

CASE 5595: HARRINGTON TRANS. INC.
FOR AN UNORTHODOX GAS WELL LOCA-
TION, EDDY COUNTY, NEW MEXICO

CASE NO.

5595

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 3, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Harrington Transportation) CASE
Inc. for an unorthodox gas well location) 5595
Eddy County, 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 F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Paul Eaton, Esq.
HINKLE, BONDURANT, COX & EATON
Attorneys at Law
Hinkle Building
Roswell, New Mexico.

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Page 2

I N D E X

Page

RALPH JOHNSON

Direct Examination by Mr. Eaton

3

EXHIBIT INDEX

Page

Applicant's Exhibit Number One, Land Map

11

Applicant's Exhibit Number Two, Map

11

Applicant's Exhibit Number Three, Contour Map

11

Applicant's Exhibit Number Four, Cross Section

11

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1 MR. STAMETS: The Hearing will please come to
2 order.

3 We will call the next Case, 5595.

4 MR. CARR: Case 5595, application of Harrington
5 Transportation Inc. for an unorthodox gas well location,
6 Eddy County, New Mexico.

7 MR. STAMETS: Call for appearances in this Case?

8 MR. EATON: Paul Eaton, Hinkle, Bondurant, Cox and
9 Eaton representing the applicant.

10 MR. STAMETS: Any other appearances?

11 MR. JOHNSON: My name is Ralph Johnson, I'm a
12 consulting geologist from Midland, Texas.

13 MR. STAMETS: Will any witnesses stand and be
14 sworn at this time, please?

15 (THEREUPON, the witness was duly sworn.)

16 RALPH JOHNSON

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

19

20 DIRECT EXAMINATION

21 BY MR. EATON:

22 Q Please state your name and residence?

23 A Ralph Johnson from Midland, Texas.

24 Q What do you do, Mr. Johnson?

25 A I'm a consulting petroleum geologist.

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1 Q Have you previously testified before this Commission?

2 A No.

3 Q Will you please relate your educational background
4 and work experience?

5 A I have a B.S. degree in geology from Michigan State
6 University and I have worked for nineteen years in West Texas
7 and New Mexico for a major oil company and four years as a
8 consultant.

9 Q What oil company did you work for?

10 A Chevron Oil.

11 Q As a geologist?

12 A Yes, sir.

13 Q And you say that the last four years you have been
14 working as a consulting geologist?

15 A Yes.

16 Q In what area?

17 A Mainly West Texas and New Mexico, but I also have
18 consulted in Kansas and Oklahoma.

19 Q And are you a member of any professional society?

20 A The American Association of Petroleum Geologists.

21 Q Are you familiar with the geology of the area in
22 which the proposed well is to be located?

23 A Yes, I am.

24 Q What does Harrington Transportation seek by its
25 application?

1 A. We seek to drill a well in the northeast quarter
2 located in the north and east of Section 13, Township 18
3 South, 26 East, Eddy County.

4 Q Why is this an unorthodox location for a well?

5 A My understanding of the rules in here is that the
6 orthodox location be in the northwest and the southeast.

7 Q Do you understand that the lands are within the
8 Atoka-Pennsylvanian Gas Pool?

9 A Yes.

10 Q All right, sir, would you refer to what has been
11 marked for identification as Exhibit Number One and please
12 state what that exhibit is?

13 A This is a land map showing the general location of
14 the Section 13 with which we are concerned with in the north-
15 east quarter I have outlined there in the east half, which
16 is dedicated to the well, and the red dot shows the proposed
17 location.

18 Q Does this map also show the names of the offset
19 operators?

20 A Yes.

21 Q Have you notified those offset operators of the
22 application?

23 A Yes.

24 Q Has any offset operator notified you that it was
25 opposed to the location?

1 A. No.

2 Q I believe you said that as you understand the
3 special pool rules for the pool in question, well locations
4 are to be in the northwest quarter or the southeast quarter of
5 the section?

6 A. Yes.

7 Q All right, sir, will you please proceed to Exhibit
8 Number Two?

9 A Exhibit Number Two is a map in that area drawn on
10 the top of the Morrow formation, a structural map, showing
11 the structural configuration in there.

12 Q I thought Exhibit Number Two, sir, was the cross
13 section?

14 A. No, that's Number Four.

15 Q Let's then refer to Exhibit Number Four.

16 A. All right.

17 MR. STAMETS: Mr. Eaton, Exhibit Number Two then is
18 the map?

19 MR. EATON: Yes, sir.

20 Q (Mr. Eaton continuing.) Please refer to Exhibit
21 Number Four, sir, and state what this is?

22 A. This is a cross section in the area around Section
23 13. If you will look at the index map on the right-hand end
24 you will see the line, a cross section there which goes
25 around the section that we are concerned with. Also we

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1 have outlined the east half of the section dedicated to the
2 requested location, and the red dot showing the proposed
3 location there.

4 Q All right, now, what data is shown under each of the
5 well logs?

6 A The general data relating to that particular well,
7 showing the elevation, the depth, when it was spudded, and
8 DST's if any were run, the treatment and the potential if it
9 was completed as a producer.

10 Q All right, now, what does this exhibit show?

11 A It shows here that we have a line drawn on the top
12 of the Morrow and you can relate back to Exhibit Number Two,
13 that map is drawn off of that line that is shown there, that
14 is the top of the Morrow. Also you will note the red
15 markings there which are where I indicated the porosity in
16 the Morrow of five percent or better and that will relate to
17 Exhibit Number Three when we get there.

18 Q All right, any other information you wish to
19 mention in connection with this Exhibit or any conclusions
20 that you have in connection with this Exhibit?

21 A Not at the moment. I would like to refer to it
22 as we go along here.

23 Q Now, would you refer to what has been marked as
24 Exhibit Number Two and please state what this exhibit is
25 intended to reflect?

1 A. This, as I said just recently here, shows what I
2 showed on the cross section as that line which shows the
3 Morrow formation, the top of it, that is the top of the Morrow.
4 A structural contour map many people would call that.

5 What I intend to show here as we get further along,
6 is that a structure map on the Morrow is not the determining
7 factor for production or as to the fact whether you are high
8 or low is not the final analysis of any of the possibilities.

9 Q All right, sir, then let's move to Exhibit Number
10 Three. All right, sir, now, what does this exhibit show?

11 A. This is the contoured map of the Morrow sand, net
12 porosity five percent or better and that relates directly, to
13 go back to Exhibit Number Four here, the words where I have
14 colored in in red, the net amount of what I have as the Morrow
15 sand net porosity there.

16 Q Would you explain the legend?

17 A. Also I have indicated there, wherever I could find
18 it, the initial potential of the calculated absolute open
19 flow, the production rate in MCF per day, the cumulative and
20 the completion date.

21 I was not able to get that on all of the wells, but
22 I have a pretty good representation there.

23 Q And the contour lines indicate what?

24 A. They indicate the lay-out or the strike as you may
25 want to call it, as some might, of the net porosity within the

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Page 9

1 Morrow sands in this immediate area.

2 Q All right. Now, what conclusions do you draw from
3 this exhibit?

4 A The main conclusion that I draw here insofar as
5 predicting Morrow possibilities, as evidenced here it is
6 rather erratic and haphazard, the fact that you have a good
7 amount of sand does not necessarily mean you are going to have
8 a good well.

9 Q Now, an orthodox location, as I understood your
10 earlier testimony, would either be in the northwest quarter of
11 Section 13, or the southeast quarter of Section 13, is that
12 correct?

13 A Right.

14 Q Would you explain why you opt for the unorthodox
15 location that you have asked for instead of the orthodox
16 location?

17 A Well, number one, if you look in Section 11, the
18 southeast corner, the Mobil Number 1 Brainard is a poor well.
19 It potentialled for only two hundred thousand. I mean the
20 average production as of August the first, which is what my
21 map has. The latest was two hundred thousand per day and it
22 potentialled for four point nine eight million, but since 1963
23 the cumulative is only two point five billion. Also as you
24 drop back down to Section 14, the Number 2 Chevron, Number 2
25 Everance, is a dry hole. Therefore, based on what I see there

1 I'm reluctant to recommend drilling in the west half of
2 13.

3 Q All right, now, why have you selected the location
4 in the northeast quarter of Section 13?

5 A If we look at the Felmont Number 2 Atoka, on its
6 potential and also what it is doing on a daily rate.

7 Q Now, is that the direct offset to the north?

8 A Yes, directly north in Section 12, in the southeast
9 quarter there. If we look at the evidence there, that apparently
10 has good permeability there and due to the haphazard and
11 erratic occurrence of porosity in the Morrow, I have to mainly
12 rely on what the productive history is and that certainly
13 shows it to be a good, good well, therefore, I can only at
14 the moment say that in that general area of the northeast
15 quarter of Section 13 is the best place to drill.

16 Q Do you know the approximate cost to drill and
17 complete a Morrow well in this area?

18 A Harrington, as I understand, is going to budget
19 close to three hundred and fifty thousand dollars at least.

20 Q Now, is that the cost to complete the well?

21 A Yes, that is to drill and complete.

22 Q Would the approval of the application be in the
23 interest of conservation and prevention of waste and would it
24 protect the correlative rights, in your opinion?

25 A In my opinion, yes.

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1 Q Were these exhibits prepared by you or under your
2 supervision?

3 A Yes, they were.

4 Q Would approval of the application eliminate the
5 drilling of any unnecessary wells in your opinion?

6 A Yes.

7 MR. EATON: We offer Exhibits One through Four
8 into evidence, Mr. Examiner.

9 MR. STAMETS: These exhibits will be admitted.
10 (THEREUPON, Applicant's Exhibits One through
11 Four were admitted into evidence.)

12 MR. STAMETS: Any questions of the witness? He
13 may be excused.

14 (THEREUPON, the witness was excused.)

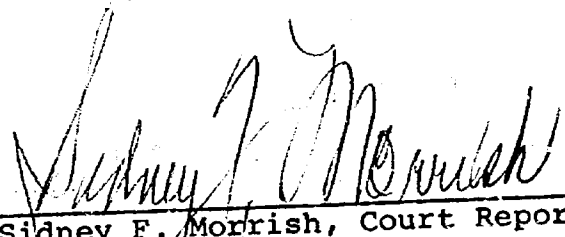
15 MR. STAMETS: Anything further in this Case?

16 MR. CARR: Mr. Examiner, we have received a letter
17 from Felmont Oil Corporation signed by Joe D. Miller, Division
18 Manager, Western Division, stating that: (Reading) They
19 feel the drilling of this well will drastically reduce the
20 recoverable reserves from a Felmont well in the east half of
21 Section 12 and, therefore, oppose the application.

22 MR. STAMETS: Anything further in this Case? We
23 will take the Case under advisement.
24
25

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a 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. 5595
heard by me on 12-30, 19 75


Richard B. Stame, Examiner
New Mexico Oil Conservation Commission

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DIRECTOR
JOE D. RAMEY

OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER
PHIL R. LUCERO
December 17, 1975



STATE GEOLOGIST
EMERY C. ARNOLD

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

Re: CASE NO. 5595
ORDER NO. R-5136

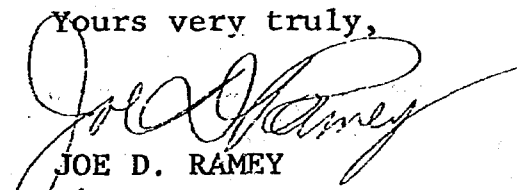
Applicant:

Harrington Transportation Inc.

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
Director

JDR/fd

Copy of order also sent to:

Pobbs OCC x
Artesia OCC x
Aztec OCC

Other Joe D. Miller

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. 5595
Order No. R-5136

APPLICATION OF HARRINGTON TRANSPORTATION
INC. FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 3, 1975,
at Santa Fe, New Mexico, before Examiner R. L. Stamets.

NOW, on this 16th day of December, 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, Harrington Transportation Inc.,
seeks approval of an unorthodox gas well location for its Higgins
Well No. 1 to be drilled 990 feet from the North line and 990
feet from the East line of Section 13, Township 18 South, Range
26 East, NMPM, to test the Pennsylvanian formation, Atoka-Pennsyl-
vanian Gas Pool, Eddy County, New Mexico.

(3) That the E/2 of said Section 13 is to be dedicated to
the well.

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

(5) That no offset operator appeared and 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.

-2-

Case No. 5595
Order No. R-5136

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 North line and 990 feet from the East line of Section 13, Township 18 South, Range 26 East, NMPM, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

(2) That the E/2 of said Section 13 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


Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

jr/

Docket No. 30-75

Docket No. 31-75 is tentatively set for hearing on December 17, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 3, 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 5593: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Caffell FD Well No. 1 to be drilled at a point 660 feet from the South line and 1980 feet from the East line of Section 15, Township 17 South, Range 26 East, Kennedy Farms Field, Eddy County, New Mexico, the E/2 of said Section 15 to be dedicated to the well.

CASE 5594: Application of General American Oil Company of Texas for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 330 feet from the South line and 1150 feet from the West line of Section 29, Township 17 South, Range 29 East, Grayburg Gas Field, Eddy County, New Mexico, the W/2 of said Section 29 to be dedicated to the well.

CASE 5595: Application of Harrington Transportation Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Higgins Well No. 1 to be drilled 990 feet from the North and East lines of Section 13, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, the E/2 of said Section 13 to be dedicated to the well.

CASE 5583: (Continued from November 19, 1975 Examiner Hearing)

Application of Stevens Oil Company for a pilot waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project in the Twin Lakes-San Andres Pool by injection of produced water through its Twinlakes Oil Company Well No. 1, located in Unit D of Section 12, Township 9 South, Range 28 East, Chaves County, New Mexico.

CASE 5591: (Continued from November 19, 1975 Examiner Hearing)

Application of Amoco Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox location 1980 feet from the South line and 1241 feet from the West line of Section 33, Township 17 South, Range 29 East, Grayburg-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 33 to be dedicated to the well.

CASE 5588: (Continued from November 19, 1975 Examiner Hearing)

Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Gonzales-Mesaverde and Basin-Dakota gas production in the wellbore of its Jicarilla Contract 146 Well No. 11, located in Unit K of Section 4, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 5596: Application of Burk Royalty Company for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of secondary recovery, all mineral interests in the Queen formation underlying the following-described lands, Double L-Queen Pool, Chaves County, New Mexico:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM

Section 23: E/2 SE/4

Section 24: W/2 SW/4

Section 25: NW/4, SW/4 NE/4, N/2 SW/4, SE/4 SW/4,
W/2 SE/4, & SE/4 SE/4

Section 36: NE/4 NW/4, NE/4, N/2 SE/4, & SE/4 SE/4

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM

Section 31: W/2, W/2 SE/4, & SE/4 SE/4

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM

Section 1: E/2 E/2

Section 12: NE/4 & E/2 SE/4

Section 13: NE/4 NE/4

Among the matters to be considered at the hearing will be the necessity of unit operations and the feasibility of the proposed secondary recovery program; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 5597: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Eddy County, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Crow Flats-Morrow Gas Pool. The discovery well is the Samedan Oil Corporation Amoco Federal Well No. 1 located in Unit G of Section 19, Township 16 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM

Section 19: N/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Sitting Bull Falls-Morrow Gas Pool. The discovery well is the American Quasar Petroleum Company of New Mexico Huber State Well No. 1 located in Unit F of Section 36, Township 23 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 22 EAST, NMPM
Section 36: W/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Little Box Canyon-Morrow Gas Pool. The discovery well is the Cities Service Oil Company Little Box Canyon Unit Well No. 1, located in Unit J of Section 7, Township 21 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 7: S/2

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Cottonwood Draw-Strawn Gas Pool. The discovery well is the Robert N. Enfield Cottonwood Draw Unit Well No. 1, located in Unit L of Section 20, Township 25 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 27 EAST, NMPM
Section 20: W/2

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Twin Mills-Atoka Gas Pool. The discovery well is the Perry R. Bass Poker Lake Unit Well No. 42 located in Unit G of Section 10, Township 25 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 30 EAST, NMPM
Section 10: N/2

(f) EXTEND the Atoka San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 21: N/2 SE/4

(g) EXTEND the Avalon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 29: W/2
Section 31: N/2
Section 32: W/2

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 7: E/2

Section 8: W/2

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

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 1: S/2

(j) EXTEND the South Empire-Wolfcamp Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 30: S/2 SE/4

Section 31: N/2 NE/4

Section 32: N/2 NW/4

(k) EXTEND the South Sand Dunes Lower Penn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 2: W/2

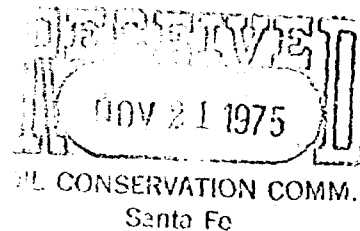
Section 3: N/2

(l) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM

Section 22: All

RALPH D. JOHNSON
Geologist
Box 2793
Midland, Texas 79701



November 17, 1975

New Mexico Oil Conservation
Commission
Box 2063
Santa Fe, NM 87501

Attention: Mr. Thomas W. Derryberry

Harrington Transportation, Inc.
Request for Hearing
Unorthodox Well Location
NE/4, Sec. 13, T-18-S, R-26-E,
Eddy County, New Mexico

Gentlemen:

Reference is made to our telephone conversation on November 12, 1975, and November 13, 1975, in regard to the above captioned item. Requested location is 990 feet from the north and east lines and is for a Morrow formation test.

This letter will confirm our telephone conversations and our intent to comply with your scheduling of subject hearing on December 3, 1975. Please be advised that I am acting as a representative of:

Harrington Transportation, Inc.
2525 N. Stemmons Freeway
Dallas, Texas 75207.

Based on the productive pattern in the general area, we feel that the requested location is most beneficial for all concerned.

Your courtesy is appreciated.

Yours very truly,

Ralph D. Johnson
Ralph D. Johnson

DOCKET MAILED

Date 11/24/75

RDJ/skp

FELMONT OIL CORPORATION • P. O. BOX 2266 • MIDLAND, TEXAS 79701 • 915 682-5231

JOE D. MILLER
DIVISION MANAGER

RECEIVED
NOV 26 1975

OIL CONSERVATION COMM.
Santa Fe



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

Attention: Mr. R. L. Stamets, Examiner

Re: Case #5595; Harrington
Transportation Inc. Application
for unorthodox well location;
Section 13, T-18-S, R-26-E
Eddy County, New Mexico

990 NB E
13-18-26
E12
Bf

Gentlemen:

Felmont Oil Corporation is operator of a Morrow gas well located in the E/2 of Section 12, T-18-S, R-26-E, Eddy County, New Mexico. This well was drilled at an orthodox location in the SE/4 of the section as prescribed under Order No. R-1670-E by the Oil Conservation Commission of the State of New Mexico on May 25, 1961.

The Harrington proposed well will be located in the NE/4 of Section 13. The obvious reason for the well being located in this quarter-section is that geologically there is some doubt that a commercial completion could be made at the legal location in the southeast quarter of Section 13. Therefore, Felmont strongly objects to this application and believes that the recoverable reserves from our well in Section 12 will be drastically reduced by the drilling and completion of the well in the NE/4 of Section 13.

Also, please be advised that Felmont as an offset operator to the proposed well was not furnished with a copy of the application to the Commission of this hearing as provided for in Rule 3 of Order No. R-1670-E concerning the Atoka-Pennsylvanian Gas Pool.

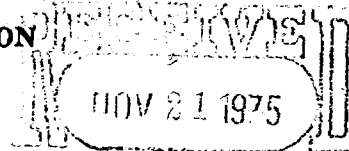
Very truly yours,

FELMONT OIL CORPORATION

Joe D. Miller
Joe D. Miller
Manager, Western Division

JDM:dc

RALPH D. JOHNSON
Geologist



OIL CONSERVATION COMM.
Santa Fe

Box 2793
Midland, Texas 79701
November 19, 1975

Harrington Transportation, Inc.
Request for Hearing
Unorthodox Well Location
NE/4, Sec. 13, T-18-S, R-26-E
Eddy County, New Mexico

New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Thomas W. Derryberry

Gentlemen:

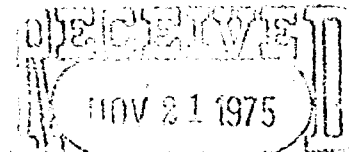
In reference to our telephone conversation of this date
and the above captioned item, enclosed are 3 xerox copies of
the previously mailed letter.

Sincerely,

Ralph D. Johnson
Ralph D. Johnson

RDJ/js
Enclosures

Box 2793
Midland, Texas 79701



November 17, 1975

NEW MEXICO CONSERVATION COMMISSION
Santa Fe

New Mexico Oil Conservation
Commission
Box 2088
Santa Fe, NM 87501

Attention: Mr. Thomas W. Derryberry

Harrington Transportations, Inc.
Request for Hearing
Unorthodox Well Location
NE/4, Sec. 13, T-18-S, R-26-E,
Eddy County, New Mexico

Gentlemen:

Reference is made to our telephone conversation on November 12, 1975, and November 13, 1975, in regard to the above captioned item. Requested location is 990 feet from the north and east lines and is for a Morrow formation test.

This letter will confirm our telephone conversations and our intent to comply with your scheduling of subject hearing on December 3, 1975. Please be advised that I am acting as a representative of

Harrington Transportation, Inc.
2525 N. Stemmons Freeway
Dallas, Texas 75207

Based on the productive pattern in the general area, we feel that the requested location is most beneficial for all concerned.

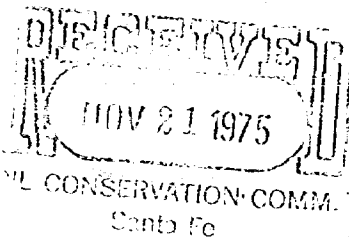
Your courtesy is appreciated.

Yours very truly,

Ralph D. Johnson

RDJ/skp

Box 2793
Midland, Texas 79701



November 17, 1975

New Mexico Oil Conservation
Commission
Box 2088
Santa Fe, NM 87501

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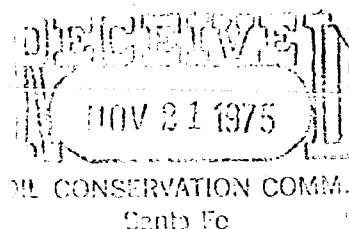
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November 17, 1975

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Your courtesy is appreciated.

Yours very truly,

Ralph D. Johnson

RDJ/skp

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5595

Order No. R- 5136

APPLICATION OF HARRINGTON TRANSPORTATION INC.
FOR AN UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO.

WKC

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 3,
19 75, at Santa Fe, New Mexico, before Examiner _____.

NOW, on this _____ day of December, 19 75, 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, Harrington Transportation Inc.,
seeks approval of an unorthodox gas well location for its
Higgins Well No. 1 to be drilled 990 feet from the North line and
990 feet from the East line of Section 13, Township 18 South,
Range 26 East, NMPM, to test the Pennsylvanian formation, Atoka-
Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That the E/2 of said Section 13 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 ^{*appeared and*} objected to the proposed
unorthodox location.

-2-

Case No. 5595

Order No. R-

(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 North line and 990 feet from the East line of Section 13, Township 18 South, Range 26 East, NMPM, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

(2) That the E/2 of said Section 13 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.



THOMAS W. DERRYBERRY
ATTORNEY

To Ralph Johnson - Midland

Atoka - Penn

Higgins well NO. 1

13 - T145, R-26E - NE/4

chevron
Farmout

990 F&E Lines N/2

Harrington Transportation Inc.

2525 N. Stemmonds Frwy.

Dallas 75207

(915) 623-6489

Oil Conservation Commission - Santa Fe, New Mexico