

Cs CASE 5776: CONTINENTAL OIL CO.
FOR AN UNORTHODOX LOCATION,
EDDY COUNTY, NEW MEXICO

9/29/76 to 10/27/76
cont to 11/10/76
cont to

Case Number

5776

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 10, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company
for an unorthodox gas well location,
Eddy County, New Mexico.

CASE
5776

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

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

MR. STAMETS: We will call next Case 5776.

MS. TESCHENDORF: Case 5776, application of Continental Oil Company for an unorthodox gas well location, Eddy County, New Mexico.


We have also heard from the applicant in this case and they also requested a dismissal.

MR. STAMETS: Case 5776 will be dismissed.

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

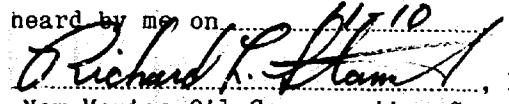
REPORTER'S CERTIFICATE

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
7 ability.

8
9 
10 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

11
12
13
14
15
16
17 I do hereby certify that the foregoing is
18 a complete record of the proceedings in
the Examiner hearing of Case No. 5776
heard by me on 11/10 19 76
19 , Examiner
New Mexico Oil Conservation Commission
20
21
22
23
24
25

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. 5776
Order No. R-5320

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 10,
1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of November, 1976, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 5776 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

SEAL

jr/

Dockets Nos. 31-76 and 32-76 are tentatively set for hearing on November 10 and November 23, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 27, 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. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5768: (Continued from September 29, 1976; Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Service Drilling Company, The Travelers Indemnity Company, and all other interested parties to appear and show cause why the Gonzales-Pittman Well No. 1, located in Unit M of Section 24, Township 21 North, Range 21 East, Mora County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5785: (Continued from October 13, 1976; Examiner Hearing)

Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Seven Rivers-Queen formation underlying the NE/4 NE/4, NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4 of Section 19, Township 24 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to form four 40-acre proration units to be dedicated to four oil wells to be drilled at standard locations on said tracts. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 5574: (Reopened) (Continued from October 13, 1976; Examiner Hearing)

In the matter of Case 5574 being reopened pursuant to the provisions of Order No. R-5118 which order established a temporary special depth bracket allowable of 750 barrels of oil per day for the Eagle Mesa-Entrada Oil Pool, Sandoval County, New Mexico. All interested parties may appear and show cause why said special depth bracket allowable should not be rescinded.

CASE 5789: Application of Amoco Production Company for salt water disposal well, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Fusselman formation through the perforated interval from 8313 feet to 8538 feet in its Swearingen "C" Well No. 2 located in Unit M of Section 18, Township 5 South, Range 33 East, Petersen-Fusselman Pool, Roosevelt County, New Mexico.

CASE 5790: Application of Dome Petroleum Corporation for pool creation and assignment of a discovery allowable, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Entrada production and the assignment of approximately 58,770 barrels of oil discovery allowable to the discovery well, being the Federal 21 Well No. 1 located in Unit K of Section 21, Township 20 North, Range 5 West, McKinley County, New Mexico.

CASE 5791: Application of Texaco Inc. for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard Eumont gas proration unit comprising the E/2 SE/4, SW/4 SE/4, and SE/4 SW/4 of Section 23; the W/2 NW/4 of Section 25; and the E/2 NE/4 of Section 26, all in Township 19 South, Range 36 East, Lea County, New Mexico, to be simultaneously dedicated to applicant's William Weir Wells Nos. 1 and 2 at unorthodox locations in Unit E of said Section 25 and Unit N of said Section 23, respectively.

CASE 5792: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Angels Peak-Callup and Basin-Dakota production in the wellbore of its McAdams Well No. 3 located in Unit H of Section 34, Township 27 North, Range 10 West, San Juan County, New Mexico.

CASE 5793: Application of Dugan Production Corporation for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Sherman Edward Well No. 2A, to be drilled at a point 2500 feet from the North line and 510 feet from the West line of Section 3, Township 29 North, Range 5 West, Blanco Mesaverde Gas Pool, Rio Arriba County, New Mexico, the N/2 of said Section 3 to be dedicated to the well.

CASE 5776: (Continued & Readvertised)

Application of Continental Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its James Ranch Unit Well No. 8 to be drilled at a point 1980 feet from the North line and 660 feet from the West line of Section 31, Township 22 South, Range 31 East, Los Medanos-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 31 to be dedicated to the well.

CASE 5794: Application of Continental Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 31, Township 22 South, Range 31 East, Los Medanos Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location in Unit L of said Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5795: Application of Continental Oil Company for an exception to the provisions of Order No. R-1670, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 21(A) of the General Rules and Regulations for the prorated gas pools of Northwestern New Mexico contained in Order No. R-1670, to permit the reporting of Basin Dakota production from wells on its Northeast Haynes Lease in Township 24 North, Range 5 West, Rio Arriba County, New Mexico, without the necessity of separately measuring the production from each well.

CASE 5777: (Continued & Readvertised)

Application of Gifford & Mitchell and M. E. Wisenbaker for pool creation, pool rules, and a non-standard gas spacing unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Pennsylvanian production for its Horse Back Well No. 1 located 1000 feet from the South line and 1980 feet from the East line of Section 33, Township 26 South, Range 36 East, Lea County, New Mexico, the promulgation of pool rules therefor, including a provision for 640-acre spacing and approval for a 589.52-acre non-standard gas spacing unit comprising all of partial Sections 33 and 34 of the aforesaid township.

Docket No. 30-76

Dockets Nos. 31-76 and 32-76 are tentatively set for hearing on November 10 and November 23, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - THURSDAY - NOVEMBER 4, 1976

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

CASE 5743: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit John W. Adams, Executor of Estates of R. W. and June Adams; and Ruth McGahey, Fred McGahey and David McGahey dba Adams & McGahey, American Employers' Insurance Company, and all other interested parties to appear and show cause why the following wells located in Township 21 North, Range 30 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Gonzales Well No. 2, located in Unit P of Section 9; Adams & McGahey Well No. 1; located in Unit B of Section 16; and Gonzales "A" Well No. 1, located in Unit H of Section 32.

Upon application of John W. Adams, this case will be heard De Novo pursuant to the provisions of Rule 1220.

sid morrish reporting service

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

Page 1

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 29, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company
for an unorthodox location,
Eddy County, New Mexico.

CASE
5776

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

1 MR. NUTTER: We will call next Case Number 5776.

2 MR. CARR: Case 5776, application of Continental Oil
3 Company for an unorthodox location, Eddy County, New Mexico.

4 Mr. Examiner, the applicant in this case has requested
5 that it be continued to the Examiner Hearing to be held
6 October 27th.

7 MR. NUTTER: Case Number 5776 will be continued to
8 the Examiner Hearing scheduled to be held at this same place
9 at nine o'clock A.M., October 27th, 1976.

sid morrish reporting service

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

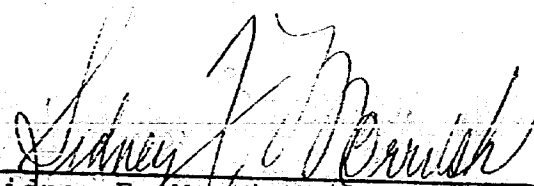
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

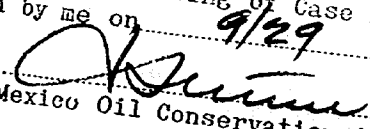
sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

Page 3

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.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5776,
heard by me on 9/29, 1976.
, Examiner
New Mexico Oil Conservation Commission

Docket No. 31-76

Dockets Nos. 32-76 and 33-76 are tentatively set for hearing on November 23 and December 15, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 10, 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. Mutter, Alternate Examiner:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for December, 1976, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for December, 1976, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 5796:** In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Hixon Development Company, National Surety Corporation, and all other interested parties to appear and show cause why the Central Bisti Unit Wells Nos. 41, 46, 47, 49 and 50 located in Units D, I, K, M, and O, respectively, of Section 16, Township 25 North, Range 12 West, Bisti-Lower Gallup Pool, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5798:** Application of Exxon Corporation for a unit agreement, Sierra and Dona Ana Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the Prisor Unit Area comprising 24,910 acres, more or less, of State, Federal, and fee lands in Townships 16 and 17 South, Ranges 1 East and 1 West, Sierra and Dona Ana Counties, New Mexico.
- CASE 5799:** Application of Gulf Oil Corporation for an unorthodox gas well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28 and the NW/4 NE/4 of Section 33, Township 21 South, Range 37 East, Tubb Gas Pool, Lea County, New Mexico, to be dedicated to applicant's J. N. Carson Well No. 9 located at an unorthodox location 1874 feet from the South line and 2086 feet from the West line of said Section 28.
- CASE 5809:** Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard, Tubb, and Blinbry production in the wellbore of its Manda "B" Well No. 1, located in Unit C of Section 28, Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 5800:** Application of Yates Petroleum Corporation for salt water disposal well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Morrow formation through the perforated interval from 8983 feet to 9129 feet in its Bob Gushard Well No. 1 located in Unit J of Section 21, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.
- CASE 5801:** Application of Atlantic Richfield Company for a non-standard proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 275-acre non-standard gas proration unit comprising the W/2 E/2, N/2 NW/4, and SE/4 NW/4 of Section 19, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's State 176 Wells Nos. 3 and 6 located, at unorthodox locations in Units J and C, respectively, of said Section 19.
- CASE 5802:** 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 production in the wellbore of its San Juan 28-7 Unit Well No. 75 located in Unit L of Section 15, Township 28 North, Range 7 West, Rio Arriba County, New Mexico.
- CASE 5803:** Application of El Paso Co., Inc., for downhole commingling and simultaneous dedication, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Fruitland and Pictured Cliffs gas production in the wellbore of its Valdez "A" Well No. 1, located in Unit P of Section 24, Township 29 North, Range 11 West, San Juan County, New Mexico. Applicant further seeks approval for the simultaneous dedication of the SE/4 of said Section 24 to said well and its Valdez Well No. 1 located in Unit I of said Section 24.
- CASE 5804:** Application of Stevens Oil Company for a dual completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its O'Brien "C" Well No. 2 located in Unit D of Section 1, Township 9 South, Range 28 East, Chaves County, New Mexico, to produce oil from the San Andres and Devonian formations through parallel strings of tubing.

- CASE 5805: Application of Morris R. Antweil for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Morrow formations underlying the N/2 of Section 3, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location in Unit G of said Section 3. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5806: Application of Anadarko Production Company for two unorthodox well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of its Artesia State Unit Well No. 9-5 to be drilled 1270 feet from the North line and 50 feet from the East line of Section 23 and its Artesia State Unit Well No. 2-3 to be drilled 50 feet from the South line and 1270 feet from the West line of Section 13, both in Township 18 South, Range 27 East, Artesia Queen-Grayburg-San Andres Pool, Eddy County, New Mexico.
- CASE 5797: Application of C&K Petroleum, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Dallas Ranch Unit Area comprising 5746 acres, more or less, of State, Federal, and fee lands in Township 9 South, Range 26 East, Chaves County, New Mexico.
- CASE 5807: Application of C&K Petroleum, Inc., for compulsory pooling and a non-standard unit, 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 N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to form a non-standard 336.6-acre unit to be dedicated to a well located 1680 feet from the North line and 1980 feet from the East line of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5808: Application of C&K Petroleum, Inc., for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down to and including the Pennsylvanian formation underlying the SE/4 SE/4, NE/4 SE/4, NW/4 SE/4, and SW/4 SE/4 of Section 21, Township 16 South, Range 37 East, Lea County, New Mexico, to form four 40-acre oil proration units, the first to be dedicated to a well to be drilled at a point 660 feet from the South and East line of said Section 21 to test the Strawn formation and each of the others to a well subsequently drilled thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.
- CASE 5785: (Continued from October 27, 1976 Examiner Hearing)
- Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Seven Rivers-Queen formation underlying the NE/4 NE/4, NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4 of Section 19, Township 24 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to form four 40-acre proration units to be dedicated to four oil wells to be drilled at standard locations on said tracts. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.
- CASE 5790: Application of Dome Petroleum Corporation for pool creation and assignment of a discovery allowable, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Entrada production and the assignment of approximately 58,770 barrels of oil discovery allowable to the discovery well, being the Federal 21 Well No. 1 located in Unit K of Section 21, Township 20 North, Range 5 West, McKinley County, New Mexico.
- CASE 5776: (Continued from October 27, 1976, Examiner Hearing)
- Application of Continental Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its James Ranch Unit Well No. 8 to be drilled at a point 1980 feet from the North line and 660 feet from the West line of Section 31, Township 22 South, Range 31 East, Los Medanos-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 31 to be dedicated to the well.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 27, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company
for an unorthodox gas well location,
Eddy County, New Mexico.

CASE
5776

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:

Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

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

sid morrish reporting service

General Court Reporting Service
825 Calle Meja, No. 122, Santa Fe, New Mexico 87501
Phone: (505) 982-9212

1 MR. NUTTER: We will call Case Number 5776.

2 MS. TESCHENDORF: Case 5776, application of
3 Continental Oil Company for an unorthodox gas well location,
4 Eddy County, New Mexico.

5 MR. KELLAHIN: If the Examiner please, Jason Kellahin,
6 Kellahin and Fox, appearing for the applicant. We would ask
7 that this case be continued until the next hearing.

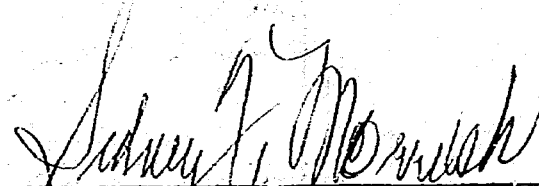
8 MR. NUTTER: Case Number 5776 will be continued to
9 the Examiner Hearing scheduled to be held at this same place
10 at nine o'clock A.M., November 10th, 1976.
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

sid morrish reporting service


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

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 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. 5776
heard by me on 10/27, 19 76.
, Examiner
New Mexico Oil Conservation Commission

Called in by Vic Lyon 9/7/76

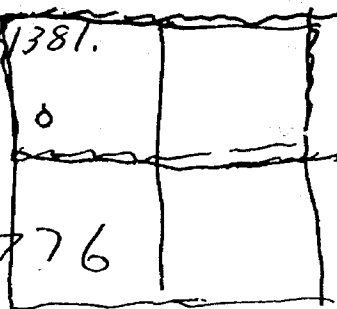
Continental Oil Co.

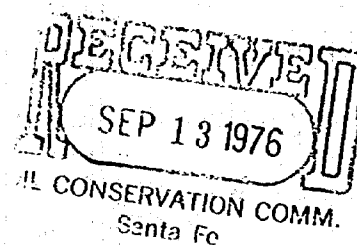
Approval of a Non-Standard
Location for its James Ranch
Unit Well No. ~~8~~ to be drilled
at a location 1980/N + 660/W
of Section 31, T22S, R31E, Los
Medanos - Morrow Pool, Eddy
County, New Mexico.

Plan to allocate the N/2 of said
Section 31 to well.

If there are any questions, call
Vic at 713-965-4381.

Case 5776





September 8, 1976

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

Attention: Mr. Joe D. Ramey, Secretary-Director

Gentlemen:

Subject: Application for non-standard location - James Ranch Unit
well no. 8, Eddy County, N. M.

Enclosed in triplicate is our application for approval of a non-standard location to drill the James Ranch Unit no. 8, confirming our telephone call yesterday. Please set this matter for hearing on the September 29, 1976 examiner docket.

Yours very truly,

L. P. Thompson

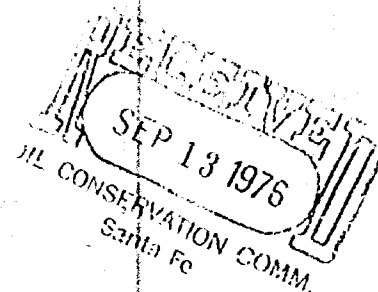
pp

Enclosure

CC: C. F. Ellis
F. O. Hull
J. W. Kellahin

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

In the matter of the application of Continental Oil Company for approval of a non-standard location for its James Ranch Unit well no. 8 to be drilled 1980' FWL, 660' FWL section 31, Township 22 South, Range 31 East, Los Medanos-Morrow pool, Eddy County, N. M.

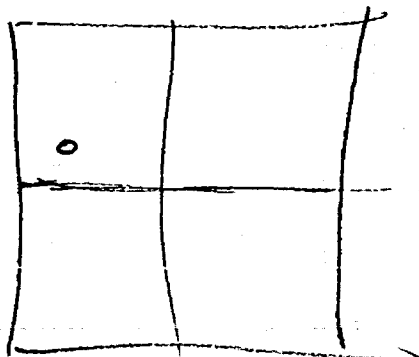


APPLICATION

Applicant, Continental Oil Company, hereby requests approval of a non-standard location for its James Ranch Unit well no. 8 to be drilled 1980 feet from north and 660 feet from west lines of section 31, Township 22 South, Range 31 East, in the Los Medanos-Morrow Pool, Eddy County, N. M. and in support thereof would show:

1. Applicant is the owner of a lease comprising, in addition to other lands, the N/2 section 31, Township 22 South, Range 31 East, Lea County, N. M.
2. Applicant desires to drill a well on said lease to the Los Medanos-Morrow or the Los Medanos-Atoka gas pool.
3. Said lease is within the Atomic Waste Disposal Area under consideration by the Energy Research and Development Agency.
4. The proposed location is more consistent with the aims and objectives of said agency than would be a standard location.
5. The granting of this application will prevent waste and protect correlative rights.

Wherefore, applicant respectfully requests this application be set for hearing before the Commission's duly appointed examiner and, upon hearing, an order be entered approving the non-standard location described above.



Respectfully submitted
CONTINENTAL OIL COMPANY

By L. P. Thompson
Division Manager of
Production

Docket No. 26-76

Dockets Nos. 27-76 and 28-76 are tentatively set for hearing on October 13 and 27, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 29, 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. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 5768: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Service Drilling Company, The Traveler's Indemnity Company, and all other interested parties to appear and show cause why the Gonzales-Pittman Well No. 1, located in Unit M of Section 24, Township 21 North, Range 21 East, Mora County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5769: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Juanita Frank, The Aetna Casualty and Surety Company, and all other interested parties to appear and show cause why the Greathouse Frank Well No. 2, located in Unit C of Section 10, Township 23 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5770: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit George H. Krause, The Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the Krause Beck Well No. 1, located in Unit J of Section 10, Township 29 North, Range 12 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5771: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 22, Township 17 South, Range 26 East, Eddy County, New Mexico, to be dedicated to its Tom Brown GO Com Well No. 1 to be drilled at an unorthodox location 660 feet from the North line and 1980 feet from the West line of said Section 22. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5772: Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal BZ Well No. 16 to be drilled at a point 1980 feet from the North line and 660 feet from the East line of Section 28, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Morrow formation, the N/2 of said Section 28 to be dedicated to the well.
- CASE 5773: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Millman Unit Area comprising 2,017 acres, more or less, of State lands in Township 19 South, Range 28 East, Eddy County, New Mexico.
- CASE 5774: Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 31, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Mollie Well No. 1 to be drilled at an unorthodox location 1100 feet from the North line and 1500 feet from the East line of said Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5775: Application of Cities Service Oil Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 30, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Tracy "E" Well No. 1 to be drilled at an unorthodox location 1880 feet from the North line and 660 feet from the West line of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5776: Application of Continental Oil Company for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its James Ranch Unit Well No. 9 to be drilled at a point 1980 feet from the North line and 660 feet from the West line of Section 31, Township 22 South, Range 31 East, Los Medanos-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 31 to be dedicated to the well.

CASE 5777: Application of Gifford & Mitchell and M. B. Wisenbaker for pool creation, pool rules, and a non-standard gas spacing unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Atoka production for its Horseback Well No. 1 located 1000 feet from the South line and 1980 feet from the East line of Section 33, Township 26 South, Range 36 East, Lea County, New Mexico, the promulgation of pool rules therefor, including a provision for 640-acre spacing and approval for a 589.52-acre non-standard gas spacing unit comprising all of partial Sections 33 and 34 of the aforesaid Township.

CASE 5778: Application of Gas Company of New Mexico for underground gas storage findings, Eddy County, New Mexico. Applicant, in the above-styled cause, pursuant to Section 65-9-5 NMSA 1953 Comp., seeks a decision from the Commission containing findings as to the propriety of utilization for underground gas storage of the sub-surface strata from the top of the Morrow clastic stratum to the top of the Barnett stratum underlying Sections 15, 16, 17, 20, 21, 22, 27, 28, and 29, Township 16 South, Range 27 East, Eddy County, New Mexico.

CASE 5779: Application of Agua, Inc. for an extension of time and amendment of Order No. R-4495-A, as amended by R-4495-D, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4495-A, as amended by Order No. R-4495-D to permit disposal, after the current October 1, 1976, deadline, of produced salt water through perforations from 4230 feet to 4320 feet in its SWD Well No. C-2, located in Unit C of Section 2, Township 22 South, Range 32 East, Lea County, New Mexico. Applicant seeks the amendment of said order to permit such disposal for an additional 30-day period or until it is able to get electrical power to its Blinberry-Drinkard SWD System Well No. A-22, located in Unit A of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico, whichever comes later.

CASE 5262: (Reopened) (Continued from September 1, 1976, Examiner Hearing)

In the matter of Case 5262 being reopened pursuant to the provisions of Order No. R-4822-B, which order extended the special pool rules for Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico, including a provision for 160-acre spacing and proration units and a special depth bracket allowable of 750 barrels of oil per day. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing and why the special depth bracket allowable should not be rescinded.

CASE 5736: (Continued from September 1, 1976, Examiner Hearing)

Application of BCO Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Basin Dakota Gas Pool and Lybrook-Gallup Oil Pool and undesignated Greenhorn and Mancos production in the wellbore of its Dunn Well No. 2, located in Unit F of Section 10, Township 23 North, Range 7 West, Rio Arriba County, New Mexico.

DRAFT

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

dr/

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

CASE NO. 5776

Order No. R- 5320

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 10, 1976,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of November, 1976, the Commission,
a quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 5776 is hereby dismissed.

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