

CASE NO.

6215

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
 OIL CONSERVATION DIVISION

JERRY APODACA  
 GOVERNOR

NICK FRANKLIN  
 SECRETARY

June 30, 1978

POST OFFICE BOX 2088  
 STATE LAND OFFICE BUILDING  
 SANTA FE, NEW MEXICO 87501  
 (505) 827-2434

Re: CASE NO. 6215  
 ORDER NO. R-5735

Mr. A. J. Losee  
 Losee & Carson  
 Attorneys at Law  
 Post Office Box 239  
 Artesia, New Mexico 88210

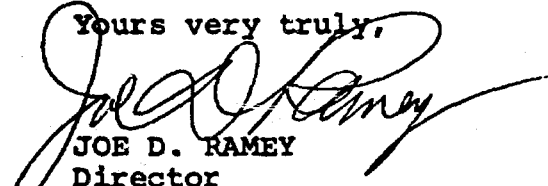
Applicant:

Texas Oil & Gas Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
 Division 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   x    
 Aztec OCC       

Other Paul Eaton

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

MAY 17, 1978

COMMISSION HEARING

----- )  
 )  
 IN THE MATTER OF: )  
 )  
 Application of Texas Oil & Gas )  
 Corporation for a non-standard ) Case 6215  
 unit and an unorthodox gas well )  
 location, Lea County, New Mexico. )  
 )  
 ----- )

BEFORE: Richard L. Stamets, Staff Member

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission:

- Joe Ramey, Chairman
- Emery Arnold, Commissioner
- Phil Lucero, Commissioner
- Richard L. Stamets, Staff Member
  
- Lynn Teschendorf, Esq., Legal Counsel

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FOR TEXAS OIL & GAS CORPORATION:

LOSEN, CARSON & DICKERSON  
Attorneys at Law  
American Home Building  
Artesia, New Mexico 88210  
By: A. J. Losee, Esquire

FOR JAKE L. HAMON:

HINKLE, COX, EATON, COFFIELD & HENSLEY  
Attorneys at Law  
600 Hinkle Building  
P. O. Box 10  
Roswell, New Mexico 88201  
By: Paul Eaton, Esquire

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MR. STAMETS: We'll call next, Case 6215.

MR. TESCHENDORF: Case 6215. Application of Texas Oil & Gas Corporation for a non-standard unit and an unorthodox gas well location, Lea County, New Mexico.

MR. LOSEE: A. J. Losee appearing on behalf of the Applicant. I have one witness, Mr. Siruta who's testified in the two previous cases.

MR. STAMETS: The record will show that the witness is sworn and qualified.

MR. EATON: Mr. Examiner, Paul Eaton appearing on behalf of Jake L. Hamon in opposition to the application.

WILLIAM A. SIRUTA

the witness herein, having been previously sworn upon his oath was examined and testified as follows:

DIRECT EXAMINATION

BY MR. LOSEE:

Q Would you state, Mr. Siruta, the purpose of the Application in this case, 6215?

A Is to obtain an unorthodox location for our well in Section 29.

Q And what is the footage location of that well?

A 660 feet from the north line, 660 feet from the

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west line of Section 29.

Q And what do you propose to dedicate to the well, what acreage?

A The north half of 29.

Q Okay, is this location within one mile of the North Osudo Morrow Gas Pool?

A Yes, sir.

Q And the spacing in that pool is 640 acres?

A Yes, sir.

Q Is it directly above the Osudo Morrow Gas Pool?

A Yes, sir.

Q And the spacing in that pool is 320 acres?

A Yes, sir.

Q Please refer to what has been marked as Exhibit 1 and explain what is portrayed by this exhibit.

A Is a land plat showing the ownership of the deed rights in the subject area. It also illustrates the Morrow wells that have been drilled in the area.

Q Now, is your lease a federal or State lease?

A It is a State lease.

Q Is it a new State of New Mexico lease?

A Yes, sir.

Q And was it issued in January 17 of this year?

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Q And the nomenclature map is wrong in that it shows Amoco, et al, Jake Hamon?

A Yes, sir.

Q And it's actually owned by Texas Oil & Gas?

A Yes, sir.

MR. EATON: Mr. Losee, we do not have the land map.

MR. LOSEE: Wish Mr. Eaton to have a copy of the land map. My apologies.

Q (Mr. Losee) Please refer to what's been marked as Exhibit 2 entitled Production Map of the Osudo area and briefly give us the present production on these wells in the area.

A The Jake L. Hamon Union State #1 in Section 30 is presently producing 144,000 cubic feet of gas per day. The Southwestern Natural State #1 in Section 19 is presently producing 667,000 cubic feet of gas per day. The Jake L. Hamon State E-8913 in Section 20 is presently producing 331,000 cubic feet of gas per day. The Jake L. Hamon Amerada Federal #1 in Section 17 is presently producing 270 Mcf a day. The Flag-Redfern Osudo State Calm #1 is presently producing 161,000 cubic feet of gas per day.

Q And with the exception of this Flag-Redfern well,

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these were all very good gas wells--

A Yes, sir.

Q --as reflected by their cumulative production?

A Yes, sir.

Q How long has the field been developed to the north?

A Since 1968.

Q The last well was drilled in 1968?

A Yes, sir.

Q One thing, for the examiner's benefit, the pools in the North Osudo Morrow provide locations within, not closer than 1650 feet to any side or outer boundary lines--

A Yes.

Q --of the section? And this is unorthodox because you've asked for it at 660 out of the northwest lines of your section?

A Yes, sir.

Q Please turn to the structure map marked as Exhibit 3 and explain what is portrayed by this exhibit.

A This is a structure map on the base of the Morrow Massive Shale, and it indicates that the regional depth of the Morrow in this area is to the northeast, excuse me I mean northwest.

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Q And that's basically the purpose of this map, is to show the regional depth in the area?

A Yes, sir.

Q Turning to the Isopach Map that's marked as Exhibit 4, explain the purpose of this exhibit.

A This is a map on the, an Isopach Map on the Morrow Sand that lies directly beneath the Morrow Massive Shale. It is illustrated as being a strandline deposit in this area.

Q And does this map offer a justification for the necessity of moving 660 feet out of the west line of your spacing unit?

A Yes, sir.

Q Does this also point out the cross section which will be your Exhibit 5?

A Yes, sir.

Q And that runs from the Jake Hamon's well to the north down to the western oil well to the south?

A Yes, sir.

Q Now, the western oil well in the south half of Section 29 was not completed in the Morrow?

A Yes, sir, it was not.

Q It's plugged and abandoned?

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A Yes, sir.

Q And those other wells are producing in the Morrow?

A Yes, sir.

Q Please turn to the Cross Section marked as Exhibit 5 and explain what is portrayed.

A This is a cross section showing the Morrow sands in the area illustrating that the major pay in the area is the sand that lies directly beneath the Morrow Massive Shale and it also shows the thinning of this pay to the east.

Q And it shows the location of your proposed location--

A Yes, sir.

Q --and illustrates that if you move the location to the east, the sand that has been productive would thin out or should thin out?

A Yes, sir.

Q Now, I notice on the log of this well on the right portion of your exhibit which is the Western Oil Producer well shows that, is blank in this area where the Morrow Sands. Would you explain the reason for that?

A The log that we obtained from the log service was blank when we received it, and it appears to be a tool hung to this area and it did not work, it did not record.

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Q Do you have an opinion whether that is, Lower Morrow Sand would be, would have been or would be productive in that well?

A Yes, sir, I don't believe that it would have been productive in this well.

Q On what do you base that opinion?

A The lower part of the area that is blanked out, there's an indication on the log that it's becoming a limey section. Also the well was tested in the Middle Morrow Sand; and if there had been a sand present in the Lower Morrow, I feel sure that they would have drill stint tested it.

Q Were Exhibits 1 through 5 prepared by you or under your direction?

A Yes, sir.

MR. LOSEE: I move the introduction of Exhibits 1 through 5.

MR. STAMETS: The exhibits will be admitted.

Q (Mr. Losee) Mr. Siruta, do you have an opinion as to whether or not this proposed well at this unorthodox locat-on is likely to encounter productive Morrow Sands?

A Yes, sir, it will.

Q And is it more likely to recover at this location than it is at an orthodox location further to the eastern

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section?

A Yes, sir.

MR. LOSEE: I think that's all of this witness at this time.

MR. STAMETS: Mr. Siruta, looking here at Exhibit Number 4 and all of your maps, it appears to me that the well in Section 17, well in Section 19, well in Section 20, and well in Section 30 are all on unorthodox locations.

MR. SIRUTA: Yes, sir.

MR. STAMETS: Also, in checking the plat book it would appear that the proration unit is offset immediately on the north and west by the North Osudo Morrow which is on 640, and the Osudo Morrow which is on 320 is about 1/2 mile away in Section 31; is that correct?

MR. SIRUTA: Yes, sir.

MR. STAMETS: Are there other questions of Mr. Siruta? Mr. Eaton?

CROSS-EXAMINATION

BY MR. EATON:

Q Mr. Siruta, referring to Exhibit 4, you show the Western Oil State "J" as in Section 29 as having zero thickness; is that correct?

A Yes, sir.

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Q Does the-- Turning to Exhibit 5, does the log on the right-hand side of that exhibit is the log of that same well, is it not?

A Yes, sir.

Q Does that log reflect some thickness in the sand?

A No, sir.

Q All right then, what does the yellow colored areas mean on that log?

A Sir, that is the Middle Morrow Sands. The Isopach that I have is on the Lower Morrow.

Q If the well were located at an orthodox location, what would be the approximate thickness of the sand?

A It would probably be approximately five feet or less.

Q Now, you propose moving the well from 1,000 feet closer to the west line of the section and approximately 1,000 feet closer to the north line, as I understand it?

A Yes, sir.

Q If you simply moved it 1,000 feet closer to the west line and maintained the well 1650 feet from the north line, approximately what thickness would you encounter?

A About the same thickness as you'd encounter at a standard location, if I understood the question.

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Q Yes. You don't think that thickness would increase at all to about seven feet?

A It could possibly increase to seven feet, but I don't believe that that would be sufficient to make a commercial well.

Q At the unorthodox location, what area will that well drain in your opinion?

A I don't believe I'm qualified to answer that question.

MR. LOSEE: We have an engineer that can testify as to your question, Mr. Eaton.

MR. EATON: All right. I have no further questions.

MR. STAMETS: Witness may be excused.

This time I'll ask both of the remaining prospective witnesses to stand and be sworn.

(WHEREUPON, the witnesses were duly sworn.)

LES SKINNER

the witness herein, having been duly sworn upon his oath was examined and testified as follows:

DIRECT EXAMINATION

BY MR. LOSEE:

Q State your name.

A Les Skinner.

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Q Where do you live, Mr. Skinner, and by whom are you employed?

A My address is 126 Barbara Lane, Midland, Texas. I'm employed by Texas Oil & Gas Corporation as an engineer.

Q You previously testified before this Commission and had your qualifications as an expert accepted?

A Yes.

MR. LOSEE: Are Mr. Skinner's qualifications acceptable?

MR. STAMETS: They are.

Q (Mr. Losee) Please refer to what has been marked as Exhibit 6 entitled Production Map and explain what is portrayed by this map.

A There are several things portrayed by the map. First of all the pool outline as a pool designation has been colored in red on this exhibit and so marked. There's also a legend which indicates that for each Morrow well, Morrow producers being designated by a circle around the well, certain information including cumulative production to February 1, 1978, the date of initial production, and the initial reservoir pressure for each of those wells.

Q Now, is the-- This is the North Osudo Morrow pool as outlined in red. Is the Osudo Morrow pool in Section

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31 just so the south of it?

A Yes, sir. All of Section 31 is included in the Osudo Morrow.

Q Section 29 is a diagonal to the Osudo pool?

A Yes, sir, that's correct.

Q I believe Mr. Siruta testified that that pool was based on 320 acres spacing?

A Yes, sir, that's correct.

Q Would you for each of those wells in the North Osudo give the present production rates?

A All right, sir. I can give you the cumulative production figures. I presume that's what you--

Q Yes, cumulative.

A The Mallard well in Section 6, the northernmost well, has produced 884 million cubic feet of gas plus 38,000 barrels of condensate. The Flag-Redfern well in Section 18 has produced 70 million cubic feet of gas. The J. Hamon well in Section 17 has produced 5,400 million cubic feet of gas plus 75,000 barrels of condensate. The Hamon well in Section 20 has produced 8,725 million cubic feet plus 75,000 barrels of condensate. The Southwestern Natural well in Section 19 has produced 2,221 million cubic feet of gas plus 23,000 barrels of condensate; and the Hamon well in

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Section 30 has produced 5,397 million cubic feet of gas plus 30,000 barrels of condensate.

Q Those cumulative figures and the initial producing rates and looking back to what was marked as Exhibit 2, do you have an opinion as to the present state of depletion of this pool?

A The pool appears to be in the latter stages of depletion as indicated by the fairly low producing rates. If the wells were producing say an excess of a million cubic feet a day, it would probably be in the intermediate stages; but it appears that the existing wells are just about gone.

Q Now, looking at the wells in the North Osudo pool and their spacing location, do you have an opinion as to whether or not that field has actually been developed on 640 or 320 acre spacing?

A In actuality, the four wells drilled in 17, 18, 19 and 20, if I draw a box around those four wells they end up with about a two section area, which implies to me that the field has actually been developed on about 320 acre spacing.

Q Now, the spacing rules in that field are 1650 feet from the outer boundary. Have you made a determination of the five wells in the field as to whether they are all

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at orthodox or unorthodox locations?

A There are six wells in the pool, and only one of those six wells was drilled on an orthodox location. The remaining five are all unorthodox.

From the dates of initial production, you can see that four wells were drilled prior to pool rules being established, permanent pool rules in April, 1968.

The Southwestern Natural well drilled in Section 19 and the Flag-Redfern well drilled in Section 18 were both drilled after pool rules were established.

Q And the Flag-Redfern well is the only well that's at an orthodox location under those pool rules?

A Yes, sir, that's correct.

Q Now, Mr. Hamon operates three wells in that field. Are any of those on an orthodox location?

A No, sir.

Q Do you have anything further to offer with respect to this exhibit?

A I'd like to mention the bottom hole pressure information that's shown on this map, Mr. Losee.

Q All right, sir.

A The initial bottom hole pressures where available from various sources shown as the data point, the number in

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the lower right hand corner of each of the boxes pertaining to each well. From the information here, you can see that the initial reservoir pressure in each of the wells was over 6,000 psi. It's notable that the J. Hamon well in Section 20 was drilled in or began production in June, 1965. The J. Hamon well in Section 30 began production in August, 1966. Both of these are good wells.

The Southwestern Natural well was drilled in April, 1970 and had an initial reservoir pressure of 6,793 psi which is a, indicates that the two hamon wells had not drained the area between them.

Q And that's even though they'd been on production for five years approximately prior to completion of this Southwest Natural?

A Yes, sir, that's correct.

Q I would also like to mention that, and point out two wells in the Osudo field, the southernmost well in Section 31 was drilled in December, 1964. This is the British-American Oil North Wilson Deep unit, and it was put on production in December, 1964. The well immediately south of that is the British-American North Wilson Deep #2. This well was put on production over a year later, and the cumulative production information shows that the well in Section 31

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produced or has produced almost 8 billion cubic feet of gas. The well to the south, their number 2 well, drilled and put on production almost two years later produced 17 bcf.

This points out to me that there is a need to drill on closer spacing than 640 acres. It'd be mere speculation on my part to try to determine the amount of gas that the number 1 well would have drained without the number 2 well being there, but I don't believe the number 1 well would have produced all of the gas. This implies that correlative rights for the owners of Section 5 would not have been adequately protected without the second well.

I think the same situation exists on our Section 29. I believe that the wells do need to be drilled on a closer spacing, but we're not petitioning for a change in the pool rules at this time. We're only asking for an unorthodox location in a 320 acre unit. This too is in keeping with the spirit of the current statewide rules. So this information, all of the information of the preponderance of the data points toward the need for a well in the northwest quarter of Section 29 in my opinion.

Q And is your opinion that the most likely spot to encounter the productive Lower Morrow Sand is 660 feet out of the north and west corner?

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A Yes, sir.

Q Do you think that location will prevent the drilling of unnecessary wells?

A Yes, sir.

Q Was Exhibit 6 prepared by you or under your supervision?

A Yes, sir, it was.

MR. LOSEE: We move its introduction.

MR. STAMETS: Exhibit 6 will be admitted.

Any questions of this witness?

MR. LOSEE: I have one more.

Q (Mr. Losee) In an attempt to obtain administrative approval for the unorthodox location, did you contact the offset operators?

A Yes, sir, we did.

Q And did you have, as far as the question of the unorthodox location in an unstandard unit, did you receive responses from any of them?

A We have received responses from six of eleven offset operators.

Q What were the results of those responses?

A The opposition or the waiver to the unorthodox location was signed by five offset operators, opposed by

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one, and five did not respond.

Q Are these the letters to each of those operators and the responses received?

A Yes, sir, they are.

MR. LOSEE: We move their introduction.

MR. STAMETS: Do you want to label these?

MR. LOSEE: I guess Exhibit 7, yes, I'm sorry.

MR. STAMETS: These letters which are being labeled Exhibit 7 will be admitted.

MR. LOSEE: I have no further questions of this witness.

MR. STAMETS: Are there questions of the witness?

CROSS-EXAMINATION

BY MR. EATON:

Q Mr. Skinner, in your opinion-- We have here typical Morrow pool with some zones being drained by producing wells, other zones not being drained, necessity for coming in with closer spacing in order to drain all of the zones?

A We have really only one major producing interval, however, there is a possibility that other intervals will be encountered that will be productive particularly in the Middle Morrow. So the answer to your question is affirmative,

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Yes, sir.

MR. STAMETS: There may be zones within the main pay zone itself which are not being drained by the existing wells?

MR. SKINNER: Yes, sir, that's correct.

Q (Mr. Eaton) Mr. Skinner, do I understand that out of eleven offset operators, five of them have no objection or indicate that they do not oppose the unorthodox location at an unstandard unit?

A Yes, sir, that's correct.

Q You stated that approval of the application would prevent drilling of unnecessary wells. What do you mean by that?

A I believe Mr. Siruta stated that, but I believe that would be the case. In every field, particularly the Morrow, there is an optimum spacing. I don't think that this field, unless significantly more evidence is gathered by the drilling of this well, will justify a spacing smaller than 320 acres; but I believe the 320 acres spacing is the optimum.

Q Then in your opinion, should additional wells be drilled in Sections 6, 17, 18, 19, 20, and 30?

A Yes, sir.

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Q And taking it one step farther, you are of the opinion that there are sufficient reserves in those sections which have not been drained by the existing wells; is that correct?

A Yes, sir.

Q When you stated that the present state of, that in your opinion these existing wells were in the last state of depletion, what did you mean by that?

A I meant that the existing wells, pardon me, the reservoir being affected or the portion of the reservoir being affected by the existing wells was probably fairly well drained; but I believe there are undrained areas within the reservoir or partially drained areas, pardon me.

Q Referring to the Hamon Union State in Section 30, is that well in its last stage of depletion?

A The current production rate of 144 Mcf per day would indicate to me, yes, sir.

Q Why then did you seek to move your location closer to that well?

A As Mr. Siruta stated, the optimum position within the reservoir to affect a commercial completion would be in that location. This is from the geological standpoint.

Q The first well completed in that pool appears

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to be the Hanson State H-2913 in June, '65?

A Yes, sir.

Q What was the bottom hole pressure on that well?

A The only information we have, sir, is a 90 minute final shut in pressure on a drill stint test as I've indicated here, 6,620 psi. I can discuss the reliability of that pressure data if you care for me to, sir.

Q Well, let us assume that it is as reliable as we have information on. The next well completed appears to be the well in Section 30 which was completed in August of 1966, and what was the bottom hole pressure on that well?

A Again, sir, the only information we have is from a drill stint test. It shows a final shut in pressure of 6,121 psi.

Q Which is somewhat lower than Section 21?

A Yes, sir, but not significantly with respect to the reliability of drill stint test data.

Q The next third well completed was completed in Section 17 on September of 1966 approximately 15 months later than initial well, and the bottom hole pressure on that well as I read it is 6,247 psi, somewhat less than the initial well.

A Yes, sir.

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Q Likewise on the Mallard well on Section 6 you have a bottom hole pressure of 6450 psi?

A Yes, sir.

Q What do you draw from that comparison?

A Well, sir, the conclusion that I would draw is that the original reservoir pressures as indicated by available data were all within 10% of each other which is on initial wells, dst information is well within the reliability of the data itself.

Q What is your explanation for the Southwestern Natural State well drilled in 1970, approximately 5, 4 years after the completion of the previous wells, having a bottom hole pressure of 6,693?

A I don't really have an explanation, sir. May be that the other wells in the field and certainly the wells on which we have only dst information were not allowed to clean up significantly before the pressure information was taken. So I really can't draw a conclusion. I will say that that's really not significantly higher in my opinion.

Q Now, the-- I believe you mentioned four wells had been drilled prior to establishment of pool rules; is that correct?

A Yes, sir, that's correct.

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Q And then they're all drilled on unorthodox locations?

A Yes, sir, I may be-- This may bear some more explanation, sir. Temporary pool rules were established in April, 1967. The Mallard well in Section 6 was drilled under those temporary rules.

The permanent rules were established in April, 1968; and it was merely an adoption of the temporary rules. So in actuality there were only three wells drilled prior to the establishment of any kind of pool rules.

Q But the establishment of the pool rules and the location requirements, 1650 feet from section lines, did occur subsequent to the completion of the four wells in question?

A Yes, sir.

MR. EATON: I have nothing else.

MR. LOSEE: One question, Mr. Skinner. Go ahead, Mr. Stamets.

MR. STAMETS: Going back to this Southwestern Natural gas well in Section 19. Looking at the Exhibit Number, at the Cross ESection, Exhibit Number 5, this shows perforated intervals from 11281 down to 11562. Could it be that this high pressure that was seen in this well results

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from high pressures in some of these other pay zones in this particular well and not a high pressure in the main pay here, the one below the massive shale?

MR. SKINNER: Yes, sir, certainly.

MR. STAMETS: So we can't really tell from that pressure whether or not the main pay was drained in the Southwest well?

MR. SKINNER: Yes, sir, however if the Southwest well had be significantly drained, I think your original pressure would, you would've seen a lower pressure. The reason being that cross flow would have been occurring from the higher pressure Middle Morrow interval into the Lower Morrow when the perforations were open. So I would've expected to see a slightly, a lower pressure. The fact that we saw a higher pressure might imply that the lower interval was not drained.

MR. STAMETS: Mr. Losee, you have another question?

MR. LOSEE: You already answered my question.

MR. STAMETS: Oh, okay. One additional question. I think you stated this kind of in reserve order. In your opinion, is the well that you propose a necessary well in this reservoir?

MR. SKINNER: Yes, sir, if reserves under Section

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29, the north half of Section 29 are to be recovered, it is in my opinion.

MR. STAMETS: This well will produce in your opinion the gas which would not otherwise be produced in this reservoir?

MR. SKINNER: Yes, sir, that's correct.

Okay, anything further of this witness?

He may be excused.

Do you have anything further, Mr. Losee?

MR. LOSEE: No, sir, not at this time.

MR. STAMETS: Mr. Eaton?

JAMES COOKSEY

the witness herein, having been previously sworn upon his oath was examined and testified as follows:

DIRECT EXAMINATION

BY MR. EATON:

Q Would you please state your name, by whom you are employed, and in what capacity?

A My name is James Cooksey. I'm employed by Jake L. Hamon, Dallas, Texas, as an engineer.

Q Mr. Cooksey, have you previously testified before this Commission?

A I have not.

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

A I was graduated from the University of Texas with a Bachelor of Science degree and petroleum engineering in 1969. Employed by the Texas L. R. Commission in various capacities for five years until 1964. In '64 I became employed by R. W. Barn and Company as consulting engineer until 1974. In 1974 I was employed by Jake L. Hamons as an engineer.

Q Are you a registered engineer?

A Yes, sir, I'm a registered professional engineer in the State of Texas.

Q Are you familiar with the North Osudo area?

A I've made a brief study of the area since we received a request from Texas Oil & Gas requesting a waiver to the application.

MR. EATON: Are the witness's qualifications acceptable?

MR. STAMETS: They are.

Q (Mr. Eaton) Mr. Cooksey, do you have any exhibits which you would desire to testify to?

A Yes, sir, I have. They're not grouped in a packet. I have them prepared individually. May I pass them

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out as I testify to them?

A Please do. All right, Mr. Cooksey, would you refer to what has been marked as Hamon's Exhibit Number 1 and state what it is?

A Mr. Examiner, this is a structure map that's been contoured on top of the Lower Morrow Sand for the Osudo North Morrow, Lea County, New Mexico. The map was prepared by company geologist, Bob Spears. I do not plan to testify to the geological facts displayed thereupon.

I have outlined in yellow the three 640 acre sections that are operated by Jake L. Hamon, the first being Amerada Federal Number 1, Section 17; State E-8913, Section 20; Hamon Union State Well Number 1, Section 30. These have been outlined in yellow. I outlined the north half of Section 29, non-standard proration unit requested by Texas Oil & Gas, shown with a small red circle in the northwest corner of that section is where I spotted the requested location. The red x would be the nearest regular location.

Section 18, Flag-Redfern operates a well that's assigned to this field. It's been identified in the south-east quarter section.

Section 19 is the Southwestern Natural gas well.

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The dates shown under each of the wells or by each of the wells is the date of completion, shown in red.

Q Do you have anything else you want to bring out with respect to this exhibit?

A No, sir.

Q All right. Will you please move to your next exhibit?

A Exhibit Number 2 is a Production tabulation for the Jake L. Hamon State E-8913 well number 1. This is a monthly gas production, condensate production, since beginning cumulative gas sales; and these are, I might point out, recorded on 14.65 pressure base, our company standard. The 8,884,003,000 cubic feet of gas, 74,060 barrels of condensate. Current production in 1978 for the well is 10,165 Mcf. As previous witnesses have testified, these have been good wells as monthly gas production back in the early life of the well will show from the tabulation.

Q Do you have anything else you wish to state with respect to Exhibit 2?

A No, sir.

Q All right, will you please proceed with your next exhibit? All right, referring to what's been marked as Exhibit 3, would you state what this exhibit is intended

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to show?

A This is a production decline curve for the State W-8913 well number 1, starts back originally and shows the bottom hole pressure over Z plot down to the current production status of the well as shown on the Exhibit Number 2 in the little red tick at the very base line.

The cumulative production is 8 billion cubic feet of gas. We haven't run a bottom hole pressure on these wells in some time so that the over Z curve has not been escapillated out to that point. The last bottom hole pressure was taken in September, 1972 and that point shown right around 8.1-1/2 billion cubic feet of production.

I have shown on exhibit in red with an arrow down to the base line the time of completion of the Southwestern well. As you can see and it's been testified before, the well was completed after the field had produced considerable volumes of gas, however, it came in with initial shut-in bottom hole pressure 6958 psia; had a shut-in tubing pressure of 5422. These pressures were obtained from forms that had been filed with the Conservation Commission.

Shown to the right of that is a completion interval of the Flag-Redfern well. It also has a line down to the base line, a little past 8.5 billion. This Flag-Redfern

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well was originally completed with a shut-in bottom hole pressure of 5574 psia, shut-in tubing pressure of 4242. It can be easily seen as I see it that these wells didn't fit the decline curves of this old field. It's obvious to me that they have opened up probably stringers that haven't been drained.

Q Now, Mr. Cocksey, will you refer to Applicant's Exhibit 5, I believe, which is the cross section map?

A Yes, sir, I have it.

Q Do you have any comment that you desire to make into the record concerning that exhibit and what it shows?

A Well, I've concluded from my brief examination since I've had the exhibit that the Southwestern gas well did encounter Morrow Sand intervals that evidently were not in communication with other reservoirs. It included probably a very minor sand interval that was encountered just above 11,500 feet that shows to be correlative to the Hamon 8913 well in the very bottom perforations in the Hamon Union State well Number 1 well with a few other Middle Morrow wells.

I believe that had you seen the display of this exhibit of the Flag-Redfern well which came in with a considerably reduced bottom hole pressure, you'd seen that it was in communication with some of these reservoirs and

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had actually effective drainage due to production from existing wells.

Q Mr. Cooksey, do you have an opinion as to whether or not the wells that had been completed in the Osudo North pool do drain 640 acres?

A Yes, sir, I do. I--

Q What is your opinion?

A I believe that in general, especially the State E-8913 probably adequately and efficiently drains 640 acres assigned to it based on its cumulative recovery since or through March 31, 1978. I have taken the net thicknesses that have been assigned to, by various geologists to that particular location and indicated it probably recovered an excess of 1100 cubic feet of gas per acre foot which I consider adequate for Morrow production.

Q Do you have any opinion as to whether or not the proposed unorthodox location of Texas Oil & Gas perforation will have any effect upon the rights of Jake Hamon in Sections 20 to the north and 30 to the west?

A Well, it's a violation of the station rules. And I believe that a well completed in that particular reservoir, at that location in the existing reservoir has a chance of affecting our correlative rights.

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Q Were Exhibits 1, 2, and 3 prepared by you or under your supervision, or are they records of Jake L. Hamon?

A They are records of Jake L. Hamon, and the notations and changes that have been made on the exhibit were made by me. I've examined the production data that comes under my supervision of the operation of the company and to the best of my knowledge it's true and correct.

The decline curve, I've gone back and checked the company records, and I agree with their calculation.

MR. EATON: Mr. Examiner, we offer Hamon Exhibits 1, 2, and 3 into evidence.

MR. STAMETS: These exhibits will be admitted.

Q (Mr. Eaton) You have anything else you wish to say, Mr. Cooksey?

A No, sir.

MR. EATON: That's all.

MR. STAMETS: Mr. Cooksey, if this proposed well were drilled and encountered only the pay zone that lies immediately below the base of the Morrow Shale, how, will Hamon be adversely affected considering the current producing rates of the wells that Hamon has in the cumulative production from those wells?

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MR. COOKSEY: Well, it'd be hard to say, Mr. Examiner. We believe that the rules were adopted, and some of the wells are abiding by the rules such as the Flag Redfern well; and it's hard to say this late in the life of the field because it's obvious from looking at decline curves, our wells are down to the very last stages of depletion based on the current producing intervals in the well board. However, there's always that chance that the existing wells could be deepened to this interval that you're referring to that evidently appears to be below the base of the Morrow Massive Shale. Is that the area that you're concerned about, Mr. Stamets?

MR. STAMETS: I believe the Applicant is referring to this zone which lies immediately below the Massive Shale and which is productive in at least your Union State well and in the State E-8913 well, both the wells which would be concern to you in this case.

MR. COOKSEY: Yes, sir. I'm sorry, I misunderstood your question. I thought you were referring to this interval that appears to be a pretty massive sand in the base of the Southwestern well.

The interval that you referred to, it would be hard to say if we would be affected by production from those

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wells. I also-- It'd be hard for me to visualize that that's the target of the drilling operation.

MR. STAMETS: What do you feel the target is?

MR. COOKSEY: Well, up until today I didn't have any idea, but right now I'm looking at the Cross Section. I would expect it would be to encounter some Morrow stringers down below that are on the base of the Southwestern well that haven't been encountered by drilling their other well. That's surmise on my part. I have no facts for that conclusion.

MR. STAMETS: Okay. This is a zone that's not productive in either of your--

MR. COOKSEY: That's correct.

MR. STAMETS: Or at least you haven't drilled it to see whether it's productive.

MR. COOKSEY: That's correct.

MR. STAMETS: Could Hamon get in there and deepen these wells to test that zone, feasibly and economically?

MR. COOKSEY: Well, under the current gas price, it would be marginal.

MR. STAMETS: Okay, so if the zone is there, under current conditions you can't produce it.

MR. COOKSEY: Yes, sir, we could. I mean it's--

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You're talking about say in the base of the 8913, that well could feasibly be deepened. The few feet that it would take to encounter those two intervals and provided the gas price is right, would make for economic payout favorable.

MR. STAMETS: That's prospect in that we really don't know what the situation would be, whether the zone would be found and the wells be productive and whether it would be economical?

MR. COOKSEY: That's correct, likewise with the Applicant.

MR. STAMETS: Any other questions of the witness? Mr. Losee?

CROSS-EXAMINATION

BY MR. LOSEE:

Q Mr. Cooksey, as I understand your testimony with respect to the response to the questions by Mr. Stamets. As far as the present producing intervals at least in your two offsetting wells, do you think it's hard to see how Jake Hamon would be harmed by drilling into that Lower Morrow Sand?

A Just so I won't get off on the wrong answer again, sir--

Q That's right below the Lower Massive Shale.

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A Thank you. Our information indicates those stringers to be essentially depleted.

Q And so you wouldn't be harmed by the penetration of that Morrow Sand?

A It would be hard to say that you would be, yes, sir.

Q And I believe your statement was that based on present gas prices, you couldn't afford to attempt to re-complete your wells and some of these other possible production stringers?

A Well, under the current prices that's correct, but there are methods of recourse for increased gas prices.

Q But under the present price structure and the present state of depletion of your wells, would you explain to me why you're objection to this unorthodox location?

A Because we would like to protect our correlative rights in that having the well drilled on a regularly spaced location and have the proper acreage assigned to it in accordance with the field rules. It's conclusion on our part that the wells in their history have effectively and efficiently drained 320 acres.

Q How many?

A Excuse me. Correction, 640 acres. We believe

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that it ought to be drilled in the regular location to protect correlative rights of ourselves and our offset owners.

Q You're here then just to support the field rules of 1650 feet from the side boundary line?

A Oh yes, sir, I support those. I also feel that a violation of those rules that you propose here would affect Mr. Hamon's correlative rights in the event that some other existing reservoir, Lower Morrow reservoir was encountered. For example on the Southwestern well, probably the best well currently producing in the field; and I would guess that the majority of this production is coming from those lower few stringers there.

Q But I believe you said that based on present gas prices you couldn't afford to complete your well on those zones.

A Without an amendment to gas prices, that's correct.

Q And these 1650 foot spacing rules, none of the Hamon wells are located that far from the outer boundary lines; isn't that correct?

A That's correct, in as I've reviewed the record they were drilled under statewide rules before the adoption

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of the present pool rules.

Q Did you support the special adoption or the adoption of the special pool rules?

A Mr. Hamon did, yes, sir.

Q That was after your wells were already drilled close to the lines?

A That is correct.

Q Looking at your Exhibit 1, and I recall your statement that you were not going to testify to the geologic nature. Isn't it true that the proposed location by Texas Oil & Gas is the best location in Section 29 for encountering the Lower Morrow Sand?

A Is that question predicated on structural interpretation as depicted upon Exhibit 1?

Q Yes, sir, by your geologist as I understand.

A My opinion as an engineer, the structural interpretation of the completion of the Morrow Sand has relatively little to do with it that you need to encounter veracity and permeability in that the Morrow Sand is lenticular in nature and the structural features as I understand it have not a significant bearing on the location as long as you're within the area that you would encounter productive Morrow stringers.

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Q Well, this would be the area in which you would be more likely to encounter the Morrow stringers, the proposed location; is it not?

A Yes, close in, yes, sir. I will say that this were, speaking of Exhibit Number 1, I in research of other exhibits disagreed with the interpretation of your geologist in that the western well shown in the southwest quarter of Section 29 actually encountered Morrow formation as depicted upon your Exhibit 5. So there is Morrow stringers elsewhere in Section 29 other than in the northwest corner.

Q My question, and maybe we're getting Exhibit 1 mixed up, was addressed really to your Exhibit 1 and its location from a structure standpoint.

Was your response in relation to your Exhibit 1?

A Partially, sir.

Q Now, your Exhibit 2 which is the Production Data on your E-8913 confirms among other things your statement and the statement of Mr. Skinner that these wells as to this sand are in the advance state of depletion?

A That is correct.

Q Now, your Exhibit 3 which is the Pressure Data on this Hamon E-8913 well. I'll ask you if you notice any abnormal drop in pressure in the Southwestern Natural gas

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well to the west was completed.

A Well, no, sir, I did not. I didn't notice a change in the decline curve rate. That would have been affected by Southwestern.

Q Would that indicate that the communication between the two wells was not particularly good in this sand?

A Well,-- That's correct.

Q I believe you also testified when talking about this exhibit that the Southwest Natural gas well had in your opinion encountered Morrow stringers that they were draining that you were not draining in your offset wells?

A I believe I testified to that, yes, sir.

Q Now, Mr. Cooksey, I noticed from the land exhibit that you introduced, I guess it's really your Exhibit 1 It shows the north half of Section 29 entitled Pan Am J. L. Hamon 11-21-77. Is that the former owner of this state lease?

A That is correct.

Q And isn't it true that Mr. Hamon owned that lease for nearly the 10 years preceding its expiration in 1977?

A I'm not sure when they obtained the lease, but it did terminate on November 21, 1977.

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Q Mr. Hamon had it for several years prior to its termination?

A Yes, sir.

Q Did he ever propose any well in this acreage?

A Internally I was under the impression that he did. I did not confirm that though. It's strictly hearsay.

Q And isn't it true that that lease covering the north half of Section 29 was during its life committed to a working interest unit which Mr. Hamon was the operator which also included the three sections on which Mr. Hamon's wells were located, are located?

A I'm thinking about your statement of working interest unit. Would you explain what you mean by that?

Q I mean that is a unit in which several operators have in effect pooled their interest to form a working interest unit so that regardless of the ownership of the royalty and override, the working interest is common and uniform among all the working interest owners. And my question is: Was not the north half of Section 29 a part of that unit until the state lease expired last year?

A I couldn't answer that. I didn't delve into the lease records, sir.

MR. LOSEE: I have no further questions.

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MR. STAMETS: Any other questions of this witness?

He may be excused.

Anything further in this case?

Any closing statements you would like to make?

MR. EATON: Mr. Examiner, ten years ago, ten and a half, eleven years ago, the Commission decided that the North Osudo Morrow gas pools would be developed on 640 acre spacing and would specify well locations which were, which would be not less than 1650 feet from the section lines. Those rules have been in effect for all the period of time and no one had questioned them up until today.

The Applicant in seeking a 320 acre spacing proration unit has not I don't believe established that the Commission was wrong ten years ago. There's no apparent proof that a well will not be able to substantially drain 640 acres.

As to the unorthodox location, in this case it would be unorthodox two ways, 1,000 feet closer to the west line, 1,000 feet closer to the north line. That's about a 60% change in the location requirements. It seems apparent that that substantial of a change is going to have some effect upon the correlative rights of the adjoining acreage owners.

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Now admittedly the wells are in, the adjoining wells are in the last stages of development; but they are still producing gas. And to the extent that the Texas application is approved, the Texas Oil & Gas well it appears to us will definitely take gas which is presently being produced by the adjoining sections. Consequently Jake L. Hamon opposes the granting of the application.

MR. STAMETS: Mr. Losee?

MR. LOSEE: Mr. Examiner, I think the testimony of the witness for Mr. Hamon confirms a lack of injury to their correlative rights in that he states that he can't visualize they'll be harmed in the present Lower Sands in which they are producing, at present gas prices he can't visualize opening up any other Morrow stringers, and I don't recall in any of his statements that correlative rights of Mr. Hamon would be harmed.

I pointed out that Mr. Hamon owned this lease a number of years prior to its expiration, and I would inquire as to whether the State of New Mexico's rights as the royalty owner under that lease for that number of years were not adversely affected by the inability to drill a well in the north half of Section 29.

Mr. Hamon complains here about his desire to

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abide by the field rules of 1650 feet. All three of his wells are located closer than that from the outer boundary line. They are all unorthodox.

I really heard no testimony about the nonstandard unit. I doubt seriously if that affects Mr. Hamon. I do note that one of the offset operators in the south half of Section 29, Wilson Oil Company, had no objection to this application; and they're present here today. And it just seem inconceivable to have an operator hold a lease for life, and then when a new sale comes up, you object to the same unorthodox location or similar location as his existing wells.

We respectfully ask that the Application be approved.

MR. STAMETS: If nothing further, the case will be taken under advisement.

(WHEREUPON, the hearing was concluded on Case 6215.)

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REPORTER'S CERTIFICATE

I, BETTY J. LANPHERE, CSR-RPR with offices in Santa Fe, New Mexico, do hereby certify that the foregoing transcript is a complete and accurate record of said proceedings as the same were recorded by me stenographically and reduced to typewritten transcript by me or under my supervision.

DATED at Santa Fe, New Mexico, this twenty-eighth day of June, 1978.

Betty J. Lanphere  
Betty J. Lanphere, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6215 heard by me on 5-17 1978.

Richard P. Stamm, Examiner  
New Mexico Oil Conservation Commission

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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6215  
Order No. R-5735

APPLICATION OF TEXAS OIL & GAS  
CORPORATION FOR A NON-STANDARD  
PRORATION UNIT AND AN UNORTHODOX  
GAS WELL LOCATION, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 17, 1978,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of June, 1978, the Division Director,  
having considered the testimony, the record, and the recommenda-  
tions of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required  
by law, the Division has jurisdiction of this cause and the  
subject matter thereof.
- (2) That the applicant, Texas Oil & Gas Corporation, seeks  
approval of a 320-acre non-standard gas proration unit comprising  
the N/2 of Section 29, Township 20 South, Range 36 East, NMPM, to  
be dedicated to a well to be located at an unorthodox location  
660 feet from the North line and 660 feet from the West line of  
said Section 29.
- (3) That the entire non-standard proration unit may reason-  
ably be presumed productive of gas from the North Osudo-Morrow  
Gas Pool and that the entire non-standard gas proration unit can  
be efficiently and economically drained and developed by the  
aforesaid well.
- (4) That said North Osudo-Morrow Gas Pool is in a late  
stage of development.
- (5) That production from wells in said pool on offsetting  
proration units has declined to marginal status.

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Case No. 6215  
Order No. R-5735

(6) That completion of a well at the proposed non-standard location will not adversely affect the correlative rights of the offset operators within the zones completed in their wells.

(7) That a well drilled at the proposed unorthodox location may encounter productive zones not being drained by offset wells.

(8) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the North Osudo-Morrow Gas 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 the application of Texas Oil & Gas Corporation for a 320-acre non-standard gas proration unit in the North Osudo-Morrow Gas Pool comprising the N/2 of Section 29, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby approved, and said unit shall be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 660 feet from the West line of said Section 29.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

  
fd/

BEFORE THE  
NEW MEXICO OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO  
MAY 3, 1978

EXAMINER HEARING

----- )  
 )  
 IN THE MATTER OF: )  
 )  
 Application of Texas Oil and )  
 Gas Corporation for a non- )  
 standard unit and an unorthodox )  
 gas well location, Lea County, )  
 New Mexico. )  
 )  
 ----- )

Case 6215

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 Division:

Lynn Teschendorf, Esq.  
Legal Counsel for the Division

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MR. NUTTER: We now call Case No. 6215.

MS. TESCHENDORF: Case 6215. Application of Texas Oil and Gas Corporation for a non-standard unit and an unorthodox gas well location, Lea County, New Mexico.

The Applicant has requested that this case be continued to the May 17th Examiner Hearing.

MR. NUTTER: Case No. 6215 will be continued to the Examiner Hearing scheduled to be held at this same place, nine o'clock a.m., May 17, 1978.

(WHEREUPON, Case 6215 continued.)

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REPORTER'S CERTIFICATE

I, BETTY J. LANPHERE, CSR-RPR with offices in Santa Fe, New Mexico, do hereby certify that the foregoing transcript is a complete and accurate record of said proceedings as the same were recorded by me stenographically and reduced to typewritten transcript by me or under my supervision.

DATED at Santa Fe, New Mexico, this twenty-second day of May, 1978.

Betty J. Lanphere, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of case No. 6245 heard by me on 5/3, 1978.

[Signature], Examiner  
New Mexico Oil Conservation Commission

**LANPHERE REPORTING SERVICE**

P. O. BOX 449  
58 SOUTH FEDERAL PLACE  
SANTA FE, NEW MEXICO 87501

R-36-E

18 Flag-Redfern  
OSUD-St. Com.  
TD 11,700'  
☀  
70 MMCF  
161 MCFGPD

17  
Jake L. Hamon  
Amerado Fed.  
TD 11,580'  
☀  
5401 MMCF + 75,062 BO  
270 MCFGPD

Jake L. Hamon  
State E-8913  
TD 11,457'  
☀  
8725 MMCF + 74,978 BO  
331 MCFGPD

19 Southwestern Nat.  
State  
TD 11,600'  
☀  
2221 MMCF + 2291 BO  
667 MCFGPD

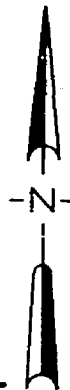
20

T  
20  
S

◉ ← PROPOSED  
LOCATION

Jake L. Hamon  
Union State  
TD 11,470'  
☀  
30  
5897 MMCF + 29,928 BO  
144 MCFGPD

29  
Western Oil  
State J  
TD 12,540'  
☀



Texas Oil & Gas Corp.

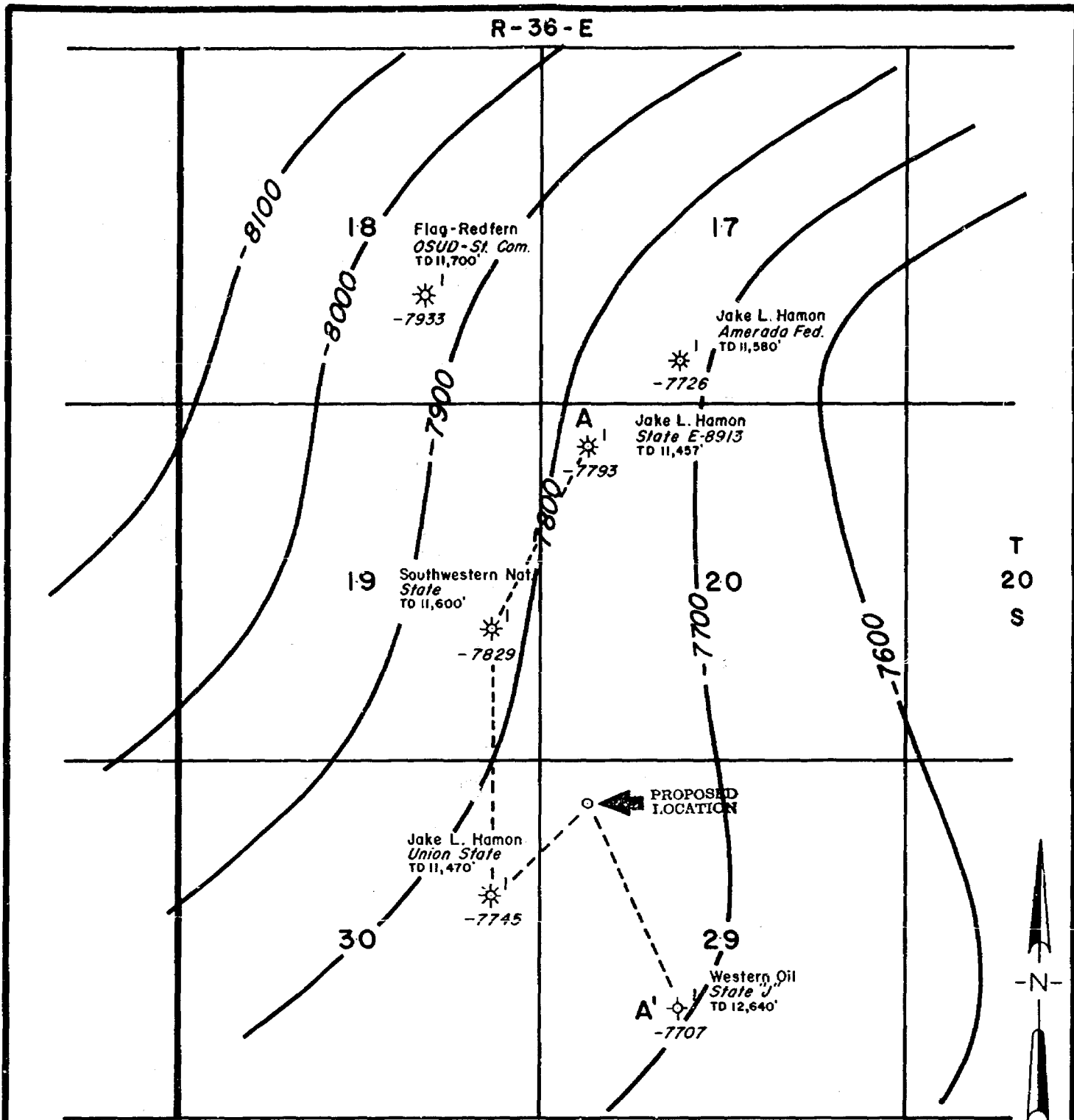
OSUDO AREA  
LEA COUNTY, NEW MEXICO

PRODUCTION MAP

Scale 1"=2000'

— LEGEND —  
CUMULATIVE PRODUCTION TO 2-1-1978  
DAILY RATE

Exhibit 2  
Case 6215



**Texas Oil & Gas Corp.**

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**OSUDO AREA**  
LEA COUNTY, NEW MEXICO

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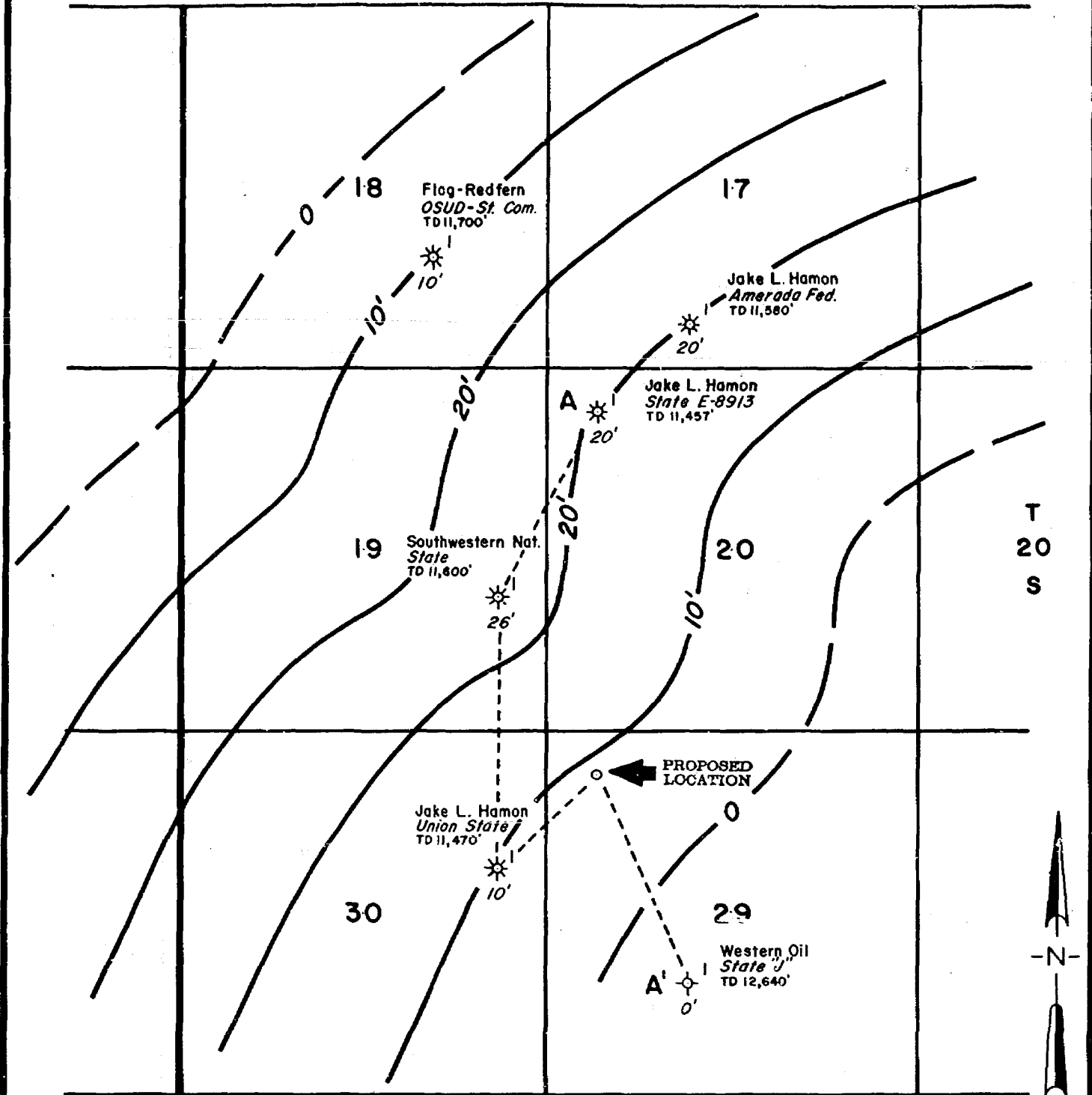
STRUCTURE MAP  
**BASE MORROW MASSIVE SHALE**  
C.I. = 100'

---

Scale 1" = 2000'

*Exhibit 3*  
*Case 6215*

R-36-E



**Texas Oil & Gas Corp.**

**OSUDO AREA**  
LEA COUNTY, NEW MEXICO

ISOPACH MAP  
MORROW SANDS

C.I. = 10'

Scale 1"=2000'

Exhibit 4  
Case 6215

STATE E-8913 No.1  
Sec. 20 T-20-S R-36-E

Lea Co., N.M.

	DATE	<sup>1</sup> MONTHLY GAS PROD. 14.65	<sup>2</sup> ACC. GAS PROD.	<sup>3</sup> MONTHLY COND. PROD.	<sup>4</sup> ACC. COND. PROD.	<sup>5</sup> YIELD
1			8854212		74060	
2	1978					
3	Jan.	10560	8864772	0	74060	
4	Feb.	9066	8873838	0	74060	
5	Mar.	10165	8884003	0	74060	
6	Apr.					
7	May					
8	June					
9	July					
10	Aug.					
11	Sept.					
12	Oct.					
13	Nov.					
14	Dec.					
15						
16	1979					
17	Jan.					
18	Feb.					
19	Mar.					
20	Apr.					
21	May					
22	June					
23	July					
24	Aug.					
25	Sept.					
26	Oct.					
27	Nov.					
28	Dec.					
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BEFORE EXAMINER STAMETS  
 OIL CONSERVATION COMMISSION  
 EXHIBIT NO. 2  
 CASE NO. 6215  
 Submitted by *Hanson*  
 Hearing Date \_\_\_\_\_

STATE E-8913  
 SEC. 20 T-20-5 R-36-E

No. 1  
 Lea County, New Mexico

	DATE	MONTHLY GAS PROD 14.65	ACC GAS PROD	MONTHLY COND PROD	ACC COND PROD	YIELD B/mwct
1	1975					
2	Apr	13652	8469535	-0-	74060	-
3	May	14073	8483607	-0-	74060	-
4	Jun	15735	8499342	-0-	74060	-
5	Jul	13000	8512342	-0-	74060	-
6	Aug	13623	8525965	-0-	74060	-
7	Sep	13463	8539428	-0-	74060	-
8	Oct	13146	8552574	-0-	74060	-
9	Nov	12476	8565050	-0-	74060	-
10	Dec	12784	8577834	-0-	74060	-
11						
12	1976					
13	J	12183	8590017	-0-	74060	-
14	F	11341	8601358	-0-	74060	-
15	M	13008	8614366	-0-	74060	-
16	A	11997	8626363	-0-	74060	-
17	M	12072	8638435	-0-	74060	-
18	J	11942	8650377	-0-	74060	-
19	J	12745	8663122	-0-	74060	-
20	A	13238	8676360	-0-	74060	-
21	S	11773	8688133	-0-	74060	-
22	O	10940	8699073	-0-	74060	-
23	N	11703	8710776	-0-	74060	-
24	D	11874	8722750	-0-	74060	-
25						
26	1977					
27	J	11873	8734623	-0-	74060	-
28	F	9324	8743947	-0-	74060	-
29	M	12192	8756139	-0-	74060	-
30	A	11593	8767732	-0-	74060	-
31	M	11440	8779172	-0-	74060	-
32	J	10954	8790126	-0-	74060	-
33	J	10742	8801067	-0-	74060	-
34	A	10971	8812039	-0-	74060	-
35	S	9420	8821459	-0-	74060	-
36	O	11208	8832667	-0-	74060	-
37	N	10207	8842874	-0-	74060	-
38	D	11338	8854212	-0-	74060	-
39						
40						
41						
42						
43						

STATE E-8913 No. 1 PAGE 3  
 SEC. 20 T-20-S R-36-E LEA COUNTY, NEW MEXICO

	DATE	<sup>1</sup> MONTHLY GAS (SALES) PROD.	<sup>2</sup> ACC. GAS (SALES) PROD.	<sup>3</sup> MONTHLY COND. PROD.	<sup>4</sup> ACC. COND. PROD.	<sup>5</sup> YIELD B/MMCF.
1972		14.65*				
1	JAN	21880	8024342	15	74102 <sup>o</sup> <del>74119</del>	0.7
2	FEB	15250	8039592	8	74110	0.5
3	MAR	16473	8056065	17	74113 <sup>o</sup> <del>74127</del>	1.0
4	APR.	15476	8071541	5	74118	0.3
5	MAY	14663	8086204	17	74135 <del>74119</del>	1.2
6	JUNE	14077	8100281	15	74150 <del>74119</del>	1.1
7	JULY	14948	8115229	8	74127 <del>74119</del>	0.5
8	AUG	13155	8128384	8	74127	0.6
9	SEPT.	12489	8140873	2	74121	0.2
10	OCT.	12840	8153713	3	74124	0.2
11	NOV.	480*	8154193	3	74046 <del>74127</del>	6.3
12	DEC.	—°—	8154193	—0—	74046	—
1973						
14	JAN.	—°—	8154193	—0—	74046	—
15	FEB.	11428**	8165621	—0—	74046	—
16	MAR.	16401	8182022	8	74054	0.5
17	APR.	15109	8197131	3	74057	0.2
18	MAY	15210	8212341	0	74057	0.0
19	JUNE	13517	8225858	0	74057	0.0
20	JULY	12367#	8238225	0	74057	0.0
21	AUG.	14013	8252238	0	74057	0.0
22	SEPT.	9221	8261459	3	74060	0.3
23	OCT.	1741	8263200	0	74060	0.0
24	NOV.	683	8263883	0	74060	0.0
25	DEC.	—°—	8263883	0	74060	—
1974						
27	JAN.	633	8264516	0	74060	—
28	FEB.	434	8264950	0	74060	—
29	MAR.	2587	8267537	0	74060	—
30	APR.	18161	8285692	0	74060	—
31	MAY	19259	8304957	0	74060	—
32	JUNE	17591	8322548	0	74060	—
33	JULY	16435	8338983	0	74060	—
34	AUG.	16295	8355278	0	74060	—
35	SEPT.	14726	8370004	0	74060	—
36	OCT.	14641	8384645	0	74060	—
37	NOV.	14337	8398782	0	74060	—
38	DEC.	14993	8413975	0	74060	—
1975						
40	JAN	14770	8428745	0	74060	—
41	FEB	12968	8441713	0	74060	—
42	MAR	14178	8455883	0	74060	—
43	X COMPRESSOR SHUT-DOWN 11/2/72					
	* CONNECTED TO WARREN LO-PRESS LINE 2/6/73					
	# PHILLIPS LOWERED LINE PRESSURE 7-21-73					

STATE E-8913 #1  
 SEC. 20 T-20-S R-36-E LEA COUNTY, NEW MEXICO  
 PAGE 2

	DATE	MONTHLY GAS PROD. (SALES)	ACC. GAS PROD. (SALES)	MONTHLY COND. PROD.	ACC. COND. PROD.	YIELD B/MMcf.
1969		14.65*				
1	JAN	41198	7100808	55*	73484	1.3
2	FEB	33878	7134686	70	73554	2.1
3	MAR	29541	7164227	87	73641	2.9
4	APR	32712	7196939	75	73716	2.3
5	MAY	32331	7229270	72	73788	2.2
6	JUNE	30480	7259750	60	73848	2.0
7	JULY	30859	7290609	51	73899	1.7
8	AUG	22222	7312831	41	73940	1.8
9	SEPT.	7267	7315098	0	73940	-
10	OCT.	12021	7327119	20	73960	1.7
11	NOV.	6374	7333493	11	73971	1.7
12	DEC.	12463	7345956	31	74002	2.5
1970	JAN	45221	7391177	87	74089	1.9
14	FEB	40782	7431959	66	74155	1.6
15	MAR.	42146	7474105	67	74222	1.6
16	APR	40025	7513134	65	74287	1.6
17	MAY	36511	7549645	50	74337	1.4
18	JUNE	37033	7586678	34	74371	0.9
19	JULY	35676	7622354	42	74413	1.2
20	AUG	34896	7657250	45	74458	1.3
21	SEPT.	29941	7687191	36	74494	1.2
22	OCT.	30919	7718110	47	74541	1.5
23	Nov.	28043	7746153	42	74583	1.5
24	DEC.	27195	7773348	14	74032	0.5
1971						
26	JAN	15080	7788428	22	74054	1.5
27	FEB	23644	7812072	31	74085	1.3
28	MAR	22372	7834444	42	74071	1.9
29	APR	21532	7855976	28	74068	1.3
30	MAY	21159	7877135	26	74077	1.2
31	JUNE	20185	7897320	25	74082	1.2
32	JULY	17970	7915290	17	74082	0.9
33	AUG	15236	7930526	20	74102	1.3
34	SEPT	18594	7949120	20	74091	1.1
35	OCT	20980	7970100	22	74113	1.0
36	NOV	17886	7987986	5	74096	0.3
37	DEC	14476	8002462	8	74118	0.6
38					74104	
41	* BLED 30 B H.D TO PT.					
42	@ DEDUCTED BSNW					



PREPARED BY

DATE

STATE E-8913 #1

SEC 20 T-20-S R-36-E

LEA COUNTY, NEW MEXICO

	DATE	MONTHLY GAS (SALES) PROD. 14.65 <sup>#</sup>	ACC. GAS (SALES) PROD.	MONTHLY COND. PROD.	ACC. COND. PROD.	YIELD B/MMCF	
1	7/65	133,592	133,592	3316	33.16	24.8	1
2	8/65	263,824	397,416	6776	100.92	25.7	2
3	9/65	410,589	808,005	6584	166.76	16.0	3
4	10/65	326,750	1,134,755	5641	223.17	17.3	4
5	11/65	336,092	1,470,847	5352	276.69	15.9	5
6	12/65	329,862	1,800,709	5053	327.22	15.3	6
7	1/66	317,717	2,118,426	4562	372.84	14.4	7
8	2/66	247,590	2,366,016	3594	408.78	14.5	8
9	3/66	260,649	2,626,665	3329	442.07	12.8	9
10	4/66	283,561	2,910,226	3410	476.17	12.0	10
11	5/66	288,631	3,198,857	3061	506.78	10.6	11
12	6/66	262,390	3,461,247	2782	534.60	10.6	12
13	7/66	260,628	3,721,875	2607	560.67	10.0	13
14	8/66	247,197	3,969,072	2311	583.78	9.3	14
15	9/66	207,442	4,176,514	1944	603.22	9.4	15
16	10/66	215,416	4,391,930	1944	622.66	9.0	16
17	11/66	211,531	4,603,461	1786	640.52	8.4	17
18	12/66	176,993	4,780,454	1389	654.41	7.8	18
19	1/67	170,434	4,950,888	1106	665.47	6.4	19
20	2/67	155,457	5,106,345	857	674.04	5.5	20
21	3/67	170,161	5,276,506	852	682.56	5.0	21
22	4/67	150,322	5,426,828	721	689.77	4.8	22
23	5/67	147,175	5,574,003	642	696.19	4.3	23
24	6/67	133,573	5,707,576	516	701.35	3.9	24
25	7/67	119,623	5,827,199	411	705.46	3.4	25
26	* 8/67	111,038	5,938,237	370	709.16	3.3	26
27	9/67	104,688	6,042,925	283	711.99	2.7	27
28	x 10/67	99,771	6,142,696	279	714.78	2.8	28
29	11/67	98,610	6,241,306	229	717.07	2.3	29
30	12/67	81,099	6,322,405	210	719.17	2.6	30
31	1/68	92,290	6,414,695	171	720.88	1.9	31
32	2/68	76,663	6,491,358	133	722.21	1.7	32
33	3/68	77,956	6,569,314	150	723.71	1.9	33
34	4/68	67,453	6,636,767	127	724.98	1.9	34
35	5/68	68,178	6,704,945	137	726.35	2.0	35
36	x 6/68	62,244	6,767,189	140	727.75	2.2	36
37	7/68	59,314	6,826,503	98	728.73	1.7	37
38	x 8/68	48,697	6,875,200	117	729.90	2.4	38
39	x 9/68	50,699	6,925,899	112	731.02	2.2	39
40	x 10/68	49,481	6,975,380	120	732.22	2.4	40
41	11/68	41,847	7,017,227	106	733.28	2.5	41
42	12/68	42,383	7,059,610	101	734.29	2.4	42
43							43

Dockets Nos. 19-78 and 20-78 are tentatively set for hearing on June 7 and 21, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 17, 1978

9 A.M. - OIL CONSERVATION DIVISION 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 6225: Application of Petroleum Development Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Sun McKay Federal Well No. 2 located in Unit G of Section 10, Township 19 South, Range 32 East, Lea County, New Mexico, in such a manner as to produce oil from the Wolfcamp formation thru tubing and gas from the Morrow formation thru the casing tubing annulus by means of a cross-over assembly.
- CASE 6226: Application of Barber Oil, Inc. for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Saladar Unit, by the injection of water into the Yates formation through five wells located in Units K, L, N and O of Section 33, Township 20 South, Range 28 East, Saladar-Yates Pool, Eddy County, New Mexico.
- CASE 6227: Application of Union Texas Petroleum for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 209.5-acre non-standard gas proration unit comprising the W/2 of Section 7, Township 31 North, Range 9 West, Blanco Pictured Cliffs Pool, San Juan County, New Mexico, to be dedicated to a well drilled at a standard location thereon.
- CASE 6228: Application of Depco, Inc., for an unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its R&S Federal Com Well No. 1 to be located 1980 feet from the South line and 990 feet from the West line of Section 17, Township 15 South, Range 28 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, the S/2 of said Section 17 to be dedicated to the well.
- CASE 6229: Application of Texas Oil & Gas Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its South Wilson State Unit Area comprising 3,200 acres, more or less, of State land in Township 21 South, Range 34 East, Lea County, New Mexico.
- CASE 6230: Application of Texas Oil & Gas Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its Duffield Fed. Com Well No. 1, a Wolfcamp-Pennsylvanian test to be located 1980 feet from the South line and 660 feet from the West line of Section 28, Township 16 South, Range 27 East, Eddy County, New Mexico, the S/2 of said Section 28 to be dedicated to the well.
- CASE 6215: (Continued from May 3, 1978, Examiner Hearing)
- Application of Texas Oil & Gas Corporation for a non-standard unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard proration unit comprising the N/2 of Section 29, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be located at an unorthodox location 660 feet from the North and West lines of said Section 29.
- CASE 6231: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State "JM" Well No. 1, a Morrow test to be located 660 feet from the North and East lines of Section 25, Township 18 South, Range 24 East, Eddy County, New Mexico, the N/2 of said Section 25 to be dedicated to the well.
- CASE 6232: 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 Cities "JG" Well No. 1 to be located 660 feet from the South and East lines of Section 13, Township 18 South, Range 24 East, Fordinkus Field, Eddy County, New Mexico, the E/2 of said Section 13 to be dedicated to the well.
- CASE 6233: Application of Amoco Production Company for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Ojo Alamo formation through the perforated interval from 1175 feet to 1230 feet in its Cahn Gas Com Well No. 3 located in Unit F of Section 33, and from 1104 feet to 1122 feet in its Keys Gas Com "F" Well No. 1, located in Unit K of Section 27, all in Township 32 North, Range 10 West, Mt. Nebo-Fruitland Pool, San Juan County, New Mexico.

CASE 6214: (Continued from May 3, 1978, Examiner Hearing)

Application of Morris R. Antweil for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled at a point 660 feet from the North line and 1980 feet from the East line of Section 8, Township 12 South, Range 32 East, Lea County, New Mexico, the E/2 of said Section 8 to be dedicated to the well.

CASE 6213: (Continued & Readvertised)

Application of Morris R. Antweil for an unorthodox location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Rio Well No. 2, a Morrow test to be drilled at a point 660 feet from the North and West lines of Section 29, Township 18 South, Range 25 East, Eddy County, New Mexico, the N/2 of said Section 29 to be simultaneously dedicated to the aforesaid well and to applicant's Rio Well No. 1 located in Unit G of Section 29.

JAMES T. JENNINGS  
SIM B. CHRISTY IV  
BRIAN W. COPPLE

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

April 21, 1978

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

Attention: Lynn Teschendorf

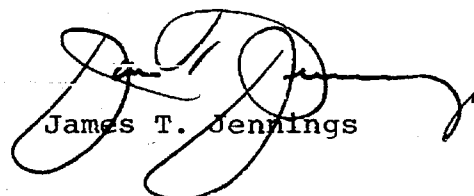
Re: No. 6215 - Application of Texas Oil & Gas Corp.  
for an Unorthodox Gas Well Location and a Non-  
Standard Unit, Lea County

Dear Ms. Teschendorf:

In accordance with our telephone conversation earlier today, we would appreciate it very much if you would continue the hearing of the above matter scheduled for May 3rd until May 17th, as the Applicant has another matter to present at the May 17th hearing.

Yours very truly,

JENNINGS, CHRISTY & COPPLE

  
James T. Jennings

JTJ:ws

cc: Texas Oil & Gas Corp.  
Attention: Mr. Darrell F. Smith

Dockets Nos. 18-78 and 19-78 are tentatively set for hearing on May 17 and June 7, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 3, 1978

9 A.M. - OIL CONSERVATION DIVISION 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 6211: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Eureka Oil Company and all other interested parties to appear and show cause why the Cora B. Moore Well No. 1 located in Unit L of Section 10, Township 29 North, Range 24 East, Colfax County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6212: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Clay-Neill and all other interested parties to appear and show cause why the State Well No. 1 located in Unit C of Section 9, Township 19 North, Range 30 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6200: (Continued & Readvertised)  
In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Astro-Tex Oil Corp., American Employers' Insurance Co., and all other interested parties to appear and show cause why the Cain Well No. 2 located in Unit J of Section 22, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6201: (Continued & Readvertised)  
In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Paul Haskins and all other interested parties to appear and show cause why the Federal "17" Well No. 1 located in Unit P of Section 17, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division approved plugging program.
- CASE 6199: (Continued & Readvertised)  
In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Marion B. Edmonds and O. A. Peters and all other interested parties to appear and show cause why the Edmonds & Peters Federal Well No. 1 located in Unit M of Section 3, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6213: Application of Morris R. Antweil for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Rio Well No. 2 at a point 660 feet from the North and West lines of Section 29, Township 18 South, Range 25 East, Eddy County, New Mexico, the N/2 of said Section 29 to be dedicated to the well.
- CASE 6214: Application of Morris R. Antweil for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled at a point 660 feet from the North line and 1980 feet from the East line of Section 8, Township 12 South, Range 32 East, Lea County, New Mexico, the E/2 of said Section 8 to be dedicated to the well.
- CASE 6215: Application of Texas Oil & Gas Corporation for a non-standard unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard proration unit comprising the N/2 of Section 29, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be located at an unorthodox location 660 feet from the North and West lines of said Section 29.
- CASE 6216: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down to and including the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 10, Township 21 South, Range 22 East, Eddy County, New Mexico, to be dedicated to applicant's Stinking Draw Unit Well No. 1 to be located at an unorthodox location 1383 feet from the South line and 695 feet from the East line of said Section 10. 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 6217: Application of Holly Energy, Inc., for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McIntyre B Well No. 4 to be located 1300 feet from the South line and 330 feet from the West line of Section 20, Township 17 South, Range 30 East, Eddy County, New Mexico.

CASE 6218: Application of Inxco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Tequilla Unit Area comprising 4,826 acres, more or less, of State, Federal, and fee lands in Townships 23 and 24 South, Ranges 22 and 23 East, Eddy County, New Mexico.

CASE 6219: Application of H & G Oil Co., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 9, Township 24 South, Range 28 East, West Malaga-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 6221: Application of Sun Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Teas Federal Well No. 1 to be located 1980 feet from the North and West lines of Section 24, Township 20 South, Range 33 East, Teas Pennsylvanian Gas Pool, Lea County, New Mexico, the N/2 of said Section 24 to be dedicated to the well.

CASE 6220: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, extending, and redesignating certain pools in Chaves, Lea, and Eddy Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the North Eidson-Strawn Pool. The discovery well is the Sabine Production Company North Eidson Fee Well No. 1 located in Unit M of Section 34, Township 15 South, Range 34 East, NMFM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMFM  
Section 34: W/2

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Hume-Devonian Pool. The discovery well is the W. A. Moncrief, Jr. State "8" Well No. 1 located in Unit G of Section 8, Township 16 South, Range 34 East, NMFM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMFM  
Section 8: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Hume-Morrow Gas Pool. The discovery well is the Mewbourne Oil Company State "E" Com Well No. 1 located in Unit L of Section 6, Township 16 South, Range 34 East, NMFM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMFM  
Section 6: S/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the North Lusk-Wolfcamp Pool. The discovery well is the Petroleum Development Corporation Pedco Gulf Federal Com Well No. 1 located in Unit I of Section 33, Township 18 South, Range 32 East, NMFM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMFM  
Section 33: SE/4

(e) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Mississippian production and designated as the Mescalero Sands-Mississippian Gas Pool. The discovery well is the Petroleum Development Corporation Hudson Federal Well No. 1 located in Unit M of Section 27, Township 12 South, Range 30 East, NMFM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 30 EAST, NMFM  
Section 27: W/2

(f) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMFM  
Section 26: All  
Section 35: All

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 2: S/2 SW/4 and SW/4 SE/4

- (h) EXTEND the Atoka-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 28: E/2 NW/4  
Section 33: NE/4  
Section 34: W/2 NW/4

- (i) EXTEND the Box Canyon Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM  
Section 23: N/2

- (j) EXTEND the Crooked Creek-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM  
Section 4: All

- (k) EXTEND the Fren-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM  
Section 14: S/2, S/2 N/2, N/2 NE/4 & NE/4 NW/4  
Section 15: S/2 & S/2 N/2  
Section 23: All  
Section 26: N/2  
Section 27: N/2  
Section 28: N/2 & N/2 S/2

- (l) EXTEND the Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM  
Section 2: All

- (m) EXTEND the Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 29: W/2 SE/4, E/2 SW/4 & SW/4 SW/4  
Section 30: SE/4 SE/4  
Section 31: E/2 E/2  
Section 32: N/2 NW/4 & NW/4 NE/4

- (n) EXTEND the West Kemnitz-Lower Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM  
Section 32: NE/4

- (o) EXTEND the Langlie Mattix Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 31: NW/4

- (p) EXTEND the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM  
Section 12: S/2

- (q) EXTEND the South Loco Hills-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM  
Section 20: W/2

- (r) EXTEND the Lusk-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 10: All

- (s) EXTEND the North Lusk-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 3: E/2

- (t) EXTEND the West Malaga-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 9: S/2

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 19: N/2  
Section 20: N/2

- (v) EXTEND the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 29: SE/4 SE/4  
Section 32: NE/4 NE/4

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

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM  
Section 10: W/2

- (x) EXTEND the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM  
Section 22: NE/4

- (y) REDESIGNATE the West Scarborough Yates Pool in Lea County, New Mexico as the Comanche Stateline-Yates Pool and EXTEND the Comanche Stateline-Yates Pool to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 28: S/2

- (z) EXTEND the North Shugart-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 19: E/2  
Section 20: W/2

- (aa) EXTEND the Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 36: SE/4

- (bb) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
Section 16: N/2  
Section 17: N/2

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

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM  
Section 11: All

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 28: S/2

- (ee) EXTEND the Winchester-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 36: N/2



Case  
6215

LAW OFFICES OF  
**JENNINGS, CHRISTY & COPPLE**

1012 SECURITY NATIONAL BANK BUILDING  
P. O. BOX 1180  
ROSWELL, NEW MEXICO 88201

RECEIVED  
MAR 28 1978  
CONSERVATION COM  
Santa Fe

TELEPHONE 822-8432  
AREA CODE 505

JAMES T. JENNINGS  
SIM B. CHRISTY III  
BRIAN W. COPPLE  
STEPHEN M. SIMONE

March 27, 1978

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

Attention: Lynn Teschendorf

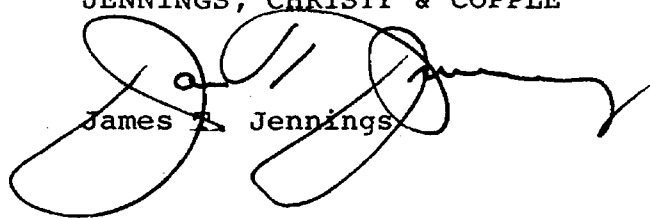
Re: In the Matter of the Application  
of Texas Oil & Gas Corp. for an  
Unorthodox Gas Well Location and  
a Non-Standard Unit, Lea County

Dear Ms. Teschendorf:

Enclosed herewith you will find an Application which we are filing on behalf of Texas Oil & Gas Corp. for an unorthodox gas well location and a non-standard unit. The well will be within one mile of the North-Osuda-Morrow Gas Pool and is subject to the pool rules. Under Rule 3, the Secretary-Director can approve a non-standard unit but it will be necessary to have a hearing on the unorthodox gas well location and I feel that the publication should include the non-standard unit in the event some operator should file objections thereto. It would appear that we have ample time to handle the publication prior to the May 3 hearing.

Yours very truly,

JENNINGS, CHRISTY & COPPLE



James T. Jennings

JTJ:pv

Encl.

cc: Texas Oil & Gas Corp.  
(Attn: Mr. Darrell F. Smith)  
or Mr. Doyle Snow)

Case No. 1315  
CONSERVATION COM.

Case  
6215

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
TEXAS OIL & GAS CORP. FOR AN UNORTHODOX  
GAS WELL LOCATION AND A NON-STANDARD  
UNIT, LEA COUNTY, NEW MEXICO.

APPLICATION

COMES NOW Applicant, Texas Oil & Gas Corp., and hereby makes application for an unorthodox gas well location and a non-standard gas unit, Lea County, New Mexico, and states:

1. Applicant hereby requests that the Commission approve an unorthodox location for its Morrow test well to be located 660 feet from the north line and 660 feet from the west line of Section 29, Township 20 South, Range 36 East.

2. Applicant proposes to dedicate the N $\frac{1}{2}$  Section 29, Township 20 South, Range 36 East, to said well and hereby requests that the Commission approve a non-standard 320 acre unit for said well.

3. That said well will be subject to the North Osudo-Morrow Gas Pool Rules established in Order R-3305 and made permanent on August 13, 1968 in Order R-3305-A.

4. That the Operator has notified all offset operators and operators owning interests in Section 29, Township 20 South, Range 36 East, of its intention to form a nonstandard unit and has requested waivers from all of said operators.

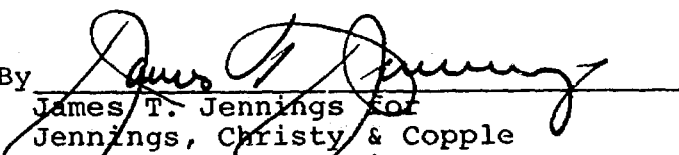
WHEREFORE, Applicant requests:

1. That the Secretary-Director of the Commission grant administrative approval to the non-standard unit pursuant to Rule 3 of the North Osudo-Morrow Gas Pool Rules if no operator has filed objection within 30 days.

2. That this matter be set down for hearing before an Examiner at an early date and after hearing that the Commission issue its Order approving an unorthodox gas well location and if objections are filed by any operators to the non-standard unit, that after hearing the Commission issue an Order approving the non-standard unit.

Respectfully submitted,

TEXAS OIL & GAS CORP.

By   
James T. Jennings for  
Jennings, Christy & Copple  
Attorneys for Applicant  
P. O. Box 1180  
Roswell, New Mexico 88201

Case 6215

NOV 28 1978

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

CONSERVATION COM.  
S. 139

IN THE MATTER OF THE APPLICATION OF  
TEXAS OIL & GAS CORP. FOR AN UNORTHODOX  
GAS WELL LOCATION AND A NON-STANDARD  
UNIT, LEA COUNTY, NEW MEXICO.

APPLICATION

COMES NOW Applicant, Texas Oil & Gas Corp., and hereby makes application for an unorthodox gas well location and a non-standard gas unit, Lea County, New Mexico, and states:

1. Applicant hereby requests that the Commission approve an unorthodox location for its Morrow test well to be located 660 feet from the north line and 660 feet from the west line of Section 29, Township 20 South, Range 36 East.
2. Applicant proposes to dedicate the N $\frac{1}{2}$  Section 29, Township 20 South, Range 36 East, to said well and hereby requests that the Commission approve a non-standard 320 acre unit for said well.
3. That said well will be subject to the North Osudo-Morrow Gas Pool Rules established in Order R-3305 and made permanent on August 13, 1968 in Order R-3305-A.
4. That the Operator has notified all offset operators and operators owning interests in Section 29, Township 20 South, Range 36 East, of its intention to form a nonstandard unit and has requested waivers from all of said operators.

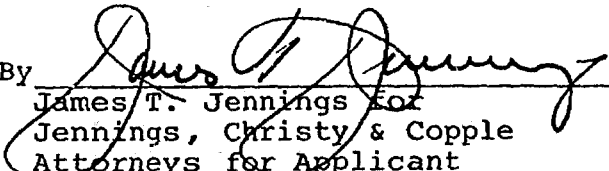
WHEREFORE, Applicant requests:

1. That the Secretary-Director of the Commission grant administrative approval to the non-standard unit pursuant to Rule 3 of the North Osudo-Morrow Gas Pool Rules if no operator has filed objection within 30 days.

2. That this matter be set down for hearing before an Examiner at an early date and after hearing that the Commission issue its Order approving an unorthodox gas well location and if objections are filed by any operators to the non-standard unit, that after hearing the Commission issue an Order approving the non-standard unit.

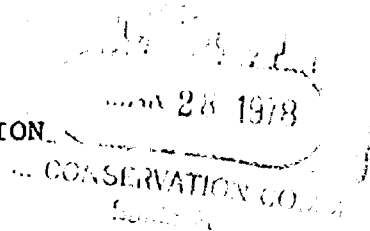
Respectfully submitted,

TEXAS OIL & GAS CORP.

By   
James T. Jennings For  
Jennings, Christy & Copple  
Attorneys for Applicant  
P. O. Box 1180  
Roswell, New Mexico 88201

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF TEXAS OIL & GAS CORP. FOR AN UNORTHODOX GAS WELL LOCATION AND A NON-STANDARD UNIT, LEA COUNTY, NEW MEXICO.

APPLICATION

COMES NOW Applicant, Texas Oil & Gas Corp., and hereby makes application for an unorthodox gas well location and a non-standard gas unit, Lea County, New Mexico, and states:

1. Applicant hereby requests that the Commission approve an unorthodox location for its Morrow test well to be located 660 feet from the north line and 660 feet from the west line of Section 29, Township 20 South, Range 36 East.
2. Applicant proposes to dedicate the N½ Section 29, Township 20 South, Range 36 East, to said well and hereby requests that the Commission approve a non-standard 320 acre unit for said well.
3. That said well will be subject to the North Osudo-Morrow Gas Pool Rules established in Order R-3305 and made permanent on August 13, 1968 in Order R-3305-A.
4. That the Operator has notified all offset operators and operators owning interests in Section 29, Township 20 South, Range 36 East, of its intention to form a nonstandard unit and has requested waivers from all of said operators.

WHEREFORE, Applicant requests:

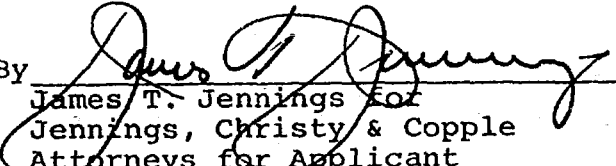
1. That the Secretary-Director of the Commission grant administrative approval to the non-standard unit pursuant to Rule 3 of the North Osudo-Morrow Gas Pool Rules if no operator has filed objection within 30 days.

2. That this matter be set down for hearing before an Examiner at an early date and after hearing that the Commission issue its Order approving an unorthodox gas well location and if objections are filed by any operators to the non-standard unit, that after hearing the Commission issue an Order approving the non-standard unit.

Respectfully submitted,

TEXAS OIL & GAS CORP.

By

  
James T. Jennings for  
Jennings, Christy & Copple  
Attorneys for Applicant  
P. O. Box 1180  
Roswell, New Mexico 88201

DRAFT

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

*Handwritten initials*

*Handwritten initials*

*Handwritten signature*

CASE NO. 6215

Order No. R- 5735

APPLICATION OF TEXAS OIL & GAS CORPORATION  
FOR A NON-STANDARD PRORATION UNIT AND AN UNORTHODOX GAS WELL LOCATION,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

*Handwritten signature*

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 17  
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this \_\_\_\_\_ day of May, 19 78, the Division  
Director, 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 Division has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Texas Oil & Gas Corporation  
seeks approval of a 320-acre non-standard gas proration unit  
comprising the N/2 of Section 29, Town-  
ship 20 South, Range 36 East, NMPM, to be dedicated to  
a well to be located at an unorthodox location 660 feet from the  
~~its~~ North line and 660 feet from the West line, ~~located in~~  
~~Unit xxxxxx~~ of said Section 29.

(3) That the entire non-standard proration unit may reasonably  
be presumed productive of gas from the North Osudo-Morrow  
Gas Pool and that the entire non-standard gas proration unit can  
be efficiently and economically drained and developed by the  
aforesaid well.



(4) That said North Osuda - Morrow Gas Pool is in the later stages of development.

(5) That production from wells in said pool on offsetting production units has declined to marginal status.

(6) That completion of the proposed well at the proposed non-standard location will not adversely affect the correlative rights of the offset operators within the zones completed in their wells.

(7) That a well drilled at the proposed non-standard location may encounter productive zones not being drained by offset wells.

~~(8) That there shall~~

(8) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the North Osudo-Morrow Gas 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 <sup>the application of Texas Oil & Gas Corporation for a</sup> ~~a~~ <sup>320</sup> ~~320~~-acre non-standard gas proration unit in the North Osudo-Morrow Gas Pool comprising the N/2 of Section 29, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby <sup>approved, and said unit shall be</sup> ~~established and~~ dedicated to ~~use~~ <sup>drilled</sup> a well to be located at the North line and 660 feet from the West line ~~an unorthodox location 660 feet from/~~ ~~located in Unit~~ ~~of said~~ Section 29.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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