

CASE NO.

6338

APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Charles C. Loveless )  
for an unorthodox well location, ) CASE  
Eddy County, New Mexico ) 6338

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Lynn Teschendorf, Esq.
Division:	Legal Counsel for the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87501
For the Applicant:	W. Thomas Kellahin, Esq.
	KELLAHIN & FOX
	500 Don Gaspar
	Santa Fe, New Mexico 87501

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I N D E X

EDWARD K. DAVID

Direct Examination by Mr. Kellahin 3

E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Structure map 4

Applicant Exhibit Three, Cross section 5

Applicant Exhibit Four, Production graph 7

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1 MR. STAMETS: The hearing will please come  
2 to order. We'll call first case 6338.

3 MS. TESCHENDORF: Case 6338. Application of  
4 Charles C. Loveless for an unorthodox well location,  
5 Eddy County, New Mexico.

6 MR. STAMETS: Call for appearances in this  
7 case.

8 MR. KELLAHIN: Tom Kellahin of Kellahin and  
9 Fox appearing on behalf of the applicant and I have one  
10 witness to be sworn.

11 (Witness sworn)

12  
13 EDWARD K. DAVID  
14 being called as witness and having been duly sworn upon  
15 his oath, testified as follows, to-wit:

16  
17 DIRECT EXAMINATION

18 BY MR. KELLAHIN:

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

21 A. Edward K. David, consulting geologist with  
22 Charles C. Loveless.

23 Q. Mr. David, have you made a study of and are you  
24 familiar with the facts surrounding this particular  
25 application by Charles Loveless?

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1 A. Yes, I certainly have.

2 Q. Have you previously testified before the  
3 Oil Conservation Division and had your qualifications  
4 accepted and made a matter of record?

5 A. Yes, sir.

6 MR. KELLAHIN: We tender Mr. David as an  
7 expert witness.

8 MR. STAMETS: The witness is considered  
9 qualified.

10 Q. (Mr. Kellahin continuing.) Would you please  
11 refer to what I have marked as Applicant Exhibit Number  
12 One, identify it, and state what Charles Loveless is  
13 seeking to accomplish?

14 A. This is a land plat of the area of interest and  
15 it -- the acreage which is to be dedicated to said well is  
16 outlined in red, which is the east half of Section 23 and we  
17 are seeking approval for an unorthodox location of a well to  
18 be drilled 660 feet from the south line and 1980 feet from  
19 the east line of Section 23, Township 17 South, Range 26  
20 East, Kennedy Farms Field, Eddy County, New Mexico.

21 Q. Please refer to what we have marked as Exhibit  
22 Number Two and identify it.

23 A. This is a structure map of Kennedy Farms Atoka  
24 Field area. It's contoured on what I refer to as the  
25 Morrow B-1 Shale. It's a shale interval at the approximate

1 top of the Morrow pay zone. The contour interval is  
2 50 feet on a scale of 1 inch to 2000 feet.

3 Also, I have a color code in there to specify the  
4 individual Morrow pay sands as well as the Atoka sands.  
5 In particular, the Morrow sands are designated in descending  
6 order as Morrow-A, Morrow B-1, Morrow B-2 and Morrow-C.

7 The principal and most widespread pay zone in this  
8 area is the Morrow B-1 which has a color code of green on  
9 the map. What the map shows is that we have a regional  
10 dip on the Morrow of approximately 150 feet per mile and  
11 this is principally a stratigraphic reservoir in this area  
12 and our location will be on strike with Morrow production  
13 which is offsetting us in this area.

14 Q. What if any other wells in the immediate area  
15 are on unorthodox locations?

16 A. The nearest well is Yates No. 1 Hnulik. It's  
17 located in Section 26 and that particular well is located  
18 660 feet from the west line of Section 26 and 1350 feet  
19 from the north line.

20 Q. Would you please refer to what we've marked as  
21 Exhibit Number Three and identify it?

22 A. This is a large scale cross section of the nearest  
23 wells to our area. This particular cross section is hung  
24 on top of the Morrow B-1 Shale which is our structural  
25 contour horizon in this area. The cross section extends

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1 from the north to the south with the Yates No. 1 Berry  
2 being the northern most well and that well is located  
3 in the southwest southwest of Section 23.

4 Moving south and across there, across the cross  
5 section, we have the Yates No. 1 Hnulik which is located  
6 in the northwest quarter of 26 and the southern most well  
7 on the cross section is the Texas Pacific No. 1 Glenn  
8 Farmer which is located in the southwest quarter of  
9 Section 26.

10 The -- what this cross section shows primarily is  
11 a correlation of the Morrow B-1 sand, gas sand, in this  
12 area and this is the most widespread pay and from the cross  
13 section we can see these particular correlations of the pay  
14 zone.

15 Also on the cross section I have shown drill stem tests  
16 completion data, and cumulative production on the various  
17 wells.

18 The wells, the Berry and the Hnulik, are producing  
19 from -- or all three wells which are on the cross section  
20 are producing from this particular B-1 sand. Both the  
21 Berry and Hnulik, which are west and southwest offsets  
22 respectively had to be frac'd in this particular pay zone.  
23 They don't produce a tremendous rate per day but their pro-  
24 duction has been very steady and cumulative production at  
25 the present time on the Berry has been over 624-million

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1 cubic feet of gas and in May of this year it reached  
2 19,000,799 Mcf.

3 And the Hnulik has produced over 882 million cubic  
4 feet of gas. During May of this year it produced over  
5 24 million cubic feet of gas.

6 Q. Who are the offset operators that might  
7 potentially be affected by a well located as you proposed?

8 A. Yates Petroleum, principally. They are the  
9 operators of the west offset which is shown on the cross  
10 section and they're the operator of the southwest offset,  
11 which is the Yates No. 1 Hnulik.

12 Q. Have you been in communication with Yates with  
13 regards to your location?

14 A. Yes, we have and they stated that they were not in  
15 opposition to it.

16 Q. I'll show you what I've marked as Exhibit Number  
17 Four and ask you to identify that.

18 A. This Exhibit Number Four is a rate/time production  
19 curve of the two wells which were offsetting the Yates No. 1  
20 Hnulik and the Yates No. 1 Berry. On the left hand column  
21 is the annual 24-hour shut in pressure test which is shown  
22 at 500 pounds increments. Moving horizontally across we  
23 have a scale in billion cubic feet of gas. And on these  
24 particular bottom hole pressure tests and cumulative pro-  
25 duction we find that both of these curves essentially

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1 track one another which I think supports the correlation  
2 that both of these sands are in communication in the same  
3 pay sand.

4 Secondly, they have a very gentle decline rate and as  
5 you project them out you end up with substantial reserves  
6 although they're not producing at a high volume per day.  
7 So the conclusion is that they are draining a sizeable  
8 area in here and particularly we feel a sizeable portion  
9 of the east half of Section 23.

10 Q. In your opinion Mr. David, is it necessary for  
11 Charles Loveless to locate a well as proposed in order to  
12 avoid continued drainage of his acreage?

13 A. Yes I do.

14 Q. In your opinion Mr. David, will a well located  
15 as proposed most economically and efficiently drain the  
16 proration unit?

17 A. Yes.

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

20 A. They were prepared by me.

21 Q. In your opinion will approval of this application  
22 be in the best interest of conservation, the prevention of  
23 waste, and the protection of correlative rights?

24 A. Yes.

25 MR. KELLAHIN: That concludes our direct

1 examination. We tender Exhibits One, Two, Three and Four.

2 MR. STAMETS: The Exhibits will be admitted.

3 Are there any questions of the witness? He may be excused.

4 Anything further in this case? The case will be taken under  
5 advisement.

6 (Hearing concluded.)  
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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 the 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.

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I do hereby certify that the foregoing is  
a complete and true transcript of the proceedings in  
the Examiner hearing of Case No. 6338,  
heard by me on 10-16 1978.  
Richard L. Hamt, Examiner  
Oil Conservation Division



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. 6338  
Order No. R-5836

APPLICATION OF CHARLES C. LOVELESS  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 11, 1978,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of October, 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, Charles C. Loveless, seeks approval  
of an unorthodox gas well location 660 feet from the South line  
and 1980 feet from the East line of Section 23, Township 17 South,  
Range 26 East, NMPM, to test Wolfcamp and Pennsylvanian formations,  
Kennedy Farms Field, Eddy County, New Mexico.

(3) That the E/2 of said Section 23 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 un-  
orthodox location.

(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

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Case No. 6338

Order No. R-5836

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 Charles C. Loveless is hereby granted an unorthodox gas well location for the Wolfcamp and Pennsylvanian formations for a well to be drilled at a point 660 feet from the South line and 1980 feet from the East line of Section 23, Township 17 South, Range 26 East, NMPM, Kennedy Farms Field, Eddy County, New Mexico.

(2) That the E/2 of said Section 23 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*  
JOE D. RAMEY  
Director

Ed/

1-5

Dockets Nos. 34-78 and 35-78 are tentatively set for hearing on October 25 and November 8, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 11, 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 6338: Application of Charles C. Loveless for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South line and 1980 feet from the East line of Section 23, Township 17 South, Range 26 East, Kennedy Farms Field, Eddy County, New Mexico, the E/2 of said Section 23 to be dedicated to the well.

CASE 6040: (Reopened and Readvertised)

In the matter of Case 6040 being reopened pursuant to the provisions of Order No. R-5552 which order created the North Teague-Devonian Pool, Lea County, New Mexico, with a special gas-oil ratio limitation of 4000 to 1. All interested parties may appear and show cause why the limiting gas-oil ratio for said pool should not revert to 2000 to 1.

CASE 6339: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 22, Township 23 South, Range 28 East, 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 6321: (Continued and Readvertised)

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 714 feet from the South line and 2062 feet from the West line of Section 16, Township 18 South, Range 31 East, Eddy County, New Mexico, the W/2 of said Section 16 to be dedicated to the well.

CASE 6320: (Continued and Readvertised)

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 710 feet from the North line and 2330 feet from the West line of Section 32, Township 18 South, Range 27 East, Eddy County, New Mexico, the W/2 of said Section 32 to be dedicated to the well.

CASE 6340: Application of Supron Energy Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Strawn production in the wellbore of its Shelby Federal Well No. 1 located in the NE/4 of Section 13, Township 22 South, Range 24 East, Eddy County, New Mexico.

CASE 6341: Application of Supron Energy Corporation for dual completions and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the dual completion of its Jicarilla A Well No. 8 located in the NW/4 of Section 23; its Jicarilla E Well No. 7 located in the SE/4 of Section 15; and its Jicarilla E Well No. 8 located in the NW/4 of Section 15, all in Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Mesaverde formation through a separate string of tubing and to commingle Gallup and Dakota production in the wellbores of said wells.

CASE 6342: Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla J Well No. 10 located in the SE/4 of Section 26, Township 26 North, Range 5 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Tocito and Dakota production in the wellbore of said well.

CASE 6343: Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla H Well No. 8 located in the SE/4 of Section 11, Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Gallup and Dakota production in the wellbore of said well.



- CASE 6344: Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla F Well No. 1 located in the SW/4 of Section 27, Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Mesaverde and Dakota production in the wellbore of said well.
- CASE 6345: Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup and Dakota production in the wellbore of its Jicarilla H Well No. 7 located in the SW/4 of Section 19, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.
- CASE 6346: Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Chacra production in the wellbore of its Jicarilla K Well No. 14 located in the SE/4 of Section 11, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 6347: Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Dakota production in the wellbore of its Jicarilla K Well No. 17 located in the SW/4 of Section 12, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 6348: Application of Supron Energy Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Mesaverde and Dakota production in the wellbore of its Starr Well No. 3 located in the NE/4 of Section 5, Township 26 North, Range 8 West, San Juan County, New Mexico.
- CASE 6349: Application of Consolidated Oil & Gas, Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of B.S. Mesa-Gallup and Basin-Dakota production in the wellbore of its Hoyt Well No. 1-5 located in Unit H of Section 5, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.
- CASE 6350: Application of Petro-Lewis Corporation for an unorthodox well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location in the Mesaverde formation for its Florance Well No. 7 located 2028 feet from the North line and 1040 feet from the West line of Section 4, Township 25 North, Range 3 West, Tapacito Field, Rio Arriba County, New Mexico, the NW/4 of said Section 4 to be dedicated to the well.
- CASE 6351: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 16, Township 19 South, Range 29 East, 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 6352: Application of Southland Royalty Company for three dual completions, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Decker Well No. 2A located in Unit I of Section 26, Township 32 North, Range 12 West, and its Grenier "A" Well No. 1A in Unit C of Section 26, Township 30 North, Range 10 West, to produce gas from the Blanco-Pictured Cliffs and the Blanco Mesaverde pools and its Patterson "B" Com Well No. 1R in Unit C of Section 2, Township 31 North, Range 12 West, to produce gas from the Aztec-Pictured Cliffs and Blanco Mesaverde pools, all in San Juan County, New Mexico, with separation of the zones in each of the above wells to be achieved by means of a polished bore receptacle and mandrel.
- CASE 6353: Application of Union Texas Petroleum for two unorthodox well locations, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of its Milnesand Unit Well No. 241 to be drilled 2630 feet from the North line and 100 feet from the East line of Section 24, Township 8 South, Range 34 East, and its Milnesand Unit Well No. 1901 to be drilled 1310 feet from the North and West lines of Section 19, Township 8 South, Range 35 East, Milnesand San Andres Pool, Roosevelt County, New Mexico.
- CASE 6354: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending vertical and horizontal limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:
- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Bone Springs production and designated as the Ross Draw-Bone Springs Gas Pool. The discovery well is D. B. Baxter Ross Draw Unit Well No. 5 located in Unit K of Section 27, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM  
Section 27: SW/4

(b) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production and designated as the South Sand Ranch-Aroka Gas Pool. The discovery well is Depco. Inc. Beall Federal Well No. 1 located in Unit G of Section 17, Township 11 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 30 EAST, NMPM  
Section 17: E/2

(c) EXTEND the Angell Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 25: All  
Section 36: N/2

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
Section 1: E/2

(d) EXTEND the Bluit-San Andres Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM  
Section 16: N/2  
Section 17: NE/4

(e) EXTEND the Buckeye-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 3: W/2

(f) EXTEND the East Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 5: E/2

(g) EXTEND the East Chisum-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM  
Section 9: NW/4 SE/4  
Section 10: W/2 SW/4  
Section 21: NE/4 NW/4

(h) EXTEND the vertical limits of the Comanche Stateline-Yates Pool in Lea County, New Mexico, to include the Tansill formation and redesignate said Comanche Stateline-Yates Pool as the Comanche Stateline Tansill-Yates Pool.

(i) EXTEND the Corbin-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 35: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM  
Section 16: N/2

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 25: S/2

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 30: N/2

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 13: N/2

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 7: S/2  
Section 18: All

- (l) EXTEND the West Four Mile Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM  
Section 6: S/2

- (m) EXTEND the Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM  
Section 5: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 31: W/2 E/2  
Section 32: NE/4 NE/4

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 5: W/2 NW/4

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 5: S/2  
Section 8: E/2

- (p) EXTEND the Indian Flats-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM  
Section 35: S/2 SW/4

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 2: N/2 NW/4

- (q) EXTEND the South Kemnitz-Upper Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 33: SW/4

- (r) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM  
Section 33: E/2

- (s) EXTEND the East Lusk-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 16: NE/4

- (t) EXTEND the Many Gates-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM  
Section 31: All

- (u) EXTEND the North Rosalero-Cisco Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM  
Section 11: NW/4

- (v) EXTEND the Millman-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 18: All

- (w) EXTEND the Monument-Paddock Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 21: NE/4

- (x) EXTEND the South Peterson-Fusselman Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM  
Section 31: E/2

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
Section 16: S/2

- (z) EXTEND the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 19: E/2  
Section 20: W/2

- (aa) EXTEND the Sand Dunes-Cherry Canyon Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM  
Section 23: E/2 SE/4 and NW/4 SE/4

- (bb) EXTEND the Sand Ranch-Atoka Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM  
Section 23: N/2

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

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 21: W/2

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

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 21: W/2

- (ee) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM  
Section 30: NE/4  
Section 31: SE/4  
Section 32: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 6: NW/4

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM  
Section 31: SW/4

- (gg) EXTEND the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 25: W/2

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 29: N/2  
Section 31: S/2

- (hh) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 25: S/2 SW/4

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NMPM  
Section 1: SW/4 NE/4, NW/4 SE/4, SW/4 NW/4 and NW/4 SW/4

- (ii) EXTEND the Vacuum Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM  
Section 19: NW/4

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 18, 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:

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

Aug 10-11

Chas. C. Lawless

non-sth loc

Oct 11

660 FSL <sup>2310</sup> 1980 FEL  
1980

23-175-26E Eddy

E/2 of Sec 23

Oct 11, 1978

6221958

Box 566 Roswell 88201

Charlie

Called 9/21

wants to go

back to 1980

from East line

CHARLES C. LOVELESS, JR.

P. O. BOX 566  
SECURITY BANK BUILDING  
ROSWELL, NEW MEXICO 88201

SEP 15 1978

SUITE 1009  
AC 505-622-1988

September 15, 1978

New Mexico Oil Conservation Commission  
Land Office Building  
Santa Fe, New Mexico 87501

Attn: Mr. Dan Nutter

Re: Unorthodox location  
Kennedy Farms Morrow Field  
Eddy County, New Mexico

Gentlemen:

Pursuant to my telephone conversation today, will you please place on your October 11, 1978 docket, my application for a location to be 2210' FSL and 660' FSL Section 23, Township 17 South - Range 26 East, Eddy County. The proposed unit will comprise the E/2 Section 23. The well will be a Morrow development well.

Yours very truly,

*Charles C. Loveless, Jr.*  
Charles C. Loveless, Jr.

CCL/jd

CHARLES C. LOVELESS, JR.

P. O. BOX 566

SECURITY BANK BUILDING  
ROSWELL, NEW MEXICO 88201

007-2100

September 15, 1978

Santa Fe

COPY

New Mexico Oil Conservation Commission  
Land Office Building *Box 2088*  
Santa Fe, New Mexico 87501

Attn: Mr. Dan Nutter

Re: Unorthodox location  
Kennedy Barris Morrow Field  
Blair County, New Mexico...

Gentlemen:

Pursuant to my telephone conversation today, will you please place on your October 11, 1978 Rocket, my application for a location to be 2310' TBL and 460' FGL Section 23, Township 17 South - Range 25 East, Blair County. The proposed unit will comprise the 1/2 Section 23. The well will be a Morrow development well.

Yours very truly,

*Charles C. Loveless, Jr.*

Charles C. Loveless, Jr.

CCL/ad



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. 6338

ORDER NO. R- 5836

APPLICATION OF CHARLES C. LOVELESS

FOR AN UNORTHODOX GAS WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 11,  
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NCW, on this        day of October, 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, Charles C. Loveless,  
seeks approval of an unorthodox gas well location 660  
feet from the South line and 1980 feet from the  
East line of Section 23, Township 17 South  
Range 26 East, NMPM, to test ~~the~~ Walt camp and  
formation Kennedy Farms Field, xp881, Eddy  
County, New Mexico.

(3) That the E/2 of said Section 23 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:

*Charles C. Loveless is  
hereby granted*

(1) That an unorthodox gas well location for the ~~drilled~~ *Wolfcamp and Pennsylvanian* formations ~~is hereby approved~~ for a well to be ~~located~~ at a point 660 feet from the South line and 1980 feet from the East line of Section 23, Township 17 South, Range 26 East NMPM, Kennedy Farms Field, ~~xxx~~ Pool, Eddy County, New Mexico.

(2) That the E/2 of said Section 23 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.