

CASE NO.

6327

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
13 September 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of O. H. Berry for an unorthodox gas well location, Lea County, New Mexico.

CASE
6327

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr, Esq.
CATRON, CATRON, & SAWTELL
50 Old Santa Fe Trail
Santa Fe, New Mexico 87501

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

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ENERGY AND MINERALS DEPARTMENT
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I N D E X

O. H. BERRY

Direct Examination by Mr. Carr 3

Cross Examination by Ms. Teschendorf 8

Cross Examination by Mr. Stamets 8

E X H I B I T S

Applicant Exhibit One, Plat, C-102 8

Applicant Exhibit Two, Gas analysis 8

Applicant Exhibit Three, Letter 8

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MR. STAMETS: Call next Case 6327.

MS. TESCHENDORF: Case 6327. Application of
O. H. Berry for an unorthodox gas well location, Lea County,
New Mexico.

MR. STAMETS: Call for appearances in this case.

MR. CARR: William F. Carr, Catron, Catron, and
Sawtell, appearing on behalf of the Applicant.

I have one witness who needs to be sworn.

MR. STAMETS: If you'll stand and be sworn,
please.

(Witness sworn.)

O. H. BERRY

being called as a witness and having been duly sworn upon
his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your full name and place of resi-
dence?

A My name is O. H. Berry and I live in Midland,
Texas.

Q Mr. Berry by whom are you employed and in what
position?

A I'm self-employed.

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1 Q Have you previously testified before the Com-
2 mission and had your credentials accepted and made a matter
3 of record?

4 A Yes, I have.

5 Q Are you familiar with the application in this
6 case?

7 A Yes, I am.

8 Q And what are you seeking generally with this
9 application?

10 A We're seeking an unorthodox location for a gas
11 well and dedicating 160 acres to the well.

12 MR. CARR: Are the witness' qualifications ac-
13 ceptable?

14 MR. STAMETS: For the purpose of the record,
15 the witness is the operator of the subject well?

16 MR. CARR: Yes, he is.

17 MR. STAMETS: They are.

18 Q (Mr. Carr continuing.) Mr. Berry, would you
19 refer to what has been marked for identification as Exhibit
20 Number One and explain to the Examiner what it is and what
21 it shows?

22 A Well, this is simply a surveyor's plat made out
23 on Form C-102, showing the location of our well, which is
24 J. L. Isabell Well No. 5-Y.

25 Q And now will you refer to the second page of

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1 Exhibit One and summarize this for the Examiner?

2 A This shows our lease, which consists of the north-
 3 east quarter of Section 15, 24, 36, Lea County, New Mexico,
 4 showing the well location in the northeast corner, as re-
 5 flected by the previous plat, and the offsetting operators.

6 Q In what formation is this well completed?

7 A This well is completed in the Santa Rosa forma-
 8 tion.

9 Q Are there other Santa Rosa wells in the area?

10 A To my knowledge this is the only Santa Rosa gas
 11 well in this area.

12 Q Mr. Berry, would you briefly summarize for the
 13 Examiner the events which led up to the drilling of the
 14 Isabell Well No. 5 at this unorthodox location?

15 A We commenced the well as our No. 5 Isabell and
 16 we were drilling with cable tools and I was notified at a
 17 depth of 626 feet that they had encountered gas, and the
 18 gas was bubbling up through -- we'd previously encountered
 19 Santa Rosa water which, incidentally, was very potable,
 20 good water, at 575. And then we went into a dead streak at
 21 about 600 to 615 and then we encountered the gas at 626.

22 And we went on down with that hole to 3475 and
 23 junked the hole. So we applied to drill a replacement well
 24 as a Santa Rosa gas well at this location, and we did com-
 25 plete the well with the cable tools. We set 5-1/2 casing

1 and circulated it to the surface at 610. We drilled into
2 the gas at the same depth we had encountered before, 626.
3 We carried the well to a depth of 645 feet, at which time
4 the direct gas had increased considerably, so we stopped
5 drilling at that point and completed the well.

6 Q How good a well does the No. 5-Y appear to be?

7 A Well, we had El Paso Natural Gas Company come
8 out and four-point the well for us and it resulted in an
9 open flow potential of 537 Mcf per day dry gas.

10 Q Mr. Berry, have you had the gas from this well
11 analyzed?

12 A Yes, we have.

13 Q And as a result of that -- is the result of
14 that analysis reflected on what has been marked as Exhibit
15 Number Two?

16 A Yes, it has.

17 Q Would you refer to this exhibit and explain to
18 the Commission what you believe the source of this gas to be?

19 A Although this chromatographic gas analysis
20 report does not show a test for the determination of H_2S ,
21 this gas is sweet gas in contrast to all the other gas pro-
22 duced in Jalmat, and at first people first thought, well,
23 this is the result of the casing leak, but this gas is
24 sweet. El Paso did run a test in the field and of course,
25 we, from our own observation, could tell it was sweet. It

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1 has no H₂S in it. And I suspect that this gas may have
 2 evolved from the Rustler Formation out in the Delaware Basin.
 3 Some of my friends that I consulted have told me that sweet
 4 gas has been encountered in the Rustler in the Delaware
 5 Basin. And I suspect that that probably was the source of
 6 it rather than this being the source bed. But I can't tell
 7 you how it got there.

8 Q Mr. Berry, have you notified offset operators
 9 of this hearing today?

10 A Yes, we have.

11 Q And is your letter to these operators what has
 12 been marked for identification as Exhibit Number Three?

13 A Correct.

14 MR. CARR: Mr. Examiner, I would note that the
 15 first copy that you're looking at now has the numbers of
 16 the -- has the certified mail numbers opposite the name
 17 of the operator. For some reason that doesn't appear on
 18 the other copies of the exhibit.

19 Q Mr. Berry, in your opinion will the approval of
 20 this application be in the interest of conservation, the
 21 protection of correlative rights, and the prevention of
 22 waste?

23 A Yes, it would.

24 Q Were Exhibits One through Three either prepared
 25 by you or have you reviewed them and can you testify from

1 your own knowledge as to their accuracy?

2 A. I can.

3 MR. CARR: Mr. Examiner, I would offer Exhibits
4 One through Three.

5 MR. STAMETS: These exhibits will be admitted.

6 MR. CARR: Pass the witness.

7

8 CROSS EXAMINATION

9 BY MS. TESCHENDORF:

10 Q. Was this acreage force pooled prior to this
11 time?

12 A. Yes, it was.

13 Q. It was. Do you happen to know the case number
14 or order number?

15 A. Perhaps Mr. Carr knows. I do not have my file
16 with me.

17 MR. CARR: This acreage was pooled by an order
18 of the Commission entered February 28, 1978, Order Number
19 R-5654. The order has expired, as I understand it and Mr.
20 Berry has been able to get all interest owners to voluntarily
21 either lease or farm out.

22

23

24 CROSS EXAMINATION

25 BY MR. STAMETS:

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1 Q Mr. Berry, I take the reason the well is located
 2 where it is is because that's where you found the gas.

3 A Correct.

4 Q And you were fearful of moving very far away
 5 from the original well.

6 A That's absolutely correct, Mr. Examiner, it's
 7 such a freak thing. Now, we understand that out in that
 8 area, and I did talk to the District Supervisor, Mr. Sexton,
 9 about this, and there's been several rigs burned, burned up.
 10 As a matter of fact, one of them, the Leatherwood's (sic)
 11 rig out of Kermit, about two or three miles south of this
 12 location, and they suspected the gas was coming from the
 13 Santa Rosa and Jerry could remember other rigs that caught
 14 fire as a result of this. So it could be just in spots,
 15 you know. We just have no idea.

16 Q We would point out Exhibit Number One should
 17 show the number is 5-Y and not 5.

18 A Yes, sir, that's an oversight on our part.

19 Q And the footage on the third line needs to be
 20 corrected.

21 A It sure does. 340 from the north.

22 MR. STAMETS: Any other questions of this wit-
 23 ness? He may be excused.

24 Anything further in this case? We'll take the
 25 case under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill from my notes taken at the time of the hearing.

Sally W. Boyd CSR
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6327
heard by me on 9-13 19 78,
Richard P. Thomas, Examiner
Oil Conservation Division

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Phone (505) 982-9212

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. 6327
Order No. R-5820

APPLICATION OF O. H. BERRY FOR
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 September 13, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of September, 1978, 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, O. H. Berry, seeks approval of the unorthodox gas well location of his J. L. Isabell Well No. 5-Y located 340 feet from the North line and 330 feet from the East line of Section 15, Township 24 South, Range 36 East, NNPM, to test the Santa Rosa formation, Lea County, New Mexico.

(3) That the NE/4 of said Section 15 is to be dedicated to the well.

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

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

-2-

Case No. 6327
Order No. R-5820

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Santa Rosa formation is hereby approved for the O. H. Berry J. L. Isabell Well No. 5-Y drilled at a point 340 feet from the North line and 330 feet from the East line of Section 15, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) That the NE/4 of said Section 15 shall be dedicated to the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the 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

dr/

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

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

All distances must be from the outer boundaries of the Section

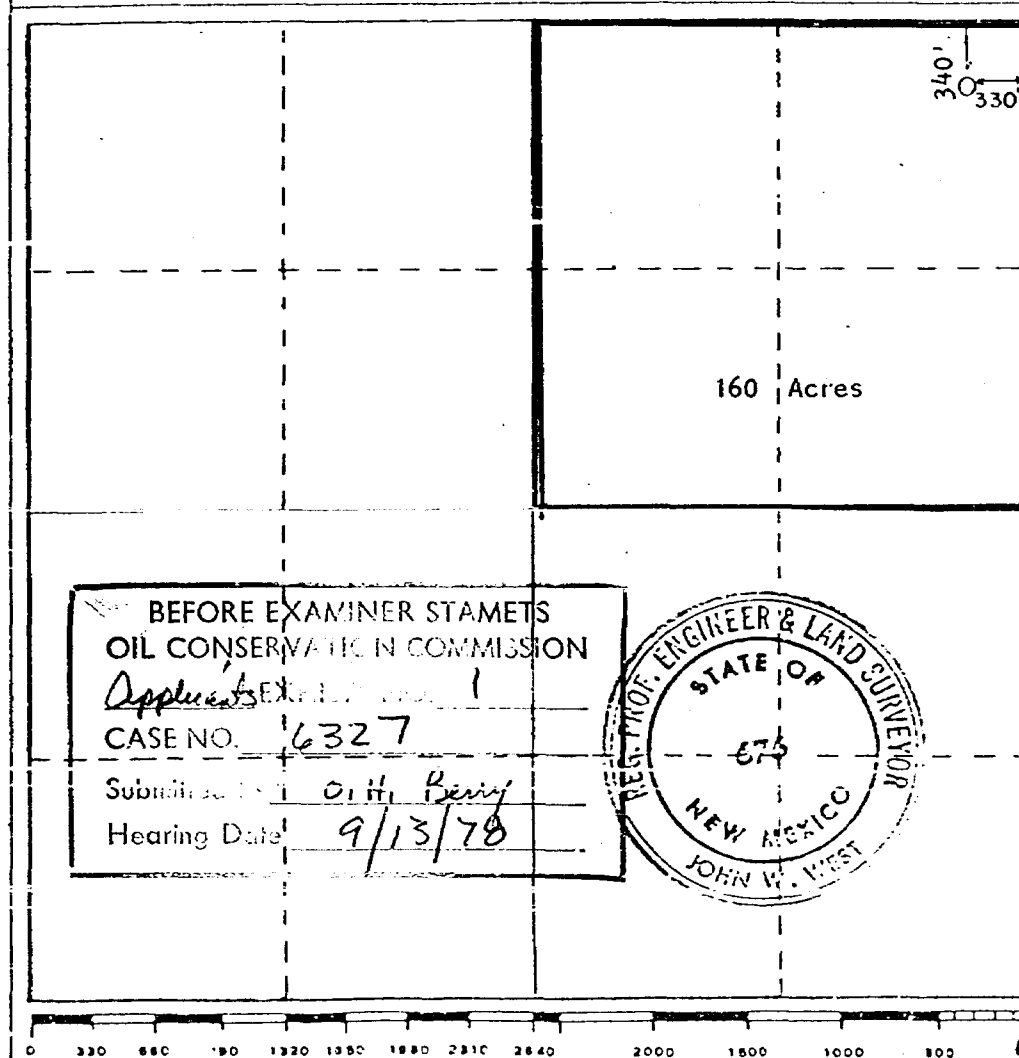
Applicant O. H. Berry		Lessee J. L. Isabeli		Well No. 57
Unit Letter A	Section 15	Township 24 South	Range 36 East	County Lea
Actual First Location of Well: 340 feet from the North line and 330 feet from the East line				
Ground Level Elev. 3382.6	Producing Formation		Pool	Dedicated Acreage: Acres

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

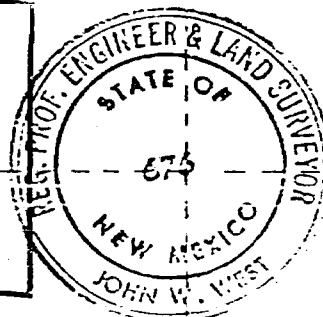
☐ Yes ☐ No If answer is "yes," type of consolidation _____

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

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



**BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION**
Applicant's EXHIBIT NO. 1
 CASE NO. **6327**
 Submitted by *O. H. Berry*
 Hearing Date **9/13/78**



CERTIFICATION

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

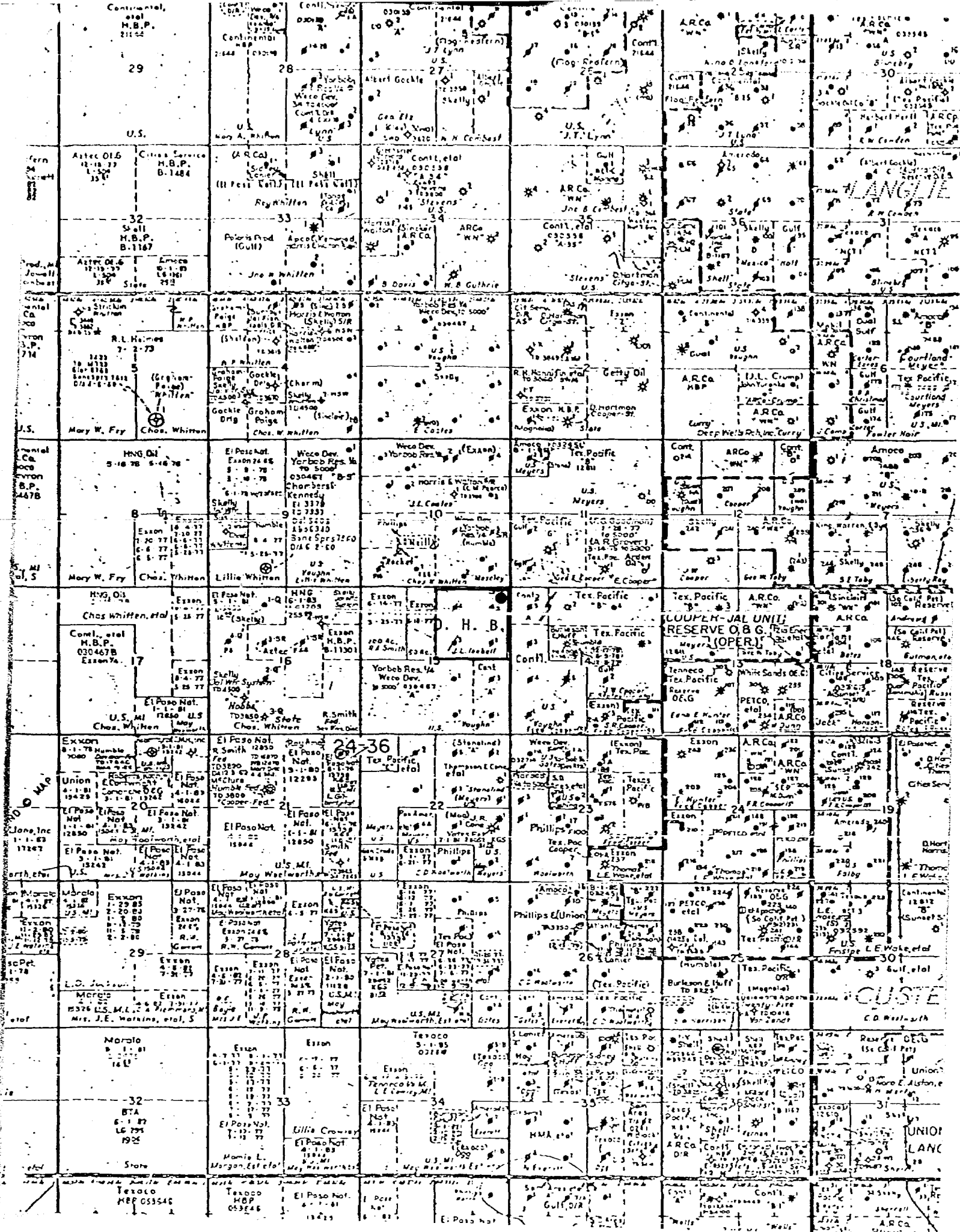
Name
B. W. ROBERTS
 Position
AGENT
 Company
O. H. BERRY
 Date
19 JULY 1978

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

Date Surveyed
12/15/77

Registered Professional Engineer and/or Land Surveyor

John W. West
 Certificate No. **676**



EL PASO NATURAL GAS COMPANY

RPT-ASL 371 CHROMATOGRAPHIC GAS ANALYSIS REPORT

RPT DATE 09 05 78

METER STA 62056

ANAL DATE 08 30 78

METER STATION NAME

OPER 0637

J.L. ISBELL 5 Y

TYPE CODE	SAMPLE DATE	EFF. DATE	USE MOD.	SCALE	H2S GRAINS	LOCATION
00	08 29 78	09 05 78	03		0000*	1 J 13

NORMAL
MOL%

GPM SEP 9 1978

C D 2

00.20

0.000

H 2 S

00.00*

0.000

N2

02.42

0.000

METHANE

86.76

0.000

ETHANE

06.16

1.647

PROPANE

02.72

0.748

ISO-BUTANE

00.38

0.124

NORM-BUTANE

00.77

0.243

ISO-PENTANE

00.22

0.080

NORM-PENTANE

00.17

0.062

HEXANE PLUS

00.20

0.087

TOTALS

100.00

2.991

SPECIFIC GRAVITY

0.653

MIXTURE HEATING VALUE

(BTU/CF @ 14.73 PSIA, 60 DEGREES, DRY) 1122

RATIO OF SPECIFIC HEATS

1.294

* NO TEST SECURED FOR DETERMINATION H2S CONTENT

BEFORE EXAMINER STARTS
OIL CONSERVATION COMMISSIONApplicant 2
6327Signed D.H. Berry
Hearing 9/13/78

BEFORE HONORABLE STAMITS
OIL CONSERVATION COMMISSION

Applicant: O. H. BERRY NO. 3
CASE NO. 6327

Submitted by: O. H. Berry
Hearing Date: 9/13/78

O. H. BERRY

Independent Oil Producer

186 ONE MARIENFELD PLACE
MIDLAND, TEXAS 79701

7 September 1978

(915) 684-4932

Worldwide Energy Corporation
1100 Western Federal Savings Building C/M #295434
Denver, Colorado 80202

Continental Oil Company
P. O. Box 1959 C/M #295433
Midland, Texas 79701

Joseph I. O'Neill, Jr.
P. O. Box 2840 C/M #295435
Midland, Texas 79701

Texas Pacific Oil Company
P. O. Box 4067 C/M #295436
Midland, Texas 79701

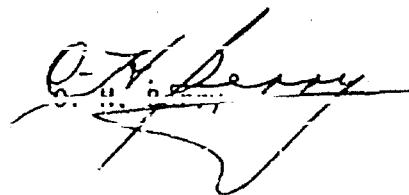
Gentlemen:

Inasmuch as you are offset leaseholders to my J. L. Isbell Lease, I should like to give you notice of the following hearing to be held before the Oil Conservation Division, New Mexico Energy and Minerals Department.

This hearing is docketed as Case 6327, to be held at 9:00 a.m. on September 13, 1978, "In the matter of the application of O. H. Berry for unorthodox gas well location, Lea County, New Mexico. Applicant in the above styled cause seeks the approval of the unorthodox location of its J. L. Isbell #5-Y well located 340' FNL and 330' FEL of Section 15, 24S, 36E, Santa Rosa Formation, Lea County, New Mexico. NE/4 of said Section 15 to be dedicated".

If you have any questions relative to this matter, please let me know.

Very truly yours,



OHB/br

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

BEFORE EXAMINER CLAMETS
OIL CONSERVATION COMMISSION

Applicants 3
CASE NO. 6327

SIGNED: *O. H. Berry*
Hearing Date: 4/13/78

O. H. BERRY

Independent Oil Producer

188 ONE MARIENFELD PLACE
MIDLAND, TEXAS 79701

7 September 1978

(915) 684-4932

Worldwide Energy Corporation
1100 Western Federal Savings Building
Denver, Colorado 80202

Continental Oil Company
P. O. Box 1959
Midland, Texas 79701

Joseph L. O'Neill, Jr.
P. O. Box 2840
Midland, Texas 79701

Texas Pacific Oil Company
P. O. Box 4067
Midland, Texas 79701

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If you have any questions relative to this matter, please let me know.

Very truly yours,

O. H. Berry
O. H. Berry

OHB/br

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dockets Nos. 31-78 and 32-78 are tentatively set for hearing on September 27 and October 11, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - MONDAY - SEPTEMBER 11, 1978

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6289: (Continued from August 23, 1978, Commission Hearing)

Application of Bill Taylor for enforcement and amendment of Order No. R-5332, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination of well costs, an accounting of expenditures and costs withheld from production, and the amendment of Order No. R-5332 to remove the present operator of the pooled proration unit comprising the N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, and designate another operator for said unit.

CASE 6146: (DE NOVO)

Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tapacito-Gallup and Basin-Dakota production within the wellbore of his Jicarilla Well No. 5 located in Unit D of Section 29, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

Upon application of Jerome P. McHugh this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6328: Application of Maralo, Inc., for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of secondary recovery, all mineral interests in the Jalmat Yates Unit underlying the following described lands in Township 25 South, Range 36 East:

Section 12: SE/4
Section 13: NE/4

and the following described lands in Township 25 South, Range 37 East:

Section 18: NW/4 and N/2 SW/4

all in Lea County, New Mexico.

The unitized interval would be all formations or zones extending from the top of the Yates formation down to 100 feet below the base of the Queen formation in the Humble-Winters "A" Well No. 2 located in Unit C of Section 18, Township 25 South, Range 37 East.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 6313: Application of Maralo, Inc., for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Jalmat Yates Unit Area, Lea County, New Mexico, by the injection of water into various wells located in Township 25 South, Ranges 36 and 37 East.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 13, 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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for October, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6314: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Overland Drilling & Exploration, Ltd., Ohio Casualty Insurance Company, and all other interested parties to appear and show cause why the Lowe State Well No. 1 located in Unit E of Section 15, Township 19 South, Range 29 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6315: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Hugh L. Johnston, Sr., General Insurance Co. of America, and all other interested parties to appear and show cause why the Continental State Well No. 5 located in Unit C of Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6316: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cortez Corporation, Aetna Casualty & Surety Company, and all other interested parties to appear and show cause why the Fair Well No. 1 located in Unit D of Section 24, Township 18 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6290: (Continued from August 16, 1978, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R. A. Crane, Jr., Great American Insurance Co., and all other interested parties to appear and show cause why the Donella Well No. 1 located in Unit P of Section 3, Township 29 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6307: (Continued from August 30, 1978, Examiner Hearing)

Application of Exxon Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Drinkard and Wantz-Abo production in the wellbore of its F. F. Hardison B Well No. 10, located in Unit A of Section 34, Township 21 South, Range 37 East, Lea County, New Mexico. (This case will be dismissed.)

CASE 6317: Application of Harvey E. Yates Company for an unorthodox gas well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 301.75-acre non-standard gas proration unit comprising the N/2 of Section 18, Township 19 South, Range 29 East, Eddy County, New Mexico, to be dedicated to a well to be drilled 1980 feet from the North line and 660 feet from the East line of said Section 18 to test the Morrow formation.

CASE 6318: Application of Coquina Oil Corporation for an increase in casinghead gas allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 303-C-4 to increase the casinghead gas allowable for its Vivian Well No. 1, located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico, the Drinkard and Granite Wash zones in said well being commingled pursuant to Order No. DHC-255 and subject to the GOR limit for the Wantz-Granite Wash Pool.

CASE 6319: Application of Belco Petroleum Corporation for an unorthodox well location and compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 31, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Mollie Com Well No. 1 located at an unorthodox location 1100 feet from the North line and 1575 feet from the East line of said section. Also to be considered will be the cost of recompleting 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 6320: Application of Texas Oil & Gas 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 Coquina Federal Com. Well No. 1 to be drilled 660 feet from the North line and 1980 feet from the West line of Section 32, Township 18 South, Range 27 East, to test the Morrow formation, the W/2 of said Section 32 to be dedicated to the well.

CASE 6321: Application of Texas Oil & Gas 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 Shugart State Com. Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the West line of Section 16, Township 18 South, Range 31 East, Eddy County, New Mexico, to test the Wolfcamp and Pennsylvanian formations, the W/2 of said Section 16 to be dedicated to the well.

CASE 6283: (Continued from August 2, 1978, Examiner Hearing)

Application of Texas Oil & Gas Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the W/2 of Section 16, Township 20 South, Range 36 East, North Osuda-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6322: Application of Yates Petroleum Corporation for pool contraction, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-391 to contract the horizontal limits of the Empire-Pennsylvanian Gas Pool to the following:

All of Sections 28 and 29, Township 17 South, Range 28 East

In the alternative, applicant seeks to limit the special pool rules for said pool to the present horizontal limits of the pool.

CASE 6323: 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 in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 23, Township 17 South, Range 28 East, Empire-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to its Lucas Store JZ Well No. 1 located at an unorthodox location 1980 feet from the North line and 860 feet from the West line of said section. Also to be considered will be the cost of 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 6324: Application of Yates Petroleum Corporation for downhole commingling or pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wolfcamp and Upper Penn gas production in the wellbore of its Box Canyon GJ Fed. Well No. 1 located in Unit J of Section 13, Township 21 South, Range 21 East, Eddy County, New Mexico. In the alternative, applicant seeks the creation of a new Permo-Penn gas pool for said well.

CASE 6325: Application of Amoco Production Company for unorthodox locations and directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of the following South Hobbs Unit wells located in Township 19 South, Range 38 East, Hobbs Pool, Lea County, New Mexico:

Well No. 120 located 1272 feet from the North line and 1420 feet from the West line of Section 5;
Well No. 121 located 1450 feet from the North line and 150 feet from the West line of Section 4;
Well No. 123 located 2390 feet from the North line and 150 feet from the East line of Section 6;
Well No. 124 located 1925 feet from the South line and 2380 feet from the East line of Section 4;
Well No. 126 located 1295 feet from the South line and 1365 feet from the West line of Section 10;
Well No. 122 located 1726 feet from the North line and 167 feet from the East line of Section 4;
and Well No. 125 located 2016 feet from the North line and 763 feet from the West line of Section 3.

Applicant further seeks authority to directionally drill Wells Nos. 122 and 125 to bottomhole locations in the extreme southeast corners of Unit H of Section 4 and Unit E of Section 3, respectively.

CASE 6326: Application of Energy Reserves Group, Inc., for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictured Cliffs and Otero-Chaco production in the wellbore of its Licavilla 35 Well No. 3, located in Unit B of Section 2, Township 24 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 6327: Application of O. B. Berry for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its J. L. Isabell Well No. 5-Y located 340 feet from the North line and 330 feet from the East line of Section 15, Township 24 South, Range 36 East, Santa Rosa formation, Lea County, New Mexico, the NE/4 of said Section 15 to be dedicated to the well.

CATRON, CATRON & SAWTELL

THOMAS B. CATRON, 1840-1921
FLETCHER A. CATRON, 1890-1961
THOMAS B. CATRON, III
JOHN S. CATRON
WILLIAM A. SAWTELL, JR.
FLETCHER R. CATRON
WILLIAM F. CARR
W. ANTHONY SAWTELL

ATTORNEYS AND COUNSELORS AT LAW
THE PLAZA
SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 788
TELEPHONE 982-1947
AREA CODE 505

August 18, 1978

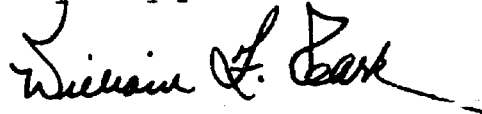
Mr. Joe D. Ramey, Director
New Mexico Department of Energy
and Minerals
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of O. H. Berry

Dear Mr. Ramey:

Enclosed herewith, in triplicate, is the application of O. H. Berry for approval of an unorthodox gas well location in Lea County, New Mexico. Mr. Berry requests that this matter be set for the Examiner's Hearing to be held on September 13, 1978.

Very truly yours,



William F. Carr

WFC/ss

enclosures

RECEIVED
AUG 21 1978
Oil Conservation Commission

RECEIVED
AUG 21 1978

Oil Conservation Commission

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION
OF O. H. BERRY FOR AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY,
NEW MEXICO.

CASE 6327

APPLICATION

Comes now O. H. Berry, by his undersigned attorneys, and hereby makes application to the Oil Conservation Division for an unorthodox gas well location and in support thereof respectfully states:

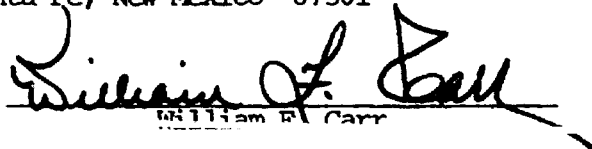
1. Applicant is the operator of the Santa Rosa formation underlying the Northeast Quarter of Section 15, Township 24 South, Range 36 East, N.M.P.M., Lea County, New Mexico.
2. Applicant drilled its J. L. Isabell Well No. 5-Y at a point 340 feet from the north line and 330 feet from the east line of said Section 15 and encountered gas production in the Santa Rosa formation at a depth of 645 feet.
3. Applicant has received leases or farm outs from all mineral interest owners in the Northeast Quarter of Section 15, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico.
4. Applicant seeks an exception to the well location requirements of Oil Conservation Division Rule 104 B, I, (a).
5. That a standard 160-acre tract proration unit comprising the Northeast Quarter of said Section 15 should be dedicated to such well.
6. That approval of this application will afford applicant the opportunity to produce its just and equitable share of gas in the Santa Rosa formation and will protect correlative rights.

WHEREFORE, O. H. Berry requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on September 13, 1978, that notice be given as required by law and the rules of the Division, that the Division enter its order granting the applicant an exception to the provisions of Rule 104 B, I, (a) and dedicating the Northeast Quarter of said Section 15 to this well.

Respectfully submitted,

CATRON, CATRON & SAWTELL
Attorneys for Applicant O. H. Berry
P.O. Box 788
Santa Fe, New Mexico 87501

By


William F. Carr

RECEIVED

AUG 21 1978

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO ENERGY AND MINERALS DEPARTMENT

Oil Conservation Commission

IN THE MATTER OF THE APPLICATION
OF O. H. BERRY FOR AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY,
NEW MEXICO.

CASE 6327

APPLICATION

Comes now O. H. Berry, by his undersigned attorneys, and hereby makes application to the Oil Conservation Division for an unorthodox gas well location and in support thereof respectfully states:

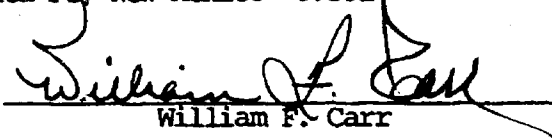
1. Applicant is the operator of the Santa Rosa formation underlying the Northeast Quarter of Section 15, Township 24 South, Range 36 East, N.M.P.M., Lea County, New Mexico.
2. Applicant drilled its J. L. Isabell Well No. 5-Y at a point 340 feet from the north line and 330 feet from the east line of said Section 15 and encountered gas production in the Santa Rosa formation at a depth of 645 feet.
3. Applicant has received leases or farm outs from all mineral interest owners in the Northeast Quarter of Section 15, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico.
4. Applicant seeks an exception to the well location requirements of Oil Conservation Division Rule 104 B, I, (a).
5. That a standard 160-acre tract proration unit comprising the Northeast Quarter of said Section 15 should be dedicated to such well.
6. That approval of this application will afford applicant the opportunity to produce its just and equitable share of gas in the Santa Rosa formation and will protect correlative rights.

WHEREFORE, O. H. Berry requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on September 13, 1978, that notice be given as required by law and the rules of the Division, that the Division enter its order granting the applicant an exception to the provisions of Rule 104 B, I, (a) and dedicating the Northeast Quarter of said Section 15 to this well.

Respectfully submitted,

CATRON, CATRON & SAWTELL
Attorneys for Applicant O. H. Berry
P.O. Box 788
Santa Fe, New Mexico 87501

By


William F. Carr

RECEIVED
AUG 21 1978
Oil Conservation Commission

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION
OF O. H. BERRY FOR AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY,
NEW MEXICO.

CASE 6327

APPLICATION

Comes now O. H. Berry, by his undersigned attorneys, and hereby makes application to the Oil Conservation Division for an unorthodox gas well location and in support thereof respectfully states:

1. Applicant is the operator of the Santa Rosa formation underlying the Northeast Quarter of Section 15, Township 24 South, Range 36 East, N.M.P.M., Lea County, New Mexico.
2. Applicant drilled its J. L. Isabell Well No. 5-Y at a point 340 feet from the north line and 330 feet from the east line of said Section 15 and encountered gas production in the Santa Rosa formation at a depth of 645 feet.
3. Applicant has received leases or farm outs from all mineral interest owners in the Northeast Quarter of Section 15, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico.
4. Applicant seeks an exception to the well location requirements of Oil Conservation Division Rule 104 B, I, (a).
5. That a standard 160-acre tract proration unit comprising the Northeast Quarter of said Section 15 should be dedicated to such well.
6. That approval of this application will afford applicant the opportunity to produce its just and equitable share of gas in the Santa Rosa formation and will protect correlative rights.

WHEREFORE, O. H. Berry requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on September 13, 1978, that notice be given as required by law and the rules of the Division, that the Division enter its order granting the applicant an exception to the provisions of Rule 104 B, I, (a) and dedicating the Northeast Quarter of said Section 15 to this well.

Respectfully submitted,

CATRON, CATRON & SAWTELL
Attorneys for Applicant O. H. Berry
P.O. Box 788
Santa Fe, New Mexico 87501

By


William F. Carr

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:

CASE NO. 6327

ORDER NO. R- 5820

APPLICATION OF O. H. BERRY

FOR 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 September 13,
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of September, 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, O. H. Berry,
of his J. L. Isabell Well No. 5-Y located
seeks approval of ~~the~~ unorthodox gas well location/ 340
feet from the North line and 330 feet from the
East line of Section 15, Township 24 South
Range 36 East, NMPM, to test the Santa Rosa
formation, Pool, Lea
County, New Mexico.

(3) That the NE/4 of said Section 15 is to be
dedicated to the well.

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

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

-2-

Case No. _____

Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That ^{an}unorthodox gas well location for the Santa Rosa the G. H. Berry J. L. Isabell Well No. 5-Y ~~located~~ *drilled* formation is hereby approved for/a well to be located at a point 340 feet from the North line and 330 feet from the East line of Section 15, Township 24 South, Range 36 East NMPM, Lea County, New Mexico.

(2) That the NE/4 of said Section 15 shall be dedicated to the above-described well.

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

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