

CASE 5491: MURPHY H. BAXTER FOR
AN UNORTHODOX OIL WELL LOCATION
AND AN ADMINISTRATIVE PROCEDURE,
LEA COUNTY, NEW MEXICO

CASE NO.

5491

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 10, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Murphy H. Baxter
for an unorthodox oil well
location and administrative
procedure, Lea County, New Mexico

CASE NO. 5491

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the
Commission
State Land Office Building
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

MR. NUTTER: Case 5491.

MR. CARR: Case 5491. Application of Murphy H. Baxter for an unorthodox oil well location and an administrative procedure, Lea County, New Mexico.

MR. NUTTER: Case No. 5491 was heard at the Examiner Hearing on May 28th. We will call now for any additional appearances in this case. Are there any appearances in Case No. 5491?

If there are no appearances, we will take the case under advisement.

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

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

COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5491 heard by me on 6/10, 1975.
[Signature], Examiner
New Mexico Oil Conservation Commission

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

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Murphy H. Baxter for
an unorthodox oil well location and
an administrative procedure, Lea
County, New Mexico.

Case No.
5491

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Applicant:

Clarence Hinkle, Esq.
HINKLE, BONDURANT, COX
& EATON
Hinkle Building
Roswell, New Mexico

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
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E X H I B I T S

	<u>Marked</u>	<u>Admitted</u>
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MR. STAMETS: We'll call at this time Case 5491, Application of Murphy H. Baxter for an unorthodox oil-well location and an administrative procedure, Lea County, New Mexico.

MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant, Cox & Eaton, Roswell, appearing on behalf of Murphy Baxter. We have one witness and four exhibits.

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

(Witness sworn.)

MR. HINKLE: Mr. Examiner, I understand there was an error in the advertising of this Case in the Hobbs paper and that the location of the well was omitted. We would like to go ahead and put on the testimony and have the case readvertised. I understand it would come up again on June the 10th -- I believe you changed the date from the 11th to the 10th?

MR. STAMETS: That is correct. The Commission has taken the action to have the case readvertised and recalled again on the 10th. At that time, if there are no further appearances, the record today will be the record for entry and order.

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TEL. (505) 982-0386

STEVE SCOTT

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

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name, residence, and by whom you are employed.

A My name is Steve Scott. I live in Midland, Texas, and I am employed by Murphy H. Baxter.

Q Have you previously testified before the Commission?

A No, sir.

Q Are you a Petroleum Engineer?

A Yes, sir, I am.

Q State briefly your educational background and experience as Petroleum Engineer.

A I received a BS Degree from Texas A & M University in 1956 as a Petroleum Engineer, and an MS degree in Petroleum Engineering from the same school in 1964. I was employed by Chevron Petroleum Company for four years as a Petroleum Engineer, nine years with Shell Oil Company as Senior Reservoir Engineer, and I have been with Murphy H. Baxter two years as a Petroleum Engineer.

Q Have you had considerable experience in New Mexico?

A Yes I have, with Shell and with Murphy Baxter.

Q Have you made a study of the EK-Queen Pool?

A Yes, sir.

MR. HINKLE: Are the Witness' qualifications sufficient?

MR. STAMETS: They are.

BY MR. HINKLE:

Q Are you familiar with the Application that has been filed in this Case?

A Yes, sir.

Q What is Mr. Baxter seeking to accomplish?

A Well, we wish to drill this producing well to the Queen formation in the North EK-Queen Unit in an unorthodox location and complete it as an oil well. The location is so spaced to insure that it is a producing well and try to get the optimum drainage point as based on our flood pattern and also to allow us to drill an additional well as the opportunity arises in the Unit.

Q To be approved administratively?

A To be approved administratively.

Q Now, have you prepared or has there been prepared under your direction certain exhibits for introduction in this Case?

A Yes, sir.

Q Are they the ones that have been marked as Exhibits 1 and 2?

A Yes, sir.

Q Refer to Exhibit 1 and explain what this is and what it shows.

A It is a plat that depicts the unit outline and what we believe to be the limits of the lower Queen permeable sand. It shows all of the injection and producing wells within the unit boundary and the proposed unorthodox location. It also shows the offsetting operators and all of the current wells.

Q Who are the offset operators to this well just outside of the unit?

A Cities Service and Amoco.

Q Now, refer to Exhibit 2 and explain what this shows.

A Exhibit 2 depicts the injection and production history for the unit for the first 3 months of 1975 and the cumulative since inception of the unit. It indicates

we have a total of 11 producing wells, nine injectors, one water-supply well, for a total of 21 wells and the average oil production is running around 7600 barrels of oil a month. Our water production: Approximately 16,500 barrels of water per month, and our injection around 76,900 barrels of water per month at about 2500 psi surface pressure.

Q You would consider this to be a successful water-flood unit?

A Yes, sir.

Q Have you had any objections from the offset owners to your Application?

A No, sir, we have waivers.

Q Refer to Exhibits 3 and 4 and explain what these are.

A Those are waivers from the offset operators Amoco and Cities Service stating that they have no objection to the drilling of this well at this location.

Q In your opinion, if this Application is approved, will it be in the interests of conservation and the prevention of waste and protect correlative rights?

A Yes, sir.

Q Do you have anything further you would like to present to the Commissioner?

A No, sir.

MR. HINKLE: We would like to offer Exhibits 1 through 4.

MR. STAMETS: These Exhibits will be admitted into evidence.

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

MR. HINKLE: That's all we have on direct.

CROSS EXAMINATION

BY MR. STAMETS:

Q Looking at the Application here it would appear that the administrative procedure is for producing wells only and not for injection wells, is that correct?

A Let's see, it was advertised, I think, both ways. Paragraph 3 of the Application mailed to the Commission by Mr. Hinkle says that if the subject well is successful, Applicant will probably want to drill other infill wells in the unit area and desires that the order approving the unorthodox location also provide a procedure for administrative approval of additional

producing and injection wells at unorthodox locations.

MR. HINKLE: It is just advertised there "additional wells," but I think that is broad enough to cover both injection and producing wells and we would like the order to so provide.

MR. STAMETS: Okay.

MR. HINKLE: I might ask one more question: You do intend, if this well is successful, to drill additional, perhaps both productive and injection wells?

MR. SCOTT: That's a possibility, yes, sir.

BY MR. STAMETS:

Q Would an order which authorized the additional wells be located within 330 feet of the unit boundary or no closer than 330 to the unit boundary or ten feet from any quarter quarter section line, would this type of order be what you are seeking?

A Yes, sir.

MR. STAMETS: Are there any other questions of this Witness? He may be excused. Anything further in this Case?

MR. HINKLE: That's all we have.

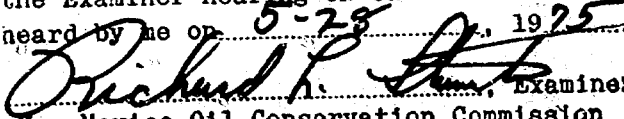
MR. STAMETS: We'll take the Case under advisement.

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. 5491 heard by me on 5-28 A.M. 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) 962-0366



OIL CONSERVATION COMMISSION

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

87501
June 17, 1975

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
PHIL R. LUCERO
MEMBER

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

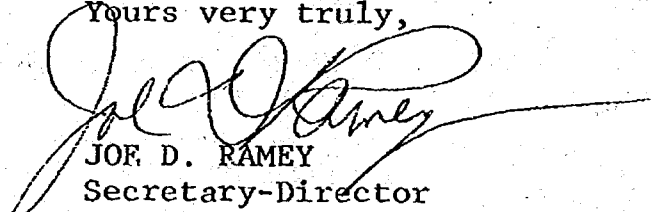
Mr. Clarence Hinkle
Hinkle, Bondurant, Cox & Eaton
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Re: CASE NO. 5491
ORDER NO. R-4009-A

Applicant:
Murphy H. Baxter

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Secretary-Director

JDR/fd

Copy of order also sent to:

Hobbs OCC _____
Artesia OCC _____
Aztec OCC _____

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5491
Order No. R-4009-A

APPLICATION OF MURPHY H. BAXTER FOR
AN UNORTHODOX OIL WELL LOCATION AND
AN ADMINISTRATIVE PROCEDURE, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 10, 1975,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th 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, Murphy H. Baxter, is the
operator of the North EK Queen Unit Waterflood Project, EK
Yates-Seven Rivers-Queen Pool, Lea County, New Mexico,
which was approved by Commission Order No. R-4009, dated
August 12, 1970.

(3) That to provide for a more efficient production
pattern in said unit, applicant seeks approval for an
unorthodox oil well location for a well to be drilled 1960
feet from the North line and 1460 feet from the East line
of Section 1, Township 18 South, Range 33 East, NMPM, in
said Unit.

(4) That the applicant further seeks the establishment
of an administrative procedure whereby additional injection
and producing wells may be drilled in said Unit at orthodox
and unorthodox locations.

(5) That in order to permit the applicant the flexibility
needed to complete an efficient injection and producing pattern
in said project, thereby increasing ultimate recovery and
preventing waste, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Murphy H. Baxter, is hereby authorized to drill a producing well at an unorthodox oil well location 1980 feet from the North line and 1460 feet from the East line of Section 1, Township 18 South, Range 33 East, NMPM, EK Yates-Seven Rivers-Queen Pool, Lea County, New Mexico.

(2) The Secretary-Director of the Commission is hereby authorized to approve additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the North EK Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said unit nor closer than 10 feet to any quarter-quarter section of subdivision inner boundary. To obtain such approval, the project operator shall file proper application with the Commission, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

- (a) A plat showing the location of proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.
- (b) A schematic drawing of any proposed injection well which fully describes the casing, tubing, packer, leak detection equipment, perforated interval, and depth.
- (c) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

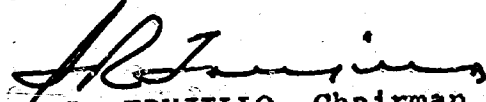
The Secretary-Director may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The Secretary-Director may grant immediate approval, provided waivers of objection are received from all offset operators.

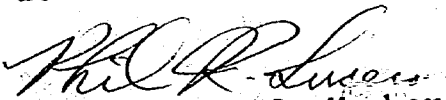
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

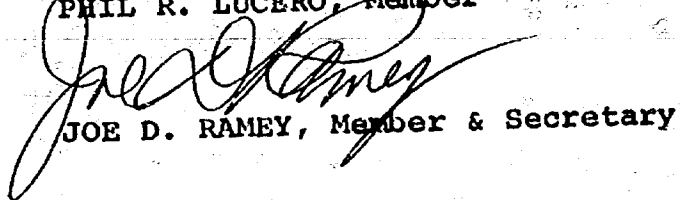
-3-
Case No. 5491
Order No. R-4009-A

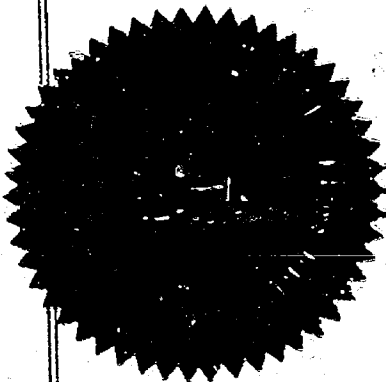
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman


PHIL R. LUCERO, Member


JOE D. RAMEY, Member & Secretary



S E A L

dr/

CLARENCE E. HINKLE
W. E. BONDURANT, JR. (914-1973)
LEY C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART O. SHANOR
C. O. MARTIN
PAUL J. KELLY, JR.
JAMES H. BOZARTH
RONALD G. HARRIS
JAMES H. ISBELL

LAW OFFICES
HINKLE, BONDURANT, COX & EATON
600 HINKLE BUILDING
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 622-6510

MR. ISBELL LICENSED
IN TEXAS ONLY

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) 683-4691

May 14, 1975

RECEIVED
MAY 15 1975
OIL CONSERVATION COMM.
Santa Fe

Case 5491

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 88201

Gentlemen:

We enclose in triplicate application of Murphy H. Baxter for an unorthodox well location in the North EK Queen Unit Area.

I discussed this matter with Mr. Derryberry and gave him the information so that it could be included on the examiner's docket for May 28. Due to the fact that this is an inside location in the unit area, we do not believe there are any offset owners to whom it is necessary to send copies of the application.

Yours sincerely,

HINKLE, BONDURANT, COX & EATON

By 

CEH:cs

Enc.

cc: Mr. S. G. Scott

DOCKET MAILED

Date _____

For June 11

DOCKET MAILED

Date 5/16/75

COUNTY	Colfax	STATE	New Mexico
FIELD OR AREA		SEC.	2
LEASE	Tex-Mex Cattle Co.	T.	26N R. 24E
COMPANY	Colfax Carbon Dioxide	LOCATION	C NW $\frac{1}{4}$ NW $\frac{1}{4}$
ELEV.	6250'	WELL NO.	1
CASING		SPD.	10-6-37
SHOT OR ACID		COMPLETED	12-6-41
PERF.		T. D.	1520 $\frac{1}{2}$ '
I. P.		P. B.	
PRODUCING FORM.			
PRODUCTIVE DEPTH OR INTERVAL			
REMARKS:			

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF MURPHY H. BAXTER
FOR APPROVAL OF AN UNORTHODOX
IN-FILL WELL LOCATION IN THE NORTH
EK QUEEN UNIT DESIGNATED AS THE
NORTH EK QUEEN NO. 2-5 LOCATED 1980
FEET FROM THE NORTH LINE AND 1460
FEET FROM THE EAST LINE OF SECTION
1, TOWNSHIP 18 SOUTH, RANGE 33 EAST,
LEA COUNTY PROJECTED TO THE QUEEN
FORMATION. APPLICANT ALSO DESIRES
THAT ADDITIONAL IN-FILL WELLS FOR
BOTH PRODUCTION AND INJECTION BE
AUTHORIZED THROUGH ADMINISTRATIVE
PROCEDURE.

Case 5491

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Murphy H. Baxter of Midland, Texas, acting by and through the undersigned attorneys, and hereby makes application for approval of an unorthodox in-fill well location in the North EK Queen Unit designated as the North EK Queen No. 2-5 located 1980 feet from the north line and 1460 feet from the east line of Section 1, Township 18 South, Range 33 East, Lea County, projected to the Queen formation. Applicant also desires that additional in-fill wells for both production and injection be authorized through administrative procedure, and in support thereof respectfully shows:

1. That Murphy H. Baxter is the operator of the North EK Queen Unit embracing lands in Townships 17 and 18 South, Ranges 33 and 34 East, Lea County, which unit was approved by the Commission under Order R-4008.

2. The North EK Queen Unit is a waterflood unit and applicant desires to drill an in-fill well to be located 1980 feet from the north line and 1460 feet from the east line of Section 1, Township 18 South, Range 33 East, which is an unorthodox location.

There is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A", a plat showing the outlines of the unit area and the location of the proposed in-fill well. Said plat also shows all of the other wells in the unit which have been completed as producing or injection wells.

3. If the subject well is successful, applicant will probably want to drill other in-fill wells in the unit area and desires that the order approving the unorthodox location also provide a procedure for administrative approval of additional producing and injection wells at unorthodox locations.

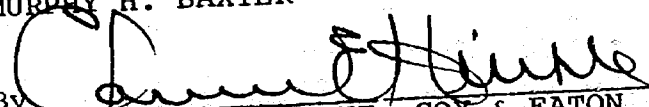
4. Applicant believes that approval of said unorthodox location will be in the interest of conservation and the prevention of waste and will promote the greatest ultimate recovery of unitized substances from the unit area.

5. Applicant requests that this matter be included on the examiner's docket for May 28, 1975.

Respectfully submitted,

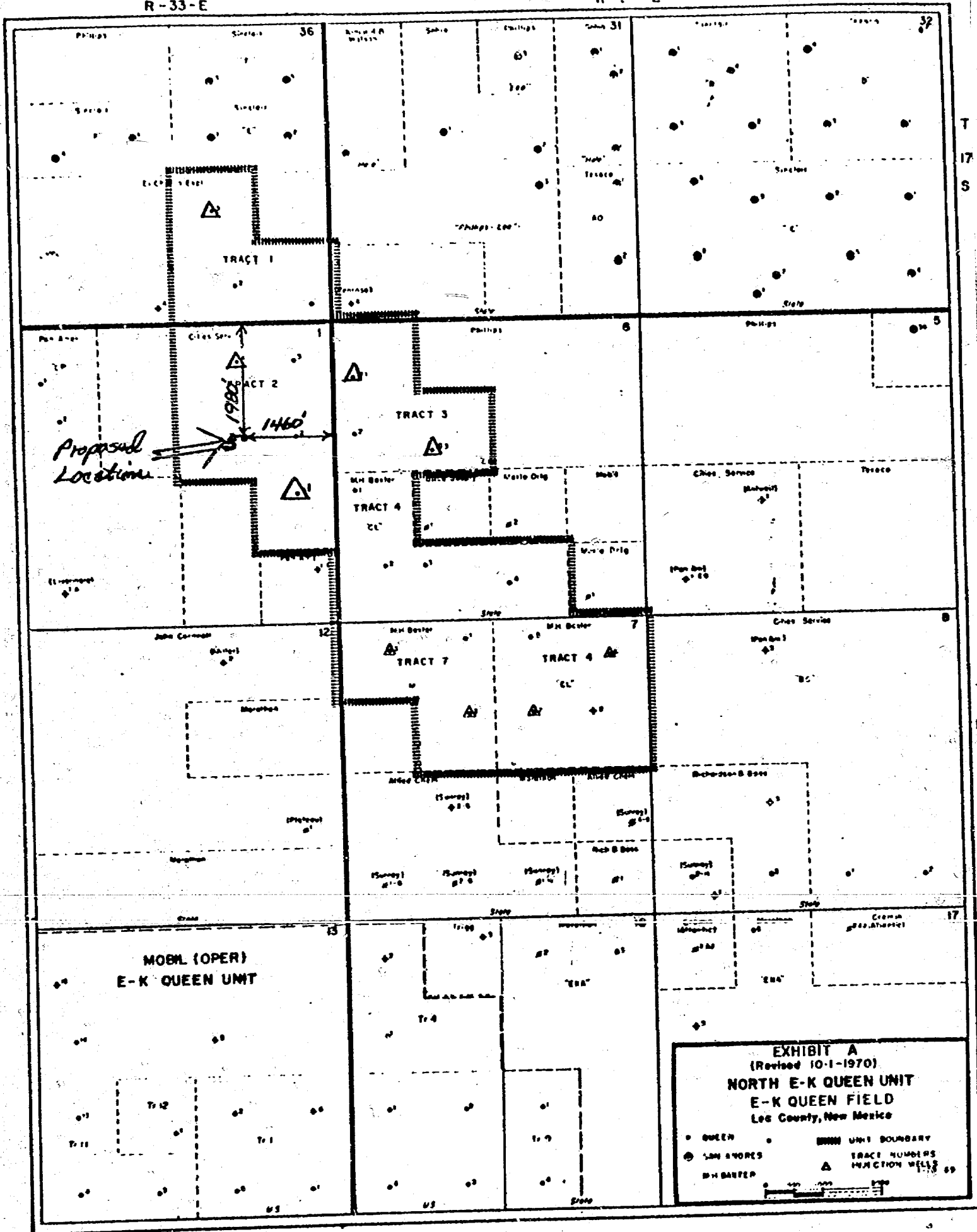
MURPHY H. BAXTER

By


HINKLE, BONDURANT, COX & EATON
P.O. Box 10
Roswell, New Mexico 88201

R-33-E

R- E



T
17
S

Proposed Location

MOBL (OPER)
E-K QUEEN UMT

EXHIBIT A
 (Revised 10-1-1970)
NORTH E-K QUEEN UNIT
E-K QUEEN FIELD
 Lee County, New Mexico

• QUEEN
 • SAN ANORES
 • M.H. BARTER

UNIT BOUNDARY
 TRACT NUMBERS
 INJECTION WELLS

Scale: 0 400 800

Case 5491

MURPHY H. BAXTER
814 BUILDING OF THE SOUTHWEST
MIDLAND, TEXAS 79701
May 1, 1975

MAY 1 1975
OIL CONSERVATION COMMISSION
Santa Fe

Set for hearing

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

RE: Administrative Approval
Unorthodox Location
1980' FNL & 1460' FEL
Sec. 1, T-18-S, R-33-E,
North EK Queen Unit No. 2-5
Lea County, New Mexico

We are requesting Administrative Approval for the drilling of a producing well located at the subject unorthodox location in the North EK Queen Unit, EK Yates Seven Rivers Queen pool.

Attached is a plat showing the proposed location. There are no offset operators to this tract.

If you need any additional information, please let us know.

Yours truly,



S. G. Scott

DOCKET MAILED

Date 5/16/75

Care 5491

MURPHY H. BAXTER
814 BUILDING OF THE SOUTHWEST
MIDLAND, TEXAS 79701
May 1, 1975

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

RE: Administrative Approval
Unorthodox Location
1980' FNL & 1460' FEL
Sec. 1, T-18-S, R-33-E,
North EK Queen Unit No. 2-5
Lea County, New Mexico

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Yours truly,

S. G. Scott

MURPHY H. BAXTER

814 BUILDING OF THE SOUTHWEST
MIDLAND, TEXAS 79701

May 1, 1975

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

RE: Administrative Approval
Unorthodox Location
1980' FNL & 1460' FEL
Sec. 1, T-18-S, R-33-E,
North EK Queen Unit No. 2-5
Lea County, New Mexico

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Attached is a plat showing the proposed location. There are no offset operators to this tract.

If you need any additional information, please let us know.

Yours truly,

S. G. Scott

MURPHY H. BAXTER
814 BUILDING OF THE SOUTHWEST
MIDLAND, TEXAS 79701
May 1, 1975

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

RE: Administrative Approval
Unorthodox Location
1980' FNL & 1460' FEL
Sec. 1, T-18-S, R-33-E,
North EK Queen Unit No. 2-5
Lea County, New Mexico

We are requesting Administrative Approval for the drilling of a producing well located at the subject unorthodox location in the North EK Queen Unit, EK Yates Seven Rivers Queen pool.

Attached is a plat showing the proposed location. There are no offset operators to this tract.

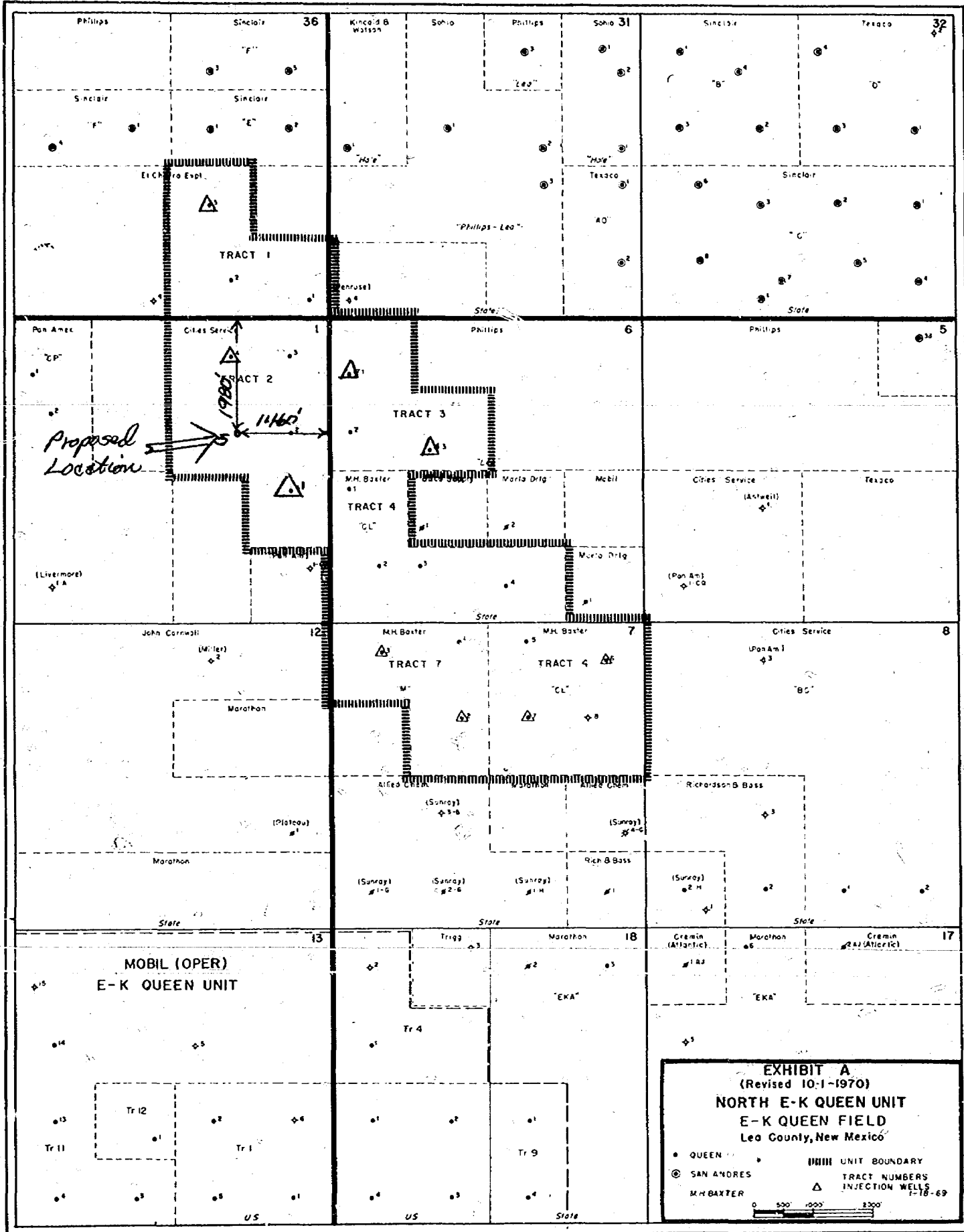
If you need any additional information, please let us know.

Yours truly,

S. G. Scott

R-33-E

R-34-E



T
17
S

T
18
S

Proposed Location

1985

1460'

EXHIBIT A
 (Revised 10-1-1970)
NORTH E-K QUEEN UNIT
E-K QUEEN FIELD
 Lea County, New Mexico

• QUEEN
 © SAN ANDRES
 M.H. BAXTER

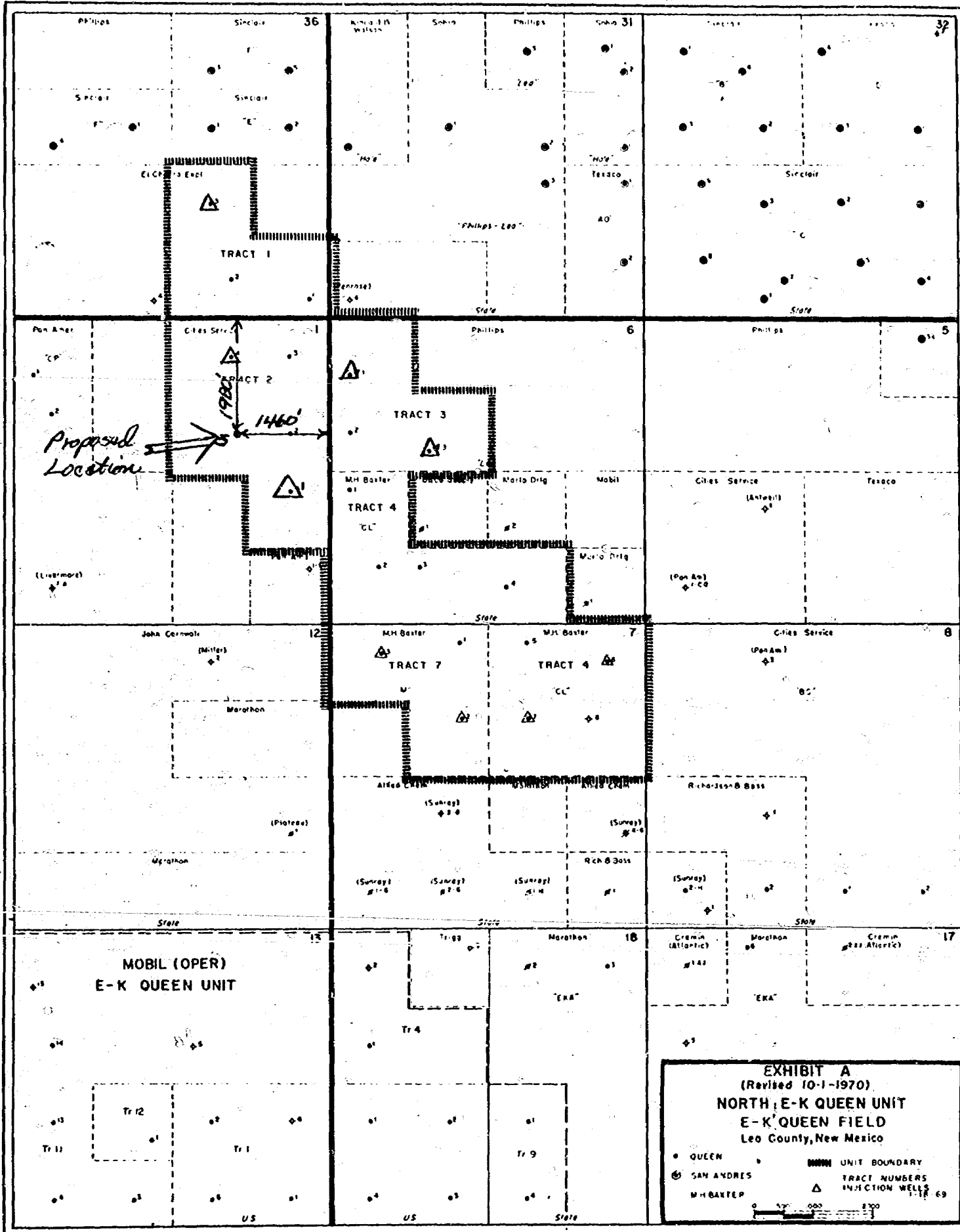
UNIT BOUNDARY
 TRACT NUMBERS
 INJECTION WELLS

7-18-69

0 500' 1000' 2000'

R-33-E

R-34-E



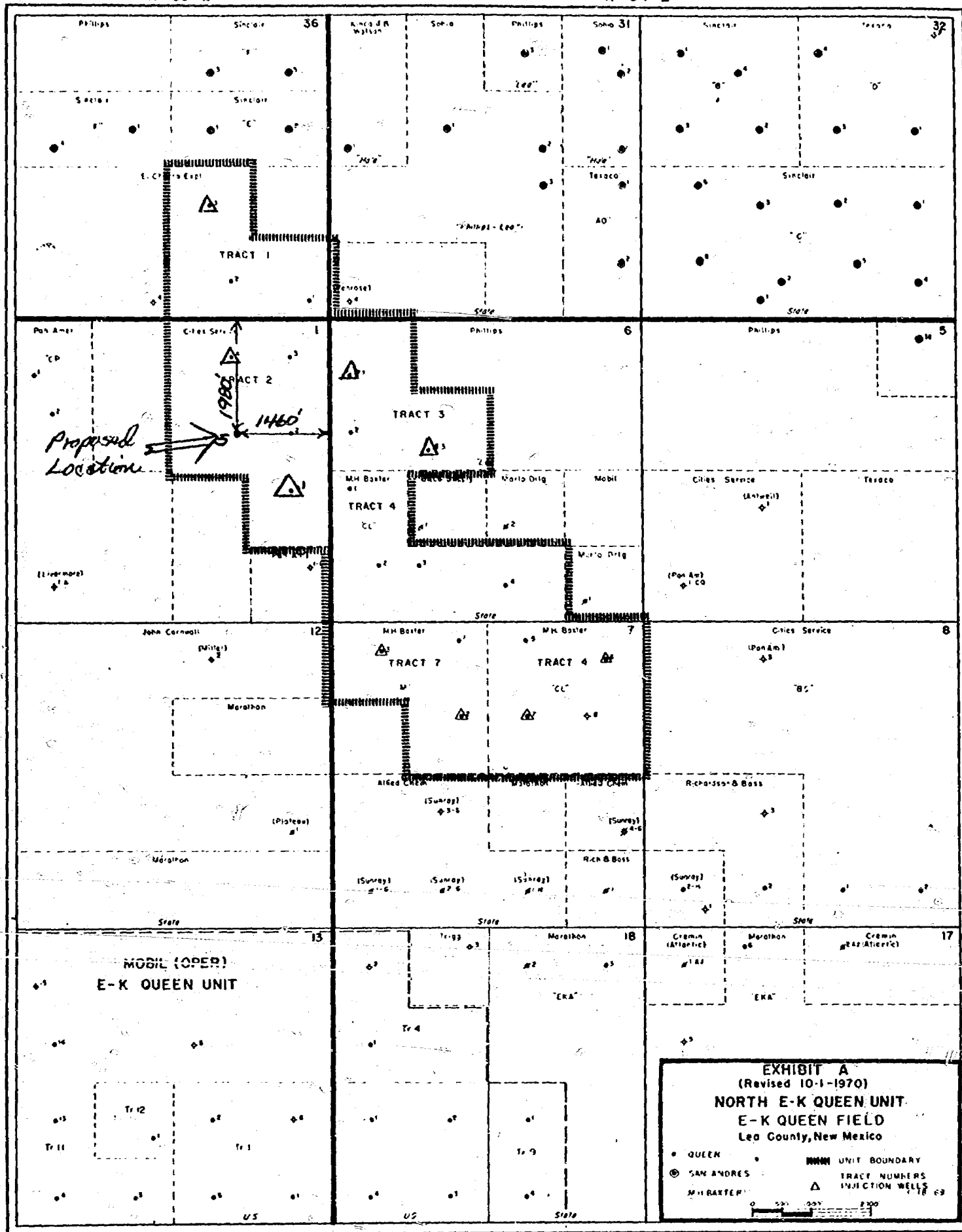
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Case 5491

R-33-E

R-34-E



T 17 S

T 18 S

T 19 S

EXHIBIT A
 (Revised 10-1-1970)
NORTH E-K QUEEN UNIT
E-K QUEEN FIELD
 Lea County, New Mexico

• QUEEN
 ○ SAN ANDRES
 ○ MH BAXTER

--- UNIT BOUNDARY
 Δ TRACT NUMBERS
 ▽ INJECTION WELLS

0 500 1000 2000

Case 5491

OIL CONSERVATION COMMISSION
Hobbs DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE May 6, 1975

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

MAY 8 - 1975
OIL CONSERVATION COMM.
Santa Fe

Gentlemen:

I have examined the application dated _____
for the Murphy H. Baxter N. EK Queen Unit Tr. 2 #5 1-18-33
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Hearing Required---J.D.R.

Yours very truly,

James A. Ramey

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 Pennsylvania 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.

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. 5491

Order No. R-4009-A

APPLICATION OF MURPHY H. BAXTER FOR AN
UNORTHODOX OIL WELL LOCATION AND AN ADMINISTRATIVE
PROCEDURE, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 10, 1975,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 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, Murphy H. Baxter, is the operator of the North EK Queen
Unit Waterflood Project, EK Yates-Seven Rivers-Queen Pool, Lea County, New
Mexico, which was approved by Commission Order No. R-4009, dated August 12, 1970.

Case No. 5491

Order No. R- 4009-A

(3) That to provide for a more efficient production pattern in said unit, applicant seeks approval for an 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, NMPM, in said Unit.

(4) That the applicant further seeks the establishment of an administrative procedure whereby additional injection and producing wells may be drilled in said Unit at orthodox and unorthodox locations.

(5) That in order to permit the applicant the flexibility needed to complete an efficient injection and producing pattern in said project, thereby increasing ultimate recovery and preventing waste, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Murphy H. Baxter, is hereby authorized to drill a producing well at an unorthodox oil well location 1980 feet from the North line and 1460 feet from the East line of Section 1, Township 18 South, Range 33 East, NMPM, Ek Yates-Seven Rivers-Queen Pool, Lea County, New Mexico.

(2) The Secretary-Director of the Commission is hereby authorized to approve additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the North EK Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said Unit nor closer than 10 feet to any quarter-quarter section of subdivision inner boundary. To obtain such approval, the project operator shall file proper application with the Commission, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

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Case No. 5491

Order no. R- 4009-A

(a) A plat showing the location of proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.

(b) A schematic drawing of ^{any} ~~the~~ proposed ^{injection} well which fully describes the casing, tubing, ^{packer, leak detection equipment} perforated interval, and depth.

(c) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

The Secretary-Director may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The Secretary-Director may grant immediate approval, provided waivers of objection are received from all offset operators.

(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.

Case 5491

Memo

From

THOMAS W. DERRYBERRY
ATTORNEY

To Scott - Murphy H. Baxter

Admin. Unit. L. - in ~~Water~~

~~Unit~~ Etc Queen Units -
infill.

App. of M.B. for app. of

~~U~~ U infill well location
in the N. EK Q. waterflood
U. to be designated as N. EK
Q. #2-5 - 1980 FNL #4460
FEL. - S.1, T-185, R-33 E. L.
CO. Proposed to test Q form.

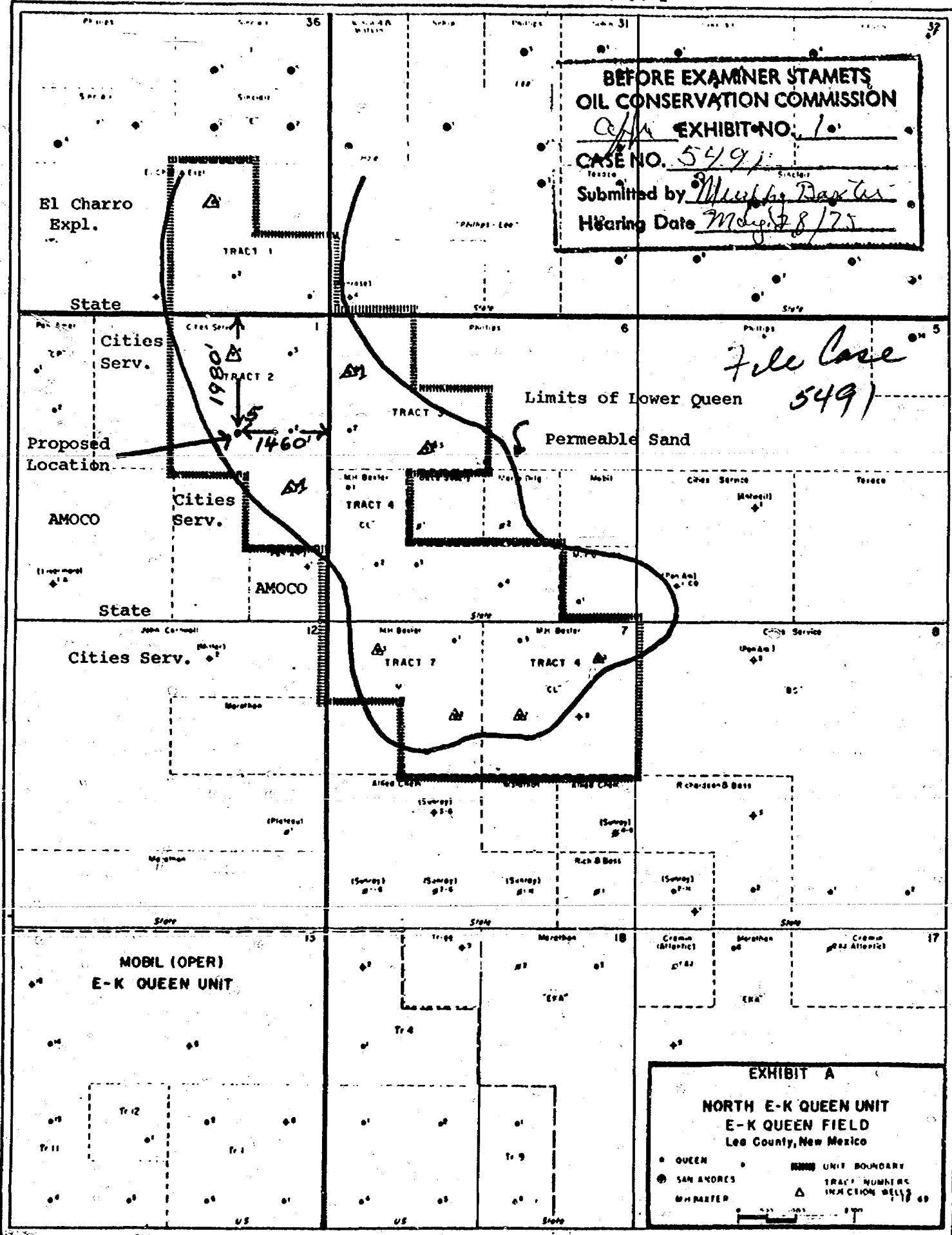
App also desire that add
i wells of

Oil Conservation Commission - Santa Fe, New Mexico

May 28.

R-33-E

R-34-E



BEFORE EXAMINER STAMETS
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 10
 CASE NO. 549
 Submitted by Murphy Baxter
 Hearing Date May 28/75

File Case 549

EXHIBIT A
 NORTH E-K QUEEN UNIT
 E-K QUEEN FIELD
 Lee County, New Mexico

• QUEEN
 • SAN ANDRES
 • WHEELER
 UNIT BOUNDARY
 TRACT NUMBER
 INJECTION WELLS

T 17 S

T 18 S

PROJECT: NORTH EK QUEEN UNIT
 FIELD: EK YATES, SEVEN RIVERS QUEEN
 COUNTY: LEA STATE: NEW MEXICO

MURPHY H. BAXTER
 MONTHLY OPERATING REPORT
 MIDLAND DISTRICT

1975

WELL STATUS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Producers	11	11	11						
Injectors	9	9	9						
Water Supply	1	1	1						
Shut-in Producers									
Shut-in Injectors									
TOTAL	21	21	21						

OIL PRODUCTION, BBLs.

Monthly Allowable	9269	8372	9269						
Monthly Production	7537	6903	7640						
Cum. Since Unit	209983	216886	224526						
GAS PRODUCTION, MCF.	63	14	37						

WATER PRODUCTION, BBLs.

Monthly	16771	14616	16461						
Cum. Since Unit	468964	483580	500047						

WATER INJECTION, BBLs.

Monthly	76972	64504	76919						
Cumulative	2486911	2551415	2628334						
Maximum Injection Pressure									

BEFORE EXAMINER STATES
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 2
 CASE NO. 5491
 Submitted by Murphy Baxter
 Hearing Date July 21/75

REMARKS:

EXHIBIT B

MURPHY H. BAXTER
214 BUILDING OF THE SOUTHWEST
MIDLAND, TEXAS 79701
May 15, 1975

MURPHY BAXTER

MAY 22 1975

Midland, Texas

Cities Service Oil Company
Attention: Manager of Production
P. O. Box 1919
Midland, Texas 79701

RE: Waiver of Objections
Unorthodox Location
1980' FNL & 1460' FEL
of Section 1, T-18-S,
R-33-E, Lea County, N. M.,
North EK Queen Unit

Gentlemen:

Attached is an application for an unorthodox location for our North EK Queen No. 2-5 at the subject location. Your company is a partner in this unit and have approved the AFE for drilling this well. However, you still hold acreage offsetting the unit to the west thereby requiring a waiver.

If you have no objections to this unorthodox location, please sign and return one copy of this letter as soon as possible.

Yours truly,



S. G. Scott

Waivers of Objections to
above application:

Accepted Cities Service Oil Company

By [Signature] MANAGER OF PRODUCTION

Date 5/16/75 SOUTHWEST REGION

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 5491

Submitted by Murphy H. Baxter

Hearing Date MAY 28, 1975

EXHIBIT C



Amoco Production Company

500 Jefferson Building
P.O. Box 3092
Houston, Texas 77001

E. E. Morris
Division Engineer

May 21, 1975

File: DRC-986.51NM-2176

Re: Unorthodox Location Waiver
North EK Queen Unit Well No. 2-5
Lea County, New Mexico

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

Gentlemen:

We have received a copy of Murphy H. Baxter's application for an unorthodox drilling location for his North EK Queen Unit Well No. 2-5.

The proposed location is 1980' FNL and 1460' FEL of Section 1, T-18-S, R-33-E, Lea County, New Mexico.

As an offset operator, Amoco Production Company has no objection to this site and hereby waives notice and hearing.

Very truly yours,

cc: Murphy H. Baxter
814 Building of the Southwest
Midland, TX 79701

EHW:as

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 4

CASE NO. 5491

Submitted by Murphy H. Baxter

Hearing Date May 28, 1975

EXHIBIT D