

... COMPANY  
... GAS PRODUCTION  
... LOCATION, LEA COUNTY

Discontinue that portion of ...  
... to ...  
... will be ...  
... to well ...  
All of ...

CASE NO.

6754

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

LAW OFFICES

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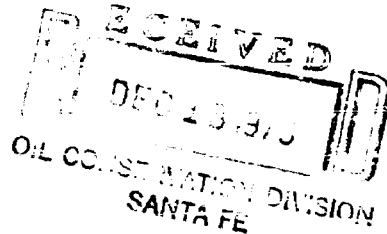
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ONLY ATTYS. COFFIELD, MARTIN, BOZARTH,  
BOHANNON, POSTER, ALLEN, ALLEN & BURFORD  
LICENSED IN TEXAS

LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
STUART D. SHANOR  
C. D. MARTIN  
PAUL J. KELLY, JR.  
JAMES H. BOZARTH

DOUGLAS L. LUNSFORD  
PAUL M. BOHANNON  
J. DOUGLAS POSTER  
K. DOUGLAS PIERCE  
C. RAY ALLEN  
JACQUELINE W. ALLEN  
T. CALDER EZZELL, JR.  
WILLIAM E. BURFORD  
JOHN S. NELSON  
RICHARD E. OLSON



December 14, 1979

Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: Oil Conservation Division  
Cases No. 6754 and 6756

Gentlemen:

We have a client which feels it could be adversely affected by the decisions which may be forthcoming in connection with Cases No. 6754 and 6756. Accordingly, I would appreciate your adding my name to the distribution list for the Order on the above referenced cases.

Thank you.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

  
Conrad E. Coffield

Cc: Mr.

cc: Mr. Steve Rowland  
cc: Mr. Larry Hoover

R-6218  
R-6255

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
12 December 1979

EXAMINER HEARING

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IN THE MATTER OF: )

Application of Petroleum Development )  
Corporation for a non-standard gas )  
proration unit and an unorthodox )  
location, Lea County, New Mexico. )  
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CASE  
6754

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

Brian McCabe, Esq.  
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## I N D E X

## CHARLES W. SANDERS

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Applicant Exhibit C, Logs	7
Applicant Exhibit D, Logs	6
Applicant Exhibit E, Log	8

MR. NUTTER: The hearing will come to order.  
We'll call next Case Number 6754.

MR. PADILLA: Application of Petroleum  
Development Corporation for a non-standard gas proration unit  
and an unorthodox location in Lea County, New Mexico.

MR. McCABE: Mr. Examiner, my name is  
Brian McCabe. I'm with the law firm of Kegel and McCullough,  
representing Petroleum Development Corporation.

I have one witness.

(Witness sworn.)

MR. McCABE: Mr. Examiner, before we be-  
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MR. NUTTER: So all that would remain  
of the case would be application for the unorthodox loca-  
tion, is that correct?

MR. McCABE: Yes, sir.

MR. NUTTER: We will dismiss that portion  
of Case Number 6754 relating to the non-standard gas pro-  
ration unit.

Would you proceed, please?

MR. McCABE: Yes, sir.

CHARLES W. SANDERS

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

DIRECT EXAMINATION

BY MR. McCABE:

Q Would you state your name and profession, please?

A Yes. I am Charles W. Sanders, Engineer.

Q And who are you employed by, Mr. Sanders?

A Petroleum Development Corporation.

Q Have you ever appeared and testified -- presented your qualifications to this Commission before?

A Yes, I have.

MR. McCABE: Mr. Examiner, will you accept Mr. Sanders' qualifications?

MR. NUTTER: Yes, sir, he's qualified.

Q Mr. Sanders, could you briefly inform the Commission Examiner what we're here for, what the application is for?

A The application of Petroleum Development Corporation is for an unorthodox location in the Lusk-Morrow

Gas Pool in Lea County, New Mexico. The proposed location, or the location would be 660 feet from the north and west lines of Section 15, Township 19 South, Range 32 East.

Q Mr. Sanders, in preparation for this application you have prepared four exhibits. If we could start with Exhibit marked Number A, could you explain the relevance of that, Mr. Sanders?

A Exhibit A is a map of the area surrounding the proposed well. This map is contoured on the base of the Wolfcamp lime, the purpose being to also delineate the areal extent of the middle zone's Wolfcamp porosity in the East Lusk and North Lusk-Wolfcamp Pool. This will be the area that is surrounded by the dashed line and colored yellow on the map.

The wells that penetrated the -- all of the Wolfcamp lime are designated by a subsea datum, such as -7254 at the east offset location to the proposed location.

The purpose of this presentation will be twofold; primarily to show that the -- the proposed location is the best geological location for drilling a Wolfcamp well, and number two, to show that there will be no adverse drainage affects for Morrow production.

If we -- if we could go to Exhibit D, instead of taking the exhibits in order?



MR. McCABE: Mr. Examiner, we have presented you with an Exhibit Marked D.

MR. NUTTER: Okay.

Q Now, Mr. Sanders, if you could explain Exhibit D, please.

A Exhibit D is a gamma ray CNL log of the Morrow pay zone, and a gamma ray electric log of the same zone in the east offset well.

This is presented merely to show how the typical pay zone development is. It's a very well developed pay where it is developed, but it's very, very narrow in a north-south trending direction. The proposed location would be right in the center of the development.

On the Exhibit D this pay zone would be approximately 10,717 feet to 10,776 feet.

MR. NUTTER: What are the two logs shown on this exhibit, Mr. Sanders?

A This is the gamma ray CNL density log, the porosity log on the left. These are logs of the offset well to the west.

MR. NUTTER: These are both the same well, then?

A Yes, they're both the same well.

MR. NUTTER: Okay.

A They're just merely different logs. The

log on the right is an electric log, primarily, which it is indicating extreme -- extremely good permeability development in the zone.

Q If we could move to Exhibit B, would you explain the relevance of Exhibit B?

A Exhibit B is two logs of the two wells in Section 16, which are on either side of the large "B". The first one, the one on the left on the Exhibit B being the Amoco "DR" State No. 1 in the north half of Section 16 and the one on the right side of Exhibit B being the Petroleum Development Corporation Superior C State No. 1 in the south half of Section 16, and this merely shows the lack of good continuous sand development. This is a very good area in general, but you have not much continuity or carry-over from one location to the next in terms of -- in terms of sand development.

And I present this merely to state that in this area I feel that we will not have any problem with drainage across lease boundary lines.

Q If we could move to Exhibit marked C, would you explain Exhibit C?

A Exhibit C is a similar presentation, of two wells which are on either side of the large Roman numeral C between Sections 3 and 4.

The well on the left is Gulf's new well,

which is the Lansdale Federal No. 1-B. The well on the right in Section 3 is Petroleum Development Corporation's McKay Shell Federal No. 1, which was drilled about three and a half years ago, and as shown on the bottom of the log on the right, it had an AOF of 1253 -- 1253 Mcf per day, and bottom hole pressure was 5663 pounds.

Now then, we move to the left and refer to the Gulf well which was drilled recently, about three and one-quarter years later, and the same sands are -- the same sands are in the main Morrow development, but Gulf had a much better well. They've got AOF 14.9 million cubic feet per day. Their bottom hole pressure was 5900 psi, which would indicate that we have not drained their area across the lease line at all, even though the sands were correlative geologically.

MR. NUTTER: How far apart are the wells?

A 1320 feet.

Q We could move to the Exhibit marked E, and if you could explain that, please.

A Exhibit E is a gamma ray CNL log, a porosity log, of the Amoco State "DR" No. 3, which is the west offset to the proposed location, and in this well they had only four feet of possible, and I say possible because it was very marginal, porosity development. They did not set casing through the Morrow Sands at all, because they felt

that it was not economically feasible, choosing instead to set pipe on the Wolfcamp and complete it in the Wolfcamp zone.

Again, I think if anyone were going to object, it would be Amoco, and they have demonstrated that they don't think enough of their well right next to us to set pipe on it. I think drainage again is questionable that it would exist across the lease line.

Q Mr. Sanders, did you prepare or cause these exhibits to be prepared?

A Yes, sir, I did.

MR. McCABE: Mr. Examiner, at this time we would like to enter into evidence Applicant's exhibits marked A through E, inclusive.

MR. NUTTER: Applicant's Exhibits A through E will be admitted in evidence.

Q Mr. Sanders, do you feel that if the Commission or the Division were to grant your application it would adversely affect the correlative rights of the adjacent holders?

A No, I do not.

Q Do you feel that if the Commission were to grant your application that it would discourage waste and promote the economic recovery of the natural resources?

A Yes, sir.

MR. McCABE: Mr. Examiner, we have nothing further.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Sanders, I presume this well is proposed as a Wolfcamp and as a Morrow test, is that correct?

A Yes, sir. Right now.

Q Okay. Are there any special spacing rules for the Wolfcamp formation in here?

A The Wolfcamp is on 40-acre. I think originally -- I should have researched that a little more -- but originally the Wolfcamp was on 160, but I think that expired or was recalled, and it's on 40 acres now, statewide.

Q So this location is a standard location insofar as the Wolfcamp is concerned.

A As far as the Wolfcamp, yes, sir.

Q And it's 660/660 out of the corner there.

A Yes, sir.

Q And it's unorthodox insofar as the Musk Morrow pay is concerned.

A Yes, sir.

Q And you will be dedicating all of Section 15 to the well, is that correct?

A Yes, sir, the full 640 acres.

Q All right. Are there any other wells on this proration unit which are producing or have produced from the Morrow formation?

A There are none producing. One well, the well in the northwest of the southwest quarter, which was Sun's Sharon Federal No. 1, was completed in 1972. They had a little stringer in the very top of the -- I would say which laid right on top of the Morrow lime, which is not a part of the main pay zone in the Lusk-Morrow. They did produce this for some six months and then they plugged the well back to the Wolfcamp. They did have sand development in the main Morrow pay zone, but they did not chose to complete there. They'd had a blowout in the zone and they thought they had a pretty good well, but it -- it just was not connected with the other reservoir and blew right down to nothing.

Q And it was recompleted in another formation?

A Yes, sir, it was plugged back and recompleted in the Wolfcamp.

Q Is it still producing from the Wolfcamp?

A No, sir, they plugged it back later and produced it from the Bone Spring and then got authority to commingle, produced both zones together for awhile, and

it's not producing at all now. I don't whether that well is plugged or whether it's just TA.

Q Do you know how much the well produced from the Morrow?

A No, sir, I don't have that figure in front of me. It's a very small amount.

Q Then it was essentially depleted in the Morrow, is that it?

A Yes, sir.

Q And plugged back to the Wolfcamp.

A Right.

Q And after that, plugged back to the Bone Spring and then commingled with the Bone Spring and the Wolfcamp.

A Yes, sir.

Q Do you have any estimate on the recoveries that you would make from your well?

A 2 to 3 billion, if it follows the average pattern, plus 40 to 70 barrels of condensate.

MR. NUTTER: Are there any further questions of the witness? He may be excused.

Do you have anything further, Mr. McCabe?

MR. McCABE: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 6754? We'll take the case under advisement. (Hearing concluded.)

## REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand 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 from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.  
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. 6754,  
heard by me on 12/12 1977.

[Signature]  
Oil Conservation Division

Examiner



1

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
12 December 1979

EXAMINER HEARING

CASE  
6754

IN THE MATTER OF:

Application of Petroleum Development  
Corporation for a non-standard gas  
production unit and an unorthodox  
location, Lea County, New Mexico.

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

Brian McCabe, Esq.  
BRIAN S. MCCULLOUGH  
Paseo de Peralta  
Santa Fe, New Mexico 87501

DECLASSIFIED AUTHORITY

**THE MATTER OF:**

**Application of Petroleum Development Corporation for a non-standard gas proration unit and an unorthodox location, Lea County, New Mexico.**

**CASE  
6754**

姓名	性别	年龄	职业	住址
王德胜	男	45	工人	XX路XX号
李小红	女	32	教师	XX街XX号
张小明	男	28	学生	XX村XX组
赵大刚	男	55	农民	XX乡XX村
陈丽娟	女	40	医生	XX镇XX街
周国强	男	60	退休	XX区XX路
吴小芳	女	35	护士	XX医院
郑大伟	男	30	程序员	XX公司
孙丽娜	女	25	记者	XX报社
马志远	男	50	工程师	XX设计院
徐海燕	女	42	会计	XX企业
郭晓东	男	38	律师	XX律所
黄晓梅	女	33	设计师	XX工作室
宋国强	男	48	经理	XX公司
林小华	女	27	销售	XX商场
周大刚	男	52	司机	XX车队
吴小芳	女	36	保洁	XX物业
郑大伟	男	31	保安	XX小区
孙丽娜	女	26	快递员	XX快递
马志远	男	51	厨师	XX餐厅
徐海燕	女	41	服务员	XX酒店
郭晓东	男	39	维修工	XX维修
黄晓梅	女	34	美容师	XX美容院
宋国强	男	49	快递员	XX快递
林小华	女	28	销售员	XX公司
周大刚	男	53	司机	XX车队
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log on the right is an electric log, primarily, which it is indicating extreme -- extremely good permeability development in the zone.

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A Exhibit C is a similar presentation, of two wells which are on either side of the large Roman numeral C between Sections 3 and 4.

The well on the left is Gulf's new well,



which is the Lansdale Federal No. 1-B. The well on the right in Section 3 is Petroleum Development Corporation's McKay Shell Federal No. 1, which was drilled about three and a half years ago, and as shown on the bottom of the log on the right, it had an AOF of 1253 -- 1253 Mcf per day, and bottom hole pressure was 5563 pounds.

Now then, we move to the left and refer to the Gulf well which was drilled recently, about three and one-quarter years later, and the same sands are -- the same sands are in the main Morrow development, but Gulf had a much better well. They've got AOF 14.9 million cubic feet per day. Their bottom hole pressure was 5900 psi, which would indicate that we have not drained their area across the lease line at all, even though the sands were correlative geologically.

MR. NUTTER: How far apart are the wells?

A 1320 feet.

Q We could move to the Exhibit marked E, and if you could explain that, please.

A Exhibit E is a gamma ray CNL log, a porosity log, of the Amoco State "DR" No. 3, which is the west offset to the proposed location, and in this well they had only four feet of possible, and I say possible because it was very marginal, porosity development. They did not set casing through the Morrow Sands at all, because they felt

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that it was not economically feasible, choosing instead to set pipe on the Wolfcamp and complete it in the Wolfcamp zone.

Again, I think if anyone were going to object, it would be Amoco, and they have demonstrated that they don't think enough of their well right next to us to set pipe on it. I think drainage again is questionable that it would exist across the lease line.

Q Mr. Sanders, did you prepare or cause these exhibits to be prepared?

A Yes, sir, I did.

MR. McCABE: Mr. Examiner, at this time we would like to enter into evidence Applicant's Exhibits marked A through E, inclusive.

MR. NUTTER: Applicant's Exhibits A through E will be admitted in evidence.

Q Mr. Sanders, do you feel that if the Commission or the Division were to grant your application it would adversely affect the correlative rights of the adjacent holders?

A No, I do not.

Q Do you feel that if the Commission were to grant your application that it would discourage waste and promote the economic recovery of the natural resources?

A Yes, sir.

MR. McCABE: Mr. Examiner, we have nothing further.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Sanders, I presume this well is proposed as a Wolfcamp and as a Morrow test, is that correct?

A Yes, sir. Right now.

Q Okay. Are there any special spacing rules for the Wolfcamp formation in here?

A The Wolfcamp is on 40-acre. I think originally -- I should have researched that a little more -- but originally the Wolfcamp was on 160, but I think that expired or was recalled, and it's on 40 acres now, statewide.

Q So this location is a standard location insofar as the Wolfcamp is concerned.

A As far as the Wolfcamp, yes, sir.

Q And it's 660/660 out of the corner there.

A Yes, sir.

Q And it's unorthodox insofar as the Lusk-Morrow pay is concerned.

A Yes, sir.

Q And you will be dedicating all of Section 15 to the well, is that correct?

A Yes, sir, the full 640 acres.

Q All right. Are there any other wells on this proration unit which are producing or have produced from the Morrow formation?

A There are none producing. One well, the well in the northwest of the southwest quarter, which was Sun's Sharon Federal No. 1, was completed in 1972. They had a little stringer in the very top of the -- I would say which laid right on top of the Morrow lime, which is not a part of the main pay zone in the Lusk-Morrow. They did produce this for some six months and then they plugged the well back to the Wolfcamp. They did have sand development in the main Morrow pay zone, but they did not choose to complete there. They'd had a blowout in the zone and they thought they had a pretty good well, but it -- it just was not connected with the other reservoir and blew right down to nothing.

Q And it was recompleted in another formation?

A Yes, sir, it was plugged back and recompleted in the Wolfcamp.

Q Is it still producing from the Wolfcamp?

A No, sir, they plugged it back later and produced it from the Bone Spring and then got authority to commingle, produced both zones together for awhile, and

it's not producing at all now. I don't whether that well is plugged or whether it's just TA.

Q Do you know how much the well produced from the Morrow?

A No, sir, I don't have that figure in front of me. It's a very small amount.

Q Then it was essentially depleted in the Morrow, is that it?

A Yes, sir.

Q And plugged back to the Wolfcamp.

A Right.

Q And after that, plugged back to the Bone Spring and then commingled with the Bone Spring and the Wolfcamp.

A Yes, sir.

Q Do you have any estimate on the recoveries that you would make from your well?

A 2 to 3 billion, if it follows the average pattern, plus 40 to 70 barrels of condensate.

MR. NUTTER: Are there any further questions of the witness? He may be excused.

Do you have anything further, Mr. McCabe?

MR. McCABE: No, sir.

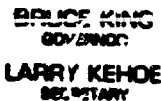
MR. NUTTER: Does anyone have anything they wish to offer in Case Number 67547 We'll take the case under advisement. (Hearing concluded.)

## REPORTER'S CERTIFICATION

I, SALLY W. ROYD, a Certified Shorthand 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 from my notes taken at the time of the hearing.

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. 6754  
heard by me on April 1979.  
[Signature] Examiner  
Oil Conservation Division



**December 31, 1979**

POST OFFICE BOX 2086  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Brian McCabe  
Kegel & McCulloh  
Attorneys at Law  
1231 Paseo de Peralta  
Santa Fe, New Mexico

Re: CASE NO. 6754  
ORDER NO. E-6218

**Applicant:**

Petroleum Development 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/ed**

**Copy of order also sent to:**

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Astec OCD	

**Other**

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. 6754  
Order No. R-6218

APPLICATION OF PETROLEUM DEVELOPMENT  
CORPORATION FOR A NON-STANDARD PRORATION  
UNIT AND AN UNORTHODOX LOCATION, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 12, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of December, 1979, 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, Petroleum Development Corporation, seeks approval of an unorthodox location for its Sherri-Dawn Well No. 1, to be drilled 660 feet from the North line and 660 feet from the West line of Section 15, Township 19 South, Range 32 East, EMPM, Lusk-Morrow Gas Pool, Lea County, New Mexico.
- (3) That the applicant has requested dismissal of that portion of this case relating to a 320-acre non-standard gas proration unit comprising the W/2 of said Section 15.
- (4) That all of said Section 15 is to be dedicated to the well.
- (5) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.



-2-

Case No. 6754  
Order No. R-6218

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

(7) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Lusk-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 Petroleum Development Corporation for an unorthodox gas well location is hereby approved for its Sherri-Dawn Well No. 1 to be drilled 660 feet from the North line and 660 feet from the West line of Section 15, Township 19 South, Range 32 East, NMPM, Lusk-Morrow Gas Pool, Lea County, New Mexico.

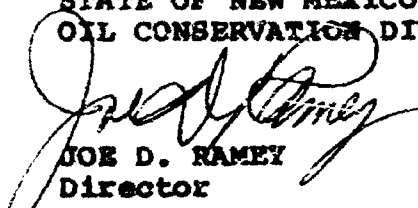
(2) That all of said Section 15 shall be dedicated to the aforesaid well.

(3) That that portion of the application relating to a non-standard gas proration unit is hereby dismissed.

(4) 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

  
S E A L

fd/



DOCKET No. 45-79. CASE 6754

CONTOURED ON BASE WOLF CAMP LINE  
SHOWING AREAL EXTENT OF MIDDLE ZONE  
WOLF CAMP POROSITY DEVELOPMENT

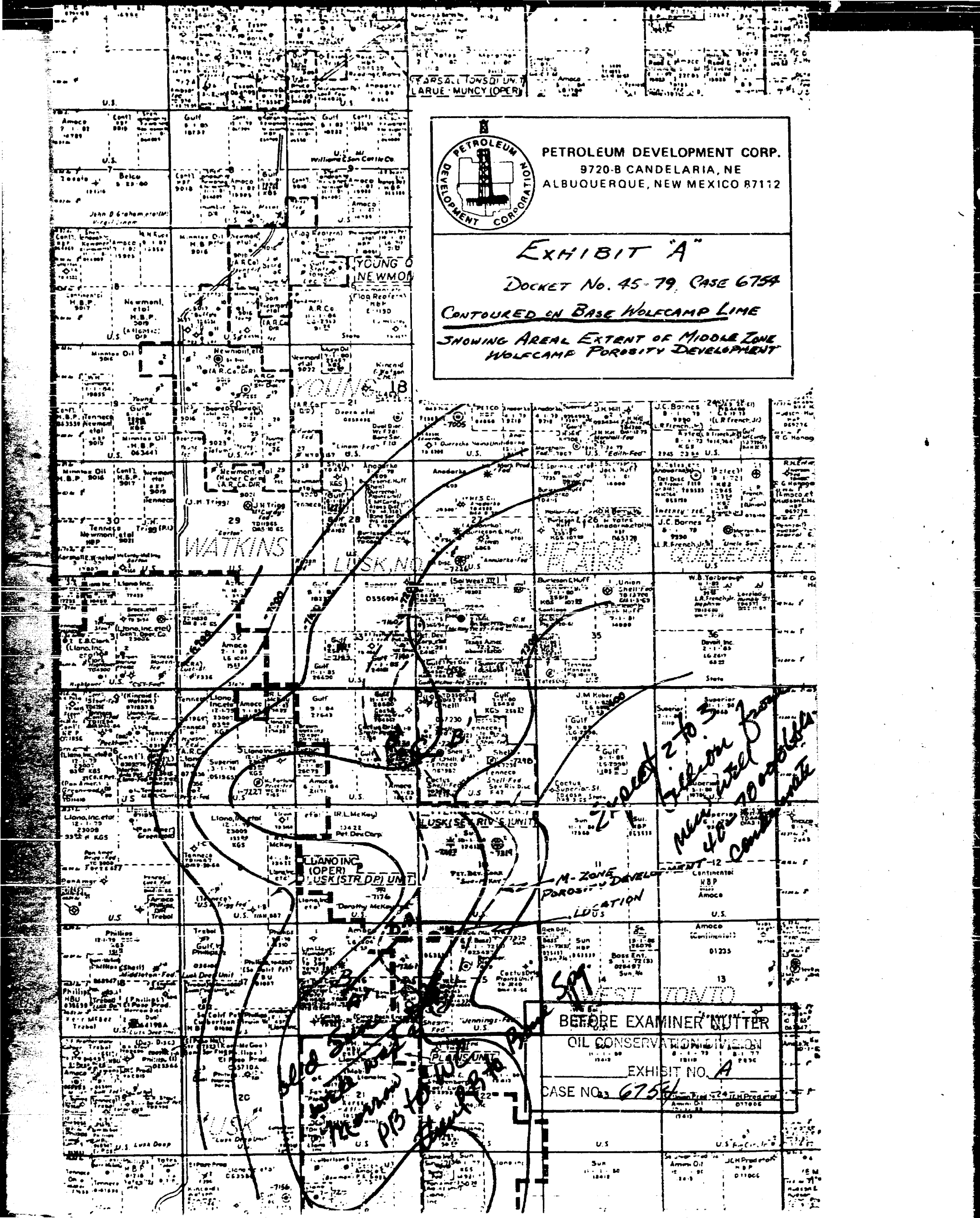


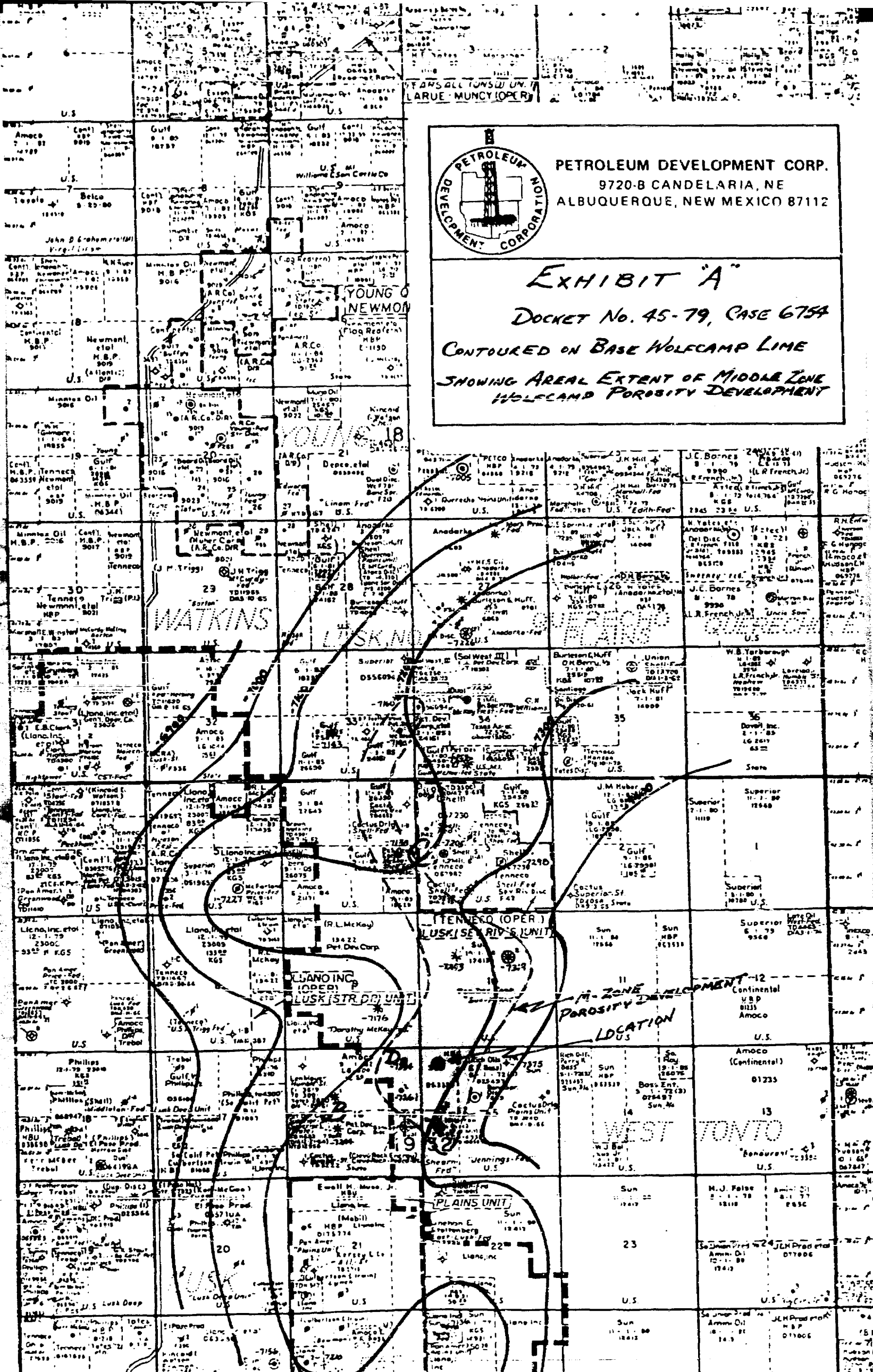


EXHIBIT "A"

DOCKET No. 45-79, CASE 675A

ED ON BASE WOLF CAMP LIME

AREAL EXTENT OF MIDDLE ZONE  
LIMESTONE POROSITY DEVELOPMENT



Dockets Nos. 1-80 and 2-80 are tentatively set for January 3 and 16, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 12, 1979

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 January, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for January, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6752: Application of Bill Stapler for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Quark Unit Area, comprising 11,200 acres, more or less, of State and Federal lands in Township 22 South, Range 34 East.

CASE 6753: Application of Amax Chemical Corporation for the amendment of Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to extend the boundaries of the Potash-Oil Area by the inclusion of certain lands in Sections 26 and 27, Township 19 South, Range 29 East.

CASE 6754: Application of Petroleum Development Corporation for a non-standard gas proration unit and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location for a well to be drilled 660 feet from the North and West lines of Section 15, Township 19 South, Range 32 East; Lusk-Morrow Gas Pool, the W/2 of said Section 15 to be dedicated to the well as a non-standard 320-acre proration unit.

CASE 6755: Application of Dome Petroleum Corporation for water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to extend the previously authorized water disposal interval in its Santa Fe 20 Well No. 2 located in Unit F of Section 20, Township 21 North, Range 8 West, Snake Eyes-Entrada Oil Pool, to include the perforated interval from 5756 feet to 5790 feet in the Entrada formation.

CASE 6756: Application of Amoco Production Company for pool contraction and creation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Air Strip-Bone Spring Pool to comprise the Middle Bone Spring formation only, from 9300 feet to 9460 feet, and the creation of the Air Strip-Upper Bone Spring Pool to comprise said formation from 9180 feet to 9260 feet and the Air Strip-Lower Bone Spring Pool to comprise said formation from 10,100 feet to 10,400 feet. All depths are from the log of the Amoco State FU Well No. 2 in Unit N of Section 25, Township 18 South, Range 34 East, for which well applicant also seeks 51,310 barrels of discovery allowable.

CASE 6757: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its State FU Well No. 1 located in Unit K of Section 25, Township 18 South, Range 34 East, to produce oil from the Air Strip Upper and Middle Bone Spring Pools thru parallel strings of tubing.

CASE 6758: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State "C" Tract 11 Well No. 11 located in Unit X of Section 2, Township 21 South, Range 36 East, to produce oil from the Hardy-Blaine Pool and an undesignated Drinkard pool through parallel strings of tubing.

CASE 6719: (Continued and Readvertised)

Application of Sam H. Snoddy for an amendment to Order No. R-5521, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5521, which authorizes the directional drilling of the Federal Well No. 2 in Section 25, Township 20 South, Range 32 East, to permit the well to be bottomed within 400 feet of a point 1320 feet from the South and West lines of Section 25.

CASE 6759: Application of Sun Oil Company for an unorthodox location, non-standard gas proration unit, infill findings, simultaneous dedication, and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Reeves Well No. 6, 660 feet from the North line and 610 feet from the East line of Section 29, Township 20 South, Range 37 East, Eumont Gas Pool, to be simultaneously dedicated with its Reeves Well No. 2 in Unit D of Section 29 to a 160-acre non-standard gas proration unit comprising the N/2 N/2 of Section 29. Also sought are findings that the proposed well is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing unit well, and authority to commingle Eumont and Monument production in the wellbore of the proposed well.



- CASE 6760:** Application of Sun Oil Company for an unorthodox location, non-standard gas proration unit, infill findings, and simultaneous dedication, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State "AY" Well No. 5, located in Unit E of Section 36, Township 7 South, Range 35 East, Todd-Upper San Andres Gas Pool, to be simultaneously dedicated with its State "AY" Well No. 3 in Unit F of Section 36 to a 160-acre non-standard gas proration unit comprising the NW/4 of Section 36. Also sought are findings that the proposed well is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing unit well.
- CASE 6761:** Application of Phillips Petroleum Company for an unorthodox gas well location and approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Atoka-Morrow test well to be drilled 660 feet from the North and West lines of Section 2, Township 24 South, Range 28 East; applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the proration unit, being the W/2 of said Section 2, which cannot be so drained by the existing well.
- CASE 6762:** Application of Joe Don Cook for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Section 1, Township 19 South, Range 31 East, Shugart Pool.
- CASE 6763:** Application of Adams Exploration Company for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the North Osudo-Morrow Gas Pool underlying Section 16, Township 20 South, Range 36 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and West lines of said Section 16. 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 6729:** (Continued from November 14, 1979, Examiner Hearing)
- Application of Adams Exploration Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying Section 16, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, 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 6725:** (Continued from November 28, 1979, Examiner Hearing)
- Application of Tenneco Oil Company for three non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 291.23-acre non-standard gas proration unit comprising the W/2 of Section 6 and the NW/4 of Section 7, a 347.58-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.17-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, Basin-Dakota Pool, each unit to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6751:** (Continued from November 28, 1979, Examiner Hearing)
- Application of Tenneco Oil Company for the rescission of special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of the special pool rules for the Catclaw Draw-Morrow Gas Pool to provide for 320-acre spacing rather than 640 acres. In the absence of objection, the pool rules will be rescinded and the pool placed on standard 320-acre spacing for Pennsylvanian gas pools rather than the present 640-acre spacing.
- CASE 6764:** Application of Lee Crane for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling of undesignated Ojo Alamo and Oswell-Farmington production from his Martin Wells Nos. 1 and 3 located in Section 34, Township 30 North, Range 11 West.
- CASE 6765:** Application of Mesa Petroleum Company for an exception to Order No. R-111-A and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order No. R-111-A to complete its Bass Federal Well No. 2 to be drilled at an unorthodox location 1450 feet from the North line and 1850 feet from the West line and its Bass Federal Well No. 3 to be drilled in Unit D, both in Section 6, Township 20 South, Range 31 East, by setting surface casing in the "Red Bed" section of the basal Rustler formation and production casing at total depth. Both casing strings would have cement circulated to the surface.

**CASE 6756:** Application of Supron Energy Corporation for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two non-standard gas proration units, the first being 192.97 acres comprising the W/2 of Section 7, Township 28 North, Range 10 West, and the E/2 E/2 of Section 12, Township 28 North, Range 11 West, for the Fruitland, Pictured Cliffs and Chacra formations, and the second being 190.89 acres comprising the W/2 and W/2 E/2 of said Section 12 for the Fruitland formation only, both units to be dedicated to wells to be drilled at standard locations thereon.

**CASE 6700:** (Reopened and Readvertised)

Application of Doyle Hartman to reopen Case No. 6700, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reopening of Case No. 6700, heard October 17, 1979, to amend the original unorthodox well location 2310 feet from the North line and 330 feet from the West line of Section 29, Township 25 South, Range 37 East, to a new unorthodox location 1870 feet from the North line and 280 feet from the West line of said Section 29. All other aspects of Case No. 6700 would remain the same.

**CASE 6767:** Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

**CASE 6768:** Application of Alpha Twenty-One Production Company for two non-standard gas proration units, compulsory pooling, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard gas proration unit comprising the SW/4 SW/4 of Section 21, Township 24 South, Range 37 East, Jalmat Gas Pool, to be dedicated to the El Paso Natural Gas Company Shell Black Well No. 2. Applicant also seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the E/2 SW/4 and NW/4 SE/4 of said Section 21 to form a 120-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South line and 1650 feet from the West line of said Section 21. 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. Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

**CASE 6656:** (Continued from October 2, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Energy Oil & Gas Corp., The Travelers Indemnity Co., and all other interested parties to appear and show cause why the Sadler Well No. 1 located in Unit I of Section 3, Township 24 North, Range 29 East, Union County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

**CASE 6769:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, reclassifying, and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the West Double X-Morrow Gas Pool. The discovery well is Union Oil Company of California Paduca Federal Well No. 1 located in Unit G of Section 30, Township 24 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM  
Section 30: E/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Dublin Ranch-Atoka Gas Pool. The discovery well is J. C. Barnes Little Squaw Com Well No. 2 located in Unit N of Section 27, Township 22 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 27: S/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Gem-Morrow Gas Pool. The discovery well is Union Oil Company of California Maduro Unit Federal Well No. 1 located in Unit J of Section 29, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 29: S/2

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Gem-Morrow Gas Pool. The discovery well is Union Oil Company of California Laguna Deep Unit Federal Well No. 1 located in Unit C of Section 35, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 35: N/2

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Halfway-Atoka Gas Pool. The discovery well is Amoco Production Company Federal Y Com Well No. 1 located in Unit G of Section 27, Township 20 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM  
Section 27: E/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Midway-Devonian Pool. The discovery well is David Fasken Warren Well No. 1 located in Unit C of Section 8, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM  
Section 8: NE/4

(g) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the East Triste Draw-Atoka Gas Pool. The discovery well is Getty Oil Company State 29 J Well No. 1 located in Unit J of Section 29, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM  
Section 29: E/2

(h) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Bough C production and designated as the Tucker Ranch-Bough C Pool. The discovery well is Pauley Petroleum, Inc. Tucker Well No. 1 located in Unit J of Section 9, Township 7 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM  
Section 9: SE/4

(i) RECLASSIFY the Oil Center-Glorieta Pool in Lea County, New Mexico, as the Oil Center-Glorieta Gas Pool. The pool was created by Order R-5988 as an oil pool but was advertised as a gas pool.

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

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

(k) EXTEND the Atoka-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 28: S/2 SE/4

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

TOWNSHIP 16 SOUTH, RANGE 26 EAST, NMPM  
Section 34: E/2 NW/4

(m) EXTEND the Austin-Mississippian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM  
Section 16: N/2



- (n) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 20: SE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 18: SW/4

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM  
Section 1: NW/4

- (o) EXTEND the Blutt-Wolfcamp Gas Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM  
Section 3: NE/4

- (p) EXTEND the South Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

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

- (q) EXTEND the Casa Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM  
Section 11: W/2

- (r) EXTEND the Chaveroo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM  
Section 3: SE/4

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

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM  
Section 10: All

- (t) EXTEND the Comanche-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 26 EAST, NMPM  
Section 14: NW/4 NW/4

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 34: NE/4

- (v) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 35: S/2

- (w) EXTEND the Diablo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM  
Section 15: SW/4 SW/4

- (x) EXTEND the Golden Lane-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 36: E/2

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

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM  
Section 34: E/2

- (z) EXTEND the Langley-Devonian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM  
Section 20: E/2

- (aa) EXTEND the Lovington-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM  
Section 28: S/2  
Section 29: S/2

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 33: E/2

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 4: E/2

- (cc) EXTEND the East McMillan Seven Rivers-Queen Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
Section 3: S/2 NE/4 and SE/4 NW/4

- (dd) EXTEND the Mescalero Permian-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM  
Section 34: W/2

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 12: NW/4

- (ff) EXTEND the Parasco Draw San Andres-Yaso Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 1: E/2 E/2, NW/4 NE/4, E/2 NW/4 and NE/4 SW/4  
Section 12: NE/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 6: N/2

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

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM  
Section 30: SW/4

- (hh) EXTEND the East Red Lake Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 36: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM  
Section 18: E/2

- (jj) EXTEND the Salt Lake-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM  
Section 14: SE/4  
Section 23: S/2 and NE/4

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

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

- (ll) EXTEND the Sioux-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 8: SE/4

(mm) EXTEND the Tomahawk-San Andres Pool in Chaves and Roosevelt Counties, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM  
Section 29: NW/4  
Section 32: S/2

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM  
Section 5: NE/4

(nn) EXTEND the Tubb Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 36: N/2

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 31: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 26: E/2

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 1: N/2

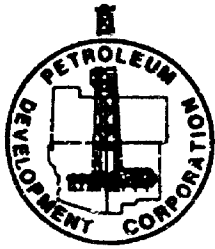
(pp) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 25: SE/4

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM  
Section 19: S/2 SW/4 and SW/4 SE/4  
Section 30: W/2  
Section 31: NW/4

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

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM  
Section 12: All

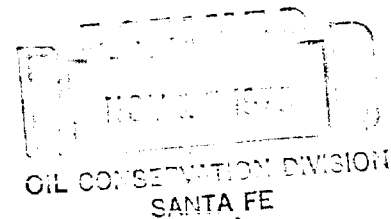


## PETROLEUM DEVELOPMENT CORPORATION

9720-B CANDELARIA, NE  
ALBUQUERQUE, NEW MEXICO 87112  
TELEPHONE (505) 293-4044

November 13, 1979

Mr. Joe D. Ramey  
Secretary-Director  
OIL CONSERVATION COMMISSION  
PO Box 2088  
Santa Fe, New Mexico 87501



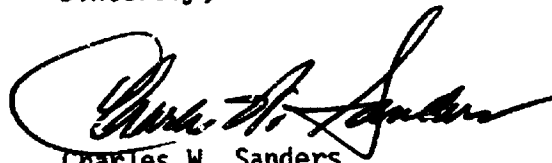
Dear Mr. Ramey:

RE: Application for unorthodox location and non-standard proration unit for Petroleum Development Corporation's Sherri-Dawn Fed. #1 660' NN & WL, Section 15, T19S, R32E, Lea County, New Mexico. Lusk-Morrow Gas Pool.

It is requested that the above-captioned well be placed on the Dec. 12, 1979, docket for consideration of unorthodox location and non-standard proration unit. The proposed proration unit is the west one-half (320 acres) of Section 15, T19S, R32E, Lea County, New Mexico.

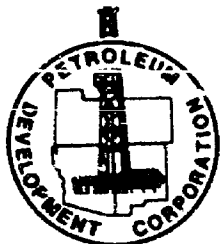
The considerations prompting this request are purely geologic, the above location being the best choice for both Wolfcamp and Morrow possibilities.

Sincerely,

  
Charles W. Sanders  
Vice President

CWS/plr

cc: R. L. McKay  
Bass Enterprises Production Co.  
(Jens Hansen)



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PO Box 2088  
Santa Fe, New Mexico 87501

RECEIVED  
NOV 15 1979  
OIL CONSERVATION DIVISION  
SANTA FE  
Case 6754

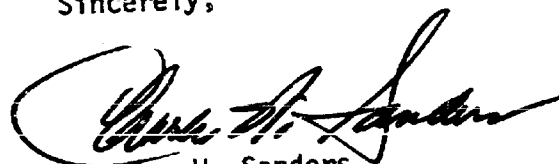
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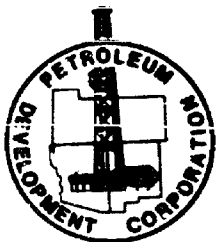
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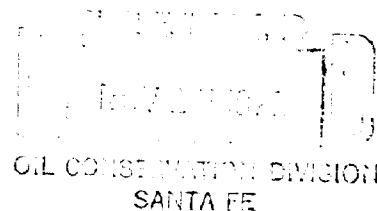
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Secretary-Director  
OIL CONSERVATION COMMISSION  
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Santa Fe, New Mexico 87501

*Case 6754*

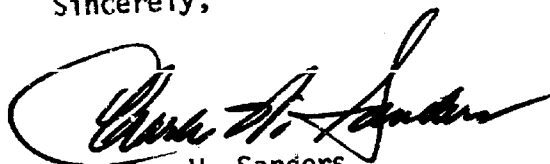
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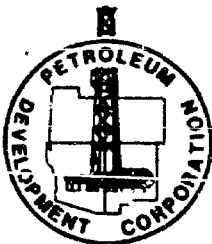
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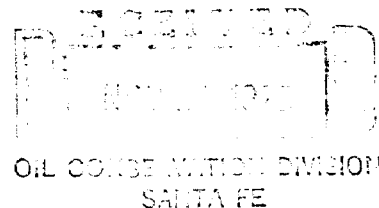


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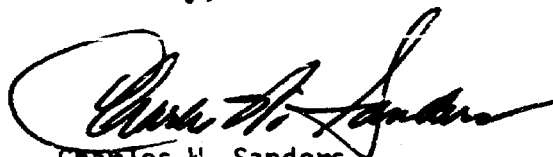
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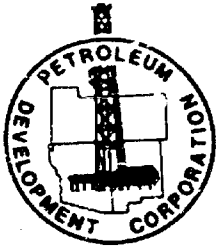
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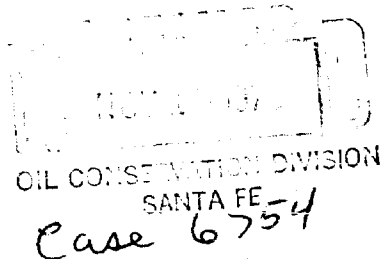


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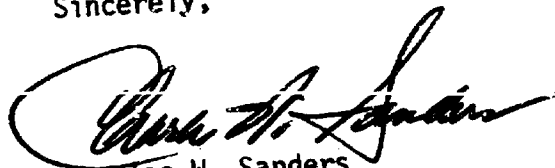
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CWS/pb

cc: R. L. McKay  
Bass Enterprises Production Co.  
(Jens Hansen)



DRAFT

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

dr/

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

CASE NO. 6754

Order No. R- 1218

38  
Bff  
APPLICATION OF PETROLEUM DEVELOPMENT CORPORATION  
FOR A NON-STANDARD PRORATION UNIT AND AN UNORTHODOX LOCATION,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 12, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of December, 1979, 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, Petroleum Development Corporation, seeks approval of an unorthodox location for its Sherri-Dawn well No. 1, a 320-acre non-standard gas proration unit

comprising the W/2 of said Section 15, Township 19 South, Range 32 East, Leas, to be dedicated to be drilled 660 feet from the North line and 660 feet from the West line, located in

XXXXXX of said Section 15, Township 19 South, Range 32 East, Leas, Lusk-Morrow Gas Pool, Lea County, New Mexico.

(3) That the applicant has requested dismissal of that portion of this case relating to

(4) That all of said Section 15 is to be dedicated to the well.

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

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

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Lusk-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 Petroleum Development Corporation~~  
~~326~~ ~~non-standard gas proration unit~~

~~County of Santa Fe, New Mexico~~  
for an ~~unorthodox~~ gas well location is hereby approved for  
its ~~Sherrill-Dawson~~ Well No. 1 to be drilled at  
660 feet from the North line  
and 660 feet from the West line ~~xxxxxxxxxxxx~~ of said  
Section 15 Township 14 South, Range 22 East, N.M.P.M., ~~Lusk-~~  
~~Morrow Gas Pool, Sola County, New Mexico.~~

(4) 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.

(2) That all of said Section 15 shall be dedicated to the aforesaid well  
(3) That that portion of the application relating to a non-standard gas proration unit is hereby dismissed