

CASE 5629: DALPORT OIL CORP. FOR
AN UNORTHODOX OIL WELL LOCATION,
CHAVES COUNTY, NEW MEXICO

Cont'd to 6/23/76

CASE NO.

5689

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

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. 5689
Order No. R-5235

APPLICATION OF DALPORT OIL CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 23, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 6th day of July, 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, Dalport Oil Corporation, seeks approval of an unorthodox oil well location 990 feet from the South line and 1477 feet from the West line of Section 22, Township 15 South, Range 29 East, NMPM, to test the Queen formation, South Lucky Lake-Queen Pool, Chaves County, New Mexico.

(3) That the SE/4 SW/4 of said Section 22 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. 5689
Order No. R-5235

IT IS THEREFORE ORDERED:

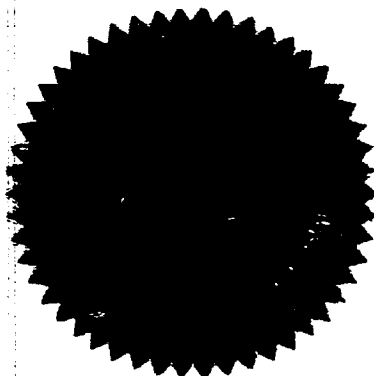
(1) That an unorthodox oil well location for the Queen formation is hereby approved for a well to be located at a point 990 feet from the South line and 1477 feet from the West line of Section 22, Township 15 South, Range 29 East, NMPM, South Lucky Lake-Queen Pool, Chaves County, New Mexico.

(2) That the SE/4 SW/4 of said Section 22 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, Chairman

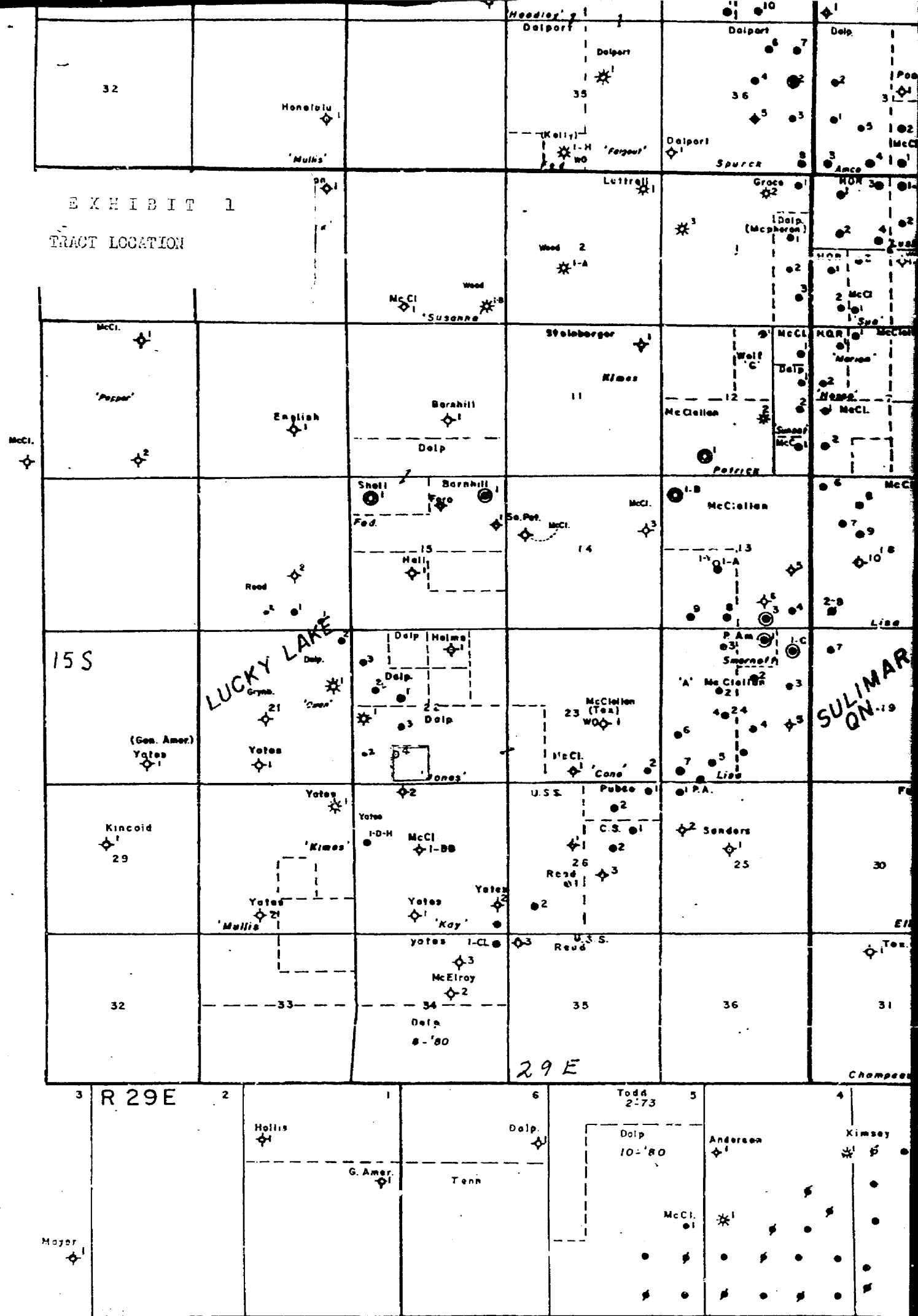
Emery C. Arnold
EMERY C. ARNOLD, Member

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

S E A L

dr/

EXHIBIT 1
TRACT LOCATION



MEXICO OIL CONSERVATION COMMISSION
LOCATION AND ACREAGE DEDICATION PLATForm C-102
Supersedes C-120
Effective 1-1-65

Distances must be from the outer boundaries of the Section

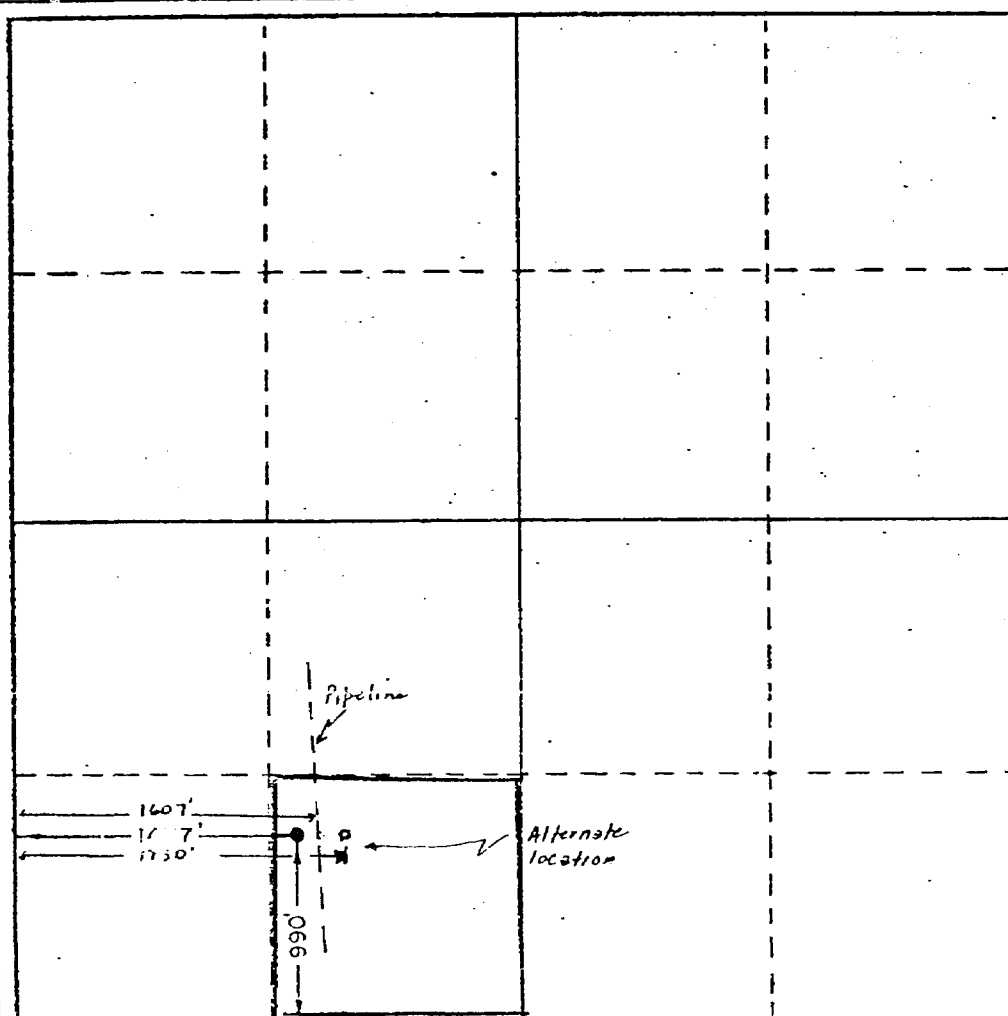
Operator Dalport Oil Corporation		Lessee Jones Federal		Well No. 4
Unit Letter N	Section 22	Township 15 South	Range 29 East	County Chaves
Actual Footage Location of Well: 990 feet from the South line and 1477 feet from the West line				
Ground Level Elev. 3853.8	Producing Formation Queen	Pool So. Lucky Lake-Queen	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 communization, 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 communization, 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.

Leon M. Lampert
Name

Leon M. Lampert

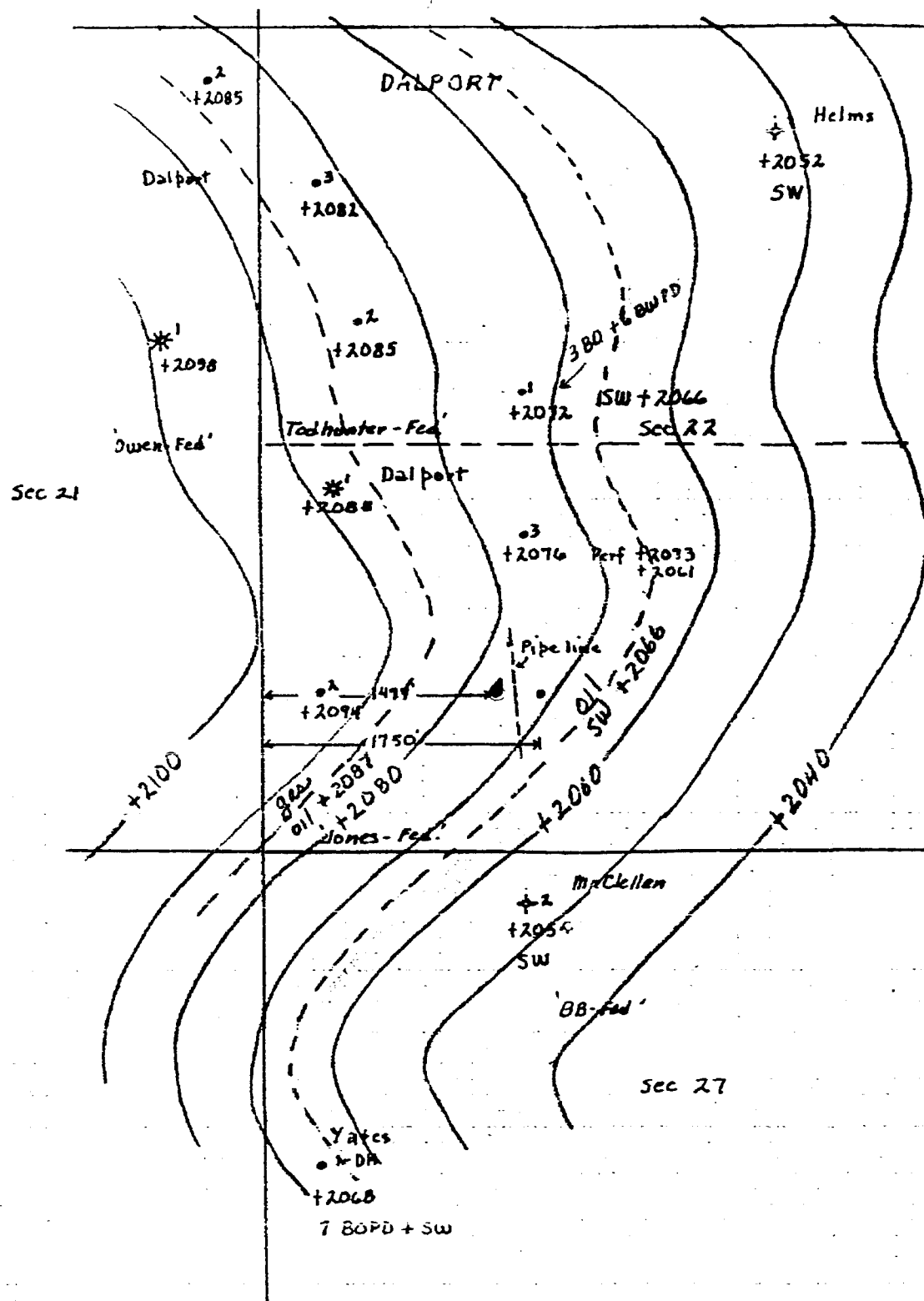
Position
Geologist

Company
Dalport Oil Corp

Date
May 10, 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
APR 30 1976
Professional Engineer
Land Surveyor
876
John W. [Signature]
Certification No. MEXICO 676



SOUTH LUCKY LAKE QUEEN

TOP QUEEN SAND

C.I. 10' SCALE 1" = 1000'

May 10, 1976

Mr. Dan Nutter
NMOCC
P. O. Box 2088
Santa Fe, New Mexico 87501


Re: Unorthodox location
Dalport #4 Jones-Federal
Sec. 22, 15S-29E
1477' FWT., 990' FSL
Chaves County, New Mexico

Dear Sir:

Our company has no objection to the above unorthodox location.

Very truly yours,

YATES PETROLEUM CORP.

By 
Vice President

cc: One copy sent to NMOCC May 25, 1976.

BEFORE EXAMINER STAMETS OIL CONSERVATION COMMISSION	
EXHIBIT NO.	4
CASE NO.	5689
Submitted by	Applicant
Hearing Date	6/23/76

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 9, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Dalport Oil Corporation) CASE
for an unorthodox oil well location,) 5689
Chaves County, New Mexico.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

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

1 MR. NUTTER: The hearing will come to order, please.
2 The first case this morning will be Case Number 5689

3 MR. CARR: Case 5689, application of Dalport Oil
4 Corporation for an unorthodox oil well location, Chaves County,
5 New Mexico.

6 Mr. Examiner, we have received a request from the
7 applicant that the case be continued to the June 23rd Examiner
8 Hearing.

9 MR. NUTTER: Case Number 5689 will be continued to
10 the Examiner Hearing scheduled to be held at this same place
11 at nine o'clock A.M., June 23rd, 1976.

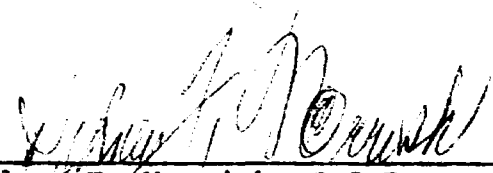
sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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REPORTER'S CERTIFICATE

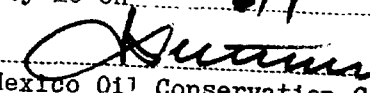
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I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said 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 87501
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. 5289,
heard by me on 6/9, 1976.

, Examiner
New Mexico Oil Conservation Commission

Dockets Nos. 19-76 and 20-76 are tentatively set for hearing on July 7 and July 21, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 23, 1976

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 5689: (Continued from June 9, 1976 Examiner Hearing)

Application of Dalport Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jones Federal Well No. 4 to be drilled 990 feet from the South line and 1477 feet from the West line of Section 22, Township 15 South, Range 29 East, South Lucky Lake-Queen Pool, Chaves County, New Mexico.

CASE 4843: (Reopened) (Continued from June 9, 1976 Examiner Hearing)

In the matter of Case 4843 being reopened pursuant to the provisions of Order No. R-4435-A, which order extended the special pool rules for the Southeast Chaves Queen Gas Area, Chaves County, New Mexico, including a provision for 320-acre spacing and proration units for gas wells. All interested parties may appear and show cause why said Order No. R-4435 should not be rescinded.

CASE 5695: Application of Yates Petroleum Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its J Lazy J Well No. 13, to be drilled as the 5th well on the 40-acre tract, in the center of Unit G, of Section 22, Township 17 South, Range 25 East, Eagle Creek-San Andres Pool, Eddy County, New Mexico.

CASE 5696: Application of Yates Petroleum Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Eagle Creek-San Andres Pool by the injection of water into the San Andres formation through its J Lazy J Wells Nos. 3, 6, 9, and 11, all located in Unit G of Section 22, Township 17 South, Range 25 East, Eddy County, New Mexico.

CASE 5697: Application of Elk Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Northeast Kernitz Unit Area comprising 3520 acres, more or less, of State land in Township 16 South, Range 34 East, Lea County, New Mexico.

CASE 5698: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictured Cliffs and Blanco Mesaverde gas production in the wellbore of its San Juan 28-7 Unit Well No. 82 located in Unit A of Section 4, Township 27 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 5699: Application of Dalport Oil Corporation for an exception to the provisions of Order No. R-3221, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of, into earthen pits, produced salt water from its Jones-Federal Well No. 3 located in Unit K of Section 22, Township 15 South, Range 29 East, South Lucky Lake-Queen Pool, Chaves County, New Mexico.

CASE 5700: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 24, Township 20 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a proposed gas well to be drilled at an orthodox location in the S/2 of said Section 24. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5701: Application of Araho, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres, Abo and Paddock formations through the perforated interval from approximately 5845 feet to 8480 feet and the open-hole interval from approximately 8528 feet to 8900 feet in its State SWD Well No. 2, located in Unit F of Section 2, Township 17 South, Range 36 East, Lovington Field, Lea County, New Mexico.

CASE 5702: Application of Cities Service Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Tubb Gas Pool and Drinkard Oil Pool production in the wellbore of its Brunson "B" Well No. 7 located in Unit N of Section 3, Township 22 South, Range 37 East, Lea County, New Mexico.

Case 5689

DALPORT OIL CORPORATION

1134 THE 600 BUILDING
CORPUS CHRISTI, TEXAS 78401

JUN - 7 1976

RECEIVED
CONSERVATION COMM.
Santa Fe

CODE 010 002 7000

June 1, 1976

Mr. Bill Carr
NMOCC
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Unorthodox Location
Dalport #4 Jones-Federal
Case No. 5689

Dear Sir:

Dalport wishes to drill its No. 4 Jones-Federal
990' FSL and 1477' FWL, Sec. 22, 15S-29E. Please
place this case on your June 23, 1976 docket.

Very truly yours,

Leon M. Lampert
Leon M. Lampert

LML/jb

JAMES T. JENNINGS
SIM B. CHRISTY IV
BRIAN W. COPPLE
ROBERT G. ARMSTRONG

LAW OFFICES OF
JENNINGS, CHRISTY & COPPLE
1012 SECURITY NATIONAL BANK BUILDING
P. O. BOX 1180
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-8432
AREA CODE 505

June 1, 1976

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

Attention: Mr. Joe Ramey
Secretary-Director

Gentlemen:

~~We~~ represent Dalport Oil Corporation, and in connection with
Case 5689 set for Examiner Hearing Wednesday, June 9, 1976, we under-
stand that the case will be continued until Wednesday, June 23, 1976.

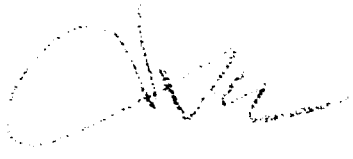
If we are incorrect in this assumption, we would appreciate a
telephone call.

Respectfully,

JENNINGS, CHRISTY & COPPLE

By 

S. B. Christy IV


SBC:pv

cc: Dalport Oil Corporation (Corpus Christi)

Dockets Nos. 17-76 and 18-76 are tentatively set for hearing on June 16 and June 23, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 9, 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. Stamets, Alternate Examiner:

- CASE 5690: Application of Mobil Oil Corporation for amendment of Order No. R-5120, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-5120, which order provided for the simultaneous dedication of a 320-acre non-standard gas proration unit, comprising the W/2 SW/4 and SE/4 SW/4 of Section 28 and the NW/4 and the SW/4 NE/4 of Section 33, Township 21 South, Range 37 East, Rumont Gas Pool, Lea County, New Mexico, to applicant's E. O. Carson Wells Nos. 4 and 22, located at unorthodox locations in Units N and L, respectively, of said Section 28. Applicant seeks amendment of said Order No. R-5120 by authorizing the simultaneous dedication of said unit to the previously approved E. O. Carson Wells Nos. 4 and 22 and to its E. O. Carson Well No. 23 located 1980 feet from the North line and 2640 feet from the West line of Section 33, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 5689: Application of Dalport Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jones Federal Well No. 4 to be drilled 990 feet from the South line and 1477 feet from the West line of Section 22, Township 15 South, Range 29 East, South Lucky Lake-Queen Pool, Chaves County, New Mexico.
- CASE 4843: (Reopened)
In the matter of Case 4843 being reopened pursuant to the provisions of Order No. R-4435-A, which order extended the special pool rules for the Southeast Chaves Queen Gas Area, Chaves County, New Mexico, including a provision for 320-acre spacing and proration units for gas wells. All interested parties may appear and show cause why said Order No. R-4435 should not be rescinded.
- CASE 5691: Application of Hanson Oil Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 990 feet from the North line and 2600 feet from the West line of Section 25, Township 26 South, Range 31 East, North Mason-Delaware Pool, Eddy County, New Mexico.
- CASE 5692: Application of Cities Service Oil Company for a dual completion and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Owen "A" Well No. 1 located in Unit P of Section 35, Township 21 South, Range 37 East, Lea County, New Mexico, completing said well in such a manner as to commingle Blinebry and Drinkard oil production and to dually complete said zones with the Wantz-Granite Wash Pool.
- CASE 5670: (Continued from May 12, 1976 Examiner Hearing)
Application of Read & Stevens, Inc. for an unorthodox location and directional drilling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to deviate its Harris-Federal Well No. 3, the surface location of which is 660 feet from the South line and 1980 feet from the East line of Section 27, Township 15 South, Range 28 East, Chaves County, New Mexico, by directionally drilling said well from a kick-off point at approximately 6000 feet and bottoming it at an unorthodox location in the Pennsylvanian formation within 250 feet of a point 990 feet from the South line and 1650 feet from the East line of said Section 27, the S/2 of the Section to be dedicated to the well.
- CASE 5688: Application of Dugan Production Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Tapacito-Pictured Cliffs and Blanco-Mesa Verde production in the wellbore of its Jicarilla E Well No. 1, located in Unit M of Section 21, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.
- CASE 5693: Application of Jerome P. McHugh for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to downhole commingle Fruitland and Pictured Cliffs production in that area described as being all of Township 24 through 28 North, Ranges 9 through 15 West, San Juan County, New Mexico, excluding however, those lands within the boundaries of the Ballard-, Fulcher Kutz-, and West Kutz- and also those lands within the boundary of the Gallegos Canyon Unit Area.

DALPORT OIL CORPORATION

1134 THE 600 BUILDING

CORPUS CHRISTI, TEXAS 78401

Case 5689

MAY 14 1976

CODE 512-882-7863

May 10, 1976

Mr. Dan Nutter
NMOCC
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Request for Unorthodox Location
South Lucky Lake Queen Field
Chaves County, New Mexico

Dear Sir:

Dalport had planned to drill the #4 Jones-Federal 990' FSL and 1650' FWL Sec. 22, 15S-29E. However, since a pipeline is 1643' from the West Section 22, we wish to drill a location 1477' FWL and 990' FSL Sec. 22. With this footage, the location mat would not cross the right-of-way. We cannot place the location east of the pipeline due to close proximity to a Queen oil-water contact.

Therefore, in accordance with Rule #104-M, we respectfully request administrative approval of the location which will be dedicated to the Dalport #4 Jones-Federal, 990' FSL, 1477' FWL Sec. 22.

Enclosed are three copies of C-102 and area plat, as well as certified mail receipt showing notification to the offsetting operator.

Very truly yours,

Leon M. Lampert
Leon M. Lampert

LML/jb
Enclosures

cc: Yates Petroleum Corp.
207 So. 4th Street
Artesia, New Mexico 88210

No. 222587

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO Yates Petroleum Corp.		POSTMARK OR DATE 4-10-76
STREET AND NO. 207 So. 4th Street		
P.O., STATE AND ZIP CODE Artesia, New Mexico 88210		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered	15¢
	With delivery to addressee only	65¢
	2. Shows to whom, date and where delivered	35¢
	With delivery to addressee only	85¢
DELIVER TO ADDRESSEE ONLY		50¢
SPECIAL DELIVERY (extra fee required)		

PS Form 3808
Apr. 1971

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)
* GPO : 1971 O - 400-742

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Case 5689
Form C-102
Supersedes C-128
Effective 1-1-55

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

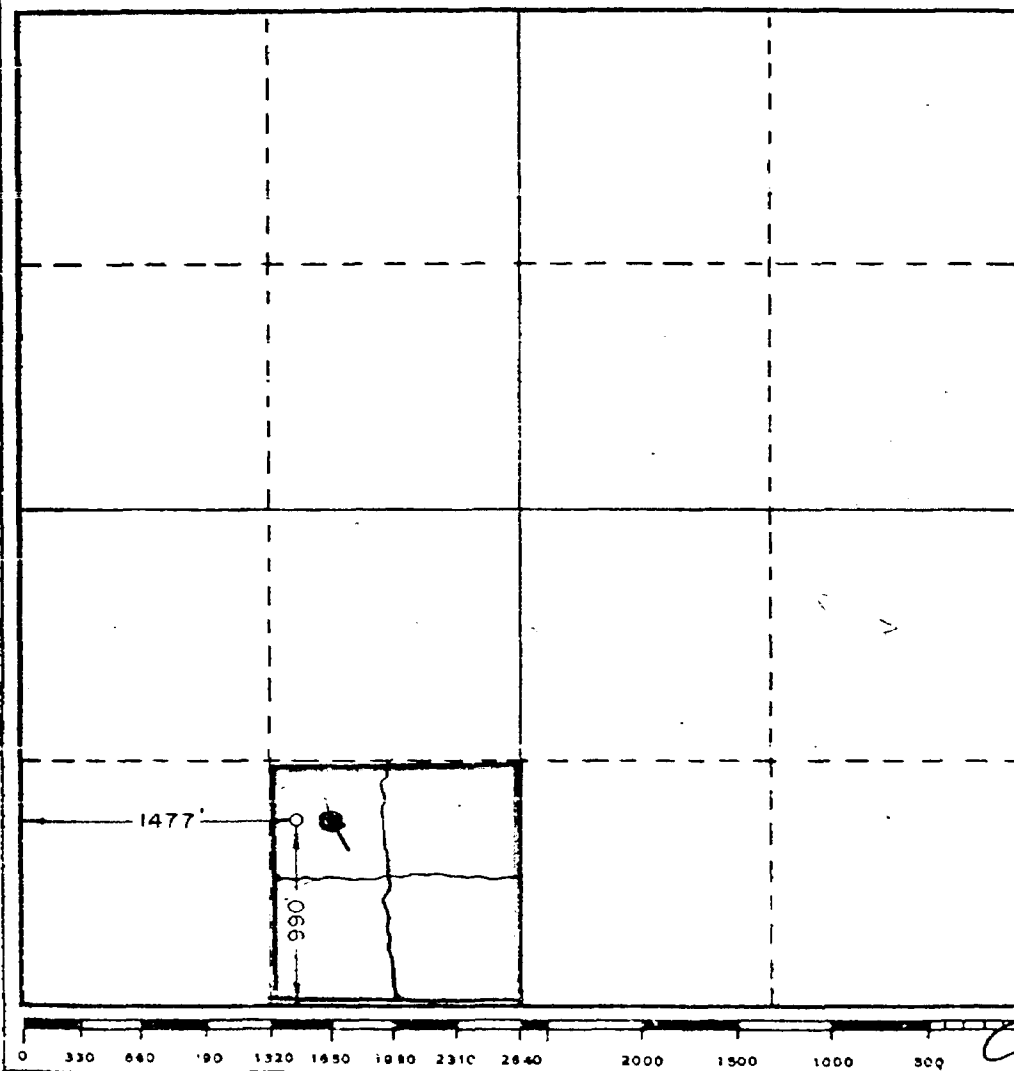
Operator Dalport Oil Corporation			Lessee Jones Federal		Well No. 4
Unit Letter N	Section 22	Township 15 South	Range 29 East	County Chaves	
Actual Footage Location of Well: 990 feet from the South line and 1477 feet from the West line					
Ground Level Elev. 3853.8	Producing Formation Queen		Pool So. Lucky Lake-Queen		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.

Leon M. Lampert
Name
Leon M. Lampert

Position
Geologist

Company
Dalport Oil Corp

Date
May 10, 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 of Survey
April 30, 1976
Registered Professional Engineer
and Land Surveyor
676
John W. West
Certification
JOHN W. WEST

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

All distances must be from the outer boundaries of the Section

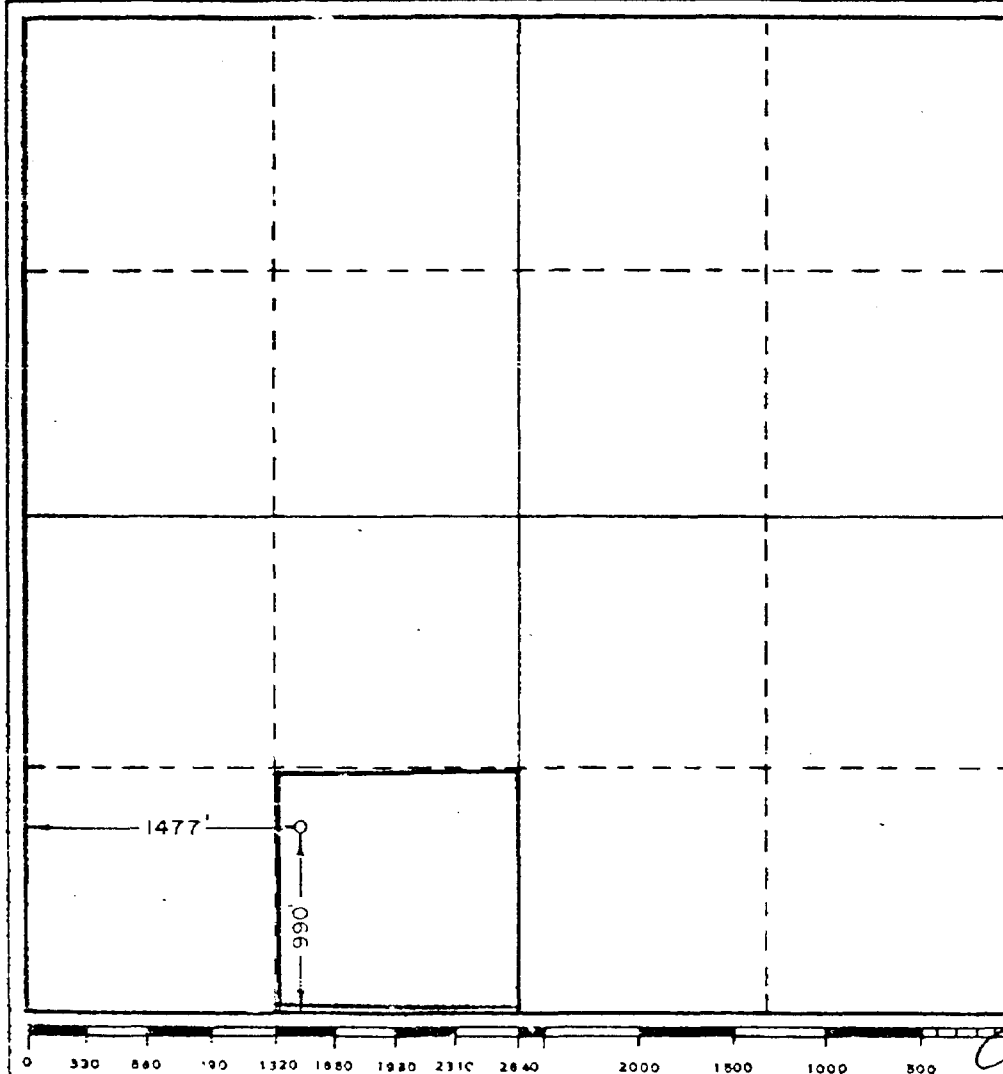
Operator Dalport Oil Corporation			Lease Jones Federal		Well No. 4
Unit Letter N	Section 22	Township 15 South	Range 29 East	County Chaves	
Actual Footage Location of Well:					
990		feet from the South line and	1477		feet from the West line
Ground Level Elev. 3853.8	Producing Formation Queen	Pool So. Lucky Lake-Queen		Dedicated Acreage: 40 Acres	

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☐ 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.

Leon M. Lampert
Name
Leon M. Lampert

Position
Geologist

Company
Dalport Oil Corp

Date
May 10, 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 of Survey
April 30, 1976
Registered Professional Engineer
and Land Surveyor
576
John W. West
Certified **JOHN W. WEST**

Case 5689

May 13, 1976

Mr. Joe Ramey
NMOCC
P. O. Box 2088
Santa Fe, New Mexico 87501

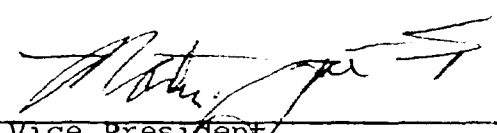
Re: Dalport Oil Corp.
#1 Jones-Federal
Non-standard Gas Unit
40 ac., Sec. 22, 15S-29E,
NW $\frac{1}{4}$ SW $\frac{1}{4}$, Southeast Chaves
Queen Gas Field, Chaves
County, New Mexico

Dear Sir:

Our company has no objection to forming the above 40-acre
non-standard gas unit as per R-4435-A.

Very truly yours,

YATES PETROLEUM CORP.

By 
Vice President

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. 5689

Order No. R- 5235

APPLICATION OF DALPORT OIL CORPORATION
FOR AN UNORTHODOX ~~OIL~~ WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 23, 19 76,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter BLS.

NOW, on this June day of July, 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 notice having been given as required by law, the
Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Dalport Oil Corporation, seeks
approval of an unorthodox oil well location 990 feet from the South
line and 1477 feet from the West line of Section 22, Township
15 South, Range 29 East, NMPM, to test the
Queen formation, South Lucky Lake-Queen Pool,
Chaves County, New Mexico.

(3) That the SE 1/4 of said Section 22 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.

Case No. 5689

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 Chaves formation is hereby approved for a well to be located at a point 990 feet from the South line and 1477 feet from the West line of Section 22, Township 15 South, Range 29 East NMPM, South Lucky Lake-Queen Pool, Chaves County, New Mexico.

(2) That the SE 1/4 Sec 22 of said Section 22 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.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

JUNE 23, 1976TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Paul W. Burchell	El Paso Natural Gas	El Paso, Texas
Rand C. Schmidt	El Paso Natural Gas Co	El Paso, TEXAS
J. B. Kristy	Dalport	Rowell
DAN CURRENS	Amoco	Houston
JACK INGRAM	Amoco	HOUSTON
ANTHONY PETERSON	Amoco	HOUSTON
Earl R. Burns	Arako, Inc	Midland
KEN HASTENON	White Kachela & McButy	Santa Fe
Leon Lampert	Dalport Oil Corp	Dallas Tx
John M. Felby	self	Rowell
J. B. Felby	ELK OIL CO	Rowell

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 23, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Dalport Oil Corporation) CASE
for an unorthodox oil well location,) 5689
Chaves 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:	Sim B. Christy, IV, Esq. JENNINGS, CHRISTY & COPPLE Attorneys at Law P. O. Box 1180 Roswell, New Mexico

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I N D E X

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LEON LAMPERT

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1 MR. STAMETS: We will call now Case 5689.

2 MR. CARR: Case 5689, application of Dalport Oil
3 Corporation for an unorthodox oil well location, Chaves County,
4 New Mexico.

5 MR. CHRISTY: Sim Christy, Jennings, Christy and
6 Copple for the applicant. Mr. Examiner, we have one witness,
7 Mr. Lampert.

8 MR. STAMETS: Will you stand and be sworn, please?
9 (THEREUPON, the witness was duly sworn.)

10
11 LEON LAMPERT

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

14
15 DIRECT EXAMINATION

16 BY MR. CHRISTY:

17 Q For the record would you please state your name and
18 address, by whom you are employed and in what capacity?

19 A Leon Lampert, Dalport Oil Corporation, geologist in
20 Corpus Christi.

21 Q Mr. Lampert have you previously testified before this
22 regulatory body and had your qualifications accepted as a
23 petroleum geologist?

24 A Yes.

25 Q Are you generally familiar with what is sought by

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1 the application in Case 5689?

2 A. Yes, sir.

3 Q Would you please briefly advise the Examiner what
4 is sought and would you start by referring to Exhibit One in
5 this case?

6 Q All right, we want to drill our Dalport No. 4 Jones
7 in the red forty-acres as shown on the tract on Exhibit One.
8 We staked the location sixteen, fifty from the west line and
9 we found out from the surveyor that it fell right upon Phillips
10 Pipeline, I believe it was, right on the right-of-way. So,
11 then we moved a hundred and thirty feet west of that sixteen,
12 fifty and staked another location which will be on Exhibit
13 Two, which is a copy of the plat made by John West. We
14 staked fourteen, seventy-seven from the west line and the plat
15 shows the north-south pipeline which would be at sixteen, fifty
16 from the west line and on the furtherest east side of the
17 area there you see another circle which would be seventeen,
18 fifty from the west line of the section.

19 Q Now, what is wrong with the alternate, why did you
20 move to the west instead of to the east?

21 A Well, we want to move up-dip. The seventeen, fifty
22 location is getting very close to the oil-water contact which
23 we have proven in other wells.

24 Q Is that indicated on your Exhibit Three?

25 A. Yes, sir.

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1 Q Refer to that, please?

2 A Exhibit Three is a small geological map of that
3 area on a one inch to a thousand scale. The red circle is the
4 fourteen, seventy-seven from the west line location, the
5 pipeline is shown and there is a little circle just to the
6 east of the pipeline which is the seventeen, fifty location.

7 Now, we know there is water down at a datum of
8 about plus twenty-six, sixty-six as proven in our No. 3 Jones
9 just to the north which we completed about two months ago and
10 it's making seventeen barrels of water a day.

11 Also north of that No. 3 there is a No. 1 Todd Hunter
12 which is an older well. It's five years old and making about
13 six barrels of water a day and two to three barrels of oil.
14 So, there is no question that the water is right -- and that
15 last well was a cable tool well so we know just about where
16 water was in that well.

17 So, if we move to the seventeen, fifty location,
18 we would be approaching that water-contact and the well would
19 definitely water cut.

20 Q Would that result in waste?

21 A Yes, sir, we would produce about as much oil as
22 that No. 1 Todd Hunter which to date is about fifty-seven
23 hundred barrels cumulative, whereas if we move westward we
24 would rise about six or seven feet structurally and we could
25 produce in the neighborhood of twenty thousand barrels, eighteen

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1 to twenty thousand barrels gross.

2 Q What type of lands is this mineral-wise?

3 A Federal.

4 Q Have you obtained approval from the USGS to move
 5 to the proposed location of fourteen, seventy-seven from the
 6 west line?

7 A Yes, sir, they have approved the fourteen, seventy-
 8 seven location on that form.

9 Q Exhibit One would indicate that most of the lands
 10 around it are Dalport lands, except to the south I notice
 11 that they are Yates' lands. Have you discussed the matter
 12 with the Yates people?

13 A Yes, sir, we contacted them when we sought administra-
 14 tive approval of that location and they gave a waiver for
 15 this unorthodox location.

16 Q And that's Exhibit Four. Were Exhibits One through
 17 Three prepared by you or under your direct supervision?

18 A Yes, sir.

19 MR. CHRISTY: That's all for the applicant.

20

21 CROSS EXAMINATION

22 BY MR. STAMETS:

23 Q Mr. Lampert, what size pipeline is this that runs
 24 through the area?

25 A It's about a four-inch but I'm not real certain about

1 that because it is a buried line, it's a casinghead line and
2 it's approximately a four-inch line.

3 Q Do you know what the pressure is on the line?

4 A Not too high because it is casinghead. I could
5 guess but I should say it's not very high.

6 Q What is the necessary set-back from this line for
7 safety purposes?

8 A To build the location pad you have to be a hundred
9 feet plus. The pad is two hundred feet east and west, so if
10 you moved a hundred feet from the line, your stake, your well
11 would be off the right-of-way. So, with about a hundred and
12 ten to a hundred and twenty feet would be a safety factor.

13 Q Is the problem a safety problem or a right-of-way
14 problem?

15 A Right-of-way. It's owned by Phillips and we can't
16 put anything on the right-of-way. It's their property.

17 Q Okay.

18 A But in that area it is critical, your structure is
19 very critical because a couple of feet makes a lot of
20 difference in oil production, just three or four or five
21 feet make a great deal of difference. We have drilled well
22 after well in there and it's either gassy or it has got a
23 water cut because of just a couple of feet.

24 Q In the southeast of the southwest quarter of Section
25 2, where you to propose to drill this well No. 4, looking at

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1 your Exhibit Number Three, how many productive acres would you
2 say are in that forty-acre tract?

3 A Well, from that it would look like thirty plus acres,
4 thirty to thirty-five acres.

5 Q What about the rest of the wells that have been
6 developed in here, would you classify them as very good wells
7 or some good or some not so good?

8 A Well, it is really weird. The first well drilled
9 in there was in this same tract, this gas well, in the north-
10 west of the southwest and it was just a fair little gas well
11 and then we drilled just northeast of there, that No. 1 Todd
12 Hunter which was at the outset a seven-barrel oil well and so
13 those were the first two wells which were pretty sorry. Then
14 we moved northward on that Tyler lease and we came up with
15 some two or three that were very good wells, they were very
16 good wells. So, we have found that even in an area that
17 looks sort of poor you might find some good Queen oil.

18 Then we moved south of the gas well and drilled a
19 pretty good oil well there in the southwest-southwest, that
20 No. 2 Well. Then we drilled northeastward, that No. 3 Well,
21 in the northeast of the southwest and we tested it at twenty-
22 nine barrels of oil and seventeen barrels of water, which is
23 fair, but if it had been a couple of feet higher structurally
24 it would have made about a forty or fifty barrel well.

25 So, you've got some poor wells in there and you've

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1 got some pretty good wells. The average cumulative would
2 probably be ten to twenty thousand barrels, what they are
3 ultimately going to make, depending on the structure.

4 Q Ten to how many?

5 A Ten to say, twenty-five thousand. Our 2 and 3
6 Todd Hunter will probably make twenty-five thousand barrels.

7 Q I believe you indicated that if the well were drilled
8 at the alternative location here you would expect maybe six
9 thousand barrels of production?

10 A Well, the Todd Hunter 1 up to the far north there
11 is fifty-seven hundred barrels and we would be pretty close
12 to that, depending on structure.

13 Q Would that be an economical venture?

14 A Just barely. Six thousand barrels now days gives
15 you about sixty thousand dollars and the well costs seventy
16 thousand.

17 Q If the well were drilled at your proposed unorthodox
18 location, would you be recovering more than your share of
19 the oil from this particular reservoir, assuming an unrestricted
20 allowable?

21 A I don't believe so. We are draining from our own
22 lease there and it would be odd -- let's put it this way, if
23 we drilled east of there at the seventeen, fifty location
24 and made a well that could produce six thousand barrels, there
25 would be some unrecovered oil at this fourteen, seventy-seven

1 location that wouldn't be recoverable unless we, say, drilled
2 another well eventually right in that area. So, we would
3 actually be draining our own oil in a more efficient manner
4 by drilling this fourteen, seventy-seven location.

5 Q Is the water drive in this area active?

6 A No. The water will come down. As the oil production
7 decreases the water increases.

8 Q If your allowable in this particular well were
9 restricted by the Commission and an order granting an un-
10 orthodox location, say, based on net productive acres, say,
11 three-fourths of the regular allowable, would this be an
12 economical venture?

13 A Seventy-five percent of eighty barrels, is that what
14 you are saying?

15 Q Yes.

16 A I think so.

17 MR. STAMETS: Are there any other questions of the
18 witness? He may be excused.

19 (THEREUPON, the witness was excused.)

20 MR. CHRISTY: We would like to offer Applicant's
21 Exhibits One to Four, inclusive and that is all for the
22 applicant.

23 MR. STAMETS: These exhibits will be admitted into
24 evidence.
25

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

MR. STAMETS: Anything further in this case? The
case will be taken 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
Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete and true record of the proceedings in
the Examiner hearing of case No. 5689,
heard by me on 6/23/76, 1976.
Richard P. Ham, Examiner
New Mexico Oil Conservation Commission

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