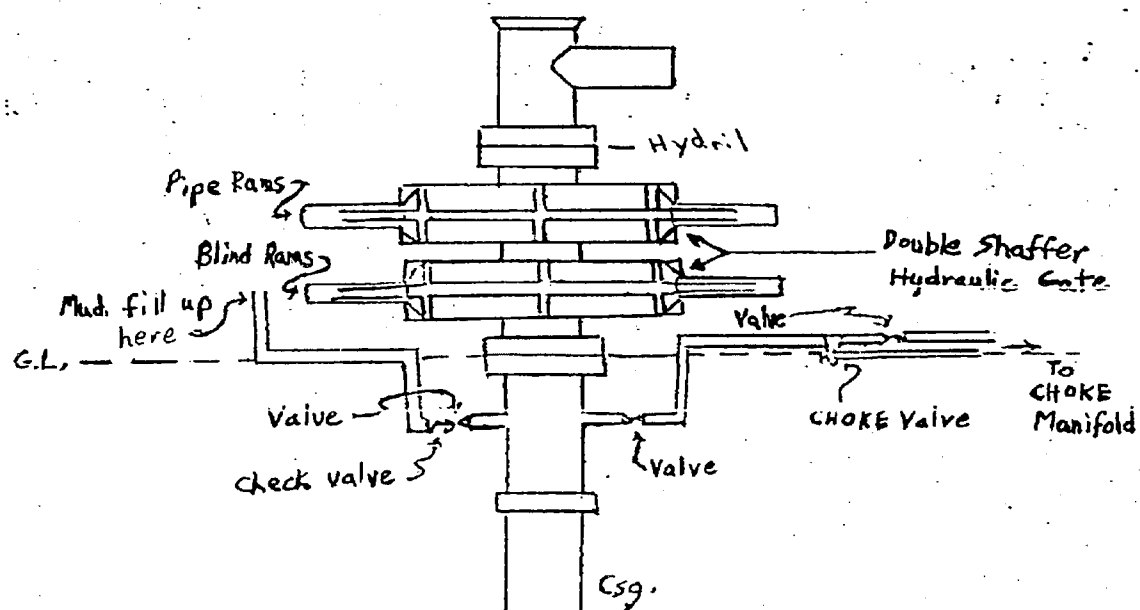
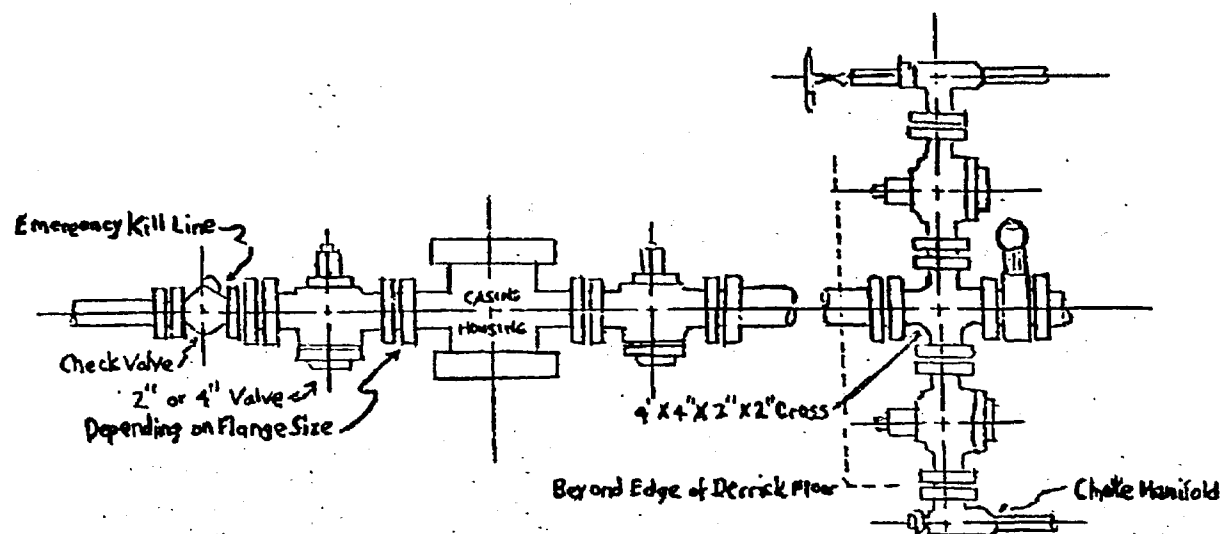
5-341



BLOWOUT PREVENTOR - 10" - 900 SERIES
 TEXAS OIL & GAS CORP.
 WILLIAMSON FEDERAL #3
 660' FNL, 1980' FEL, SEC. 9-20S-29E
 EDDY COUNTY, NEW MEXICO

Heads & preventor equipment will all be 3000# WP

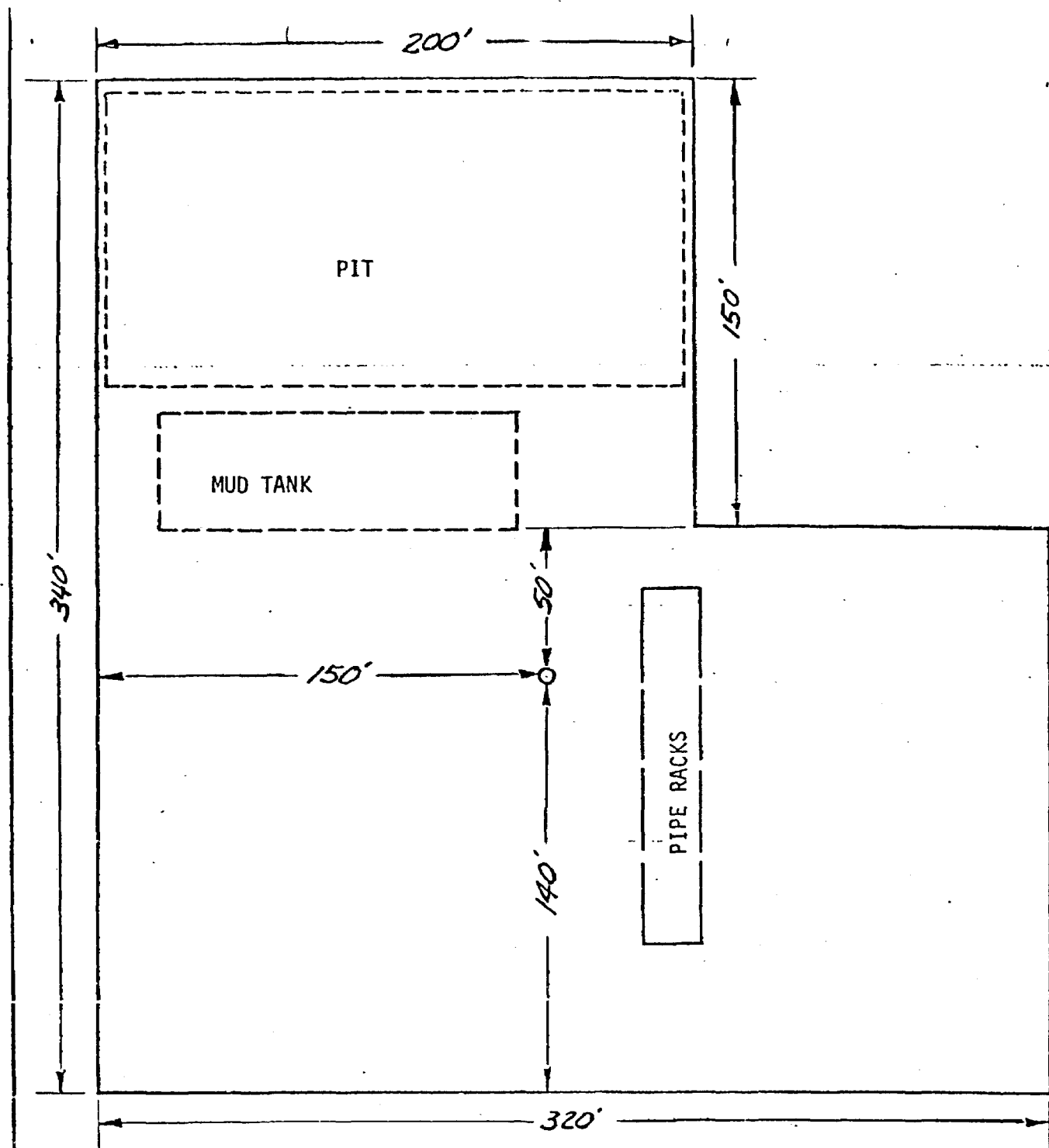
Case 5-341



BLOWOUT PREVENTOR - 10" - 900 SERIES
 TEXAS OIL & GAS CORP.
 WILLIAMSON FEDERAL #3
 660' FNL, 1980' FEL, SEC. 9-20S-29E
 EDDY COUNTY, NEW MEXICO

Heads & preventor equipment will all be 3000# WP

C 220 5-34



RIG VEE DOOR TO EAST

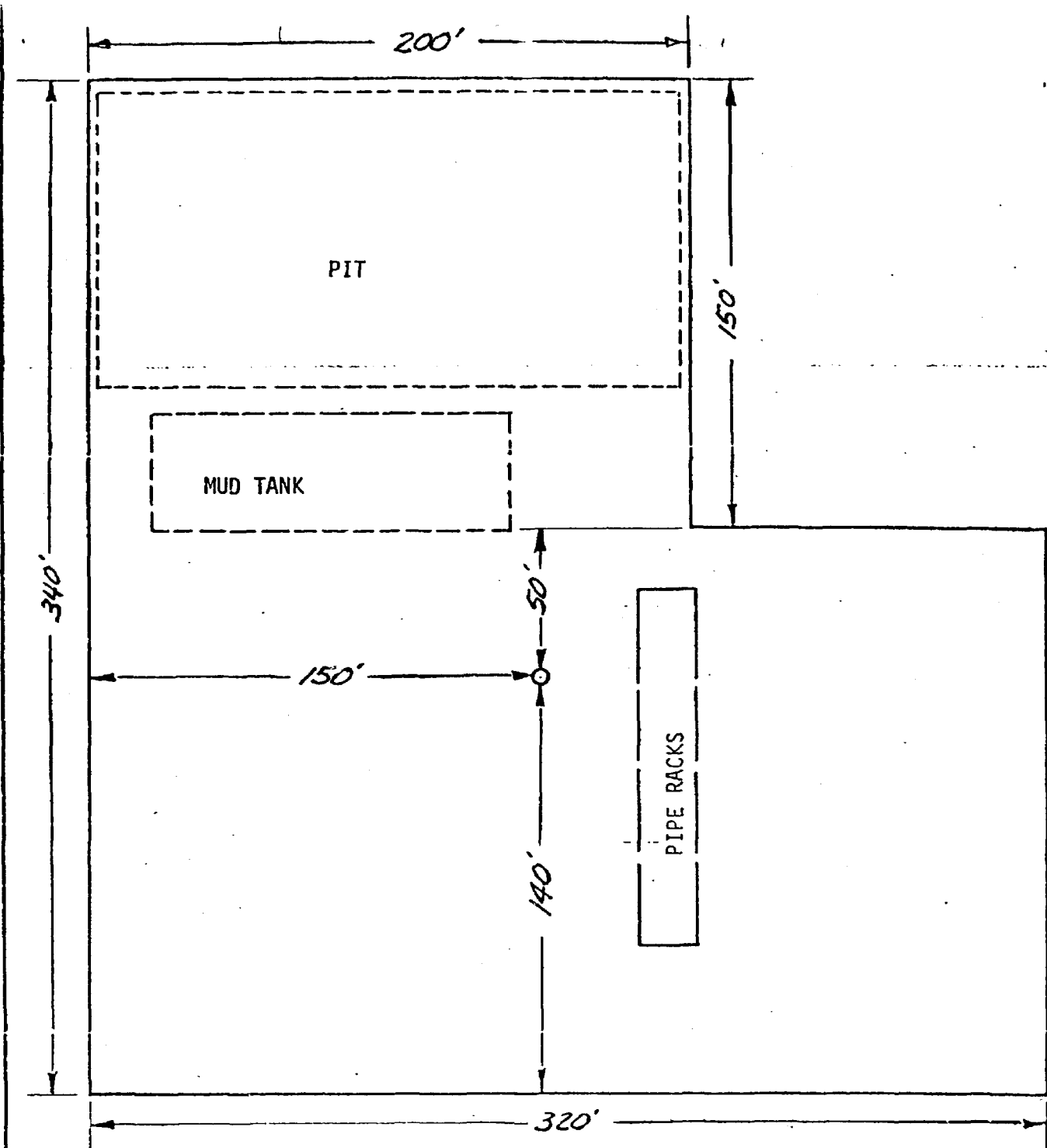
TEXAS OIL & GAS CORP.

LOCATION LAYOUT

WILLIAMSON FEDERAL #3
EDDY COUNTY, NEW MEXICO

scale 1" = 50'
HIGHLAND, TEXAS

5341



RIG VEE DOOR TO EAST

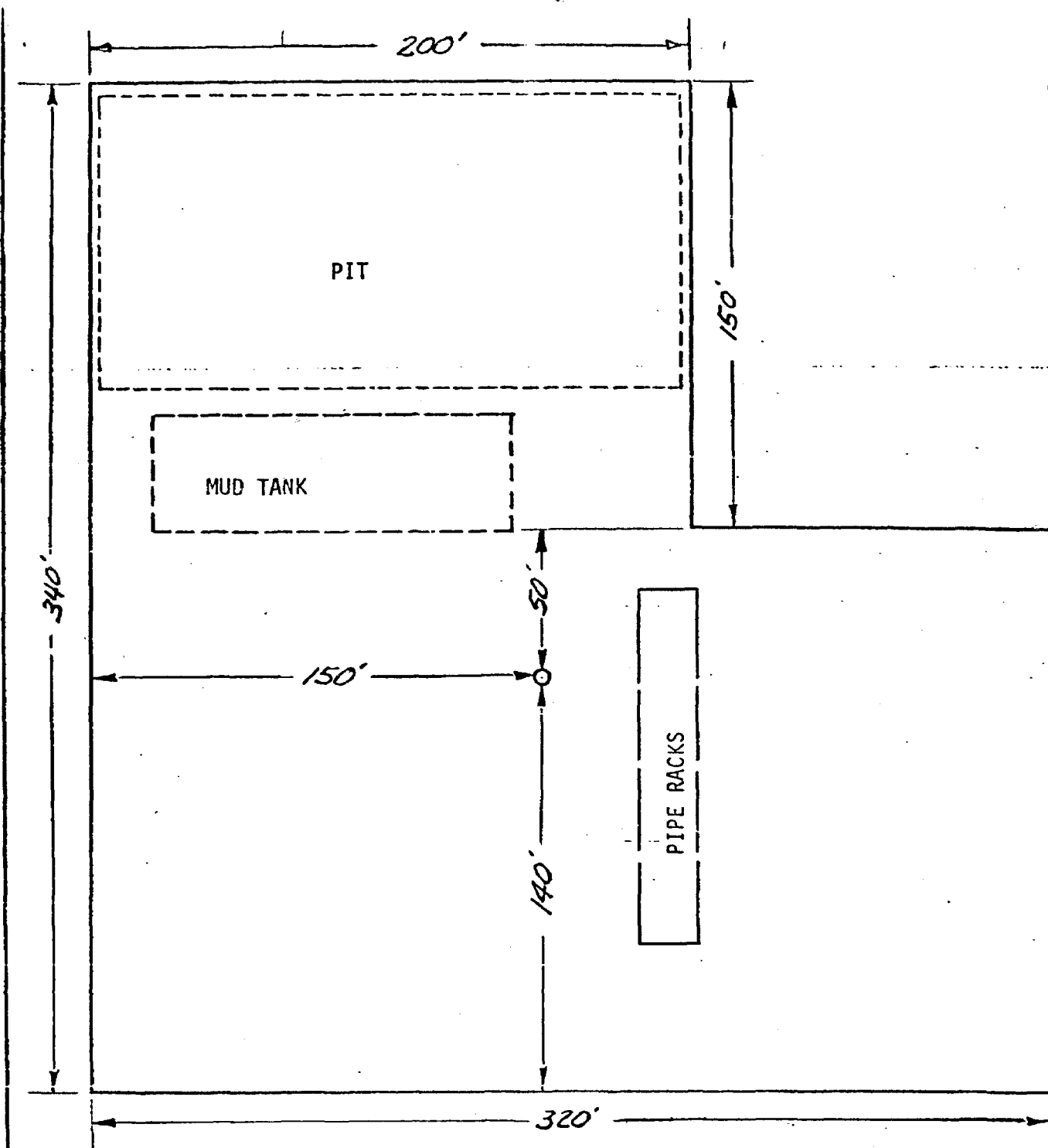
TEXAS OIL & GAS CORP.

LOCATION LAYOUT

WILLIAMSON FEDERAL #3
EDDY COUNTY, NEW MEXICO

scale 1" = 50'
MIDLAND, TEXAS

534



RIG VEE DOOR TO EAST

TEXAS OIL & GAS CORP.

LOCATION LAYOUT

WILLIAMSON FEDERAL #3
EDDY COUNTY, NEW MEXICO

scale 1" = 50'
MIDLAND, TEXAS

Case 537

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

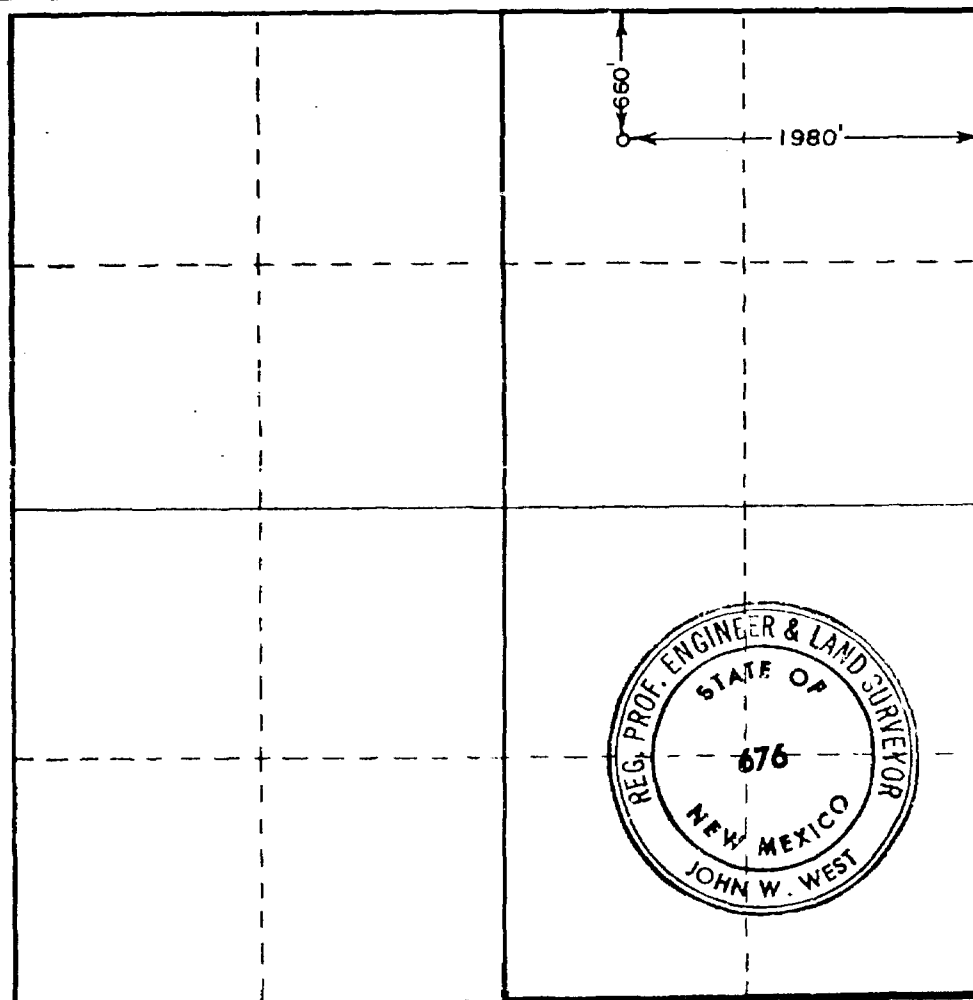
Operator Texas Oil & Gas Corp.			Lease Williamson Federal		Well No. 3
Unit Letter B	Section 9	Township 20 South	Range 29 East	County Eddy	
Actual Footage Location of Well: 660 feet from the North line and 1980 feet from the East line.					
Ground Level Elev. 320	Producing Formation Morrow		Pool Burton Flat		Estimated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

J. R. Colter
J. R. Colter

Staff Engineer

Texas Oil & Gas Corp.

September 12, 1974

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

September 11, 1974

Register of Professional Engineer and/or Land Surveyor

John W. West
Certificate No. 676



Case 5341

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator Texas Oil & Gas Corp.		Lease Williamson Federal		Well No. 3
Unit Letter B	Section 9	Township 20 South	Range 29 East	County Eddy
Actual Fontage Location of Well: 660 feet from the North line and 1980 feet from the East line				
Ground Level Elev.	Producing Formation Morrow	Pool Burton Flat	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
J. R. Colter
Position
Staff Engineer
Company
Texas Oil & Gas Corp.
Date
September 12, 1974

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
September 11, 1974
Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No.
676

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

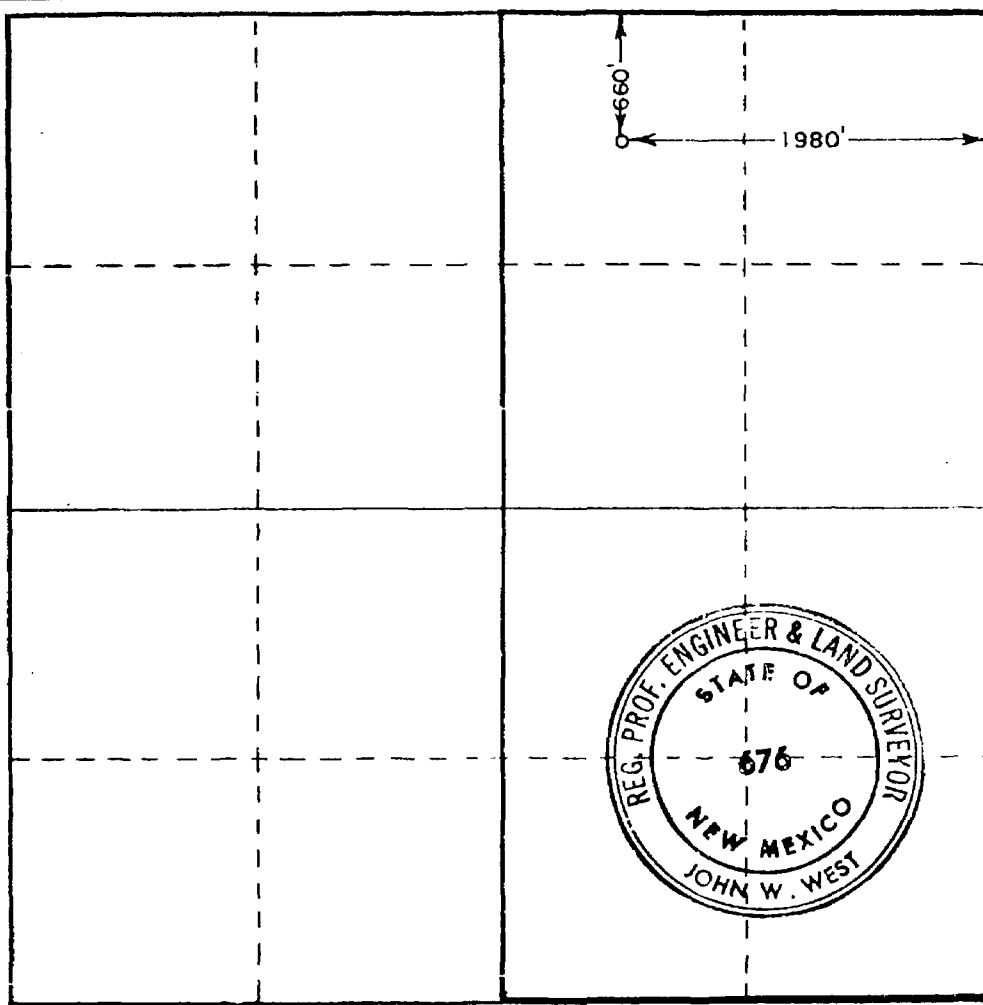
Operator Texas Oil & Gas Corp.			Lease Williamson Federal		Well No. 3
Unit Letter B	Section 9	Township 20 South	Range 29 East	County Eddy	
Actual Footage Location of Well: 660 feet from the North line and 1980 feet from the East line					
Ground Level Elev.	Producing Formation Morrow		Pool Burton Flat	Dedicated Acreage 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

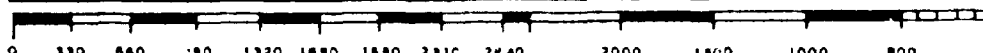
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

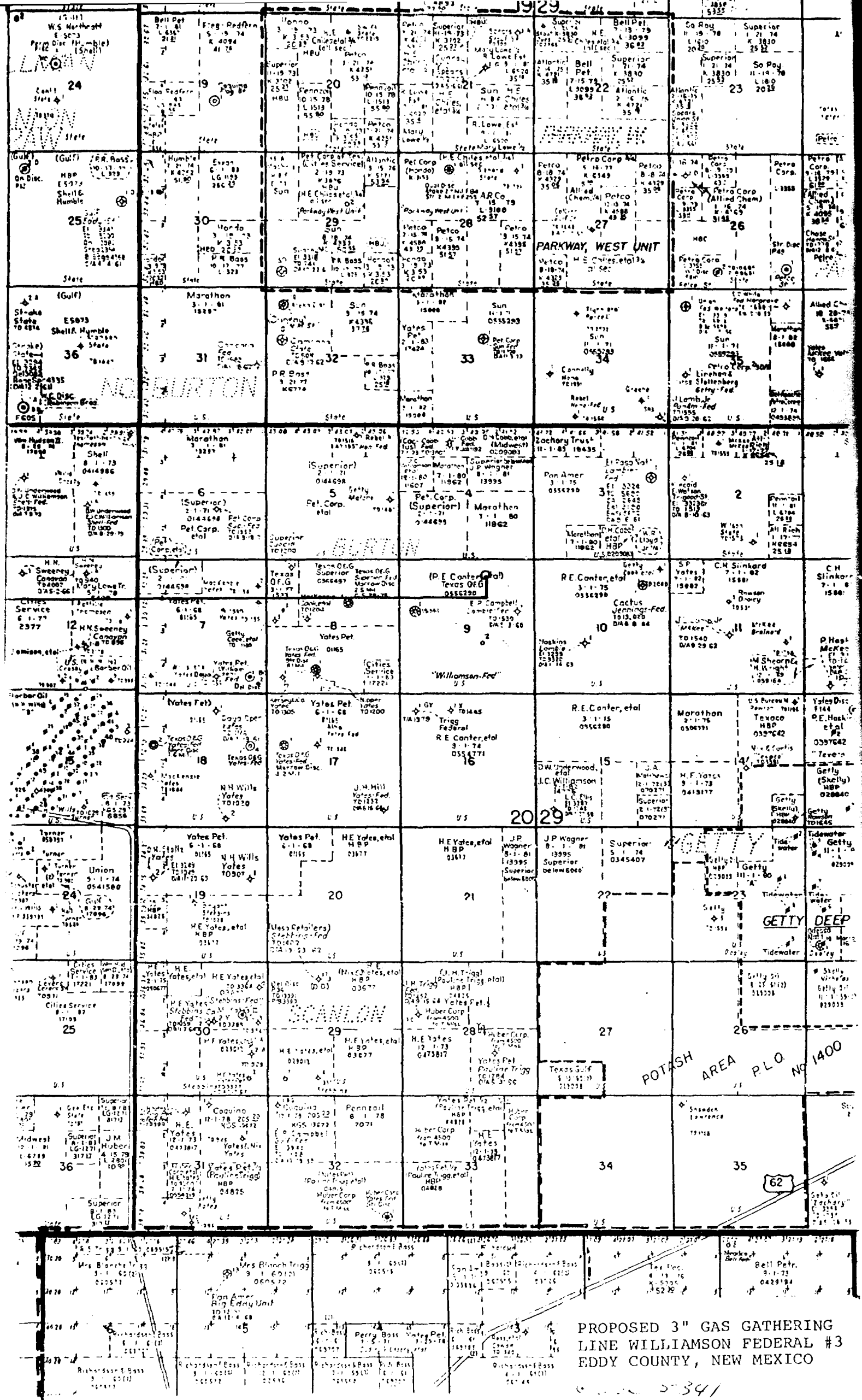
J. R. Colter
Name
J. R. Colter
Position
Staff Engineer
Company
Texas Oil & Gas Corp.
Date
September 12, 1974

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
September 11, 1974
Registered Professional Engineer and/or Land Surveyor

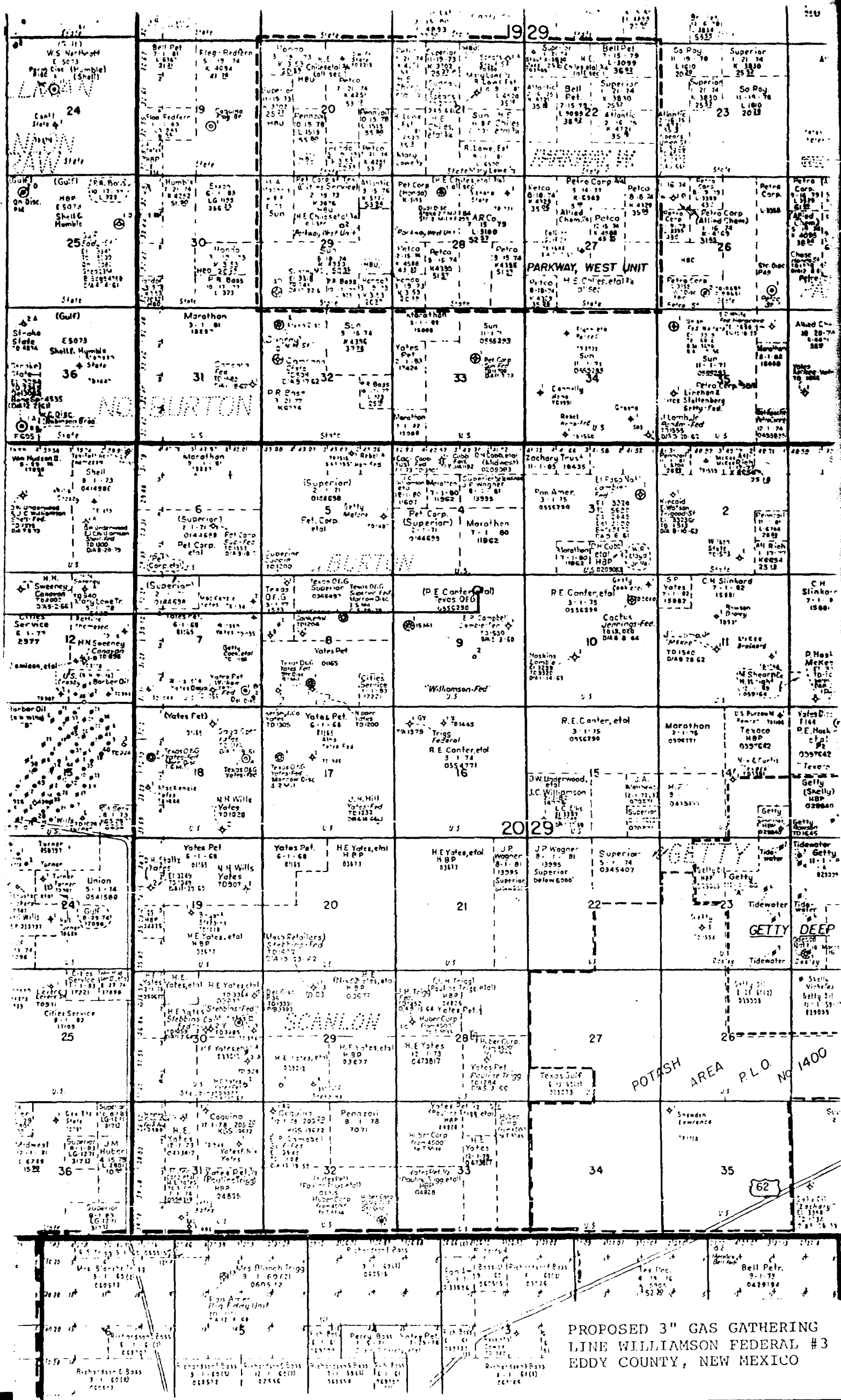
John W. West
Certificate No.
676



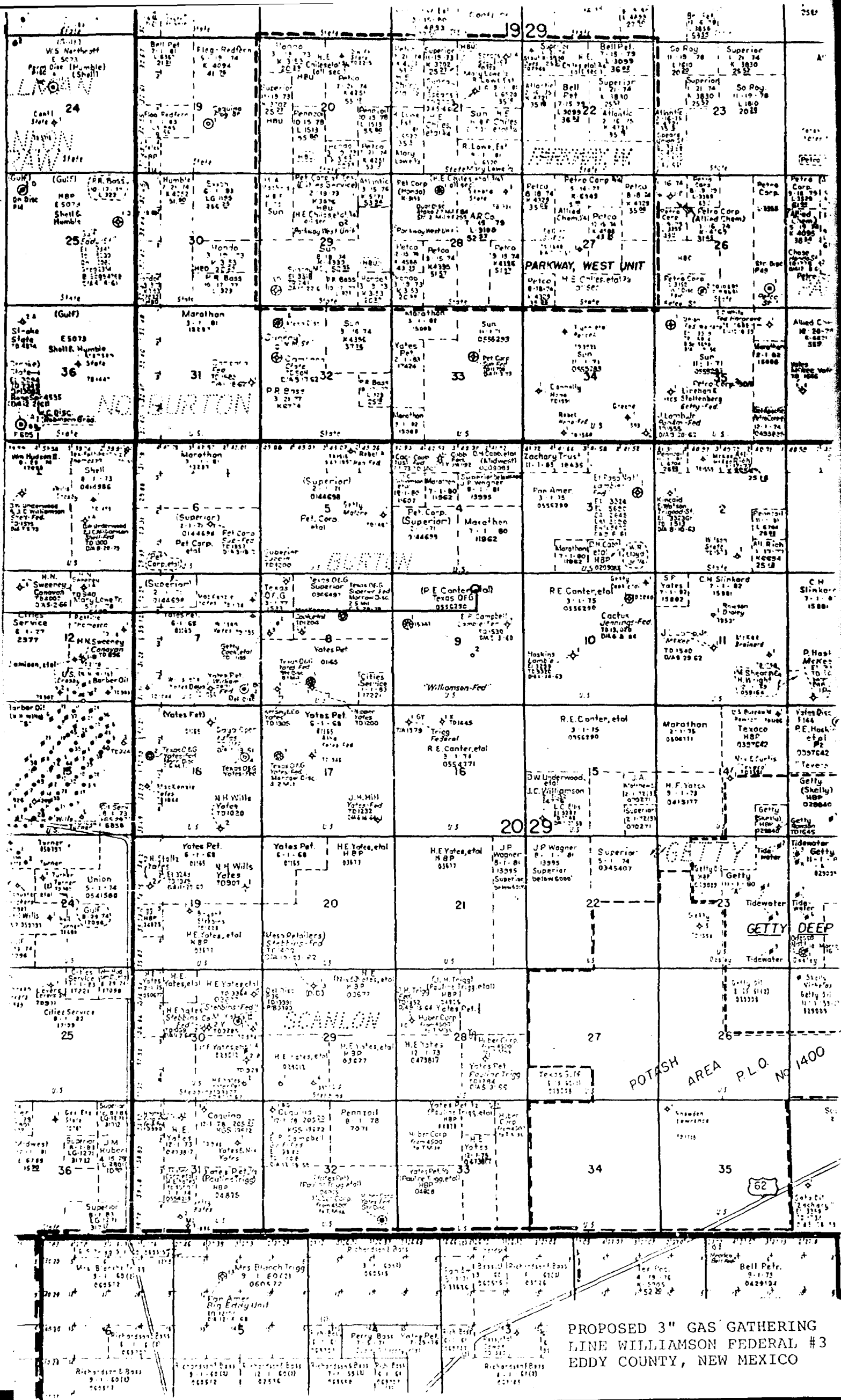


PROPOSED 3" GAS GATHERING
LINE WILLIAMSON FEDERAL #3
EDDY COUNTY, NEW MEXICO

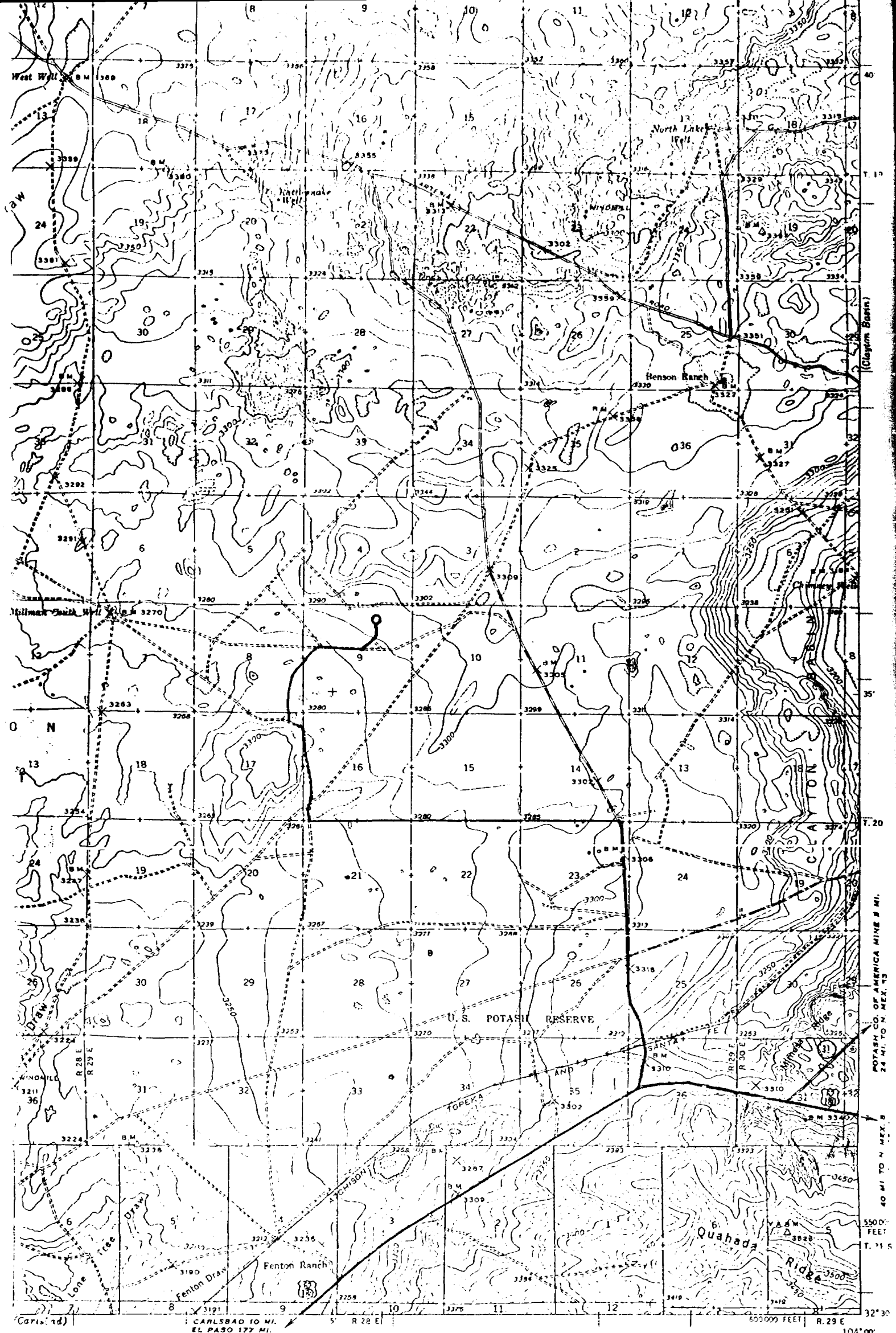
5-341



PROPOSED 3" GAS GATHERING
LINE WILLIAMSON FEDERAL #3
EDDY COUNTY, NEW MEXICO



PROPOSED 3" GAS GATHERING
LINE WILLIAMSON FEDERAL #3
EDDY COUNTY, NEW MEXICO



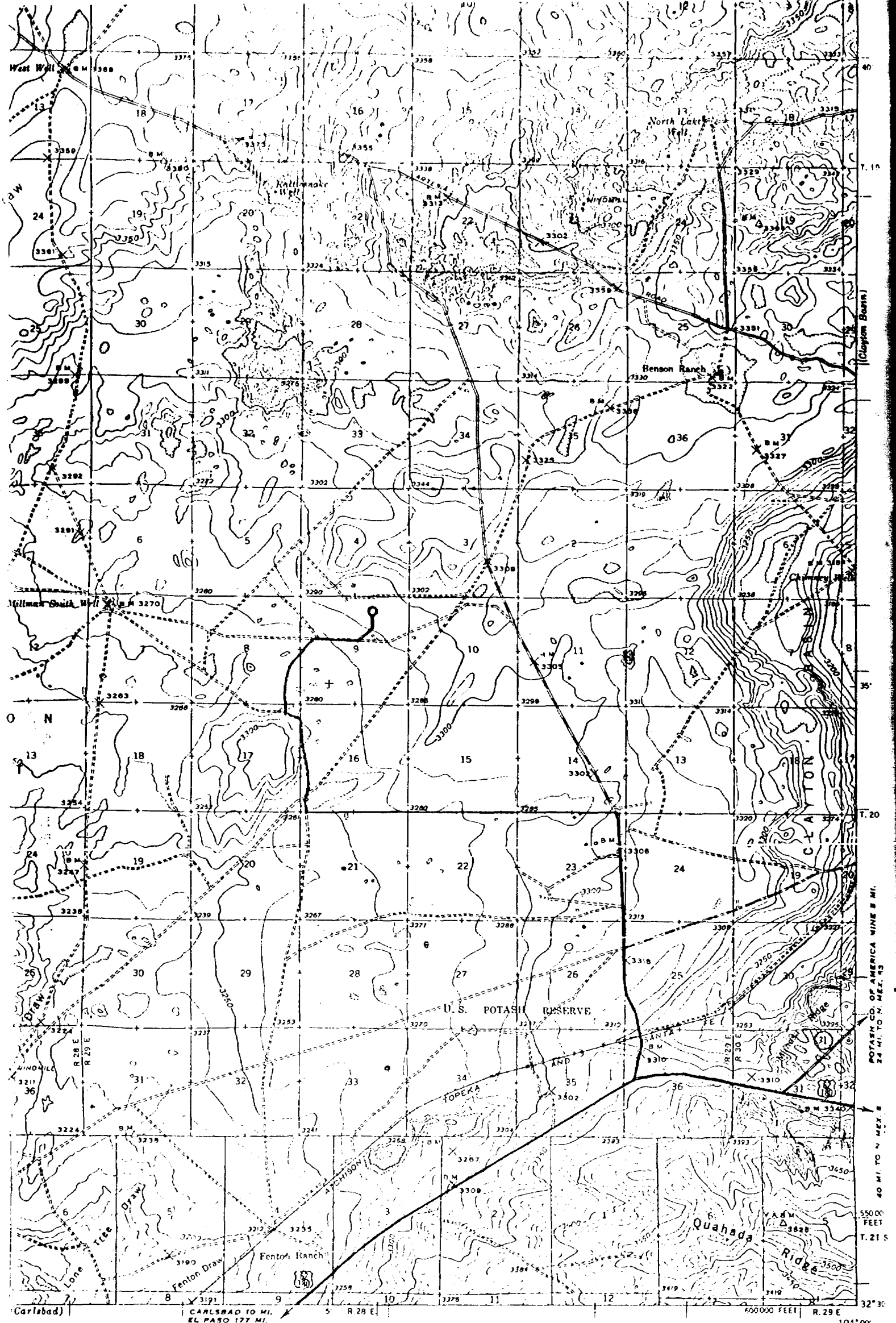
SCALE 1:62 500

Polyconic projection. 1927 North American datum
5000 yard grid based on U.S. zone 18 5

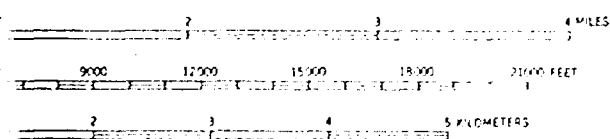
EXISTING ROADS

NEW ROAD

four interval 10 feet



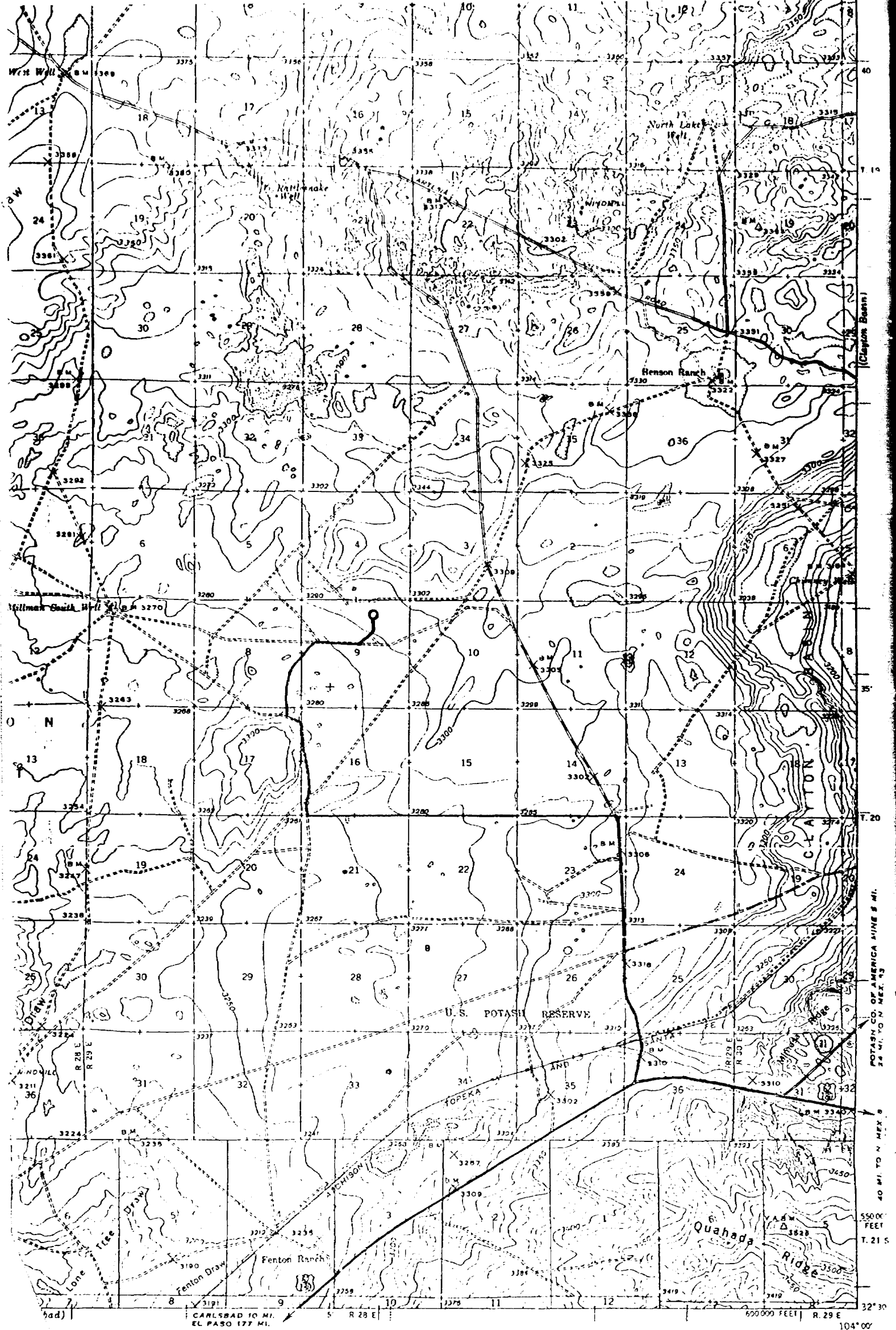
SCALE 1:62500



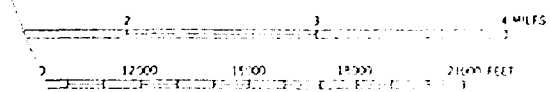
Contour Interval 10 feet

Polyconic projection, 1927 North American datum
 6000 feet and based on 11.15 degrees latitude

EXISTING ROADS
 NEW ROAD

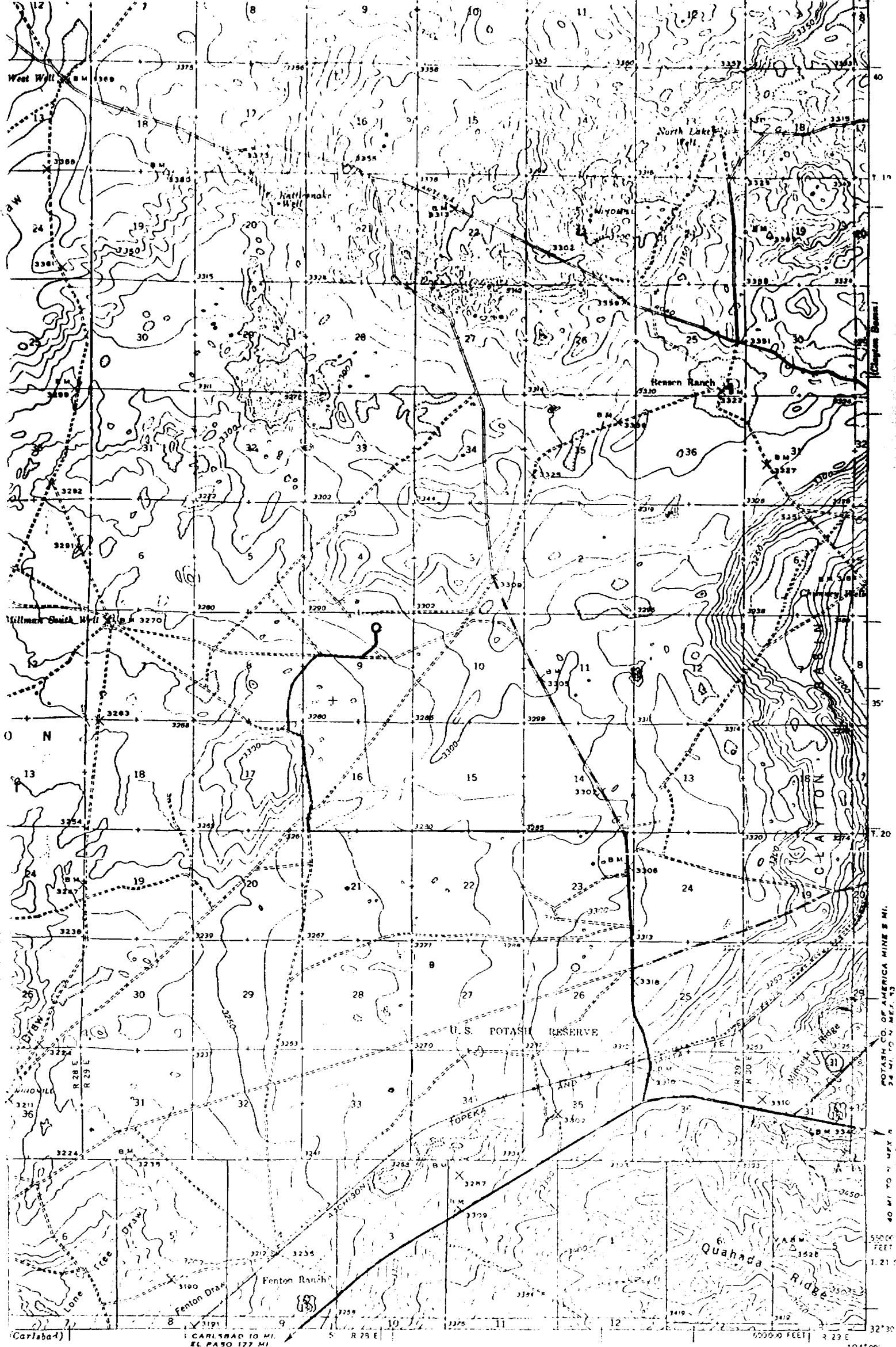


E 152500

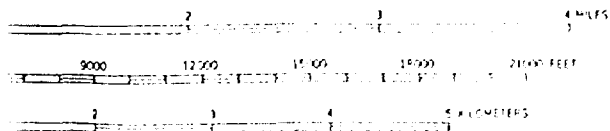


Polyconic projection. 1927 North American datum
5000 feet contour interval

EXISTING ROADS
NEW ROAD



SCALE 1:62,500



Projection: 1927 North American datum
6000 feet above datum

EXISTING ROADS

NEW ROAD

DRAFT

jr/RLS

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. 5341

Order No. R- 4894

APPLICATION OF TEXAS OIL & GAS
CORPORATION 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 16, 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, Texas Oil and Gas Corporation, seeks
approval of a gas well location for its Williamson Federal Well No.
3 to be drilled to the Morrow formation 660 feet from the North
line and ¹⁹⁸⁰ ~~660~~ feet from the East line of Section 9, Township 20
South, Range 29 East, NMPM, Eddy County, New Mexico.

1 -2-
2 CASE NO. 5341
3 Order No. R-

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

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

8 (5) That due to the unorthodox location of the above-described
9 well, the correlative rights of an offset operator will be impaired
10 if unrestricted production by the subject well is permitted.

11 (6) That to offset the advantage to be gained ^{over} the offset
12 operator, the subject well to be drilled in the E/2 of Section 9
13 should be assigned a ratable take factor of 91 percent.

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

21 IT IS THEREFORE ORDERED:

22 (1) That an unorthodox gas well location for the Morrow
23 formation is hereby approved for ^{the} Texas Oil and Gas Corporation
24 Williamson Federal Well No. 3 to be located at ¹⁹⁸⁰ point 660 feet
25 from the North line and ~~660~~ feet from the East line of Section 9,
26 Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico.

27 PROVIDED HOWEVER, that said well is assigned a ratable take
28 factor of 91 percent.

29 PROVIDED FURTHER, that in the event that said well shall be
30 included in a pool which is prorated, the subject well shall be
31 assigned an acreage factor for proration purposes of 0.91.

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

(3) That jurisdiction