

CASE 5469: READ & STEVENS FOR UNORTHO-  
DOX GAS WELL LOCATION, CHAVES COUNTY,  
NEW MEXICO

10/1/69  
H. C. Stevens

CASE No.

5469

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 28, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens  
for an unorthodox gas well loca-  
tion, Chaves County, New Mexico.

Case No.  
5469

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Applicant:

Donald G. Stevens, Esq.  
214 Old Santa Fe Trail  
Santa Fe, New Mexico  
87501

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

CASE 5469

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I N D E X

PAGE

KAY C. HAVENOR

Direct Examination by Mr. Stevens

3

E X H I B I T S

Marked

Admitted

Applicant's Exhibits Nos.  
1 through 4

--

11

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HAVENOR-DIRECT

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MR. STAMETS: Call the next case, 5469.  
Case 5469 being Application of Read & Stevens for an  
unorthodox gas well location, Chaves County, New Mexico.

MR. STEVENS: Mr. Examiner, I'm Don Stevens,  
Santa Fe, representing the Applicant in this Case. We  
have one witness to be sworn.

MR. STAMETS: Any other appearances in this  
Case? The Witness will stand and be sworn, please.

(Witness sworn.)

KAY C. HAVENOR

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

DIRECT EXAMINATION

BY MR. STEVENS:

Q Would you state your name, your address, your  
occupation and your relationship with the Applicant in  
this Case?

A My name is Kay C. Havenor, I live in Roswell,  
New Mexico, I'm representing Read & Stevens as a consult-  
ing geologist.

Q Have you previously testified before this  
Commission and had your qualifications accepted by the  
Commission?

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A Yes, sir, I have.

MR. STEVENS: Are the Witness' qualifications acceptable?

MR. STAMETS: Yes, they are.

BY MR. STEVENS:

Q Briefly, would you state what the Applicant seeks in this hearing?

A The Applicant seeks approval of an unorthodox location for Pennsylvanian gas in Buffalo Valley-Penn Field, Chaves County, New Mexico.

Q Referring to what has been marked as Exhibit No. 1, would you explain it for the Commission?

A Exhibit 1 is a land ownership plat showing the ownership of leases surrounding the proposed unorthodox location in the SW/4 of Section 7, Township 15 South, Range 28 East.

Q What is the proration unit subject in this Case?

A The S/2 of Section 7.

Q And in what respect is this location unorthodox?

A Normally field rules provide for drilling in the NW/4 and the SE/4 of this section.

Q This well therefore being in the SW/4 --

HAVENOR-DIRECT

A (Interrupting) Would be unorthodox for that reason.

Q Could you give us the ownership of a majority of the acreage surrounding this proposed location?

A The majority of the acreage surrounding the proposed location is owned or controlled by Read & Stevens. Read & Stevens are also the operators of all of the offset wells.

Q Referring to what has been marked as Exhibit 2, would you go through it for the Commission, please?

A Exhibit 2 is a structure contour map with the datum being the top of the Atoka formation. This map shows a gentle structural configuration with a relatively gentle southeast dip. There does not appear to be much structural control on accumulation in Buffalo Valley - Penn Field. This map also shows the location of our cross section marked AA' which is of significance in its relationship to the proposed location and the two adjacent wells, the Piatt Well on the south in Section 18 and the Lulu Well to the north in Section 7.

Q How does the structural position of the proposed location compare with the standard location as regards to previously completed wells, up-dip and down-dip?

A The proposed location would be slightly high structurally to the Piatt Well; located to the south would be up-dip structurally from a standard location in the SE/4 of Section 7, and could, in that sense, enhance the geological position of the proposed location. However, it is significant that there has been no water found as of this date at any subsea datum in the Atoka sand in the Buffalo Valley-Penn area.

Q Therefore, is this a fair statement: A lower structural position wouldn't necessarily have a greater likelihood of being a dry hole?

A That is a true statement. It would not necessarily enhance drilling a dry hole.

Q Referring to what has been marked as Exhibit No. 3, would you explain it, please?

A Exhibit No. 3 is an isopach map purported to show the total thicknesses of porous sands developed in the field area. I would like to call the attention of the Examiner to Exhibit 4 at the same time, particularly in relationship to two center wells: The Piatt Well and the Probaw A Well, which is located immediately to the west of the proposed location. The zones colored in yellow on Exhibit 4, the cross section, are sands



within the Atoka. The sands are not necessarily correlative from well to well as far as a continuous sand body would be concerned. The isopach map Figure 3 is attempting to map an environment in which we have the highest possibility in encountering the thickest sand sequence. This does not mean that sands do not occur to the east of our 10-foot isopach line, nor does it mean that we could not anticipate significantly greater thicknesses of sand, say, in the center part of Section 12 within the 30-foot isopach interval. This area is extremely difficult to map, and as I have stated before on presentations in Buffalo Valley, this type of an isopach map is very subjective rather than leaning to objective, but it is the only method that we have found that at least halfway accurately shows the relationships of the sands aerially. If you will note in Section 6 on Figure 3, there is a rather significant buldge or thickening of the sands towards the east; there is indication in the S/2 of Section 7 that we could also have a similar situation, and in the SE/4 of Section 20 you will please note that a well there had an excess of 10-feet of sand which did contain gas shows. The significance of this is that we believe the entire S/2 of Section 7 to be underlain by

Atoka sands carrying gas -- some may be subcommercial, but the entire half section, the proration unit, is underlain by gas-bearing Atoka sands.

Q Referring to these wells in Section 5 and say Section 19. Was there gas encountered in the drilling of those wells?

A Gas shows were encountered in the drilling of these wells.

Q Considered to be noncommercial at the time?

A At the time they were drilled they were considered noncommercial, that is correct.

Q Could you detail for us the Lulu Well in the N/2 of Section 7, dry hole?

A This well was drilled in 1970 and we now have considerable hindsight. At that time we were looking primarily for what we thought was the main pay sand.

Q Excuse me. Who drilled this well?

A Read & Stevens.

Q Thank you.

A The main pay-sand we anticipated in the interval colored blue on Exhibit 4 and we found instead a lime section. Sands were encountered above what we thought was the main interval; they were carrying shows

of gas, but at the time, 1970, we felt that any gas obtained from those zones would not be commercial at 1970 prices. The well was subsequently plugged and abandoned as a result of that. However, I might add that Read & Stevens have seriously considered the possibility of re-entering this well.

Q With your testimony that the entire south half is underlain by gas, what is the purpose of your proposing the exception to the rule by drilling in the southwest quarter?

A We believe that the drilling of the well in the SW/4 of Section 7 will provide a more efficient means of recovery of the gas that is allocated and the correlative rights protected for the S/2 of Section 7, whereas a well drilled at a standard location would have, according to our projection of thickness of sand, would have gas; it would be difficult to impossible to obtain the gas underlying the SW/4 of that Section.

Q In your opinion, would the wells in Sections 12 and 13 and 18 tend to produce some of the gas underlying the SW/4 of Section 7 unless this Application were granted?

A We believe that there has been some drainage

already.

Q To your knowledge, are there other exceptions to the spacing regulations in this field?

A Yes, sir, there have been several exceptions to the regular spacing pattern. One is shown on this map in the SW/4 of Section 6, the Read & Stevens No. 1 Midwest Well.

Q And there are others in the field not shown on this map?

A Yes, there are others not shown on this map.

Q Were those wells penalized in their allowable, to your knowledge?

A Those that I have knowledge of were not penalized.

Q In your opinion would the granting of this Application tend to protect the correlative rights and prevent waste?

A Yes, sir. That is the purpose of the Application.

Q Were Exhibits 1 through 4 prepared by you?

A Yes, they were.

MR. STEVENS: We would like to move the introduction of these Exhibits 1 through 4, Mr. Examiner.

MR. STAMETS: Exhibits 1 through 4 will be

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admitted.

(Whereupon, Applicant's  
Exhibits 1 through 4 were admitted  
into evidence.)

MR. STEVENS: We have no further questions at  
this time.

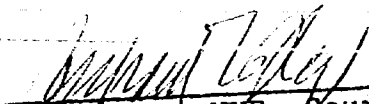
MR. STAMETS: Any questions of the Witness?  
He may be excused. Anything further in this Case? We  
will take the Case under advisement.

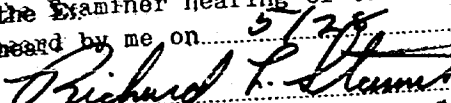
CASE 5469

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

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

  
RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5469 heard by me on 5/28, 1975.  
  
Richard L. Nye, 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

## NEW MEXICO OIL CONSERVATION COMMISSION

## EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

MAY 14, 1975

TIME: 9 A.M.

4:15 pm

NAME	REPRESENTING	LOCATION
C. R. PEARSON	BTA OIL PRODUCERS	MIDLAND, TEX
Paul Katz	Humble, Borden et al	Crowell
J. E. Sperry	Michael Sperry	Alt
CHARLES M. GOAD	SELF	—
Joe V. Pearson	Phillips Petr. Co.	Odessa
Saul Cohen	Gerald Schuman et al	S.F.
L. M. CARPES	MESA PETROLEUM CO.	AMARILLO, TEX.
E. R. Manning	El Paso Natural Gas	El Paso, TX
D. Crowley	Mesa Petr. Co.	Midland, Tex
W. Schuman	Mesa Petr. Co.	" "
J. W. Jeffer	Mesa Petr. Co.	" "
Everett R. Sharp	Matco, Inc	Midland, Texas
Kenneth H. Griffin	Griffin & Burnett, Inc.	Midland, Texas
Charles F. Kallteyer	Gulf Oil Corp	Midland TX
Chas. E. HAIRSTON	Gulf Oil Corp.	MIDLAND
Robert H. Thomas	Gulf Oil Corp	Midland
Nick Frank	Michael P. Grace	Albany, N.M.
NORMAN MASON, Jr	Union Texas Petroleum	Midland, TX

## NEW MEXICO OIL CONSERVATION COMMISSION

## EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date MAY 14, 1975 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Jason Kelladin	Kelladin & Fox	Santa Fe
John Sorey	Mobil	Santa Fe
R. H. Northington	Mesa	Midland
E. J. Mott	Cities Service Oil Co	Midland
Tom Webb	Cities Service	Midland
W. J. [unclear]	Phillips Petrol Co	Odessa TEX.
V. T. Lyon	CONOCO	Hobbs
Tom Kelladin	Kelladin & Fox	SF.



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 14, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens for an un-  
orthodox gas well location, Chaves  
County, New Mexico. Applicant, in the  
above styled cause, seeks approval for the  
unorthodox gas well location of a well to  
be drilled at a point 990 feet from the  
South and East line of Section 7, Township  
15 South, Range 28 East, Chaves County,  
New Mexico, in exception to the Buffalo  
Valley-Pennsylvanian Gas Pool Rules.

NO. 5469

BEFORE: Daniel S. Nutter, Examiner.

For the New Mexico Oil  
Conservation Commission:

William F. Carr, Esq.  
Legal Counsel for the Com-  
mission  
State Land Office Building  
Santa Fe, New Mexico 87501

MR. NUTTER: Case 5469. Application of Read and Stevens for an unorthodox location.

MR. CARR: Application of Read and Stevens for an unorthodox gas well location in Chaves County, New Mexico.

MR. NUTTER: Case 5469 has a fatal error in the advertisement. It will be re-advertised and be heard on May 28, 1975.

(Hearing concluded.)

CASE 5469

Page 3

STATE OF NEW MEXICO)

)

ss REPORTER'S CERTIFICATE

COUNTY OF SANTA FE )

I, Sally Walton Boyd, Notary Public and General Court Reporter, Santa Fe, New Mexico, DO HEREBY CERTIFY that the facts stated in the caption hereto are true and correct; that I reported the captioned proceedings; that the foregoing 2 pages of typewritten matter, numbered 1 through 2 inclusive, is a full, true and complete transcript of my notes taken during the hearing.

WITNESS my hand this 21st day of May, 1975, at Santa Fe, New Mexico.

Sally Walton Boyd

Sally Walton Boyd  
Notary Public and General Court  
Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5469 heard by me on 5/14/75 1975

[Signature] Examiner  
New Mexico Oil Conservation Commission

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SANTA FE, NEW MEXICO 87501  
TEL. (505) 982-0386



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. 5469  
Order No. R-5034

APPLICATION OF READ & STEVENS  
FOR AN UNORTHODOX GAS WELL  
LOCATION, CHAVES COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 28, 1975,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of June, 1975, 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, Read & Stevens, seeks approval of  
a gas well location 990 feet from the South line and 990 feet  
from the West line of Section 7, Township 15 South, Range 28  
East, NMPM, to test the Pennsylvanian formation, Buffalo Valley-  
Pennsylvanian Gas Pool, Chaves County, New Mexico.
- (3) That the S/2 of said Section 7 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 un-  
orthodox location.
- (6) That approval of the subject application will afford  
the applicant the opportunity to produce its just and equitable  
share of the gas in the subject pool, will prevent the economic  
loss caused by the drilling of unnecessary wells, avoid the  
augmentation of risk arising from the drilling of an excessive  
number of wells, and will otherwise prevent waste and protect  
correlative rights.

-2-

Case No. 5469  
Order No. R-5034

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Pennsylvanian formation is hereby approved for a well to be located at a point 990 feet from the South line and 990 feet from the West line of Section 7, Township 15 South, Range 28 East, NMPM, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico.

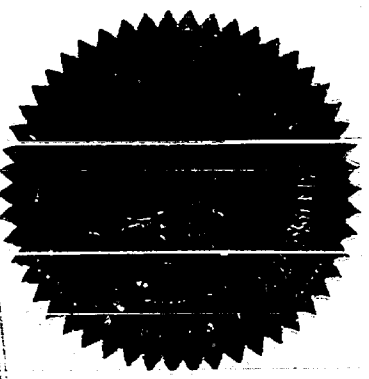
(2) That the S/2 of said Section 7 shall be dedicated to the above-described well.

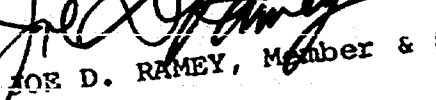
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

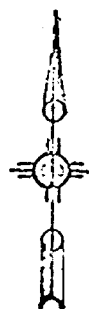
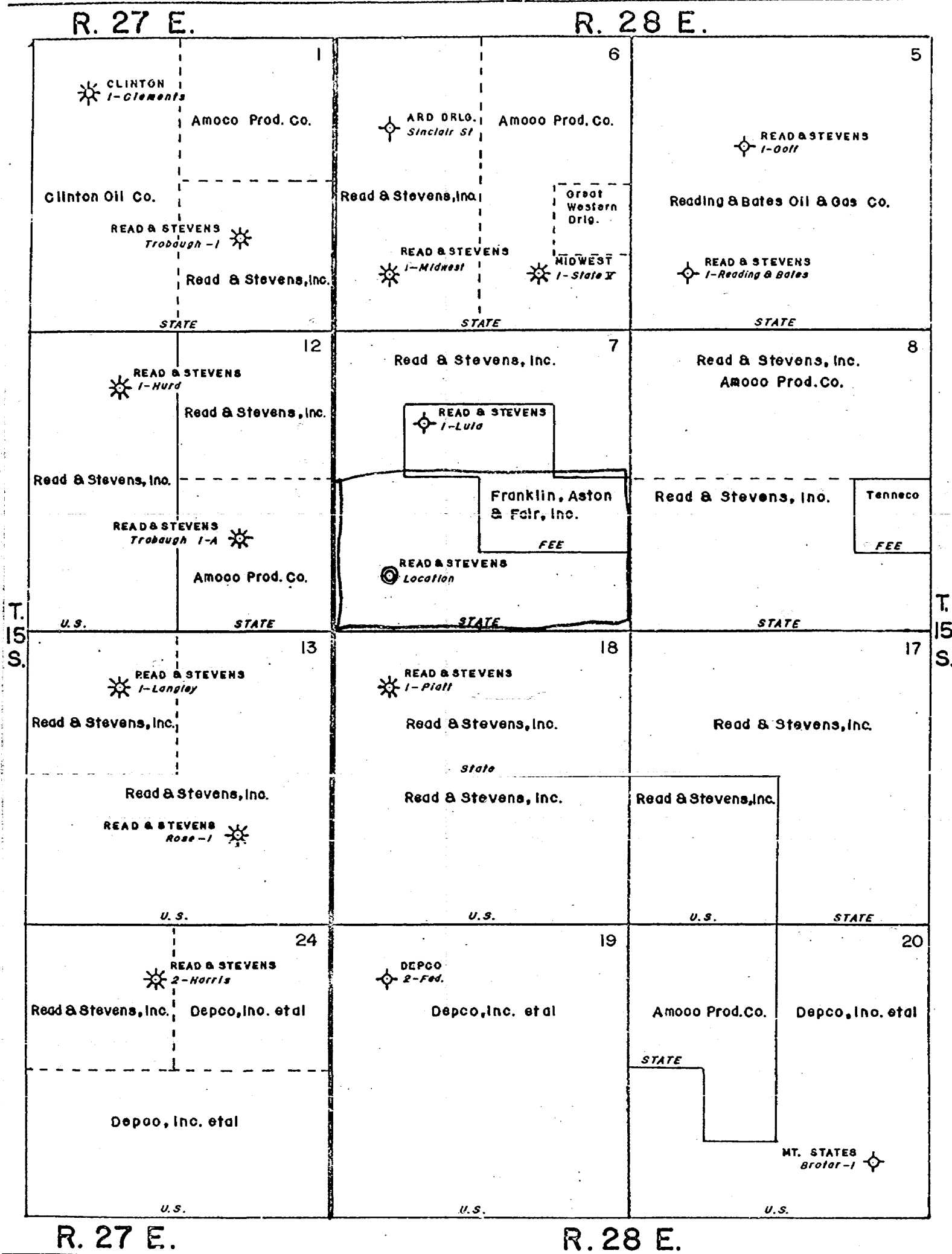
I. R. TRUJILLO, Chairman

  
PHIL R. LUCERO, Member

  
JOE D. RAMEY, Member & Secretary

S E A L

jr/



BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

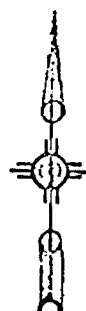
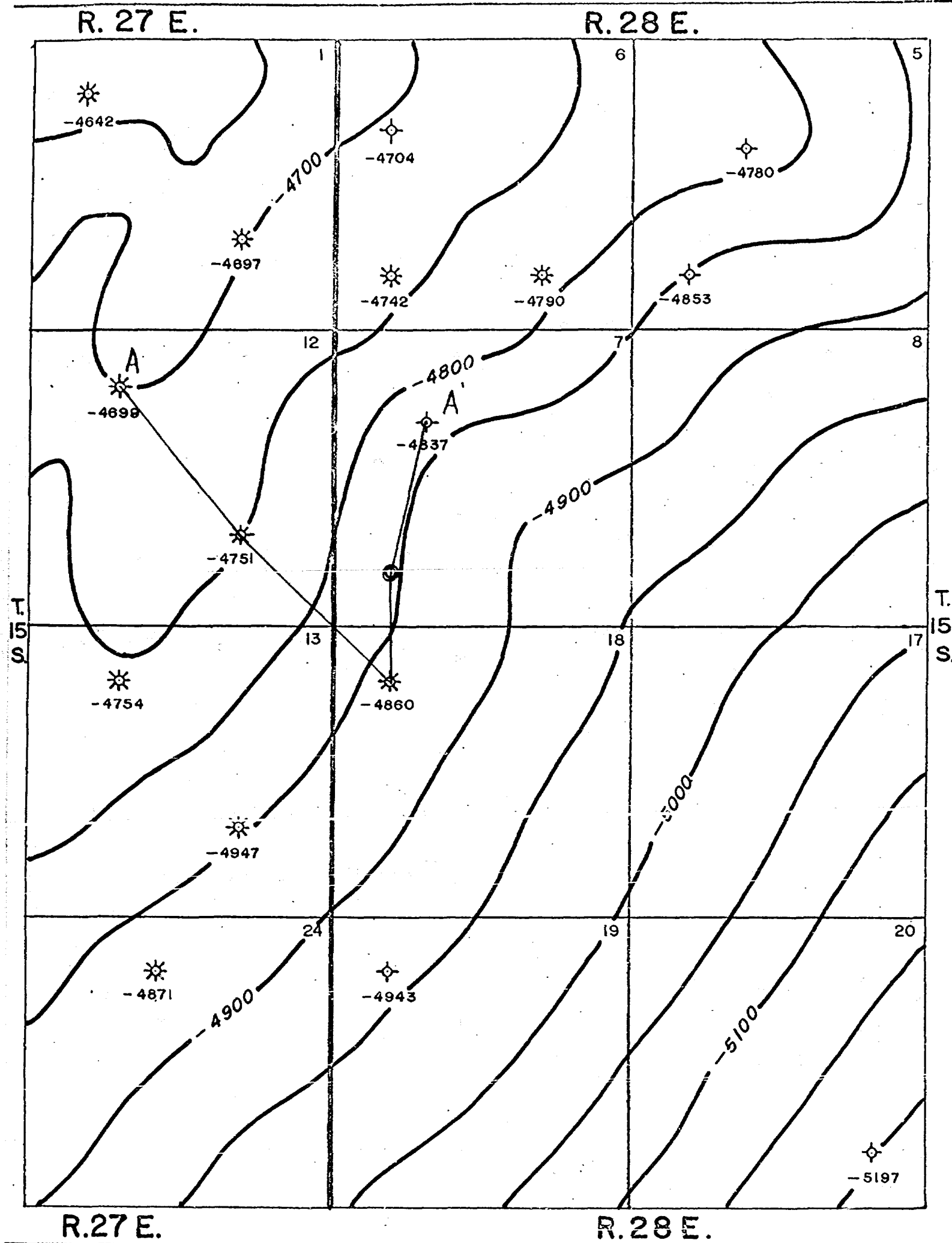
EXHIBIT NO. 1

CASE NO. 5469

Submitted by Appl

Hearing Date 5-24-75

READ & STEVENS, Inc.  
Land Ownership Plat.  
BUFFALO VALLEY PENN  
Chaves County, New Mexico



BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 2  
CASE NO. 5462  
Submitted by App'l  
Hearing Date 3-24-75

READ & STEVENS, Inc.  
Structure Contour Map  
TOP OF ATOKA  
C.I. = 50'  
BUFFALO VALLEY PENN  
Chaves County, New Mexico

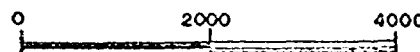
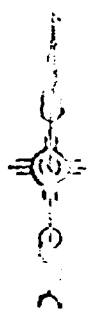
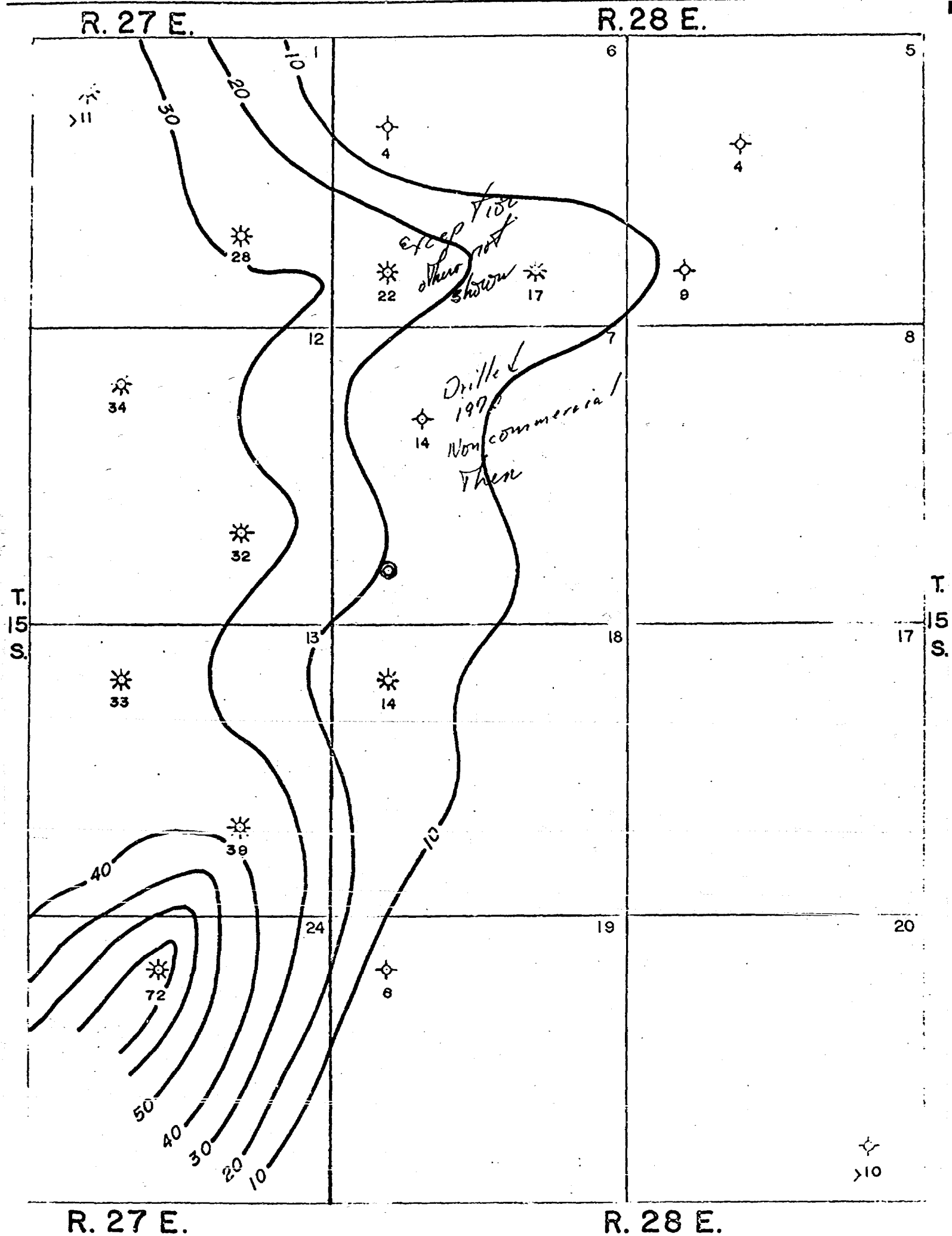


Fig. 2





BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 5469

Submitted by 6 ppi

Hearing Date 5-24-75

READ & STEVENS, Inc.

Isopachous Map

ATOKA SAND

C.I. = 10'

BUFFALO VALLEY PENN  
Chaves County, New Mexico

0 2000 4000

Fig 3

Docket No. 12-75

Docket No. 13-75 is tentatively set for hearing on June 11, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 28, 1975

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:

CASE 5468: (Continued from the April 30, 1975 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Kenneth M. Hankins, Great American Insurance Company, and all other interested parties to appear and show cause why the Virginia Branch Well No. 1, located in Unit D of Section 9, Township 10 North, Range 25 East, Guadalupe County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5485: Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Tidwell ED Well No. 1, located in Unit P of Section 22, Township 17 South, Range 26 East, Kennedy Farms Field, Eddy County, New Mexico, in such a manner as to produce gas from the Atoka and Morrow formations through the tubing-casing annulus and tubing, respectively.

CASE 5486: Application of Yates Petroleum Corp. for two unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well locations for two proposed wells adjacent to the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, the first to be located in the center of Unit O of Section 25, Township 17 South, Range 25 East, the E/2 of said Section 25 to be dedicated to the well, and the second to be located in the center of Unit M of Section 31, Township 17 South, Range 26 East, the W/2 of said Section 31 to be dedicated to the well.

CASE 5487: Application of J. I. O'Neill, Jr., for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the disposal of produced salt water by injection into the San Andres formation through the perforated interval from 4852 feet to 5001 feet in his State L Well No. 2, located in Unit N of Section 16, Township 8 South, Range 36 East, South Prairie-San Andres Pool, Roosevelt County, New Mexico.

CASE 5488: Application of Texas Pacific Oil Co. for pool contraction and extension, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order contracting the vertical limits of the Jalmat Gas Pool underlying the N/2 NE/4 and the SE/4 NE/4 of Section 4, Township 23 South, Range 36 East, Lea County, New Mexico, by the deletion therefrom of the lowermost 160 feet of the Seven Rivers formation, and the concurrent extension of the vertical limits of the Langlie Mattix Pool underlying said lands to include therein the said lowermost 160 feet of the Seven Rivers formation, further to similarly contract the vertical limits of the Jalmat Gas Pool underlying the NW/4 SW/4 of Section 3, Township 23 South, Range 36 East, by the deletion of the lowermost 135 feet of the Seven Rivers and the concurrent extension of the Langlie Mattix Pool to include the lowermost 135 feet of the Seven Rivers.

CASE 5489: Application of Texas Pacific Oil Co., Inc. for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the expansion of its Jalmat State "A" and/or its Langlie Mattix State "A" waterflood projects, Jalmat and Langlie Mattix Pools, by the injection of water into the Seven Rivers and Queen formations through its State "A" Wells Nos. 47 and 63 located, respectively, in Units K and I of Section 3 and its State "A" Well No. 84, located in Unit G of Section 23, all in Township 23 South, Range 36 East, Lea County, New Mexico.

CASE 5490: Application of Tenneco Oil Co. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water by injection into the Strawn formation through the perforated interval from 11,164 feet to 11,470 feet in its Jones Federal "D" Well No. 1, located in Unit E of Section 24, Township 19 South, Range 31 East, Lusk-Strawn Pool, Eddy County, New Mexico.

CASE 5491: Application of Murphy H. Baxter for an unorthodox oil well location and an administrative procedure, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox oil well location for a well to be drilled 1980 feet from the North line and 1460 feet from the East line of Section 1, Township 18 South, Range 33 East, North EK-Queen Pool, Lea County, New Mexico. Applicant further seeks the establishment of an administrative procedure whereby additional wells at unorthodox locations in the North EK-Queen Unit Area could be approved without notice and hearing.

CASE 5469: (Continued and Readvertised)

Application of Read & Stevens for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled at a point 990 feet from the South and West lines of Section 7, Township 15 South, Range 28 East, Chaves County, New Mexico, in exception to the Buffalo Valley-Pennsylvanian Gas Pool Rules.

- CASE 5492: Application of David Fasken for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Canyon and Morrow production in the wellbore of his El Paso Federal Well No. 2, located in Unit M of Section 2, Township 21 South, Range 26 East, Avalon Field, Eddy County, New Mexico.
- CASE 5493: Application of Texas West Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 5, Township 24 South, Range 34 East, Bell Lake Field, Lea County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit in Unit G of said Section 5. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for the risk involved in drilling said well.
- CASE 5494: Application of Burleson and Huff for compulsory pooling, a non-standard gas proration unit, and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NW/4 of Section 35, Township 25 South, Range 37 East, Lea County, New Mexico, and in the Langlie Mattix Pool underlying the NW/4 NW/4 of said Section 35 to form a non-standard 160-acre Jalmat gas proration unit and a standard 40-acre Langlie Mattix oil proration unit, each to be dedicated to applicant's Dabbs Well No. 2, located at an unorthodox Jalmat gas well location 330 feet from the North line and 990 feet from the West line of said Section 35. Also to be considered will be the cost of re-entering, drilling, and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as operator of the well and a charge for the risk involved in re-entering, drilling, and completing said well.

Docket No. 11-75

Dockets Nos. 12-75 and 13-75 are tentatively set for hearing on May 28 and June 11, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 14, 1975

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.

- ALLOWABLE: (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico, for June, 1975.
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for June, 1975.

CASE 5429: (Continued from the March 5, 1975 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Charles M. Goad and United States Fidelity & Guaranty Company and all other interested parties to appear and show cause why the Charles M. Goad, State No. 1 Well located in Unit M of Section 28, Township 2 South, Range 26 East, De Baca County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5408: (Continued from the April 2, 1975 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit W. E. Medlock and Reliance Insurance Company and all other interested parties to appear and show cause why the Queen Ridge No. 1 Well located in Unit M of Section 36, 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 5469: Application of Read & Stevens for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled at a point 990 feet from the South and East line of Section 7, Township 15 South, Range 28 East, Chaves County, New Mexico, in exception to the Buffalo Valley-Pennsylvanian Gas Pool Rules.

CASE 5470: Application of Maralo, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Butler Springs Unit Area comprising 3841 acres, more or less, of state and federal lands in Townships 14 and 15 South, Range 28 East, Chaves County, New Mexico.

- CASE 5471: Application of Union Texas Petroleum for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Justis Blinbry and Justis Tubb-Drinkard production in the wellbore of its Carlson "B" Wells Nos. 1 and 2 located in Unit P of Section 23 and Unit H of Section 26, respectively, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 5472: Application of Mesa Petroleum Co. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled at a point 660 feet from the North and East line of Section 6, Township 26 South, Range 33 East, Red Hills Field, Lea County, New Mexico.
- CASE 5473: Application of Mesa Petroleum Co. for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Drinkard production for its West Knowles Well No. 1 located in Unit P of Section 34, Township 16 South, Range 37 East, Lea County, New Mexico, and for the promulgation of special rules therefore, including a provision for 80-acre spacing units.
- CASE 5474: Application of Gulf Oil Company for two non-standard locations and the amendment of Order Nos. R-2904 and R-2909, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Central Drinkard Unit Wells Nos. 101 and 401 located, respectively, 554 feet from the North line and 766 feet from the East line, and 660 feet from the North and East lines of Section 28, Township 21 South, Range 37 East, Drinkard Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2904 which order approved the Central Drinkard Unit Agreement to provide that the vertical limits of the unitized formation shall include the entire Drinkard formation; application further seeks the amendment of Order No. R-4909 which approved the Central Drinkard Unit Waterflood Project to provide an administrative procedure for the approval of additional unorthodox well locations.
- CASE 5475: Application of Mobil Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower Siluro-Devonian formation in the open-hole interval from 12,188 feet to 12,525 feet in its Santa Fe Pacific Well No. 9, located in Unit E of Section 35, Township 9 South, Range 36 East, Crossroads Siluro-Devonian Pool, Lea County, New Mexico.
- CASE 5476: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the NE/4 of Section 30, Township 22 South, Range 27 East, and in the Pennsylvanian formation underlying the E/2 of said Section 30, to be dedicated to a proposed gas well to be drilled at an orthodox location for both formations. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as operator of the well and a charge for the risk involved in drilling said well.

- CASE 5477: Application of Cities Service Oil Company for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 18, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location for said unit 1650 feet from the South line and 1980 feet from the West line of said Section 18. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the application as operator of the well and a charge for the risk involved in drilling said well.
- CASE 5478: Application of Continental Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Warren Unit Well No. 31 located in Unit O of Section 27, Township 20 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Blinberry Oil and Gas Pool and oil from the Warren-Tubb Gas Pool through parallel strings of tubing.
- CASE 5479: Application of Continental Oil Company for two non-standard gas proration units, two unorthodox locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard gas proration unit comprising Lots 1, 2, and 3 and Lots 6 through 11 of Section 4, Township 11 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Meyer B-4 Well No. 14 located in Unit G of said Section 4. Applicant further seeks approval of a 360-acre Eumont Gas proration unit comprising Lots 14, 15, and 16 and the SE/4 and E/2 SW/4 of said Section 4 to be simultaneously dedicated to its Meyer B-4 Well No. 4 and 29 at unorthodox locations in Units S and P, respectively, of said Section 4.
- CASE 5480: Application of Continental Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Pennsylvanian formation through the perforated interval 7648 to 7690 feet in its SEMU Well No. 7 located in Unit F of Section 23, Township 20 South, Range 37 East, Cass-Pennsylvanian Gas Pool, Lea County, New Mexico.
- CASE 5481: Application of Phillips Petroleum Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Carlsbad-Atoka and South Carlsbad-Morrow gas production in the wellbore of its Tidwell-A "COM" Well No. 1 located in Unit E of Section 8, Township 23 South, Range 27 East, Eddy County, New Mexico.
- CASE 5482: Application of Phillips Petroleum Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Lusk Deep Unit "A" Well No. 1 located in Unit A of Section 19, Township 19 South, Range 32 East, Lusk-Morrow Gas Pool, Lea County, New Mexico, and the simultaneous dedication of said Section 19 to the above well and to applicant's Lusk Deep Unit "A" Well No. 5 located in Unit J of said Section 19.

CASE 5483: Application of Phillips Petroleum Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to dually complete its Lusk Deep Unit "A" Well No. 12 located in Unit G of Section 20, Township 19 South, Range 32 East, Lusk Field, Lea County, New Mexico, in such a manner as to produce oil from the Wolfcamp formation through the casing-tubing annulus and gas from the Lusk-Morrow Gas Pool through tubing.

CASE 5484: Southeastern New Mexico nomenclature case calling for the creation and extension of certain pools in Lea, Eddy, and Chaves Counties, New Mexico and for the assignment of certain oil well discovery allowables.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the East Carlsbad-Wolfcamp Gas Pool. The discovery well is the Champlin Petroleum Co. Nix-Yates Well No. 1, located in Unit G of Section 2, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 36: SW/4

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 1: NW/4  
Section 2: NE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Cemetary-Wolfcamp Gas Pool. The discovery well is the Read & Stevens, Inc. Allirish Well No. 1, located in Unit P of Section 30, Township 20 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM  
Section 30: SE/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Crooked Creek-Strawn Gas Pool. The discovery well is the C & K Petroleum Inc. Lowe State Well No. 1, located in Unit C of Section 16, Township 24 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM  
Section 16: N/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Dickenson-San Andres Pool. The discovery well is the Hanson Oil Corporation Santa Fe Well No. 1, located in Unit F of Section 35, Township 10 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 36 EAST, NMPM  
Section 35: NW/4

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Golden Lane-Atoka Gas Pool. The discovery well is the Meadco Properties Ltd. Harris 6 Well No. 1, located in Unit I of Section 6, Township 21 South, Range 29 East, NMPM. Said pool would comprise:



TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM  
Section 6: Lots 1, 2, 7, 8, 9, 10, 15, and 16

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Grayburg-Atoka Gas Pool. The discovery well is the Horizon Oil & Gas Co. of Texas State 28 Com Well No. 2, located in Unit K of Section 28, Township 17 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 28: S/2  
Section 29: E/2

(g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Premier production and designated as the High Nitro-Premier Gas Pool. The discovery well is the McClellan Oil Corporation Hinkle Federal Well No. 1, located in Unit A of Section 9, Township 16 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM  
Section 3: SW/4  
Section 4: SE/4  
Section 9: NE/4

(h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Hoag Tank-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation Allison CQ Federal Well No. 1, located in Unit P of Section 22, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 22: E/2

(i) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the N. W. Indian Basin-Morrow Gas Pool. The discovery well is the Charles A. Dean Northwest Indian Basin Well No. 1Y, located in Unit K of Section 28, Township 20 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 23 EAST, NMPM  
Section 28: W/2

(j) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the Lonesome-San Andres Pool. The discovery well is the Phillips Petroleum Company Luther A Well No. 1 located in Unit N of Section 18, Township 8 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM  
Section 18: SW/4

(k) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the South Rocky Arroyo-Wolfcamp Gas Pool. The discovery well is the El Paso Natural Gas Co. Patterson A Well No. 1, located in Unit N of Section 20, Township 22 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM  
Section 20: SW/4

(l) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Sheep Draw-Atoka Gas Pool. The discovery well is the Hanagan Petroleum Corp. Mary Federal Well No. 1, located in Unit H of Section 11, Township 23 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM  
Section 11: E/2

(m) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Sheep Draw-Morrow Gas Pool. The discovery well is the Hanagan Petroleum Corp. Mary Federal Well No. 1 located in Unit H of Section 11, Township 23 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM  
Section 11: E/2  
Section 12: W/2

(n) CREATE a new pool in Lea County, New Mexico, classified as an oil pool and designated as the Shipp-Drinkard Pool and assign 41,650 barrels of discovery allowable to the discovery well, the Mesa Petroleum Company West Knowles Well No. 1, located in Unit P of Section 34, Township 16 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM  
Section 34: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 2: All

(p) EXTEND the North Benson Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM  
Section 32: N/2 NE/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 27: SE/4

(r) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 3: N/2

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 18: N/2

(t) EXTEND the South Carlsbad-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM  
Section 3: W/2  
Section 11: All

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM  
Section 8: All  
Section 17: N/2

(u) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM  
Section 16: S/2

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM  
Section 1: W/2

(v) ESTABLISH a discovery allowable in the Casey-Strawn Pool in Lea County, New Mexico, and assign 56,630 barrels of discovery allowable to the discovery well, the C & K Petroleum, Inc. Shipp "27" Well No. 1, located in Unit 0 of Section 27, Township 16 South, Range 37 East, NMPM.

(w) EXTEND the Cerca-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM  
Section 27: S/2 and NE/4

(x) EXTEND the East Chisum San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM  
Section 16: NE/4 NE/4

(y) EXTEND the Double L Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM  
Section 23: NE/4

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM  
Section 32: N/2 and SW/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM  
Section 17: N/2

(z) EXTEND the Double X-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM  
Section 27: NE/4

(aa) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 36: SW/4

(bb) EXTEND the East Empire Yates Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 34: W/2 NE/4

(cc) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM  
Section 22: E/2

(dd) EXTEND the Penasco Draw-San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 30: NW/4 SW/4

(ee) EXTEND the Ranger Lake-Bough Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM  
Section 23: SW/4

(ff) EXTEND the Rock Tank-Lower Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM  
Section 18: All

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(gg) EXTEND the Round Tank San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM  
Section 31: NW/4 NW/4

(hh) EXTEND the vertical limits of the Sand Hills-San Andres Pool in Lea County, New Mexico, to include the Grayburg formation.

(ii) EXTEND the Sulimar Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM  
Section 18: SW/4 SW/4

(jj) EXTEND the Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM  
Section 5: SW/4

(kk) EXTEND the Turkey Track Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 32: NE/4 NE/4

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF READ & STEVENS  
FOR AN ORDER APPROVING AN  
UNORTHODOX GAS WELL LOCATION,  
BUFFALO VALLEY, PENNSYLVANIAN  
POOL, CHAVES COUNTY, NEW MEXICO

Case No. 5467

APPLICATION

Comes now Read & Stevens and applies to the Oil Conservation Commission of the State of New Mexico for the approval of an unorthodox gas well location to be located 990 feet from the South and West lines of Section 7, Township 15 South, Range 28 East Chaves County, New Mexico, as an exception to the Pool Rules of the Buffalo Valley Pennsylvanian Pool, Chaves County, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill for, develop and produce from the Pennsylvanian formation in the South half of Section 7, above Township and Range.

2. Unless applicant is granted approval of an unorthodox gas well location as proposed herein, he will be denied his right to obtain his just and equitable share of the gas underlying his lands.

3. Approval of the application will result in the recovery of gas that probably would not otherwise be recovered, will prevent waste, and correlative rights of the other owners in the area will be protected.

THEREFORE applicant requests that this matter be set for hearing before the Commission, or before the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order approving an unorthodox gas well location for Pennsylvanian production, as requested above.

Respectfully submitted,

READ & STEVENS

By



Donald G. Stevens

P.O. Box 1797

Santa Fe, New Mexico 87501

Attorney for Applicant

DRAFT

jr/

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. 5469

Order No. R- 5034

APPLICATION OF READ & STEVENS FOR  
AN UNORTHODOX GAS WELL LOCATION,  
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 28, 1975,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter R.L. Stamets

NOW, on this June day of May, 1975, 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, Read & Stevens, seeks approval of  
a gas well location 990 feet from the South line and 990 feet  
from the ~~East~~ <sup>west</sup> line of Section 7, Township 15 South, Range 28  
East, NMPM, to test the Pennsylvanian formation, Buffalo Valley-  
Pennsylvanian Gas Pool, Chaves County, New Mexico.



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Case No. 5469

Order No. R-

(3) That the S/2 of said Section 7 is to be dedicated to the well.

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

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

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

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Pennsylvanian formation is hereby approved for a well to be located at a point 990 feet from the South line and 990 feet from the ~~East~~ <sup>West</sup> line of Section 7, Township 15 South, Range 28 East, NMPM, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico.

(2) That the S/2 of said Section 7 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.