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

# CASE NO.

56.36

APPlication, Transcripts, Small Exhibits,

ETC.

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	BEFORE THE  NEW MEXICO OIL CONSERVATION COMMISSION  Santa Fe, New Mexico  March 17, 1976
4	EXAMINER HEARING
5	
6	IN THE MATTER OF:
7	Application of Julian Ard for an un- ) CASE orthodox oil well location, Lea County, ) 5636
9	) (Cont.)
10 11	BEFORE: Daniel S. Nutter, Examiner
12 13	TRANSCRIPT OF HEARING
4	APPEARANCES
5	For the New Mexico Oil William F. Carr. Esq.
6	Legal Counsel for the Commission State Land Office Building Santa Fe, New Mexico
7	For the Applicant:  W. Thomas Kellahin, Esq.
3	Attorneys at Law 500 Don Gaspar
	Santa Fe, New Mexico

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General Court Reporting Service

825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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JULIAN ARD Direct Examination by Mr. Kellahin Cross Examination by Mr. Nutter 

#### EXHIBIT INDEX

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Applicant's Exhibit No.	Four, Waiver	7

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MR. NUTTER: We will call Case Number 5636.

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

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

(THEREUPON, the witness was duly sworn.)

#### JULIAN ARD

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

#### DIRECT EXAMINATION

BY MR. KELLAHIN:

- Q. Would you please state your name and occupation?
- A. Julian Ard, operator.
- Q. Mr. Ard, have you previously testified before this Commission?
  - A. No, I have not.
- Q. Are you the owner and operator of the lease, the subject lease in question before the Commission today?
  - A. Yes, I am.

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

MR. NUTTER: The witness may testify as being the

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operator of the acreage.

MR. KELLAHIN: Thank you.

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

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

What is the specific footage location you are requesting?

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

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

A. Yes, it is.

And you are on the western boundary of that pool?

Yes, I am.

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

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

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

- Q. Okay. Are there any other West Sawyer-San Andres wells in the immediate area?
- A. Yes, Section 33 has wells in it and there is a well in the northeast quarter of the same section in which I propose to drill, Section 32.
- Q Please refer to what has been marked as Exhibit
  Number Two and identify it?
- A. This is a geological and economic study. Figure One indicates a structure on top of what is called the P-l porosity, indicating a dip going northwesterly. Figure Two and Figure Three indicate a study made of porosity in the area and Figure Four is an economic study which shows that the better wells are in the southeast part of the producing area.
- Q In Figure Four will you explain to the Examiner what the significance is of those numbers?
- A. These are relative numbers. The study was made in October when we had twelve-and-a-half dollar oil and we were assuming seventy cent gas. These numbers are in thousands of dollars and they indicate roughly how many thousands of dollars of revenue was recovered from these wells during a twelve-month period.
  - 0 What is Figure Number Five?

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

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

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

A. Yes, that is my hope.

Q In your opinion can the proposed eighty-acre unit

production of each well in the area.

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

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

Figure Number Five indicates the total cumulative

- Q Please refer to what has been marked as Exhibits
  Three and Four.
- A. Exhibits Three and Four are requests for approval by offset operators to drill the location I propose.
  - Q. And those offset operators are?
- A. Zia Petroleum Company and Gas Producing Enterprises,
  Inc.
- Q. And they have returned to you their acceptance or waiver indicating no objection?
  - A. Yes, they have.
- Q In your opinion, Mr. Ard, will approval of this application be in the best interests of conservation, the prevention of waste and the protection of correlative rights?

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A. Yes, it will.

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

A. Yes, they were.

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

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

(THEREUPON, Applicant's Exhibits One through Four were admitted into evidence.)

#### CROSS EXAMINATION

BY MR. NUTTER:

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

A. I'm not positive if it is a subsidiary or the present producer of that lease. It is either a subsidiary or Coastal States farmed out that well to Gas Producing Enterprises.

Q. Well, you mentioned that Coastal States was the operator of the well to the south of your proposed location?

M. Well, I stand corrected. According to this letter

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

- Q. But you are not sure what the relationship between Gas Producing Enterprises and Coastal States is?
  - No, I just know there is a well there.
- Now, this Exhibit Number Two which has six diagrams on it I see has the name Art Schmidt. Now, presumably he is a geologist or engineer?
  - A geologist.
  - Is he in your employ?
  - Yes.
  - And he prepared this work for you?
  - Yes, he did.
- Now, the little sketch over here in the lower righthand corner shows the No. 1 oil well, being located more or less in the center of the eighty-acre tract, however, what you are talking about here today is a well that would be in the center of the south forty there, is that correct?
  - Yes, it would.
  - This is the tract we are talking about? Q.
  - That is the tract.
- And the well would actually be located a little Carther south?
  - A. Yes.
    - And what are these other locations called the two, Q.

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three and four in the west half?

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

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

A. Zes.

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

A. Yes, they would.

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

A. Yes.

MR. NUTTER: Are there any further questions of Mr. Ard? He may be excused.

(THEREUPON, the witness was excused.)

MR. NUTTER: Do you have anything further, Mr.

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MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case 5636? We will take the case under advisement.

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#### REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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, C.S.R.

sid morrish reporting service General Court Reporting Service 825 Calle Mejia, No. 122, Santa Fe, New Mexico 875 Phone (505) 982-9212 i do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3636 heard by me on 3/7, 19.76.

New Mexico Oil Conservation Commission

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 unorthodox oil well location, Lea County, ) CASE 5636 (Cont.) 8 New Mexico. sid morrish reporting service

General Court Reporting Service

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A.	Figure	Number	Five	indicates	the	total	cumulative
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	General Court Reporting Service 5 Calle Mejia, No. 122, Santa Fe, New Mexico 87501 Phone (505) 982-9212.
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  - And he prepared this work for you?
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  - Q This is the tract we are talking about?
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- Q. And the well would actually be located a little farther south?
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  - And what are these other locations called the two,

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

A Yes.

MR. NUTTER: Are there any further questions of Mr. Ard? He may be excused.

(THEREUPON, the witness was excused.)

MR. NUTTER: Do you have anything further, Mr.

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MR. KELLAHIN: No, sir.

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New Mexico Oil Conservation Commission

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General Court Reporting Service

General Court Reporting Service

S25 Calle Mejia, No. 122. Santa Fe, New Mexico 87501

Phone (\$05) 982-9212 and hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5636, heard by me on 1976. Mutuum, Examiner

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Phone (505) 982-9212

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#### EXAMINER HEARING

IN THE MATTER OF:

Application of Julian Ard for an CASE unorthodox oil well location, 5636
Lea County, New Mexico.

BEFORE: Richard L. Stamets, Examiner

#### TRANSCRIPT OF HEARING

#### APPEARANCES

For the New Mexico Oil Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

MR. STAMETS: We will call Case 5636.

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

Mr. Examiner, we have received a request that this case be continued to the examiner hearing for March 17th, 1976.

MR. STAMETS: This case will be continued until March 17th.

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Examiner New Mexico Oil Conservation Commission

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Phone (505) 982-9212

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico March 3, 1976 EXAMINER HEARING IN THE MATTER OF: Application of Julian Ard for an sid morrish reporting service
825 Calle Mejia, No. 122, Sana Fe, New Mexico 87501 unorthodox oil well location, Lea County, New Mexico. ) CASE 5636 10 BEFORE: Richard L. Stamets, Examiner TRANSCRIPT OF HEARING 14 APPEARANCES 15 For the New Mexico 011 Conservation Commission: 16 William F. Carr, Esq. Legal Counsel for the Commission 17 State Land Office Building Santa Fe, New Mexico 18 19 20 21 22 23 24 25

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Sidney F. Morrish, C.S.R.

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New Mexico Oil Conservation Commission

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

.



DIRECTOR

JOE D. RAMEY

## OIL CONSERVATION COMMISSION

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

PHIL R. LUCERO March 24, 1976



EMERY C. ARNOLD

Mr. Tom Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico 87501

Re: CASE NO. 5636
ORDER NO. R-5182

Applicant:

Julian Ard

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:	
Hobbs OCC x 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. 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 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

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

EMERY ARNOLD, Member

JOE D. RAMEY, Member & Secretary

SEAL

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#### 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,

JA:bt

AGREED AND ACCEPTED THIS 22d DAY OF JANUARY, 1976:

V-F PETROLEUM, INC.

BEFORE EXAMINER MUTTER

OIL CONSERVATION OF WARRESTON

ARD EXHIBIT NO. 3

## JULIAN ARID

P. O. BOX 2361

PINDLAND, TEXAS 79701

January 21, 1976

WALL TOWERS EAST 915-683-1871 CTG2 CO. 307 Bols. & Frod. Dage Milliand Dir. JAN 22 1976 Ont To Ta

GAS PRODUCING ENTERPRISES, INC Constat States Cas 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,

JA:bt

AGREED AND ACCEPTED THIS 27 DAY OF JANUARY, 1976: GAS PRODUCING ENTERPRISES, ONE COASTAL STATES BAS PRODUCING CONDUNY

Dis mortor

BEFORE EXAMINER NUTTER OIL CONSERVATION CLASS THON AND EXHIBIT NO. Y CASE NO. 5636

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#### 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 232 DAY OF JANUARY, 1976:

V-F PETROLEUM, INC.

Exhibit 3 Case 5636

## JULIAN ARID

P. O. BOX 2361

PHDIAND, TEXAS 79701.

January 21, 1976

Wall Towers East 915.683-1871

Orle A Frod Days

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JAN 22 1976

Gas Producing Enterprises, inc Constat States Cas Producing Company P. O. Box 235 Midland, Texas 79701

Attention: Mr. Dick Morton

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27 DAY OF JANUARY, 1976:

GOS PRODUCING ENTERPRISES, INC.

20ASTAL STATES & REPORTED THES

Dich Morton

Exhibit 4
case 5636

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# JULIAN ARD p. o. box 2361 MIDLAND, TEXAS 78701

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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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 232d DAY OF JANUARY, 1976:

V-F PETROLEUM, INC.

Exhibit 3 Case 5636

# JULIAN ARID

P. O. BOX 2361

## MIDIAND, TEXAS 79701

January 21, 1976

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

Orle & Frod Dec.

Millend Div.

JAN 22 1976

To In One

Cas Paducine Enterprises, me Constat States Cas Producing Company P. O. Box 235 Midland, Texas 79701

Attention: Mr. Dick Morton

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Very truly yours,

MMa\_/ Julian Ard

JA:bt

AGREED AND ACCEPTED THIS

27 DAY OF JANUARY, 1976:

GOS PRODUCING ENTERPRISES, INC.

20ASTAL STATES CAS PRODUCING COMPANY

Dich morton

Exhibit 4 Case 5636

Case 5636

## JULIAN ARD

P. O. BOX 2361

#### MIDLAND, TEXAS 79701

January 21, 1976

CAGE OG. 307 WALL TOWERS EAST 915-683-1871
Dels. & Feed. Dept.
Midland Div.
JAN 22 1976

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

Attention: Mr. Dick Morton

Gentlemen:

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Very truly yours,

Julian Ard

JA:bt

ACREED AND ACCEPTED THIS

27 DAY OF JANUARY, 1976:

GOS PRODUCING ENTERPRISES, INC.

20ASTAL STATES CAS PRODUCING COMPANY

Dich Morton

Dockets Mos. 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: FORMINER HEARING - WEDNESDAY - MARCH 17, 1976

9 A.M. - OIL CONSERVATION CONMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Mutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWARE: (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-stylei 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 Queen formation through the open-hole interval from approximately 3800 to 3875 feet in his State IC "T" Well No. 1 located in Unit B of Section 16, Township 23 South, Range 36 East, Langlie-Mattix Pool, Lea County, New Mexico.

- Application of Amono Production Cowpany for suspension of Enles 14A and 15A of the gas proration rules, Indian Basin-Upper Pernsylvanian 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 Eules and Regulations for the prorated gas pools of Southeastern New Mexico promulgated by Order No. R-167O, as amended, that provide for the cancellation of underproduction and the shutting-in of overproduced wells, as applied to the Indian Basin-Upper Pernsylvanian Gas Pool, Eddy County, New Mexico.
- Application of Southern Union Gas Company for suspension of Rules 14A and 15A of the gas proration rules, Catclaw Fraw-Morrow Gas Fool, 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 Eules and Regulations for the prorated gas pools of South-eastern New Mexico promulgated by Order No. R-167Q, as amended, that provide for the cancellation of underproduction and the shutting-in of overproduced wells, as applied to the Catclaw Braw-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 Depoo. Inc. for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its DHY 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 56.9: 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 13, 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 OteroGallup oil production in the wellbores of the following wells on its Northeast Faynes 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 25 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.
- Application of Continental Cil 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

era.

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 222 DAY OF JANUARY, 1976:

V-F PETROLEUM, INC.

man 2

( Cose 5636

# JULIAN ARID

P. O. BOX 2361

MIDLAND, TEXAS 79701

January 21, 1976

Midland Div.

JAN 22 1976

To La Out

Cas Pasucine Enterpolar inc Cassal States Cas Divducing 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,

Alla M

JA:bt

AGREED AND ACCEPTED THIS

27 DAY OF JANUARY, 1976:

COS PRODUCING ENTERPRISES, INC.

COASTAL STATES CAS PRODUCING COMPANY

Dick Morton

JULIAN ARD

P. O. BOX 2361

MIDLAND, TEXAS 79701 OIL CONSERVATION COMM.

·~ ~

February 2, 1976

FEB - 4 1976

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 0, 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 Mongson

Betty Thompson, Agent

bt

Enclosures

# N AEXICO OIL CONSERVATION COMMISS

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

All distances must be from the outer boundaries of the Section. Well No. State- Harton Julian Ard Unit Letter Section Township Range 32 95 37E Lea Actual Footage Location of Well: 660 1930 East South feet from the feet from the line and line Dedicated Acreage: Ground Level Elev. San Andres Sawyer, West 3977 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 Commis-CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Agent Julian Ard January 9, 1976 SECTION 32, Twn. 9-S. RNG. 37-E I hereby certify that the well location shown on this plat was platted 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. 1320 1650 1980 2310

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JULIAN ARID

Care 5636

P. O. BOX 2361

February 2, 1976

MIDLAND, TEXAS 79703 DECENTRE

OIL CONSERVATION COMM. Santa Fe

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

Attention: Secretary-Director

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

Unit 0, 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 Manyson Betty Thompson, Agent

bt

Enclosures

Cose 5636

11117

# NO ABXICO OIL CONSERVATION COMMISS WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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A CONTRACTOR OF THE PROPERTY O

( Case 5636 307 WALL TOWERS EAST 915-683-1871

JULIAN ARD P. O. BOX 2361

Midland, Texas 79701

January 21, 1976

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

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V-F PETROLEUM, INC.

OIL CONSERVATION COMM. Santa Fe 307 WALL TOWERS EAST 915-683-1871

JULIAN ARD

P. O. BOX 2361

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February 2, 1976

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Betty Manyson Agent

**Enclosures** 

Case 5636

Form C-102 Supersedes C-128

# N ABXICO OIL CONSERVATION COMMISS

All distances must be from the outer boundaries of the Section. Well No. Lease State- Harton Julian Ard Unit Letter Township County Range 98 37E Lea Actual Footage Location of Well: 1930 660 East feet from the line and leet from the Dedicated Acreages Ground Level Elev. Producing Formation Pool San Andres Sawyer, West 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? If answer is "yes," type of consolidation \_ Yes No 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 Commis-CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. nompson Agent Julian Ard January 9, 1976 SECTION 32, Twh. 9-S. RNG. 37-E I hereby certify that the well location shown on this plat was platted 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. JAN 19, 19 1980 1320 1650 1980 2310 2640 330 640 2000 1500 1000

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# P. O. BOX 2361 MIDLAND, TEXAS 78701

307 WALL TOWERS EAST 915-683-1871

January 21, 1976

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

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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.

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Kilian Ard

⊕JA:bt

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V-F PETROLEUM, INC.

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# JULIAN ARD

P. O. BOX 2361

MIDLAND, TEXAS 79701

January 21, 1976

Offic Co. 307 WALL TOWERS EAST 915-683-1871

Offic Co. 1976

To In One

Cas Passucine Enterpolitics, inc Coastal States Cas Producing Company P. O. Box 235 Midland, Texas 79701

Attention: Mr. Dick Morton

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JA:bt

AGREED AND ACCEPTED THIS

27 DAY OF JANUARY, 1976:

GOS PRODUCING ENTERPRISES, INC.

EVASTAL STATES CAS PRODUCING COMPANY

Such 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- 5/82 APPLICATION OF JULIAN ARD FOR AN UNORTHODOXOIL 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 3 17 at Santa Fe, New Mexico, before Examiner Richard L. Stamets 1 NOW, on this day of March , 19.76, 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 nétice 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 approval of an unorthodox Oil well location \_\_\_\_\_\_in the center of the South , Range 37 East , NMPM, to test the San Andres formation, West Sawyer-San Andres County, New Mexico: in exception to the provisions of Rule 4, Order No. R-3850. That the 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.

SW/4 SE/4 of

-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:

the SW/4 SE/4 of

	IT IS THEREFORE ORDERED:	San Andres
	IT 15 Inches	in the center of
	IT IS THEREFORE ORDERED:  (1) That an unorthodox Oilwell location for formation is hereby approved for a well to be located as a second of the	ed/at a point
f	formation is hereby appropriately factor	XXXXXXXXXX
	formation is hereby approved for a not a factor fac	, Range 37 East
	37 (Ownship	Pool, Lea County,
)	AXXXXX Section San Andres	Pool,No
	NMPM, West Sawyer-San Andres  Note: The provisions of the provisio	of Rule 4 of Order No.
	NMPM, West Sawyer-San Andres  New Mexico, in exception to the provisions of R-3850. That the will of said Section 32.	shall be dedicated to
	R-303(2) That the 20/2	
-	the above-described well.  (3) That jurisdiction of this cause is ret	ained for the entry of such
	(2) That jurisdiction of this course	
	(3) that July 19 may deem necessa	1ry.

further orders as the Commission may deem necessary. DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.