

CASE 5636: Appl. of JULIAN ARD
for an UNORTHODOX OIL WELL
LOCATION, ~~LEA~~ County
LEA

CASE NO.

5636

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 17, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Julian Ard for an un-
orthodox oil well location, Lea County,
New Mexico.

CASE
5636
(Cont.)

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

For the Applicant:

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

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1 MR. NUTTER: We will call Case Number 5636.

2 MR. CARR: Case 5636, application of Julian Ard
3 for an unorthodox oil well location, Lea County, New Mexico.

4 MR. KELLAHIN: Tom Kellahin of Kellahin and Fox,
5 Santa Fe, New Mexico appearing on behalf of the applicant and
6 I have one witness to be sworn.

7 (THEREUPON, the witness was duly sworn.)

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9 JULIAN ARD
10 called as a witness, having been first duly sworn, was
11 examined and testified as follows:

12
13 DIRECT EXAMINATION

14 BY MR. KELLAHIN:

15 Q Would you please state your name and occupation?

16 A Julian Ard, operator.

17 Q Mr. Ard, have you previously testified before this
18 Commission?

19 A No, I have not.

20 Q Are you the owner and operator of the lease, the
21 subject lease in question before the Commission today?

22 A Yes, I am.

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

25 MR. NUTTER: The witness may testify as being the

1 operator of the acreage.

2 MR. KELLAHIN: Thank you.

3 Q (Mr. Kellahin continuing.) Mr. Ard, would you refer
4 to what has been marked as Applicant's Exhibit Number One and
5 identify it and state briefly what you are seeking?

6 A This is an outline of the West Sawyer Field, my
7 proration unit is on the west side of it. I'm referring to
8 specifically eighty acres in the west half of the southeast
9 quarter. I'm requesting a location in the south half of that
10 eighty-acre spacing.

11 Q What is the specific footage location you are
12 requesting?

13 A I don't have that information. It's four, fifty-six
14 I think, from the south line and -- it's six, sixty from the
15 south line and nineteen, eighty from the east line.

16 Q Okay. The West Sawyer-San Andres Pool is spaced
17 on eighty acres, is it?

18 A Yes, it is.

19 Q And you are on the western boundary of that pool?

20 A Yes, I am.

21 Q Please locate for the Examiner the offsetting wells
22 that also produce from the same pool?

23 A To the south in Section 5 the northwest quarter of
24 the northeast a well is producing operated by Coastal States
25 and in the same section that I propose to drill there is a

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1 well in the southeast of the southeast operated by Zia
2 Petroleum Company.

3 Q Okay. Are there any other West Sawyer-San Andres
4 wells in the immediate area?

5 A Yes, Section 33 has wells in it and there is a well
6 in the northeast quarter of the same section in which I
7 propose to drill, Section 32.

8 Q Please refer to what has been marked as Exhibit
9 Number Two and identify it?

10 A This is a geological and economic study. Figure One
11 indicates a structure on top of what is called the P-1
12 porosity, indicating a dip going northwesterly. Figure Two
13 and Figure Three indicate a study made of porosity in the
14 area and Figure Four is an economic study which shows that
15 the better wells are in the southeast part of the producing
16 area.

17 Q In Figure Four will you explain to the Examiner
18 what the significance is of those numbers?

19 A These are relative numbers. The study was made
20 in October when we had twelve-and-a-half dollar oil and we
21 were assuming seventy cent gas. These numbers are in thousands
22 of dollars and they indicate roughly how many thousands of
23 dollars of revenue was recovered from these wells during a
24 twelve-month period.

25 Q What is Figure Number Five?

1 A. Figure Number Five indicates the total cumulative
2 production of each well in the area.

3 Q. What is the proposed depth of your well, Mr. Ard?

4 A. Five thousand feet, fifty-two hundred feet.

5 Q. In your opinion, Mr. Ard, is the proposed location
6 more likely to result in an economic well than a well drilled
7 at a standard location?

8 A. Yes, that is my hope.

9 Q. In your opinion can the proposed eighty-acre unit
10 be efficiently and economically drained by a well located as
11 you propose?

12 A. Yes, I think it will be more economically drained.

13 Q. Please refer to what has been marked as Exhibits
14 Three and Four.

15 A. Exhibits Three and Four are requests for approval
16 by offset operators to drill the location I propose.

17 Q. And those offset operators are?

18 A. Zia Petroleum Company and Gas Producing Enterprises,
19 Inc.

20 Q. And they have returned to you their acceptance or
21 waiver indicating no objection?

22 A. Yes, they have.

23 Q. In your opinion, Mr. Ard, will approval of this
24 application be in the best interests of conservation, the
25 prevention of waste and the protection of correlative rights?

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1 A. Yes, it will.

2 Q. Were Exhibits One through Four either compiled by
3 you directly or under your direction and supervision?

4 A. Yes, they were.

5 MR. KELLAHIN: If the Examiner please, we move the
6 introduction of Exhibits One through Four.

7 MR. NUTTER: Exhibits One through Four will be
8 admitted into evidence.

9 (THEREUPON, Applicant's Exhibits One
10 through Four were admitted into evidence.)
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12 CROSS EXAMINATION

13 BY MR. NUTTER:

14 Q. Mr. Ard, this waiver, Exhibit Number Four, has
15 been signed by Dick Morton for Gas Producing Enterprises, Inc.
16 although the letter is sent to Coastal States Gas Producing
17 Company, is that some subsidiary of Coastal States, or
18 something?

19 A. I'm not positive if it is a subsidiary or the present
20 producer of that lease. It is either a subsidiary or
21 Coastal States farmed out that well to Gas Producing
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23 Q. Well, you mentioned that Coastal States was the
24 operator of the well to the south of your proposed location?

25 A. Well, I stand corrected. According to this letter

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1 the operator is apparently Gas Producing Enterprises instead
2 of Coastal States.

3 Q But you are not sure what the relationship between
4 Gas Producing Enterprises and Coastal States is?

5 A No, I just know there is a well there.

6 Q Now, this Exhibit Number Two which has six diagrams
7 on it I see has the name Art Schmidt. Now, presumably he
8 is a geologist or engineer?

9 A A geologist.

10 Q Is he in your employ?

11 A Yes.

12 Q And he prepared this work for you?

13 A Yes, he did.

14 Q Now, the little sketch over here in the lower
15 righthand corner shows the No. 1 oil well, being located more
16 or less in the center of the eighty-acre tract, however, what
17 you are talking about here today is a well that would be in
18 the center of the south forty there, is that correct?

19 A Yes, it would.

20 Q This is the tract we are talking about?

21 A That is the tract.

22 Q And the well would actually be located a little
23 farther south?

24 A Yes.

25 Q And what are these other locations called the two,

1 three and four in the west half?

2 A. These are proposed future locations made by the
3 geologist who estimates that these could be future locations.

4 Q. And the Pool Rules in this West Sawyer-San Andres
5 Pool provide for eighty-acre spacing with the well locations
6 prescribed to be in the northwest quarter and the southeast
7 quarter of the quarter section, is that correct?

8 A. Yes.

9 Q. So these Two, Three and Four wells would be shown
10 on this exhibit at any rate, to be standard locations?

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12 Q. And this location we are talking about today would
13 be the only non-standard location of the four?

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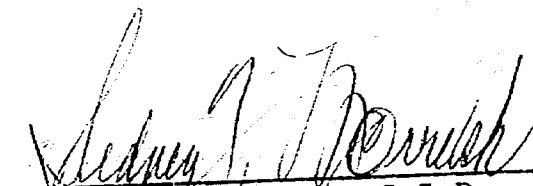
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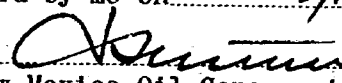
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
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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
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Sidney F. Morrish, C.S.R.

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Examiner
New Mexico Oil Conservation Commission

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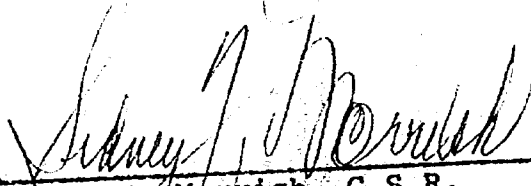
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REPORTER'S CERTIFICATE

1
2 I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
3 do hereby certify that the foregoing and attached Transcript
4 of Hearing before the New Mexico Oil Conservation Commission
5 was reported by me, and the same is a true and correct record
6 of the said proceedings to the best of my knowledge, skill and
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11 Sidney F. Morrish, C.S.R.

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21 , Examiner
22 New Mexico Oil Conservation Commission
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BEFORE THE
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Santa Fe, New Mexico
March 3, 1976

EXAMINER HEARING

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BEFORE: Richard L. Stamets, Examiner

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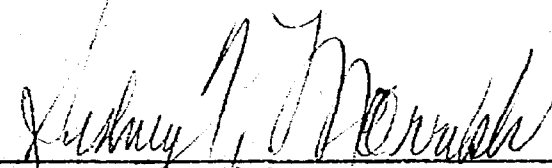
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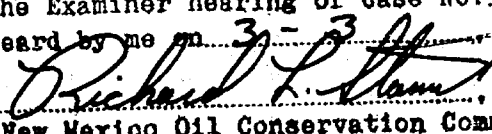
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, Examiner
New Mexico Oil Conservation Commission

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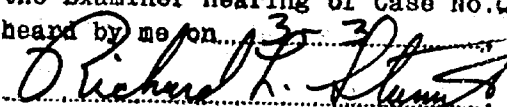
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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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CALLED BY THE OIL CONSERVATION
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Order No. R-5182

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ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 17, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 23rd day of March, 1976, 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, Julian Ard, seeks approval of an unorthodox oil well location in the center of the SW/4 SE/4 of Section 32, Township 9 South, Range 37 East, NMPM, to test the San Andres formation, West Sawyer-San Andres Pool, Lea County, New Mexico, in exception to the provisions of Rule 4, Order No. R-3850.

(3) That the W/2 SE/4 of said Section 32 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the oil 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 oil 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. 5636
Order No. R-5182

IT IS THEREFORE ORDERED:

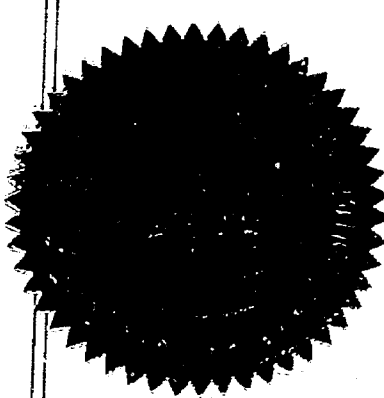
(1) That an unorthodox oil well location for the San Andres formation is hereby approved for a well to be located in the center of the SW/4 SE/4 of Section 32, Township 9 South, Range 37 East, NMPM, West Sawyer-San Andres Pool, Lea County, New Mexico, in exception to the provisions of Rule 4 of Order No. R-3850.

(2) That the W/2 SE/4 of said Section 32 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

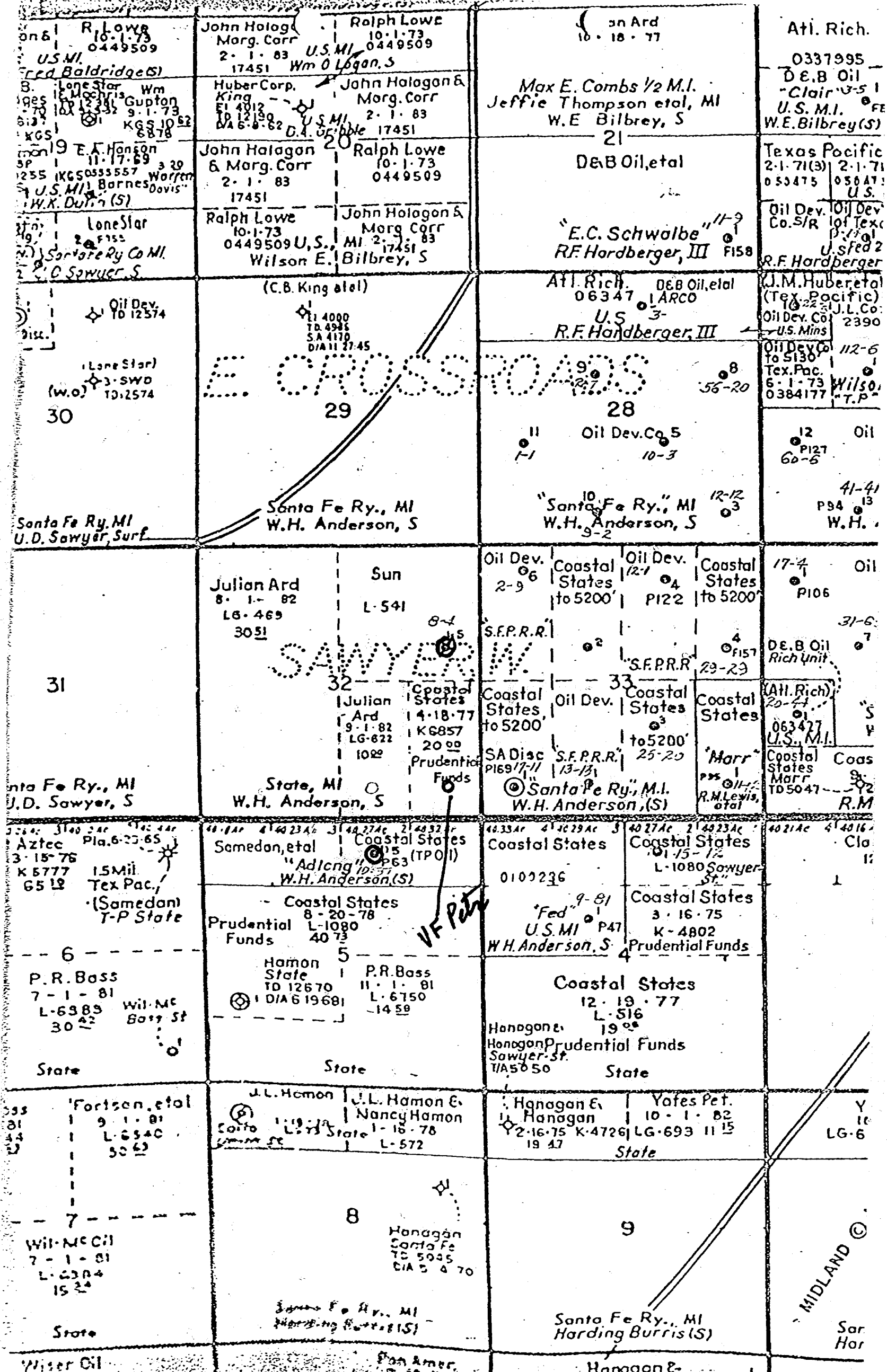
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

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

S E A L

dr/



on 1 R. Lowe
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0449509
U.S. MI.
Fred Baldridge (S)
B. Lone Star
Wm
Gupton
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U.S. MI. Barnes
W.K. Duff (S)

John Halog
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Huber Corp.
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John Halog &
Marg. Carr
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D.A. Orville

John Halog
& Marg. Carr
2-1-83
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Ralph Lowe
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John Halog &
Marg. Carr
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U.S. MI.
Wilson E. Bilbrey, S

an Ard
10-18-77
Max E. Combs 1/2 M.I.
Jeffie Thompson etal, MI
W.E. Bilbrey, S
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D&B Oil, etal
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R.F. Hordberger, III
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Ati. Rich. D&B Oil, etal
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R.F. Hordberger, III
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W.H. Anderson, S
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(W.O.)
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Santa Fe Ry. MI
U.D. Sawyer, Surf.

(C.B. King etal)
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Santa Fe Ry., MI
W.H. Anderson, S

Julian Ard
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Coastal States
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KGS 857
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Prudential
Funds
State, MI
W.H. Anderson, S

Oil Dev. 2-9
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to 5200
S.F.P.R.R.
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to 5200
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S.F.P.R.R.
13-13
"Santa Fe Ry., MI.
W.H. Anderson, (S)

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Aztec
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Tex Pac.
(Samedon)
T-P State

P.R. Bass
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Fortson, etal
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MIDLAND ©

JULIAN ARD

P. O. BOX 2361

MIDLAND, TEXAS 79701

January 21, 1976

307 WALL TOWERS EAST
915-683-1871

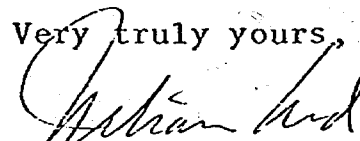
V-F Petroleum, Inc.
1212 Vaughn Building
Midland, Texas 79701

Gentlemen:

Please be advised that we are planning to drill a location
660 FSL and 1980 FEL Section 32, T-9-S, R-37-E, Sawyer West Field,
Lea County, New Mexico.

By your approval and return of one copy of this letter,
you hereby waive your objection to same.

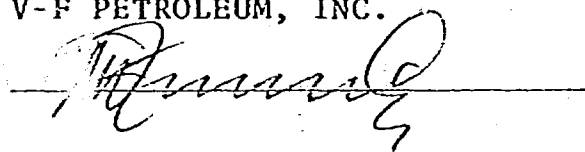
Very truly yours,


Julian Ard

JA:bt

AGREED AND ACCEPTED THIS
23rd DAY OF JANUARY, 1976:

V-F PETROLEUM, INC.



BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
ARD EXHIBIT NO. 3
CASE NO. 5636

P. O. BOX 2361
MIDLAND, TEXAS 79701

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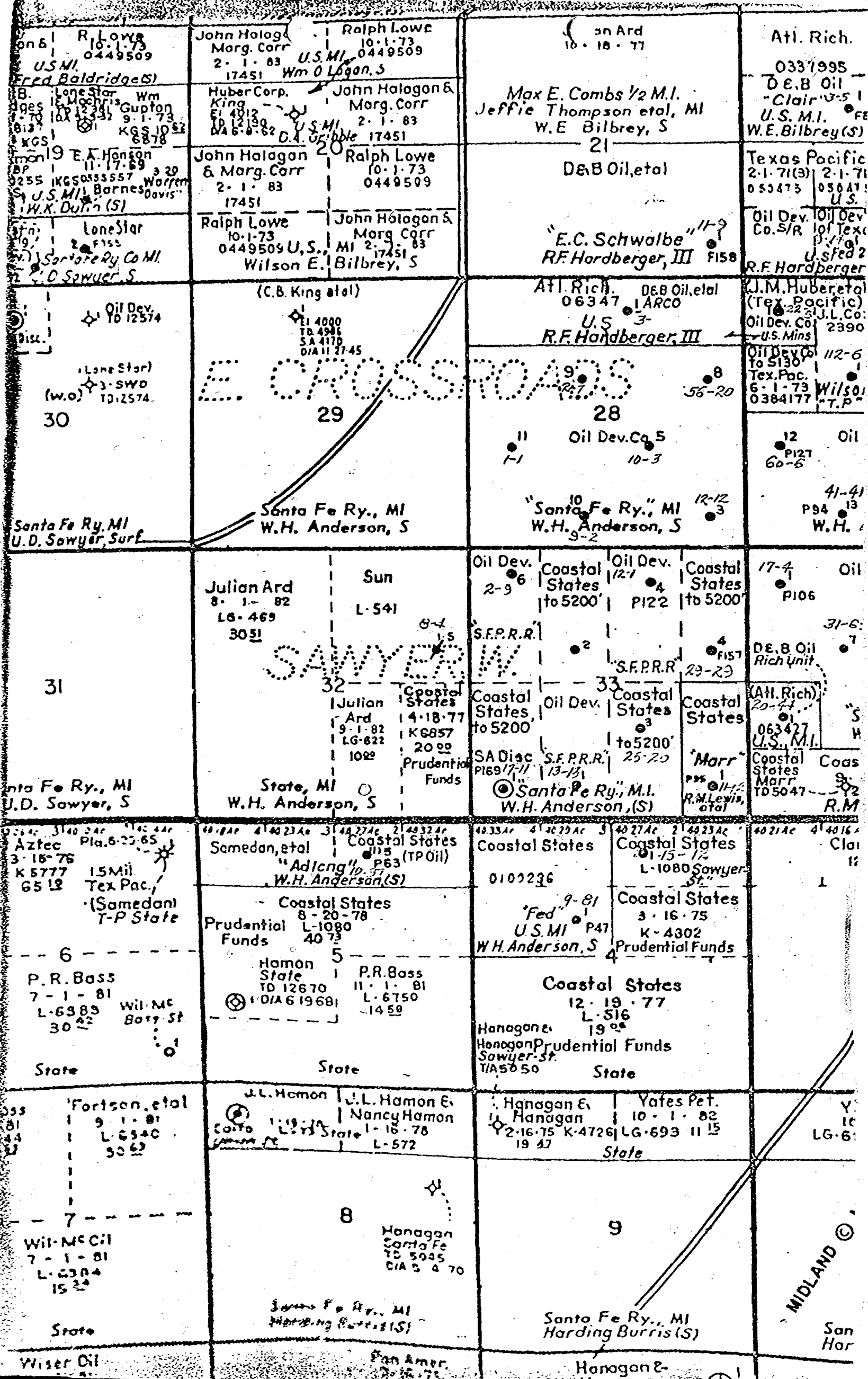
WALL TOWERS EAST
915-683-1871

Julian Ard

AGREED AND ACCEPTED THIS
27 DAY OF JANUARY, 1976:
 GAS PRODUCING ENTERPRISES, INC.
 COASTAL STATES GAS PRODUCING COMPANY

Dish mortars

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
AND EXHIBIT NO. 4
CASE NO. 5636



JULIAN ARD

P. O. BOX 2361
MIDLAND, TEXAS 79701

January 21, 1976

307 WALL TOWERS EAST
915-683-1871

V-F Petroleum, Inc.
1212 Vaughn Building
Midland, Texas 79701

Gentlemen:

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23rd DAY OF JANUARY, 1976:

V-F PETROLEUM, INC.

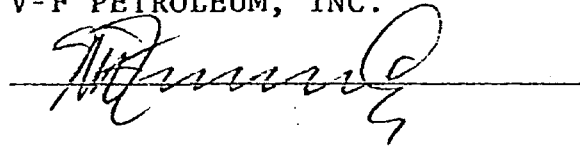


Exhibit 3
Case 5636

JULIAN ARD

P. O. BOX 2361

MIDLAND, TEXAS 79701

January 21, 1976

CFOZ CO. 307		
Bldg. & Prod. Dept.		
Midland Div.		
JAN 22 1976		
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WALL TOWERS EAST
915-683-1871

GAS PRODUCING ENTERPRISES, INC.
Coastal States Gas Producing Company
P. O. Box 235
Midland, Texas 79701

Attention: Mr. Dick Morton

Gentlemen:

Please be advised that we are planning to drill a location
660 FSL and 1980 FEL Section 32, T-9-S, R-37-E, Sawyer West Field,
Lea County, New Mexico.

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Very truly yours,

Julian Ard
Julian Ard

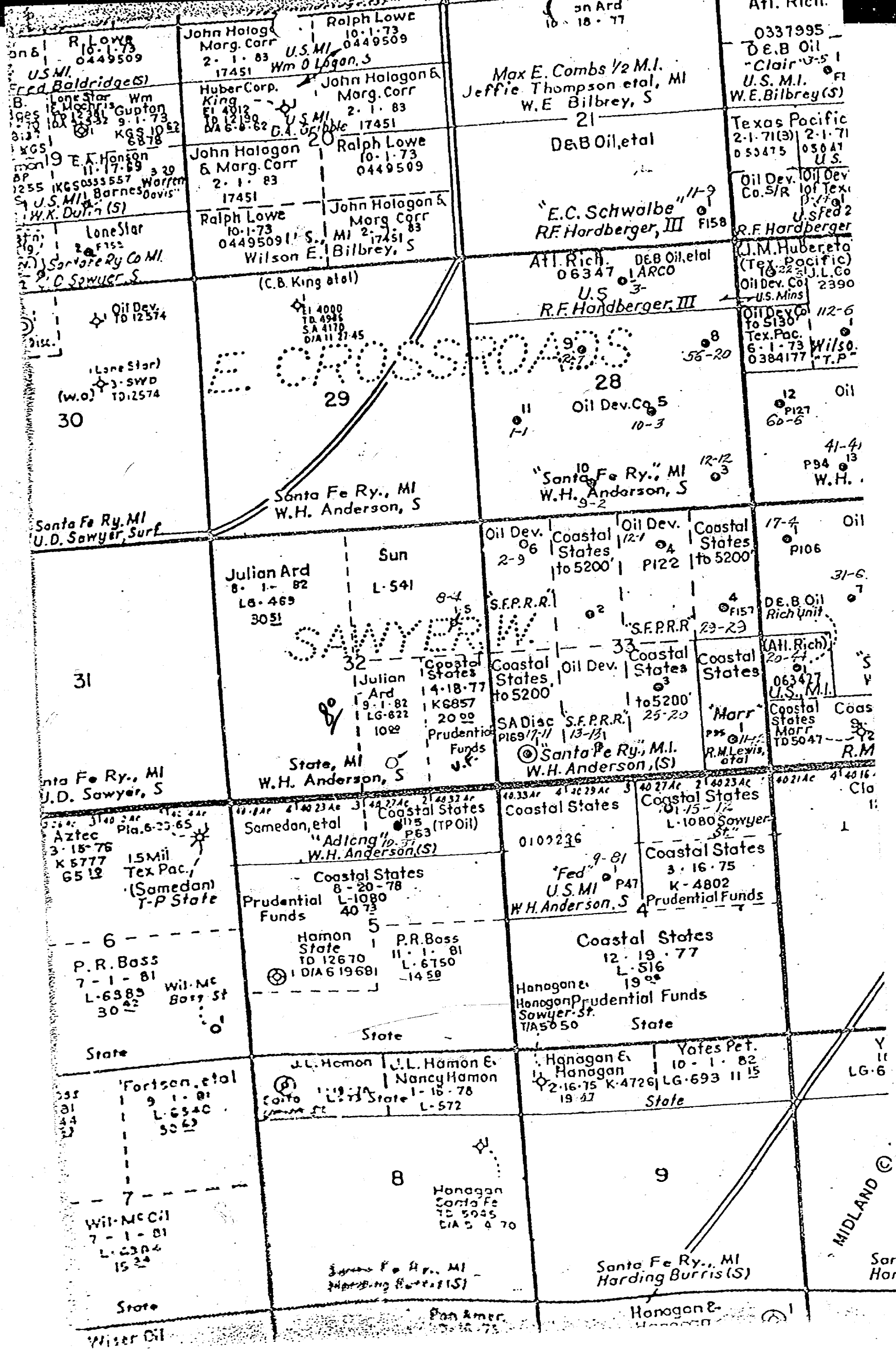
JA:bt

AGREED AND ACCEPTED THIS
27 DAY OF JANUARY, 1976:

GAS PRODUCING ENTERPRISES, INC.
COASTAL STATES GAS PRODUCING COMPANY

Dick Morton

Exhibit 4
Case 5636



JULIAN ARD

P. O. BOX 2361
MIDLAND, TEXAS 79701

307 WALL TOWERS EAST
915-683-1871

January 21, 1976

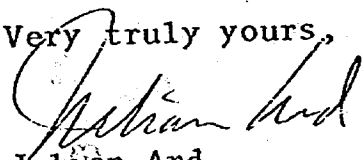
V-F Petroleum, Inc.
1212 Vaughn Building
Midland, Texas 79701

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Julian Ard

JA:bt

AGREED AND ACCEPTED THIS
23rd DAY OF JANUARY, 1976:

V-F PETROLEUM, INC.

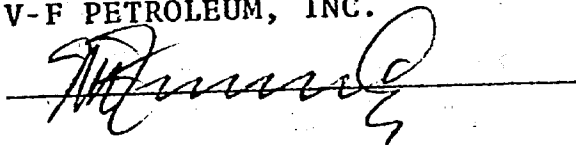


Exhibit 3

Case 5636

JULIAN ARD

P. O. BOX 2361

MIDLAND, TEXAS 79701

January 21, 1976

CAGE CO. 307		
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Midland Div.		
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WALL TOWERS EAST
915-683-1871

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Coastal States Gas Producing Company
P. O. Box 235
Midland, Texas 79701

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Very truly yours,

Julian Ard
Julian Ard

JA:bt

AGREED AND ACCEPTED THIS
27 DAY OF JANUARY, 1976:

GAS PRODUCING ENTERPRISES, INC.
COASTAL STATES GAS PRODUCING COMPANY

Dick Morton

Exhibit 4
Case 5636

Case 5636

JULIAN ARD

P. O. BOX 2361

MIDLAND, TEXAS 79701

January 21, 1976

CAGE CO. 307		
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WALL TOWERS EAST
915-683-1871

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Coastal States Gas Producing Company
P. O. Box 235
Midland, Texas 79701

Attention: Mr. Dick Morton

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hereby waive your objection to same.

Very truly yours,

Julian Ard
Julian Ard

JA:bt

ACREED AND ACCEPTED THIS
27 DAY OF JANUARY, 1976:

GAS PRODUCING ENTERPRISES, INC.
COASTAL STATES GAS PRODUCING COMPANY

Dick Morton

Dockets Nos. 11-76 and 12-76 are tentatively set for hearing on March 31, 1976 and April 14, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 17, 1976

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. Mutter, Examiner, or Richard L. Starnets, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for April, 1976, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

(2) Consideration of the allowable production of gas for April, 1976, from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5636: (Continued & Readvertised)

Application of Julian Ard for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled in the center of the SW/4, SE/4 of Section 32, Township 9 South, Range 37 East, West Sawyer-San Andres Pool, Lea County, New Mexico, in exception to the provisions of Rule 4, Order No. R-3850.

CASE 5641: (Continued from March 3, 1976, Examiner Hearing)

Application of John Yuronka for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection to the Green formation through the open-hole interval from approximately 3800 to 3875 feet in his State "T" Well No. 1 located in Unit B of Section 16, Township 23 South, Range 36 East, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 5645: Application of Amoco Production Company for suspension of Rules 14A and 15A of the gas proration rules, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks suspension for a period of one year from April 1, 1976, of those provisions of Rule 14A and 15A of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, that provide for the cancellation of underproduction and the shutting-in of overproduced wells, as applied to the Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico.

CASE 5646: Application of Southern Union Gas Company for suspension of Rules 14A and 15A of the gas proration rules, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks suspension for a period of one year from April 1, 1976, of those provisions of Rules 14A and 15A of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, that provide for the cancellation of underproduction and the shutting-in of overproduced wells, as applied to the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico.

CASE 5647: Application of Griffin & Burnett, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Hagood Unit Area comprising 3,147 acres, more or less, of State and Federal lands in Township 26 South, Range 35 East, Lea County, New Mexico.

CASE 5648: Application of Depco, Inc. for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its DNY State Well No. 1, located in Unit F of Section 23, Township 19 South, Range 28 East, Eddy County, New Mexico, to produce gas from the Wolfcamp and Morrow formations.

CASE 5649: 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 Llano, Inc. Leavitt Well No. 1, to be drilled 1980 feet from the North line and 1650 feet from the West line of Section 13, Township 18 South, Range 26 East, Eddy County, New Mexico, the W/2 of said Section 13 to be dedicated to the well.

CASE 5650: Application of Robinson Resource Development Company, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the formations of Pennsylvanian age or older underlying the N/2 of Section 18, Township 21 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a previously approved unorthodox location in Unit H 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 applicant as operator of the well and a charge for the risk involved in drilling said well.

CASE 5651: Application of Burmah Oil & Gas Co. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1780 feet from the South line and 660 feet from the West line of Section 11, Township 24 South, Range 28 East, Eddy County, New Mexico, the W/2 of said Section 11 to be dedicated to the well.

CASE 5652: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Basin-Dakota gas and Otero-Gallup oil production in the wellbores of the following wells on its Northeast Haynes Lease in Township 24 North, Range 5 West, Rio Arriba County, New Mexico:

No. 1 in Unit L of Section 9
No. 2 in Unit D of Section 16
No. 3 in Unit P of Section 16
No. 4 in Unit E of Section 21
No. 5 in Unit E of Section 22
No. 6 in Unit D of Section 15
No. 7 in Unit L of Section 19
No. 8 in Unit P of Section 15

CASE 5653: Application of Mathis, Spencer & Hutson 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 Permo-Penn production, Lea County, New Mexico, and the promulgation of special pool rules therefor, including a provision for 160-acre spacing and proration units.

CASE 5654: Application of Continental Oil Company for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 480-acre non-standard gas proration unit comprising the N/2 and SE/4 of Section 2, Township 22 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, said unit to be simultaneously dedicated to applicant's State J-2 Wells Nos. 9 and 12, located in Units G and D, respectively, of said Section 2.

CASE 5422: (Reopened)

In the matter of Case 5422 being reopened pursuant to the provisions of Order No. R-4931, which order established special rules and regulations for the EK-Bone Springs Pool, Lea County, New Mexico, including a provision for 80-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

Case 5636

JULIAN ARD

P. O. BOX 2361
MIDLAND, TEXAS 79701

307 WALL TOWERS EAST
913-683-1871

January 21, 1976

V-F Petroleum, Inc.
1212 Vaughn Building
Midland, Texas 79701

Gentlemen:

Please be advised that we are planning to drill a location
660 FSL and 1980 FEL Section 32, T-9-S, R-37-E, Sawyer West Field,
Lea County, New Mexico.

By your approval and return of one copy of this letter,
you hereby waive your objection to same.

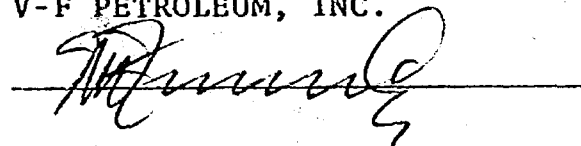
Very truly yours,


Julian Ard

JA:bt

AGREED AND ACCEPTED THIS
23rd DAY OF JANUARY, 1976:

V-F PETROLEUM, INC.



Case 5636

JULIAN ARD

P. O. BOX 2361

MIDLAND, TEXAS 79701

January 21, 1976

CAGE CO. 307		
Deleg. & Prod. Dept.		
Midland Div.		
JAN 22 1976		
To	Is	Out
File		

WALL TOWERS EAST
915-683-1871

GAS PRODUCING ENTERPRISES, INC.
Coastal States Gas Producing Company
P. O. Box 235
Midland, Texas 79701

Attention: Mr. Dick Morton

Gentlemen:

Please be advised that we are planning to drill a location
660 FSL and 1980 FEL Section 32, T-9-S, R-37-E, Sawyer West Field,
Lea County, New Mexico.

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hereby waive your objection to same.

Very truly yours,

Julian Ard
Julian Ard

JA:bt

AGREED AND ACCEPTED THIS
27 DAY OF JANUARY, 1976:

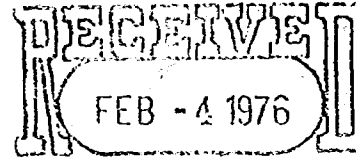
GAS PRODUCING ENTERPRISES, INC.
COASTAL STATES GAS PRODUCING COMPANY

Dick Morton

JULIAN ARD

P. O. BOX 2361

MIDLAND, TEXAS 79701



OIL CONSERVATION COMM.

Santa Fe

**307 WALL TOWERS EAST
915-683-1871**

February 2, 1976

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

Attention: Secretary-Director

Gentlemen:

Application is hereby made for administrative approval of
the following unorthodox location:

Unit O, 660 FSL & 1980 FEL, Section 32, T-9-S, R-37-E,
Sawyer West Field, Lea County, New Mexico

Copies of location plat, ownership plat and waivers from
offset operators are enclosed.

Please advise the date of hearing as soon as possible.

Very truly yours,

JULIAN ARD

Betty Thompson

Betty Thompson, Agent

bt

Enclosures

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All distances must be from the outer boundaries of the Section.

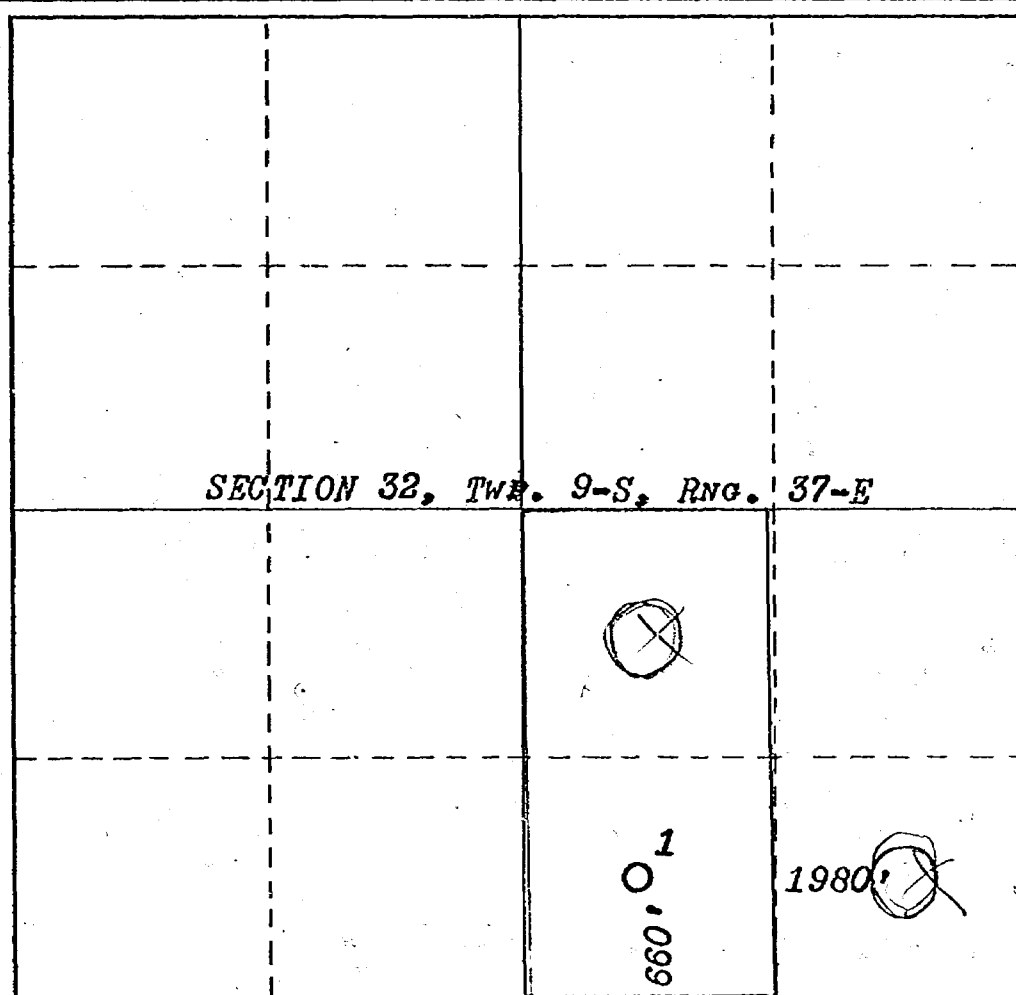
Operator Julian Ard		Lease State- Harton		Well No. 1
Unit Letter 0	Section 32	Township 9S	Range 37E	County Lea
Actual Footage Location of Well: 660 feet from the South line and 1930 feet from the East line				
Ground Level Elev. 3977	Producing Formation San Andres	Pool Sawyer, West	Dedicated Acreage: 80 Acres	

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

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

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

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



CERTIFICATION

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

Name
Betty Thompson
 Position
Agent

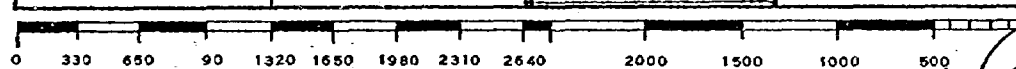
Company
Julian Ard

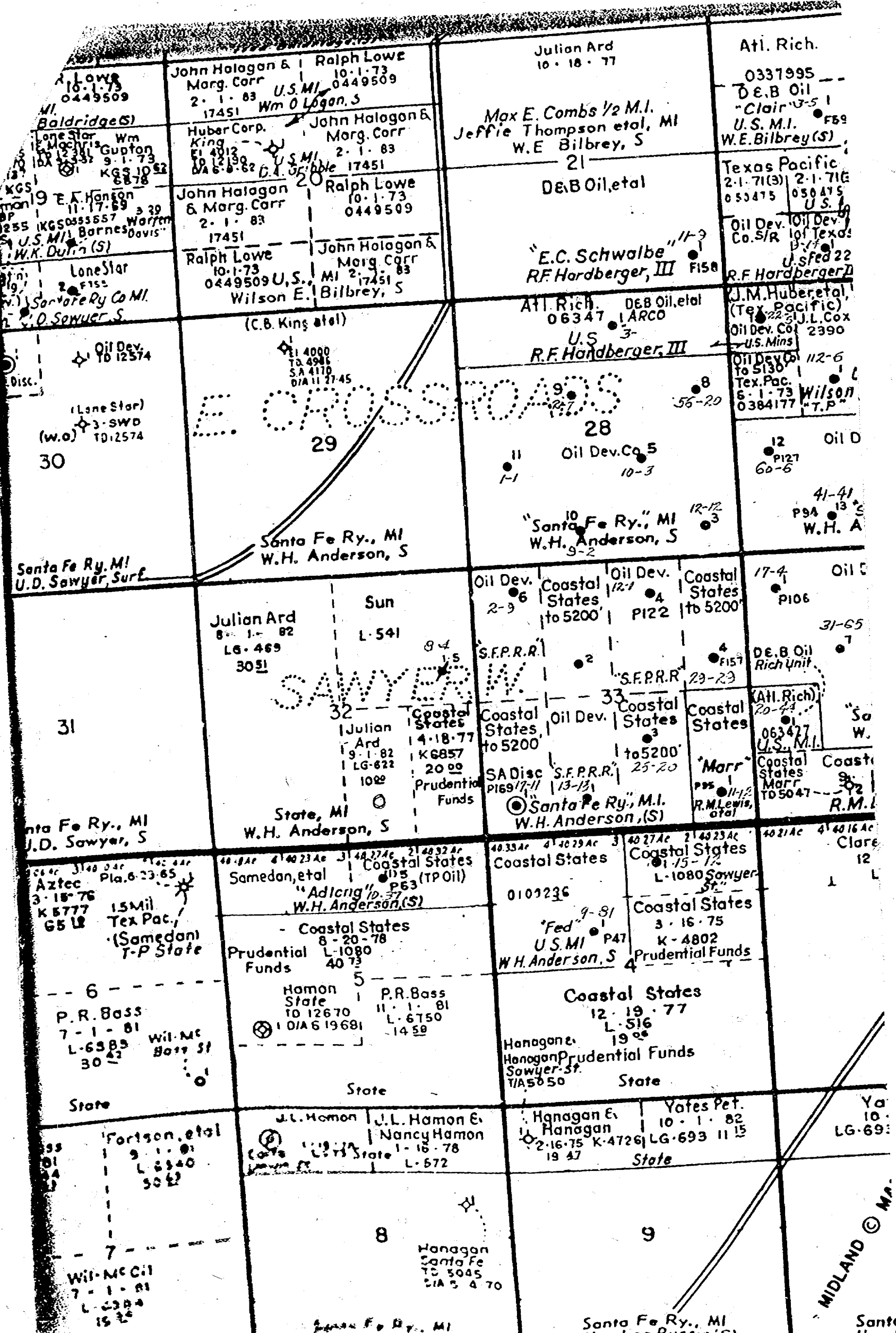
Date
January 9, 1976

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

Date Surveyed
JAN. 9, 1976

Registered Professional Engineer and/or Land Surveyor
[Signature]
 Certificate No. **754**





John Halogon & Ralph Lowe
Marg. Carr 10-1-73
2-1-83 U.S. MI 0449509
17451 Wm O Logan, S

John Halogon & Ralph Lowe
Marg. Carr 10-1-73
2-1-83 U.S. MI 0449509
17451 Wm O Logan, S

Julian Ard
10-18-77
Max E. Combs 1/2 M.I.
Jeffie Thompson et al, MI
W.E. Bilbrey, S

Atl. Rich.
0337995
D.E.B Oil
"Clair" 3-5
U.S. M.I. F59
W.E. Bilbrey (S)

Oil Dev.
TD 12574
(Lane Star)
3-SWD
TD 12574
30
Santa Fe Ry. MI
U.D. Sawyer, Surf

John Halogon & Ralph Lowe
Marg. Carr 10-1-73
2-1-83 U.S. MI 0449509
17451 Wm O Logan, S

D&B Oil, et al
"E.C. Schwalbe"
R.F. Hardberger, III
Atl. Rich. D&B Oil, et al
06347 ARCO
U.S. 3-
R.F. Hardberger, III

Texas Pacific
2-1-71(3) 2-1-71(5)
050475 050475
U.S. 1
Oil Dev. 101 Dev
Co. S/R 101 Dev
U.S. Fed 22
R.F. Hardberger

Oil Dev. Co. 5
10-3
"Santa Fe Ry." MI
W.H. Anderson, S
9-2

Oil D
12
PI 27
60-6
41-41
P9A 13
W.H. A

Julian Ard
8-1-82
LG-469
3051
31
Santa Fe Ry. MI
J.D. Sawyer, S

Sun
L-541
Coastal States
4-18-77
K6857
2000
Prudential
Funds
State, MI
W.H. Anderson, S

Coastal States
to 5200
P122
S.F.P.R.R.
Oil Dev.
to 5200
S.F.P.R.R.
SA Disc
P1697-11
13-13
"Santa Fe Ry." MI
W.H. Anderson, (S)

Coastal States
to 5200
P106
31-65
De.B Oil
Rich Unit
Atl. Rich.
063427
U.S. M.I.
Coastal States
Marr
TD 5047
R.M.L.

Aztec
3-18-76
K 5777
6512
15 Mil
Tex Pac.
(Samedan)
T-P State
6
P.R. Bass
7-1-81
L-6583
30
Wil-Mc
Bass S

Samedan, et al
Coastal States
"Adlong" 10-37
W.H. Anderson (S)
Coastal States
8-20-78
Prudential
Funds
L-1080
4073
Hamon
State
10-12-70
DIA 6 19681
P.R. Bass
11-1-81
L-6750
1459

Coastal States
0101236
"Fed"
U.S. MI P47
W.H. Anderson, S
Coastal States
12-19-77
L-516
1900
Hagona
Hagona Prudential Funds
Sawyer-St
TIA 5050
State

Coastal States
L-1080 Sawyer
3-16-75
K-4802
Prudential Funds
Yates Pet.
10-1-82
LG-693 11 15
State
Ya
10-
LG-693

Fortson, et al
9-1-81
L-6340
3062
7
Wil-McCil
7-1-81
L-6340
15 26

J.L. Hamon
J.L. Hamon &
Nancy Hamon
1-18-78
L-572
8
Hagona
Santa Fe
TD 5045
DIA 5 4 70

Hagona &
Hagona
2-16-75 K-4726
19 47
State
Santa Fe Ry. MI
Harding Burris (S)

State
Santa Fe Ry.
Hard

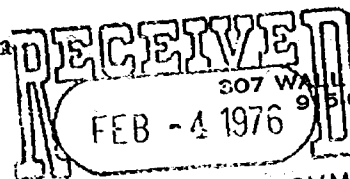
MIDLAND © M.A.

JULIAN ARD

P. O. BOX 2361

MIDLAND, TEXAS 79701

February 2, 1976



OIL CONSERVATION COMM.
Santa Fe

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

Attention: Secretary-Director

Gentlemen:

Application is hereby made for administrative approval of
the following unorthodox location:

Unit O, 660 FSL & 1980 FEL, Section 32, T-9-S, R-37-E,
Sawyer West Field, Lea County, New Mexico

Copies of location plat, ownership plat and waivers from
offset operators are enclosed.

Please advise the date of hearing as soon as possible.

Very truly yours,

JULIAN ARD

Betty Thompson
Betty Thompson, Agent

bt

Enclosures

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Case 5636

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

All distances must be from the outer boundaries of the Section.

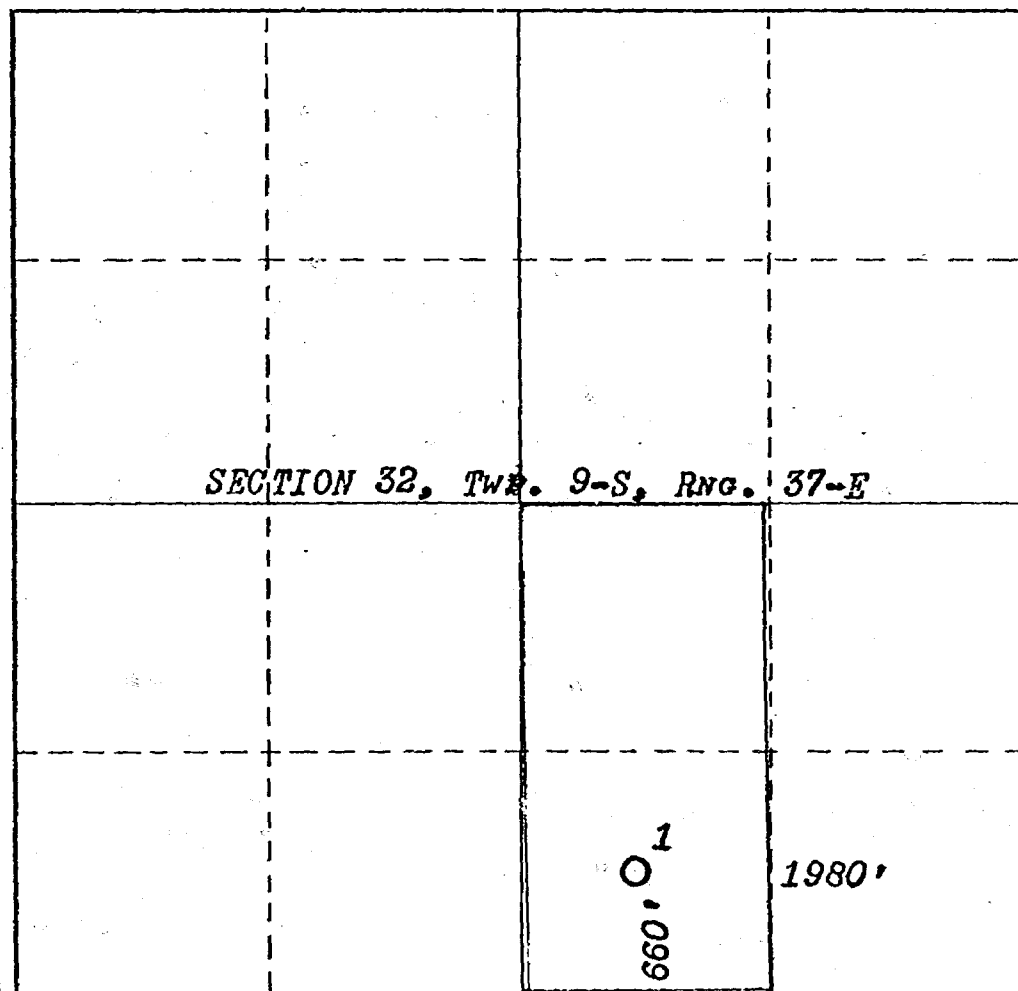
Operator Julian Ard		Lease State- Harton		Well No. 1
Unit Letter 0	Section 32	Township 9S	Range 37E	County Lea
Actual Postage Location of Well: 660 feet from the South line and 1930 feet from the East line				
Ground Level Elev. 3977	Producing Formation San Andres		Pool Sawyer, West	Dedicated Acreage: 30 Acres

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

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

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

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



CERTIFICATION

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

Name
Betty Thompson

Position
Agent

Company
Julian Ard

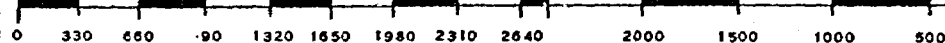
Date
January 9, 1976

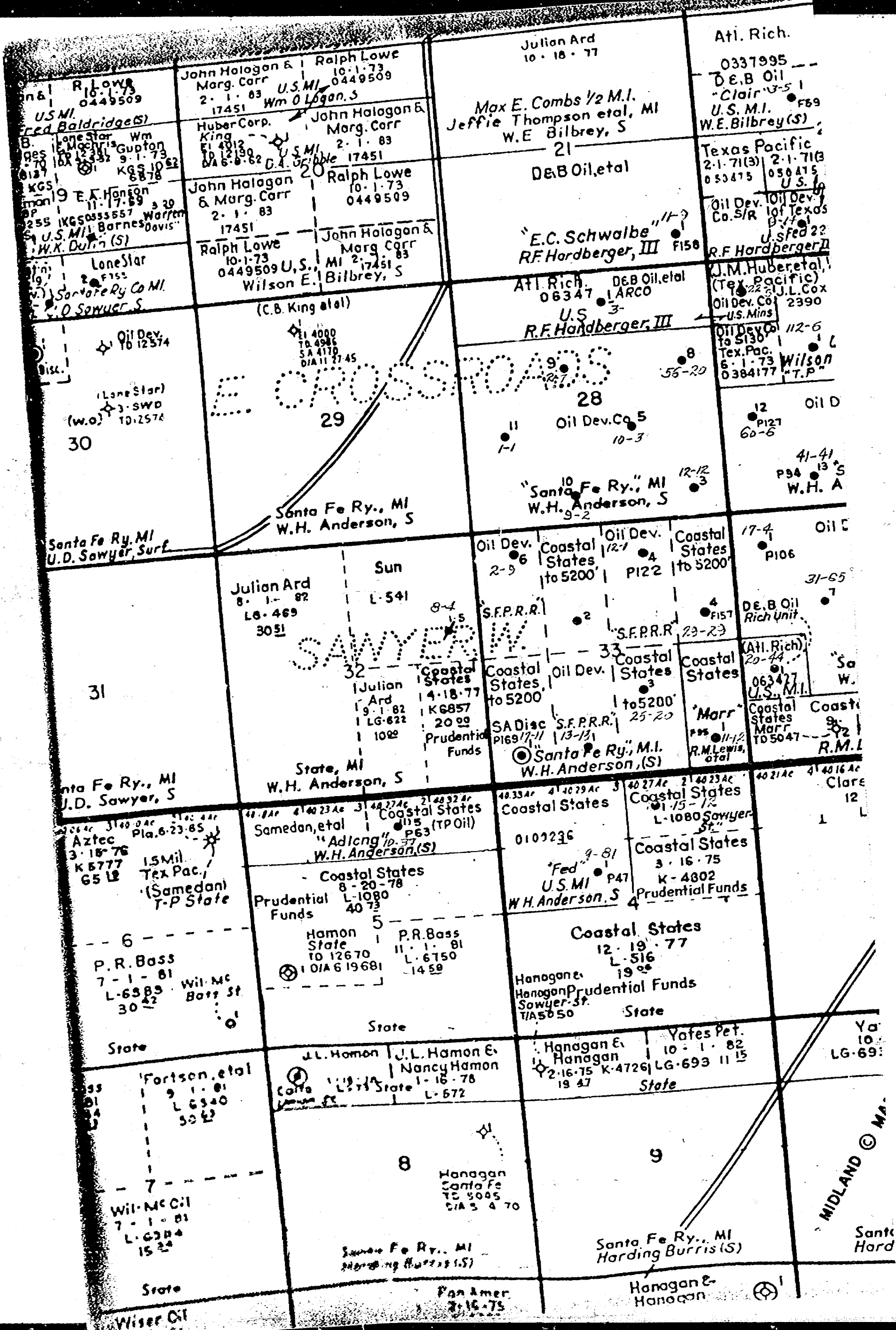
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
JAN 9, 1976

Registered Professional Engineer and/or Land Surveyor
[Signature]

Certificate No.
754



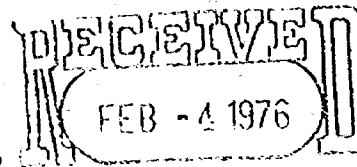


V-F PETROLEUM, INC.

JULIAN ARD

P. O. BOX 2361
MIDLAND, TEXAS 79701

February 2, 1976



Case
5636

OIL CONSERVATION COMM.
Santa Fe

307 WALL TOWERS EAST
915-683-1871

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

Attention: Secretary-Director

Gentlemen:

Application is hereby made for administrative approval of
the following unorthodox location:

Unit O, 660 FSL & 1980 FEL, Section 32, T-9-S, R-37-E,
Sawyer West Field, Lea County, New Mexico

Copies of location plat, ownership plat and waivers from
offset operators are enclosed.

Please advise the date of hearing as soon as possible.

Very truly yours,

JULIAN ARD

Betty Thompson
Betty Thompson, Agent

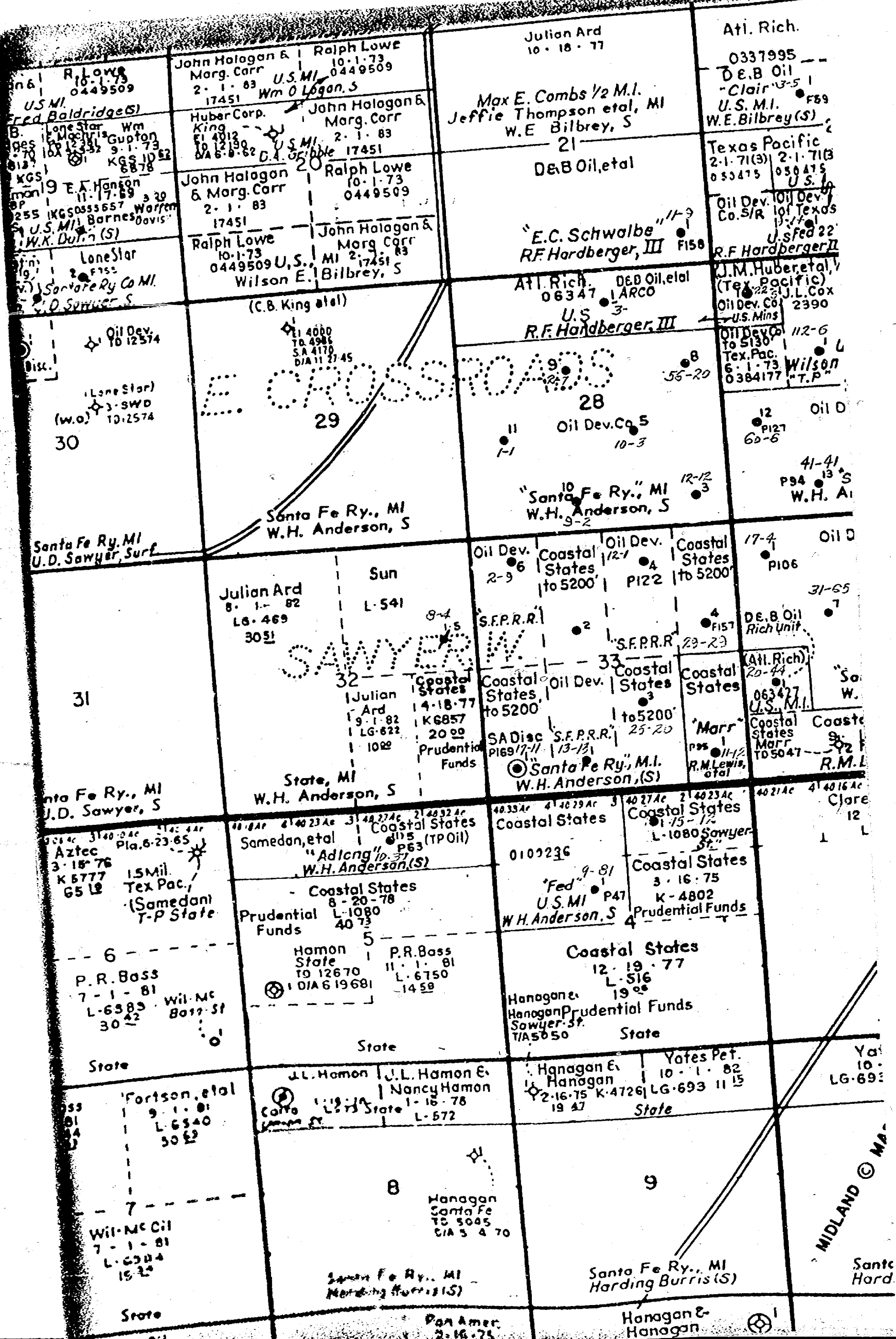
bt

Enclosures

Case 5636

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

Operator Julian Ard		Lease State- Harton		Well No. 1
Unit Letter 0	Section 32	Township 9S	Range 37E	County Lea
Actual Postage Location of Well: 660 feet from the South line and 1930 feet from the East line				
Ground Level Elev. 3977	Producing Formation San Andres	Pool Sawyer, West	Dedicated Acreage: 80 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes," type of consolidation _____</p> <p>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.</p>				
<div>SECTION 32, Twp. 9-S, Rng. 37-E</div> <div>660' 1 1980'</div>				CERTIFICATION
				<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p>
				Name <i>Betty Thompson</i>
				Position Agent
				Company Julian Ard
				Date January 9, 1976
				<p>I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p>
				Date Surveyed JAN. 9, 1976
				Registered Professional Engineer and/or Land Surveyor <i>[Signature]</i>
				Certificate No. 754



John Halogon & Ralph Lowe
Marg. Carr 10-1-73
2-1-83 U.S. MI 0449509
17451 Wm O Logan, S

Huber Corp. John Halogon & Marg. Carr
King 10-1-83
17451 U.S. MI 0449509

John Halogon & Marg. Carr
2-1-83
17451 U.S. MI 0449509

Ralph Lowe
10-1-73
0449509 U.S. MI 17451
Wilson E. Bilbrey, S

Julian Ard
10-18-77

Max E. Combs 1/2 M.I.
Jeffie Thompson et al, MI
W.E. Bilbrey, S
21

D&B Oil, et al

"E.C. Schwalbe"
R.F. Hardberger, III
F158

Atl. Rich.
0337995
D.E.B. Oil
"Clair" 3-5
U.S. MI. F89
W.E. Bilbrey (S)

Texas Pacific
2-1-71(3) 2-1-71(3)
053475 053475
U.S. MI

Oil Dev. Oil Dev.
Co. S.R. of Texas
J. M. Huber et al
(Tex. Pacific)
J.L. Cox
Oil Dev. Co. 2390
U.S. Mins
Oil Dev. Co. 112-6
Tex. Pac.
6-1-73 Wilson
0384177 "T.P."

Oil Dev.
10-12-74

Lone Star
(W.O.) 3-SWD
10-25-74

30

Santa Fe Ry. MI
U.D. Sawyer, Surf

(C.B. King et al)

SA 4000
TO 4986
DIA 11 2145

29

Santa Fe Ry., MI
W.H. Anderson, S

Atl. Rich. D&B Oil, et al
06347 LARCO
U.S. 3-
R.F. Hardberger, III

Oil Dev. Co. 5
10-3

"Santa Fe Ry." MI
W.H. Anderson, S
9-2

Oil D
PI27
60-6

41-41
P54 13 S
W.H. A.

31

Santa Fe Ry., MI
J.D. Sawyer, S

Julian Ard
8-1-82
LG-469
3051

Sun
L-541

32

Julian Ard
9-1-82
LG-622
1082

Coastal States
4-18-77
K6857
20 00
Prudential Funds

State, MI
W.H. Anderson, S

Oil Dev. Coastal States
2-9 12-1
to 5200 PI22 to 5200

S.F.R.R.

Coastal States
to 5200

SADisc S.F.R.R.
PI69 17-11 13-13

"Santa Fe Ry." MI
W.H. Anderson, (S)

17-4 Oil D
PI06

31-65

DE.B Oil
Rich Unit

(Atl. Rich.)
20-44
063427
U.S. MI.

Coastal States
Marr
TO 5047

R.M. Lewis
et al

R.M. L.

Aztec
3-18-76
K5777
65 12

15 Mil.
Tex Pac.
(Samedan)
T-P State

6

P.R. Bass
7-1-81
L-6383
30 42

Wil-Mc
Boyer-St

State

Coastal States
Samedan, et al
P63 (TPOil)
W.H. Anderson, (S)

Coastal States
8-20-78
Prudential Funds
L-1080
40 73

Hamon
State
TO 12670
DIA 6 19681

P.R. Bass
11-1-81
L-6750
14 58

State

Coastal States
0102236

"Fed"
U.S. MI P47
W.H. Anderson, S

Coastal States
12-19-77
L-516
19 08

Hanagone
Hanagone Prudential Funds
Sawyer-St.
TIA5050

State

Coastal States
4027Ac 214023Ac
L-1080 Sawyer

Coastal States
3-16-75
K-4802
Prudential Funds

4021Ac 414016Ac
Clare
12

Fortson, et al
9-1-81
L-6340
30 62

7

Wil-McGil
7-1-81
L-6304
15 24

State

J.L. Hamon J.L. Hamon & Nancy Hamon
1-18-78
L-672

8

Hanagone
Santa Fe
TO 5045
DIA 5 4 70

Santa Fe Ry., MI
Harding Burriss (S)

Hanagone & Hanagone
10-1-82
K-4726 LG-693 11 15

State

Santa Fe Ry., MI
Harding Burriss (S)

Hanagone & Hanagone

Yates Pet.
10-1-82
LG-693 11 15

State

Yates
10-1-82
LG-693

Santa Fe Ry., MI
Harding Burriss (S)

MIDLAND © MA.

JULIAN ARD

P. O. BOX 2361

MIDLAND, TEXAS 79701

January 21, 1976

307 WALL TOWERS EAST
915-683-1871

V-F Petroleum, Inc.
1212 Vaughn Building
Midland, Texas 79701

Gentlemen:

Please be advised that we are planning to drill a location
660 FSL and 1980 FEL Section 32, T-9-S, R-37-E, Sawyer West Field,
Lea County, New Mexico.

By your approval and return of one copy of this letter,
you hereby waive your objection to same.

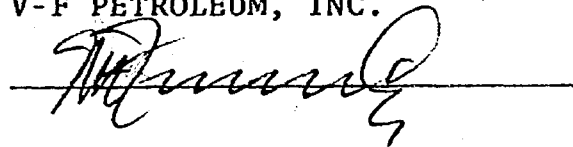
Very truly yours,


Julian Ard

JA:bt

AGREED AND ACCEPTED THIS
23rd DAY OF JANUARY, 1976:

V-F PETROLEUM, INC.



JULIAN ARD

P. O. BOX 2361

MIDLAND, TEXAS 79701

January 21, 1976

CNGP CO. 307		
Order & Prod. Dept.		
Midland Div.		
JAN 22 1976		
To	Ln	Out
Yll		

WALL TOWERS EAST
915-683-1871

GAS PRODUCING ENTERPRISES, INC.
Coastal States Gas Producing Company
P. O. Box 235
Midland, Texas 79701

Attention: Mr. Dick Morton

Gentlemen:

Please be advised that we are planning to drill a location
660 FSL and 1980 FEL Section 32, T-9-S, R-37-E, Sawyer West Field,
Lea County, New Mexico.

By your approval and return of one copy of this letter, you
hereby waive your objection to same.

Very truly yours,

Julian Ard
Julian Ard

JA:bt

AGREED AND ACCEPTED THIS
27 DAY OF JANUARY, 1976:

GAS PRODUCING ENTERPRISES, INC.
COASTAL STATES GAS PRODUCING COMPANY

Dick Morton

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. 5636

Order No. R- 5182

APPLICATION OF JULIAN ARD
FOR AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 2 17, 1976,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets DSN.

NOW, on this March day of March, 1976, 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, Julian Ard, seeks
approval of an unorthodox oil well location in the center of the

SW/4 SE/4 of

~~XXXXXX~~ ~~XXXXXX~~ ~~XXXXXX~~ of Section 32, Township

9 South, Range 37 East, NMPM, to test the

San Andres formation, West Sawyer-San Andres Pool,

Lea County, New Mexico, in exception to the provisions of Rule 4,
Order No. R-3850.

(3) That the SW/4 SE/4 of said Section 32 is to be dedicated to the
well.

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

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

-2-

Case No. _____

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 oil 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 oil well location for the San Andres formation is hereby approved for a well to be located in the center of at a point XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX Section 32, Township 9 South, Range 37 East, NMPM, West Sawyer-San Andres Pool, Lea County, New Mexico, in exception to the provisions of Rule 4 of Order No. R-3850.

the SW/4 SE/4 of

(2) That the W/2 SE/4 of said Section 32 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.