

CASE 6782: INEXCO OIL COMPANY FOR AN
EXCEPTION TO ORDER NO. R-3221, LEA
COUNTY, NEW MEXICO

CASE NO.

6782

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

Memo

From
JERRY SEXTON
District Supervisor

8-31-83

To R.L. Stamets

The Inexco wells in Sec. 7-19-33 are plugged.

Collier is still using the pits at their battery
in east of Sec 18, T19, R33. The pit is 2' x 50' x 30'.

Oil Conservation

Hobbs, New Mexico



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

September 8, 1983

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 6782
ORDER NO. R-7345

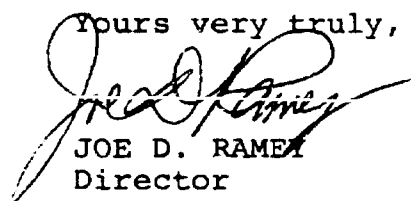
Applicant:

Inexco Oil Company

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

.mr/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec 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. 6782
Order No. R-7345

APPLICATION OF INEXCO OIL COMPANY
FOR AN EXCEPTION TO ORDER NO. R-3221,
AS AMENDED, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 3, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 6th day of September, 1983, 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, Inexco Oil Company, is the owner and operator of certain wells located in Section 7, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico.

(3) That Order (3) of Division Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through

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Case No. 6782

Order No. R-7345

disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(6) That the applicant seeks as an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by applicant's above-described wells into an unlined surface pit located in Unit H of said Section 7.

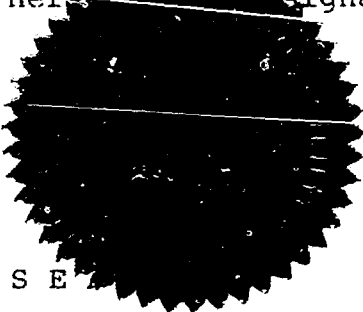
(7) That it now appears that the wells for which the exception was sought have been plugged and abandoned and this case should therefore be dismissed.

IT IS THEREFORE ORDERED:

(1) That Case No. 6782 is hereby dismissed.

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

Done at Santa Fe, New Mexico, on the day and year hereinafter designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

S E

Memo

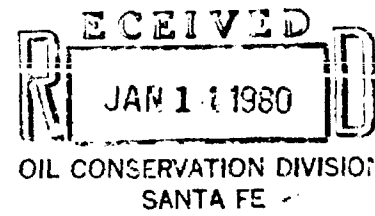
From
JERRY SEXTON
DISTRICT SUPERVISOR

To Dick

I WENT OUT & LOOKED
AT COLLIER & COLLIER - FEB 18
LEASE IN 18-19-33. THERE IS
A WATER WELL ON LOC. OF
BATTERY, BUT IT HAS A PUMPING
UNIT ON IT & PROBABLY IS A
DEEP WELL. STATE ENG. ARE
SENDING DATA ON DEPTHS OF FRESH
WATER IN AREA AS WELL AS WHAT DATA
THEY HAVE ON THE RED BEDS.

I WILL FORWARD THIS INF.
TO YOU WHEN I GET IT.

NEW MEXICO OIL CONSERVATION COMMISSION- HOBBS



GROUND WATER STUDY
INEXCO UNLINED PIT APPLICATION
CASE NO. 6782

January 11, 1980
Oil Conservation Division
John W. Runyan

GROUND WATER STUDY
18-19-33 Area

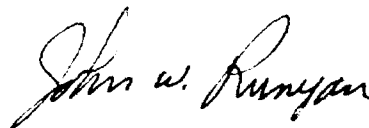
A field trip was made January 10, 1980, to determine status of water wells and surface geology in the area around the Inexco Federal Lease located in Unit H of Section 7, T19S, R33E, for the purpose of determining if Inexco should be given an exception to the No-Pit Order.

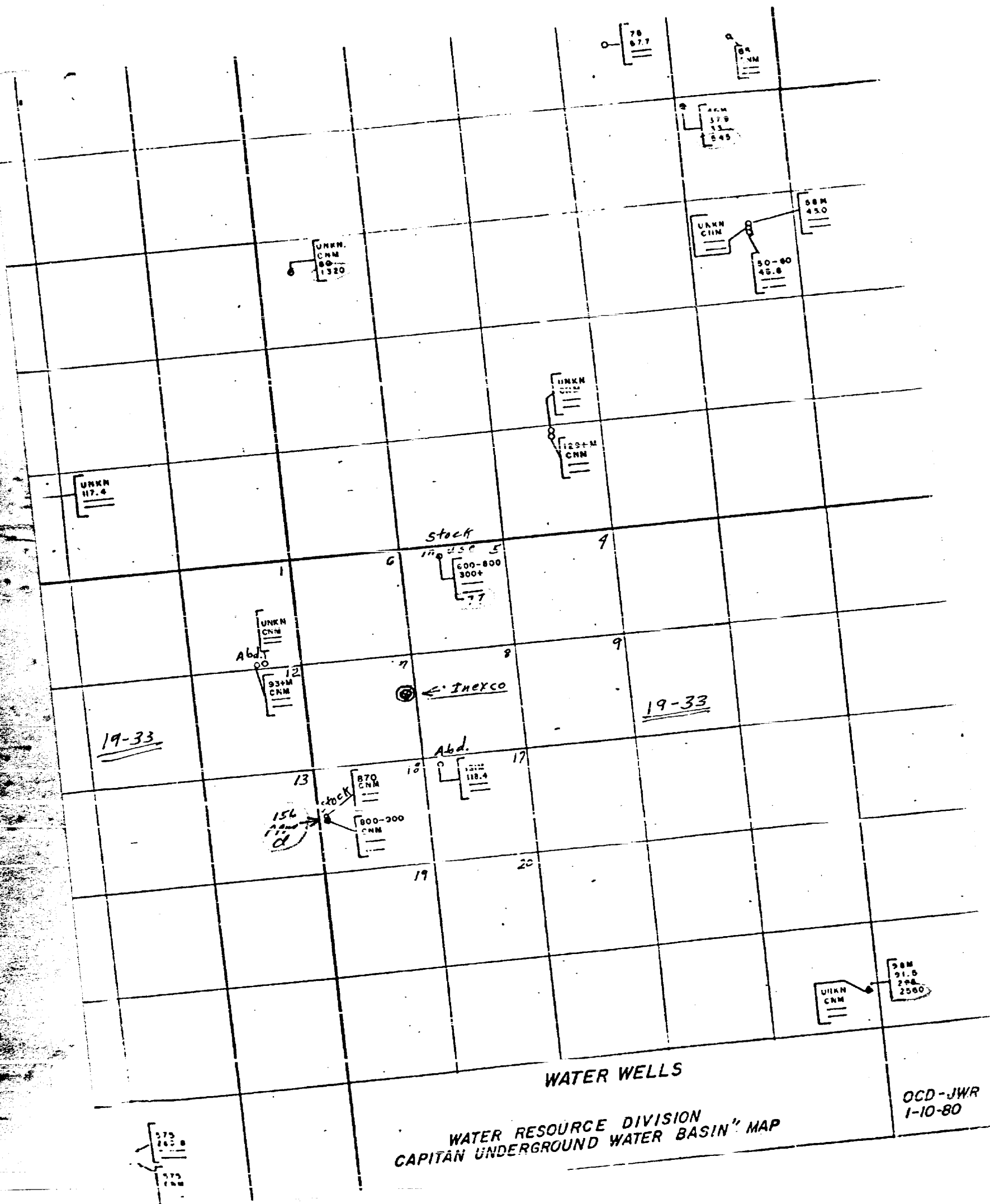
The field study found four water wells were located within $1\frac{1}{2}$ miles of the Inexco well location. Water well located in Unit D of Section 17, T19S, R33E, and the well in Unit O of Section 1, T19S, R32E have both been abandoned for some time. No mills on location. The water well located in Unit E of Section 18, T19S, R33E, is used for watering stock and has a chloride content of 156 ppm chlorides, and there is a windmill located in Unit C of Section 5, T19S, R33E, which is currently being used for stock water.

The area all around Inexco's well apparently does have underground water of useable quality, and is well under the 10,000 ppm recognized as useable by W.C.C. Chlorides range from 2560 to 156 ppm chlorides in the general area, and depth of water wells range from 117 feet to 300 feet. Refer to map.

GEOLOGY: There are low dunes covering triassic redbeds in the area in question and the triassic (on surface) is composed of sand lightly cemented with red clay and is very soft. Any water put into pits would easily go down into the water aquifer.

I do not recommend that Inexco be allowed exception to the No-pit Order.


John W. Runyan



ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS, NEW MEXICO

WATER ANALYSIS

Well Ownership: Unknown Well No. #1
Land Status: State Federal X Fee
Well Location: Unit Letter E, Section 18, T 19 S, R 33 E
Water well has small pump jack - electric
Type Well: water well Depth ?? feet.
Well Use: stock
Sample Number: #1 Date Taken: 1-10-80
Taken By: John W. Runyan

Specific Conductance: m/cm

Total dissolved Solids: PPM.

Chlorides: 156.2 PPM.

Sulfates: PPM.

Ortho-phosphates: ☐ V.Low ☐ Low ☐ Medium ☐ High
Sulfides: ☐ None ☐ Low ☐ Medium ☐ High

Date Analyzed: 1-11-80

By: John W. Runyan
Oil Conservation Division

REMARKS: This water well is 300 feet west of battery which has open
pit disposal -- sample static taken from stock tank

25 ml sample = 142.0 factor x 1.1 titration = 156.2

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS, NEW MEXICO

WATER ANALYSIS

Well Ownership: Collier & Collier Well No. Battery pit
Land Status: State Federal X Fee
Well Location: Unit Letter E, Section 18, T 19 S, R 33 E
Federal 18 Lease -- West Tonto - Yates
Type ~~Well~~: Battery pits Depth feet.
~~Well~~ Use: water disposal

Sample Number: #1 Date Taken: 1-10-80
Taken By:

Specific Conductance: m/cm
Total dissolved Solids: 12,425 PPM.
Chlorides: PPM.
Sulfates: PPM.
Ortho-phosphates: ☐ V.Low ☐ Low ☐ Medium ☐ High
Sulfides: ☐ None ☐ Low ☐ Medium ☐ High

Date Analyzed: 1-11-80

By: John W. Riney
Oil Conservation Division

REMARKS: Sample taken from pit -- static
Three large pits interconnected 3--4' water in pits (no oil on water H₂S odor)

1 ml sample = 3550 factor x 3.5 titration = 12,425 ppm

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 January 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Inexco Oil Company
for an exception to Order No.
R-3221, Lea County, New Mexico.

CASE
6782

BEFORE: Richard L. Stamets

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:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
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I N D E X

GEORGE E. DeBORD

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E X H I B I T S

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1 MR. SUMMERS: We'll call next Case 6782.

2 MR. KELLANIN: Applicant of Inexco
3 Oil Company for an exception to Order No. 3321, Lea County,
4 New Mexico.

5 MR. KELLANIN: I'm Tom Kellanin of Santa
6 Fe, New Mexico, appearing on behalf of the applicant, and
7 I have one witness.

8
9 (Witness sworn.)

10
11 GEORGE E. DeBORD
12 being called as a witness and having been duly sworn upon
13 his oath, testified as follows, to-wit:

14
15 DIRECT EXAMINATION

16 BY MR. KELLANIN:

17 Q Would you please state your name, by
18 whom you're employed and in what capacity?

19 A My name is George DeBord, George E.
20 DeBord. I work for Inexco Oil Company in Houston, Texas.

21 Q Mr. DeBord, have you previously testified
22 before this Division?

23 A No, I have not.

24 Q Would you call to attention when and
25 where you obtained your degree?

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1 A I went to the University of Texas and
2 got my Bachelor's in 1942 in petroleum engineering; my
3 Master's from the University of Houston in 1950. I went to
4 work for Gulf in 1952 and I've had thirty years experience.
5 Since then I've been with Enbridge since February the 17th,
6 1976.

7 Q Pursuant to your employment as a petroleum
8 engineer with Enbridge have you made a study of and are you
9 familiar with the facts surrounding this particular appli-
10 cation?

11 A Yes.

12 MR. KELLAMIN: We tender Mr. DeFord as
13 an expert witness.

14 MR. STAMETS: He is considered qualified.
15 How do you spell your last name, sir?

16 A Capital D-E-F-O-R-D. Dutch.

17 Q Mr. DeFord, I show you what we've marked
18 as Applicant Exhibit Number One and ask you to identify that.

19 A Yes. This is our two wells in Section
20 7, Township 19 South, Range 23 East. We drilled one in '77
21 and the other in '79.

22 Q What are those two wells?

23 A They're the 7-1 and 7-2. I think they
24 are called Federal Gas 7-1 and 7-2.

25 Q What do you seek to accomplish by this

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1 application?

2 A. We would like to attempt to evaluate
3 and produce all of the little Horner payers in the well.
4 We have a number of them that we would like to produce.
5 The ones that we've produced to date had been correlatable
6 in the area, but some of the little things are not.

7 We would like to produce them down to
8 depletion and if we can get a little financial break on the
9 water we'll be able to produce zones that we ordinarily
10 wouldn't perforate.

11 Q. Specifically you're requesting an excep-
12 tion from Commission Order R-3221, are you not?

13 A. Yes.

14 Q. In that you're seeking to dispose of
15 produced salt water in unlined surface pits.

16 A. Yes.

17 Q. And where would the unlined surface pit
18 be located?

19 A. It would be east and I think north of
20 7-1 at the production site.

21 MR. STAMETS: It would be on that same
22 40-acre tract?

23 A. Yes, sir.

24 Q. Have you made an investigation, Mr. DeBord,
25 of the possibilities of any fresh water sources in the area?

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1 Q The Land Department has made a
2 thorough search of the area and the area is in the potash
3 mining country there are there are cattle operations in the
4 area, but they haul their water in.

5 Q What is currently being done with the
6 produced salt water from these two wells?

7 A We are presently having it hauled by a
8 professional hauler to a pit at about twenty miles distance;
9 nine miles over to the highway to Hobbs, and then I under-
10 stand eleven miles down the highway to Hobbs there's a com-
11 mercial pit. We pass several potash pits on the way.

12 Q As a practical matter it's a common
13 occurrence to have produced water disposed of in unlined
14 pits on the surface, is it not?

15 A Yes, there've been several other people
16 allowed to do this in the area.

17 Q I show you what is marked as Exhibit
18 Number Two and ask you to identify that.

19 A This is a reduced map of the area with
20 the two wells in the center there, showing all of the fields
21 and production in the area of five miles.

22 Q I show you what is marked as Exhibit
23 Number Three and ask you to identify that.

24 A This is applications for exceptions
25 to the order of 2211 of a land operator that I requested from

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1 the Engineering boys in the area of the production. Some
2 of them have been granted; some of them have been denied.

3 this is their area, like Artesia District
4 and Hobbs District.

5 Q Please turn to Exhibit Number Four and
6 identify that for us.

7 A This is the record of production for the
8 two wells in Section 7. The top figures are for the Well
9 No. 1, drilled and put on production in 7 of '77. And at
10 the bottom is Well No. 2, put on production in May of '79.

11 This shows the total cumulative barrels
12 of condensate and gas.

13 Q Would you turn now to Exhibit Number
14 Five and identify that for us?

15 A This is an IBM run sheet showing this
16 production over a six-month average from May through October
17 of this past year, showing the oil in barrels per day and
18 gas in Mcf, or rather per month, and the gas in Mcf per
19 month, and at the bottom, per day average.

20 Q For the No. 1 Well?

21 A Oil and gas. Now, No. 1 for May, June,
22 and July, and then August, September, and October our 2 Well
23 however No. 2 is not making water at the present time. We
24 expect it to in the future, though.

25 Under expenses I'd like to point out

SA. LY W. BOYD, C.S.F.

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1 that the average has been about \$1244 a month for these
2 six months. This is about \$41 a day or 33 cents a barrel
3 for hauling salt water.

4 Q What is the daily volume of salt water?

5 A The daily volume is about 120 barrels.

6 Q And you indicated that the No. 2 Well is
7 not currently producing any oil?

8 A It's making -- it's making oil. I think
9 in the last month here on the sheet the No. 2 made 441 bar-
10 rels in September, and a little less than a million a day
11 gas.

12 Q The No. 2 Well, then, is not making any
13 water.

14 A It is not making any water but it will
15 because it is now in the final throes of its production.
16 When it gets down in the depletion stage it will start making
17 water. We are confident that we'll have to dispose of water
18 there just like we did in the No. 1.

19 Q In your opinion, Mr. DeBord, will approval
20 of this application pose a risk to contamination of any
21 fresh water source?

22 A No, I don't believe it will. The area
23 is in the potash country there where they do not have fresh
24 water.

25 Q In your opinion will approval of this

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1 application be in the best interests of conservation, the
2 prevention of waste, and the protection of correlative rights?

3 A Yes, I think it will and I would like
4 to qualify one point. I believe we'll be able to produce
5 zones that we wouldn't ordinarily perforate if we're allowed
6 to dispose of our salt water. In other words, I think that
7 from an economic standpoint we'll be able to perforate the
8 little 10 and 12 acre sections of the Horrow that have poro-
9 sity that also have high water content.

10 Q Were Exhibits One through Five prepared
11 by you or compiled under your direction and supervision?

12 A Yes.

13 MR. KIMBLAKIN: We move the introduction
14 of Exhibits One through Five.

15 MR. STAMETS: These exhibits will be
16 admitted.

17
18 CROSS EXAMINATION

19 BY MR. STAMETS:

20 Q Mr. DeBord, do you you said that you
21 had the land people look at the area to determine the
22 existence of any water wells. How big an area did they look
23 at?

24 A Five mile radius.

25 Q Okay, and did they find any wells at

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1 all?

2 A. They found one well that had produced
3 water, fresh water, at one time, but that had gone to salt
4 water.

5 Q. What's the location of that well?

6 A. I'm not really familiar with the exact
7 location of it, but it was in a previous hearing. They re-
8 searched the hearings and they did find one in a previous
9 hearing. I'm not sure which one. I could get that informa-
10 tion for you, though, I'm sure.

11 MR. NEWMAN: How long ago was that?
12 Do you know?

13 A. No, I'm not really sure of the date,
14 either, but they did find a well in these hearings that had
15 made fresh water at one time but had gone to salt.

16 Q. Did anyone go out and make a physical
17 examination of the surface?

18 A. I've been out in the area and I've even
19 been lost over there in Section 3, and I never did see any-
20 thing but cattle operations with hauled in water.

21 There are roads in the area that allow
22 you to drive around. There are lakes, big disposal pits,
23 to the -- let me get oriented --

24 Q. -- Mr. DeFord, I
25 would like to have a topographic map that would show us the

SALLY W. BOYD, C.S.R.

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1 contour of the surface and anything that you might have which
2 would tend to show the drainage of the water on the surface;
3 drainage on subsurface water. It can be done without those
4 things a little difficult to evaluate this.

5 A All right, sir. You not sure a topo-
6 graphic map is available but I'll check with the, I guess,
7 the USGS might have that?

8 Q I think so, wherever those sheets are
9 available, you should be able to acquire some. I believe
10 that there are maps.

11 A There are a number of large diggings.
12 Now, what they -- how they made those big lakes I don't know,
13 but there are a number of salt water lakes in the area.

14 Q And also there may be some water reports
15 on this area which would show the subsurface drainage.

16 A I'll contact the engineer and see if I
17 can get some help from him and we'll -- we'll get you that
18 information that you request.

19 Q Your current water volume is 120 barrels
20 a day?

21 A Yes, sir.

22 Q What would you expect that volume to go
23 to if you are allowed to perforate -- or dump the water on
24 the surface and perforate those other zones?

25 A I don't look for it to go any higher

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1 than that on a zone basis. That's about all it would flow.

2 A. Are you saying that you couldn't expect
3 more than 240 barrels a day maximum?

4 A. No, sir, that would be the maximum if
5 we had both wells going at the same time.

6 That's about all that will flow.

7 Q. Okay. If you do provide a topographic
8 map, we'd like to have the locations of the potash mines
9 shown on it and the locations of their disposal pits.

10 A. All right.

11 MR. STAMETS: Let's go off the record
12 a minute.

13 (There followed discussion
14 off the record.)

15 MR. STAMETS: Any other questions of
16 this witness? He may be excused.

17 Anything further in this case?

18 The case will be taken under advisement.

19
20 (Hearing concluded.)
21
22
23
24
25

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.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____ 19____.

_____, Examiner,
Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 January 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Inexco Oil Company) CASE
for an exception to Order No.) 6782
R-3221, Lea County, New Mexico.)

BEFORE: Richard L. Stamets

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:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

GEORGE E. DeBORD

Direct Examination by Mr. Kellahin 3
Cross Examination by Mr. Stamets 9

E X H I B I T S

Applicant Exhibit One, Plat 4
Applicant Exhibit Two, Map 6
Applicant Exhibit Three, List 6
Applicant Exhibit Four, Production History 7
Applicant Exhibit Five, Computer Printout 7

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Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 MR. STAMETS: We'll call next Case 6782.

2 MR. PADILLA: Application of Inexco
3 Oil Company for an exception to Order No. R-3221, Lea County,
4 New Mexico.

5 MR. KELLAHIN: I'm Tom Kellahin of Santa
6 Fe, New Mexico, appearing on behalf of the applicant, and
7 I have one witness.

8
9 (Witness sworn.)

10
11 GEORGE E. DeBORD
12 being called as a witness and having been duly sworn upon
13 his oath, testified as follows, to-wit:

14
15 DIRECT EXAMINATION

16 BY MR. KELLAHIN:

17 Q Would you please state your name, by
18 whom you're employed and in what capacity?

19 A My name is George DeBord, George E.
20 DeBord. I work for Inexco Oil Company in Houston, Texas.

21 Q Mr. DeBord, have you previously testified
22 before this Division?

23 A No, I have not.

24 Q Would you tell the Examiner when and
25 where you obtained your degree?

1 A I went to the University of Texas and
2 got my Bachelor's in 1949 in petroleum engineering; my
3 Master's from the University of Houston in 1950. I went to
4 work for Gulf in 1950 and I've had thirty years experience.
5 Since then I've been with Inexco since February the 17th,
6 1976.

7 Q Pursuant to your employment as a petroleum
8 engineer with Inexco have you made a study of and are you
9 familiar with the facts surrounding this particular appli-
10 cation?

11 A Yes.

12 MR. KELLAHIN: We tender Mr. DeBord as
13 an expert witness.

14 MR. STAMETS: He is considered qualified.
15 How do you spell your last name, sir?

16 A Capital D-E-B-O-R-D. Dutch.

17 Q Mr. DeBord, I show you what we've marked
18 as Applicant Exhibit Number One and ask you to identify that.

19 A Yes. This is our two wells in Section
20 7, Township 19 South, Range 33 East. We drilled one in '77
21 and the other in '79.

22 Q What are those two wells?

23 A They're the 7-1 and 7-2. I think they
24 are called Federal Com 7-1 and 7-2.

25 Q What do you seek to accomplish by this

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1 application?

2 A We would like to proceed to evaluate
3 and produce all of the little Morrow stringers in the well.
4 We have a number of them that we would like to produce.
5 The ones that we've produced to date had been correlatable
6 in the area, but some of the little stringers are not.

7 We would like to produce them down to
8 depletion and if we can get a little financial break on the
9 water we'll be able to produce zones that we ordinarily
10 wouldn't perforate.

11 Q Specifically you're requesting an excep-
12 tion from Commission Order R-3221, are you not?

13 A Yes.

14 Q In that you're seeking to dispose of
15 produced salt water in unlined surface pits.

16 A Yes.

17 Q And where would the unlined surface pit
18 be located?

19 A It would be east and I think north of
20 7-1 at the production site.

21 MR. STAMETS: It would be on that same
22 40-acre tract?

23 A Yes, sir.

24 Q Have you made an examination, Mr. DeBord,
25 of the possibilities of any fresh water sources in the area?

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1 A Yes. Our land department has made a
2 thorough search of the area and the area is in the potash
3 mining country there and there are cattle operations in the
4 area, but they haul their water in.

5 Q What is currently being done with the
6 produced salt water from these two wells?

7 A We are presently having it hauled by a
8 professional hauler to a pit at about twenty miles distance;
9 nine miles over to the highway to Hobbs, and then I under-
10 stand eleven miles down the highway to Hobbs there's a com-
11 mercial pit. We pass several potash pits on the way.

12 Q As a practical matter it's a common
13 occurrence to have produced water disposed of in unlined
14 pits on the surface, is it not?

15 A Yes, there've been several other people
16 allowed to do this in the area.

17 Q I show you what is marked as Exhibit
18 Number Two and ask you to identify that.

19 A This is a reduced map of the area with
20 the two wells in the center there, showing all of the fields
21 and production in the area of five miles.

22 Q I show you what is marked as Exhibit
23 Number Three and ask you to identify that.

24 A Yes. This is applications for exception
25 to the Order R-3221 of other operators that I requested from

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1 the Engineering boys in the area of the production. Some
2 of them have been granted; some of them have been denied.

3 This is their area, like Artesia District
4 and Hobbs District.

5 Q Please turn to Exhibit Number Four and
6 identify that for us.

7 A This is the record of production for the
8 two wells in Section 7. The top figures are for the Well
9 No. 1, drilled and put on production in 7 of '77. And at
10 the bottom is Well No. 2, put on production in May of '79.

11 This shows the total cumulative barrels
12 of condensate and gas.

13 Q Would you turn now to Exhibit Number
14 Five and identify that for us?

15 A This is an IBM run sheet showing this
16 production over a six-month average from May through October
17 of this past year, showing the oil in barrels per day and
18 gas in Mcf, or rather per month, and the gas in Mcf per
19 month, and at the bottom, per day average.

20 Q For the No. 1 Well?

21 A Oil and gas. Now, No. 1 for May, June,
22 and July, and then August, September, and October our 2 Well
23 however No. 2 is not making water at the present time. We
24 expect it to in the future, though.

25 Under expenses I'd like to point out

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1 that the average has been about \$1244 a month for those
2 six months. This is about \$41 a day or 83 cents a barrel
3 for hauling salt water.

4 Q What is the daily volume of salt water?

5 A The daily volume is about 120 barrels.

6 Q And you indicated that the No. 2 Well is
7 not currently producing any oil?

8 A It's making -- it's making oil. I think
9 in the last month here on the sheet the No. 2 made 441 bar-
10 rels in September, and a little less than a million a day
11 gas.

12 Q The No. 2 Well, then, is not making any
13 water.

14 A It is not making any water but it will
15 because it is now in the final throes of its production.
16 When it gets down in the depletion stage it will start making
17 water. We are confident that we'll have to dispose of water
18 there just like we did in the No. 1.

19 Q In your opinion, Mr. DeBord, will approval
20 of this application pose a risk to contamination of any
21 fresh water source?

22 A No, I don't believe it will. The area
23 is in the potash country there where they do not have fresh
24 water.

25 Q In your opinion will approval of this

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1 application be in the best interests of conservation, the
2 prevention of waste, and the protection of correlative rights?

3 A. Yes, I think it will and I would like
4 to qualify one point. I believe we'll be able to produce
5 zones that we wouldn't ordinarily perforate if we're allowed
6 to dispose of our salt water. In other words, I think that
7 from an economic standpoint we'll be able to perforate the
8 little 10 and 12 acre sections of the Morrow that have poro-
9 sity that also have high water content.

10 Q Were Exhibits One through Five prepared
11 by you or compiled under your direction and supervision?

12 A. Yes.

13 MR. KELLAHIN: We move the introduction
14 of Exhibits One through Five.

15 MR. STAMETS: These exhibits will be
16 admitted.

17
18 CROSS EXAMINATION

19 BY MR. STAMETS:

20 Q Mr. DeBord, do you -- you said that you
21 had the land people look at the area to determine the
22 existence of any water wells. How big an area did they look
23 at?

24 A. Five mile radius.

25 Q Okay, and did they find any wells at

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1 all?

2 A They found one well that had produced
3 water, fresh water, at one time, but that had gone to salt
4 water.

5 Q What's the location of that well?

6 A I'm not really familiar with the exact
7 location of it, but it was in a previous hearing. They re-
8 searched the hearings and they did find one in a previous
9 hearing. I'm not sure which one. I could get that informa-
10 tion for you, though, I'm sure.

11 MR. KELLAHIN: How long ago was that?
12 Do you know?

13 A No, I'm not really sure of the date,
14 either, but they did find a well in these hearings that had
15 made fresh water at one time but had gone to salt.

16 Q Did anyone go out and make a physical
17 examination of the surface?

18 A I've been out in the area and I've even
19 been lost over there in Section 3, and I never did see any-
20 thing but cattle operations with hauled in water.

21 There are roads in the area that allow
22 you to drive around. There are lakes, big disposal pits,
23 to the -- let me get oriented --

24 Q This is another thing, Mr. DeBord, I
25 would like to have a topographic map that would show us the

1 contour of the surface and anything that you might have which
2 would tend to show the drainage of the water on the surface;
3 drainage on subsurface water. It seems to me without those
4 things a little difficult to evaluate this.

5 A All right, sir. I'm not sure a topo-
6 graphic map is available but I'll check with the, I guess,
7 the USGS might have that?

8 Q I think so, wherever topo sheets are
9 available, you should be able to acquire some. I believe
10 that there are maps.

11 A There are a number of large diggings.
12 Now, what they -- how they made those big lakes I don't know,
13 but there are a number of salt water lakes in the area.

14 Q And also there may be some water reports
15 on this area which would show the subsurface drainage.

16 A I'll contact the engineer and see if I
17 can get some help from him and we'll -- we'll get you that
18 information that you request.

19 Q Your current water volume is 120 barrels
20 a day?

21 A yes, sir.

22 Q What would you expect that volume to go
23 to if you are allowed to perforate -- or dump the water on
24 the surface and perforate these other zones?

25 A I don't look for it to go any higher

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1 than that on a zone basis. That's about all it would flow.

2 A Are you saying then you wouldn't expect
3 more than 240 barrels a day maximum?

4 A No, sir, that would be the maximum if
5 we had both wells going at the same time.

6 That's about all that will flow.

7 Q Okay. If you do provide a topographic
8 map, we'd like to have the locations of the potash mines
9 shown on it and the locations of their disposal pits.

10 A All right.

11 MR. STAMETS: Let's go off the record

12 a minute.

13 (There followed discussion
14 off the record.)

15 MR. STAMETS: Any other questions of

16 this witness? He may be excused.

17 Anything further in this case?

18 The case will be taken under advisement.

19 (Hearing concluded.)
20
21
22
23
24
25

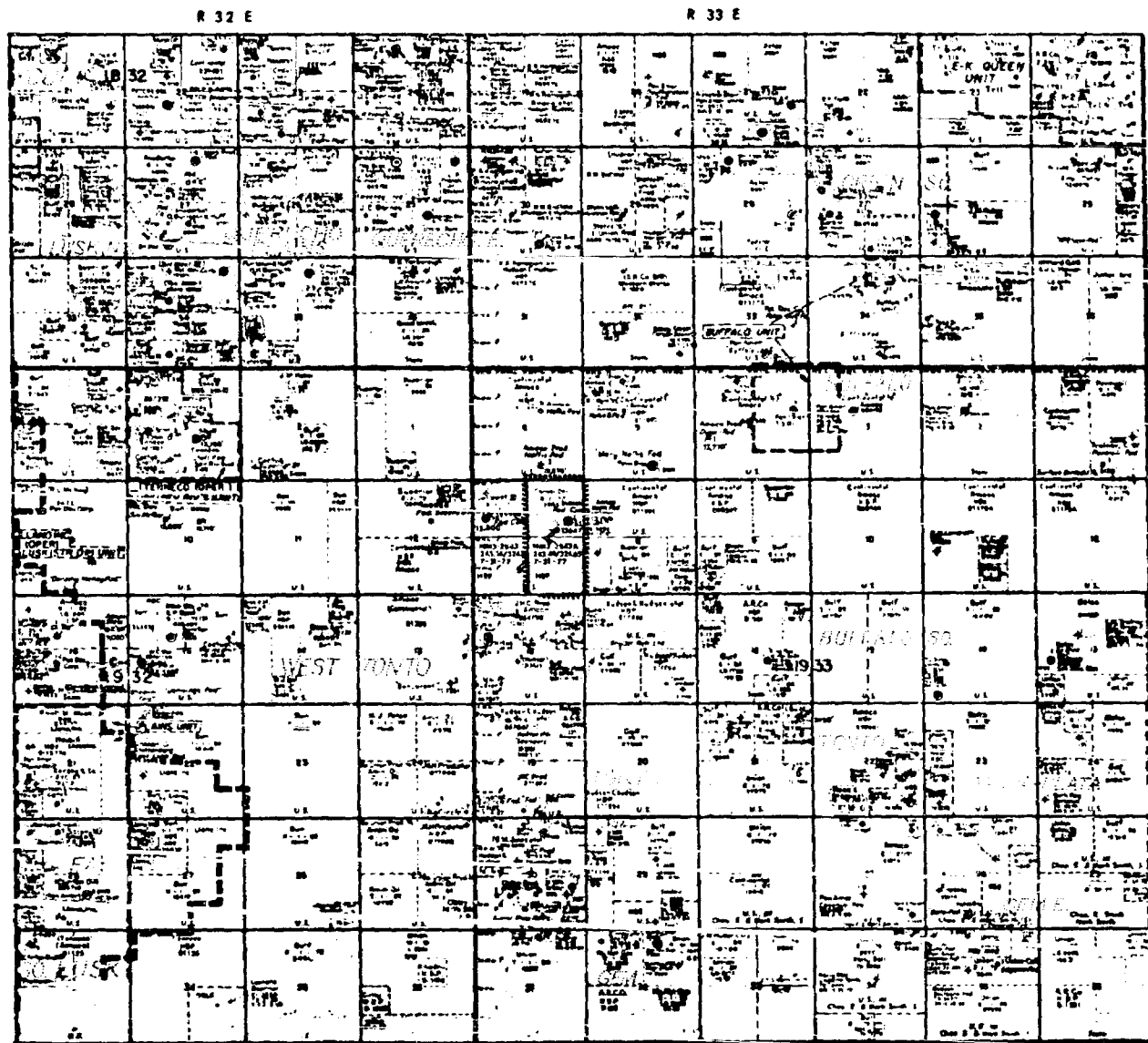
REPORTER'S CERTIFICATE

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. 4763
heard by me on 1-3 1980.
Richard R. Hunt, Examiner
Oil Conservation Division

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Open Agreement: 100-127-A; Section 73%; of West 20%
 of Sec. 7, all depths

Oil Contract: 100-127-B; Section 73%; of West 20%
 of Sec. 7, 1795-1820; All depths

MEXCO ACREAGE
 488.63 Net
 642.84 Gross

WEST TONTO PROSPECT LEA COUNTY, NEW MEXICO



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 713-651-3300

APPLICATIONS FOR EXCEPTIONS TO ORDER A-3221

<u>Q.</u>	<u>CASE NO.</u>	<u>ORDER NO.</u>	<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL</u>
1	3925	R-3601	11-26-68	Denied	W.E. Jeffers	Red Lake	B 36-
2	3997	3635	12-23-68	"	Reading & Bates Offshore Drilling Co.	W. White Ranch Dev.	A 1-
3	3998	3636	12-23-68	Granted	H.N. Sweeney & Paul Slayton	Twin Lakes SA & Dev.	36-8-
4	4024	3670	2-4-69	"	V.S. Welch	Shugart	NW/4
5	4027	3679	2-24-69	Dismissed	McDonald Oil Corp.	Jackson Abo	F 22-
6	4025	3684	2-28-69	Granted	Ralph Lowe	Corral Canyon Del.	8 & 1
7	4026	3685	2-28-69	"	Fred Pool Drilling Co.	"	8 & 9
8	4050	3687	2-28-69	"	Texaco Inc.	Cotton Draw Brushy Canyon	O 24
9	3996	3711	3-25-69	Dismissed	Martin Yates, III	Dark Canyon Del.	1 22-
10	4102	3734	4-22-69	Granted	W.H. McKinley	Square Lake	NE/4
11	4099	3746	5-5-69	Denied	Joseph L. Dunigan	Russell	A 23-
12	4100	3747	5-5-69	"	J.M.C. Ritchie	Welch Delaware	16, 20
13	4101	3759	5-20-69	"	Geo.H. Mitchell	Pecos Delaware	B 34-
14	4126	3761	5-20-69	"	Curtis Hankamer	Brushy Draw Del.	12, 13
15	4132	3771	5-28-69	Granted	Pan American	Shugart	D, E &
16	4135	3773	6-3-69	"	Kimsey & Cahoon	W. Henshaw Gbr.	F 3-1
17	4145	3775	6-10-69	"	Tenneco Oil Co.	Lusk	NE/4
							19-19
	4149	3777	6-10-69	"	Jack L. McClellan	W. Henshaw Gbr.	P 5-1
	4146	3778	6-10-69	"	V.S. Welch	Shugart	NE/4
	4156	3784	7-7-69	"	Jack L. McClellan	Sulimar-Queen	SE/4
	4169	3800	7-15-69	"	Mask, Jennings, Keohane & Westall	Shugart	E/2
	4176	3804	8-1-69	"	"	Corral Canyon Del.	All
	4179	3812	8-14-69	"	Petr. Corp. of Texas	Grayburg Jackson	M 14-
	4180	3813	8-14-69	"	Union Oil Co. of California	Shugart	NE/4
	4182	3820	8-27-69	"	Franklin, Aston & Fair, Inc.	Loco Hills Abo	I &
	"	"	"	"	"	Loco Hills	O 36-
	4220	3864	10-28-69	"	Pan American Pet. Corp.	Sulimar-Queen	B 24
	4230	3865	10-29-69	"	Dalport Oil Corp.	Double-L Queen	F 31-
	4262	3891	12-3-69	"	Plains Radio Broadcasting Co.	White Ranch Siluro-Dev.	E 34-
	4278	3904	1-14-70	Dismissed	Windfohr Oil Co.	Jackson Abo	I & J
	4279	3905	1-14-70	"	"	Grayburg Jackson	B 8-1
	4286	3909	1-14-70	Granted	Gulf Oil Corp.	Shugart	All

APPLICATIONS FOR EXCEPTIONS TO ORDER A-3221

	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>POOL LOCATION</u>
-26-68	Denied	W.E. Jeffers	Red Lake	B 36-17-27
-23-68	"	Reading & Bates Offshore Drilling Co.	W. White Ranch Dev.	A 1-12-28
-23-68	Granted	H.N. Sweeney & Paul Slayton	Twin Lakes SA & Dev.	36-8-28 & 1-9-28 all well
-4-69	"	V.S. Welch	Shugart	NW/4 & N/2 SW/4 27-18-31
-24-69	Dismissed	McDonald Oil Corp.	Jackson Abo	F 22-17-30
-28-69	Granted	Ralph Lowe	Corral Canyon Del.	8 & 18-25-30
-28-69	"	Fred Pool Drilling Co.	"	8 & 9-25-30
-28-69	"	Texaco Inc.	Cotton Draw Brushy Canyon	O 24-24-31
-25-69	Dismissed	Martin Yates, III	Dark Canyon Del.	1 22-23-26
-22-69	Granted	W.H. McKinley	Square Lake	NE/4 1-17-30
-5-69	Denied	Joseph L. Dunigan	Russell	A 23-20-28
-5-69	"	J.M.C. Ritchie	Welch Delaware	16, 20 & 21-26-27
-20-69	"	Geo. H. Mitchell	Pecos Delaware	B 34-2629
-20-69	"	Curtis Hankamer	Brushy Draw Del.	12, 13, 14 & 24-26-29
-28-69	Granted	Pan American	Shugart	D, E & P 27-18-31
-3-69	"	Kimsey & Cahoon	W. Henshaw Gbr.	F 3-16-30
-10-69	"	Tenneco Oil Co.	Lusk	NE/4 24-19-31 & SW NW 19-19-32
-10-69	"	Jack L. McClellan	W. Henshaw Gbr.	P 5-16-30
-10-69	"	V.S. Welch	Shugart	NE/4 28-18-31
-7-69	"	Jack L. McClellan	Sulimar-Queen	SE/4 13 & NE/4 24-15-29
-15-69	"	Mask, Jennings, Keohane & Westall	Shugart	E/2 NW/4 & NE/4 2-19-31
-1-69	"	"	Corral Canyon Del.	All wells in pool
-14-69	"	Petr. Corp. of Texas	Grayburg Jackson	M 14-17-30
-14-69	"	Union Oil Co. of California	Shugart	NE/4 31-18-31
-27-69	"	Franklin, Aston & Fair, Inc.	Loco Hills Abo	E & F 20-17-30
-28-69	"	"	Loco Hills	O 36-17-29 & A 17-18-30
-28-69	"	Pan American Pet. Corp.	Sulimar-Queen	B 24 & all sec. 25-15-29
-29-69	"	Daigort Oil Corp.	Double-L Queen	F 31-14-30
-3-69	"	Plains Radio Broadcasting Co.	White Ranch Siluro-Dev.	E 34-11-29
-14-70	Dismissed	Windficht Oil Co.	Jackson Abo	ISO 23-17-30
-14-70	"	"	Grayburg Jackson	B 3-17-30
-14-70	Granted	Gulf Oil Corp.	Shugart	All Sec. 22-18-31

APPLICATIONS FOR EXCEPTIONS TO ORDER R-3221

<u>CASE NO.</u>	<u>ORDER NO.</u>	<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL LOG</u>
4327	R-3944	4-3-70	Granted	Franklin, Aston & Fair, Inc.	Loco Hills	All wells
4329	R-3943	4-3-70	"	R.D. Collier	Jackson Abo	F-22-17
4350	R-3958	5-5-70	"	Cities Service Oil Co.	Sulmar-Queen	S/2NE
4337	R-3966	5-20-70	"	Petr. Corp. of Texas	Jackson Abo	J-22-17
4379	R-3996	7-15-70	"	Hal M. Stierwalt & Southern Union Prod. Co.	West Henshaw-Gbr.	Opr. well Section
4408	R-4015	8-21-70	"	Keohane & Westall	Shugart	D & E 2
4400	R-4016	8-25-70	"	David C. Collier	H. Hackberry Y-SR	Ut. A.C.
4117	R-4030	9-15-70	"	J. Cleo Thompson	Sq. Lake	9-G & 12
4438	R-4047	10-27-70	"	Eastland Oil Co.	Gbr. Jackson <i>SA R-4092</i>	NW/4 5f
4482	R-4093	1-25-71	"	The Petroleum Corp.	Parkway-Strawn	P-26-19
4475	R-4097	2-8-71	Dismissed	Texas American Oil Corp.	Sand Dunes Atoka & Cherry Canyon	G-26-23
4490	R-4120	3-23-71	Granted	Texas Pacific Oil Co.	Loco Hills Abo	K-21-17
4536	R-4148	5-24-71	Granted	The Eastland Oil Co.	Power Gbr. SA	M-32-17
4528	R-4149	6-7-71	Dismissed	Franklin, Aston & Fair, Inc.	Loco Hills	H-5-18-3
4561	R-4165	7-28-71	Granted	Great Plains Land Co.	Shugart	D 31-18-
4689	R-4295	5-11-72	Granted	Petroleum Corp. of Texas	Gbr. Jackson	J-15 & N
4710	R-4308	5-30-72	Denied	Hanson Oil Corp.	Shugart	22 wells Secs. 34
4736	R-4327	6-14-72	Granted	Dalport Oil Corp.	Undes. Q	F-22-15-
5038	R-4620	8-23-73	Granted	Twinlakes Oil Co.	Undes. Cisco	K 1-9-2
5203	R-4726	5-21-74	Granted	Yates Petr. Corp.	Square Lake	M-4&NE/4
5527	R-5071	7-22-75	Granted	Plains Radio Broadcasting Co.	East Chisum SA	1-N & O A & B 16
5699	R-5236	7-14-76	Granted	Dalport Oil Corp.	S. Lucky Lake Queen	K-22-15-29
5712	R-5245	8-24-76	Denied	LaRue & Muncy	N. Benson Q-G	G&F 33-18
5720	R-5246	"	"	Harvey E. Yates	" " " "	A-B-G-H-J
5721	R-5247	"	"	H&S Oil Co.	" " " "	C, 33-18-
5722	R-5248	"	"	Gene Snow	" " " "	L, 32-18-
5723	R-5249	"	"	Marbob Energy Corp.	" " " "	E, 28 & G
5709	R-5278	9-16-76	"	Tahoe Oil & Cattle Co.	Pit in Potash area	K-2-20-30
5824	R-5346	1-17-77	Dismissed	Raymond Eaves		

APPLICATIONS FOR EXCEPTIONS TO ORDER R-3221

<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL LOCATION</u>
4-3-70	Granted	Franklin, Aston & Fair, Inc.	Loco Hills	All wells in NE/4 1-18-20
4-3-70	"	R.D. Collier	Jackson Abo	F-22-17-30
5-5-70	"	Cities Service Oil Co.	Sulimar-Queen	S/2NE & N/2SE 26-18-29
5-20-70	"	Petr. Corp. of Texas	Jackson Abo	J-22-17-30
7-15-70	"	Hal M. Stierwalt & Southern Union Prod. Co.	West Henshaw-Gbr.	Opr. wells in Section 1 & 2-16-30
8-21-70	"	Keohane & Westall	Shugart	D & E 2-19-31
8-25-70	"	David C. Collier	H. Hackberry Y-SR	Ut. A, C, E, G, I, K & M, 30-19-
9-15-70	"	J. Cleo Thompson	Sq. Lake	9-G & 12-B 33-16-30
10-27-70	"	Eastland Oil Co.	Gbr. Jackson SA R-4042	NW/4 5f 5 & NE/4 6-18-31
11-25-71	"	The Petroleum Corp.	Parkway-Strawn	P-26-19-29
12-8-71	Dismissed	Texas American Oil Corp.	Sand Dunes Atoka & Cherry Canyon	G-26-23-31
1-3-23-71	Granted	Texas Pacific Oil Co.	Loco Hills Abo	K-21-17-30
5-24-71	Granted	The Eastland Oil Co.	Power Gbr. SA	M-32-17-31 & C&D 6-18-31
6-7-71	Dismissed	Franklin, Aston & Fair, Inc.	Loco Hills	H-5-18-30
7-28-71	Granted	Great Plains Land Co.	Shugart	D 31-18-31
5-11-72	Granted	Petroleum Corp. of Texas	Gbr. Jackson	J-15 & NW/4 20-17-30 (5 well
5-30-72	Denied	Hanson Oil Corp.	Shugart	22 wells Sec. 24-25-26 Secs. 34 & 35-18-30
6-14-72	Granted	Dalport Oil Corp.	Undes. Q	F-22-15-29
8-23-73	Granted	Twinlakes Oil Co.	Undes. Cisco	K 1-9-28 (Temp. lyr)
5-21-74	Granted	Yates Petr. Corp.	Square Lake	M-4&NE/4 5-17-30
7-22-75	Granted	Plains Radio Broadcasting Co.	East Chisum SA	1-N & O 9 A & B 16- 11-28 Vic. of
7-14-76	Granted	Dalport Oil Corp.	S. Lucky Lake Queen	K-22-15-29 Expires 8-1-
8-24-76	Denied	LaRue & Muncy	N. Benson Q-G	G&F 33-18-30
"	"	Harvey E. Yates	" "	A-B-G-H-J 32-18-30
"	"	H&S Oil Co.	" "	C, 33-18-30
"	"	Gene Snow	" "	L, 32-18-30
"	"	Marbob Energy Corp.	" "	E, 28 & G-H, 29-18-30
9-16-76	"	Tahoe Oil & Cattle Co.	Pit in Polash area	K-2-20-30
11-17-77	Dismissed	Raymond Eaves		

APPLICATIONS FOR EXCEPTIONS TO ORDER R-3221

<u>CASE NO.</u>	<u>ORDER NO.</u>	<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL LOG</u>
5719 DeNovo	R-5245-A	1-25-77	Granted	LaRue & Muncy	N. Benson Q-G	#9 & 10 G-F, 3
5720 DeNovo	R-5246-A	"	"	Harvey E. Hates	" " " "	#1-G, 32-18-
5721 DeNovo	R-5247-A	"	"	H&S Oil Co.	" " " "	#7-C,
5722 "	R-5248-A	"	"	Gene Snow	" " " "	#1-L,
5723 "	R-5249-A	"	"	Marbob Energy Corp.	" " " "	#1-E, 2-H &
5812	R-5355	"	"	Petr. Development Corp.	E. Lusk Bone Springs	1-I, 1
5950	R-5472	6-21-77	"	Joe Don Cook	Shugart	1 J, 2
5922	R-5464	6-14-77	"	A.L. Daugherty	Salt Lake (Commercial disposal lake)	24-8-2
6594	R-6083	8-16-79	"	Flag-Redfern Oil Co.	Shugart	SW/4 2
6659	R-6134	10-10-79	"	Amoco Prod. Co.	Shugart Penn	27, 34

APPLICATIONS FOR EXCEPTIONS TO ORDER R-3221

<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL LOCATION</u>
1-25-77	Granted	LaRue & Muncy	N.Benson Q-G	#9 & 10 G-F, 33-18-30
"	"	Harvey E. Hates	" " " "	#1-G, 2-B, 3-A, 4-J, 5-G 32-18-30
"	"	H&S Oil Co.	" " " "	#7-C, 33-18-30
"	"	Gene Snow	" " " "	#1-L, 32-18-30
"	"	Marbob Energy Corp.	" " " "	#1-E, 28-18-30 2-H & 3-G, 29-18-30
"	"	Petr.Development Corp.	E.Lusk Bone Sprins	1-I, 16-19-32
6-21-77	"	Joe Don Cook	Shugart	1 J, 2-19-31
6-14-77	"	A.L.Daughterity	Salt Lake(Commercial disposal lake)	24-8-29 & 19-8-30
8-16-79	"	Flag-Redfern Oil Co.	Shugart	SW/4 2-19-31
10-10-79	"	Amoco Prod.Co.	Shugart Penn	27,34 & 35-T18S-R31E

09/30/79
WELL NM13701-001 FEDERAL 1-7
TYPE - G

PRODUCTION HIST
OPERATOR - INEXCO OIL CO

DATE	O I L		G A S		CF/BBL OR BBL/MMCF	---
	BBLS PER MO.	CUM. BBLS	MCF PER MO.	CUM. MCF	BBL/MMCF	BBLS
0777	2,279	2,279	115,979	115,979	20	
0877	3,751	6,030	175,234	291,213	21	
0977	3,083	9,113	173,552	464,765	16	
1077	1,619	10,732	133,791	598,556	12	
1177	1,279	12,011	70,844	669,400	18	
1277	1,710	13,721	77,289	746,689	22	
YTD	13,721		746,689			
0178	994	14,715	60,310	806,999	16	
0278	410	15,125	18,821	825,820	22	
0378	639	15,764	34,217	860,037	19	
0478	539	16,303	31,279	891,316	17	
0578	361	16,664	25,339	916,655	14	
0678	375	17,039	22,001	938,656	17	
0778	232	17,271	14,611	953,267	16	
0878	177	17,448	11,438	964,705	15	
0978	208	17,656	11,396	976,101	18	
1078	100	17,756	8,940	985,041	11	
1178	322	18,078	19,646	1,004,687	16	
1278	593	18,671	32,658	1,037,345	18	
YTD	4,950		290,656			
0179	505	19,176	21,551	1,058,896	23	
0279	239	19,415	16,658	1,075,554	14	
0379	268	19,683	18,306	1,093,860	15	
0479	109	19,792	8,379	1,102,239	13	
0579	47	19,839	921	1,103,160	51	
0679	80	19,919	5,035	1,108,195	16	
0779	6	19,925	6,970	1,115,165	1	
0879	99	20,024	13,997	1,129,162	7	
0979	141	20,165	9,452	1,138,614	15	
YTD	1,494		101,269			

09/30/79
WELL NM13701-002 FEDERAL 1-7
TYPE - G

PRODUCTION HIST
OPERATOR - INEXCO OIL CO

DATE	O I L		G A S		CF/BBL OR BBL/MMCF	---
	BBLS PER MO.	CUM. BBLS	MCF PER MO.	CUM. MCF	BBL/MMCF	BBLS
0579	5,327	5,327	78,820	78,820	58	
0679	2,345	7,672	46,157	124,977	51	
0779	1,146	8,818	56,705	181,682	20	
0879	592	9,410	32,665	214,347	18	
0979	441	9,851	27,754	242,101	16	
YTD	9,851		242,101			

REPT. OF EXAMINER STATES
OIL CONSERVATION DIVISION

INEXCO EXHIBIT NO. 4

CASE NO. 67832

Sub. by _____

Hearing Date 3 Jan 80

12/10/79
 LEASE - FEDERAL 1-7
 OPERATOR - INEXCO OIL COMPANY
 FIELD - W. TONTO PENN

INEXCO OIL COMPANY
 LEASE OPERATING STATEMENT
 OPERATED PROPERTIES

CC103
 RM137
 WY .7500000, RELV.1

	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	6 MO. AVG.	PRICE YR. 6 MO. AVG.
PRODUCTION								
OIL - BBL	5,374	2,425	1,152	691	582	447	1,779	242
GAS - MCF	79,741	51,192	65,675	46,662	37,206	32,711	51,865	15,621
OIL - BBL PER DAY	173	81	37	22	19	14	56	8
GAS - MCF PER DAY	2,572	1,706	2,054	1,505	1,240	1,055	1,691	509
WELL STATUS								
PRODUCING - GAS	1	1	1	2	2	2	1	1
EXPENSES								
02 LABOR AND EXPENSES-PUMPS	115	440	276	278	353	353	303	172
03 LABOR AND EXPENSES-COMPANY			139	193			55	
04 CONTRACT LABOR & REPAIRS-SUR						732	122	19
05 TRUCKING-MATERIAL & EQUIPMENT								
06 FLUID HAULING AND SERVICE	708	1,652	1,062	1,770	1,273	1,001	1,244	
07 MATERIAL-OPERATIONS & REPL.								1
09 WELL SERVICING EXPENSE								556
10 POWER, FUEL AND WATER								
11 TREATING CHEMICALS								
12 LOCATION AND ROAD EXPENSE								
20 OTHER SERVICES								
22 COMP. GEN. LIAB. INS. PREM.	32						5	
PRODUCING OVERHEAD	282	564	564	564	564	564	517	216
AD VALOREM & PROPERTY TAXES						1,406	234	553
TOTAL WELL OPER. EXP.	1,137	2,656	2,043	2,805	2,190	4,056	2,480	1,517
REPAIR WELL EXPENSE								
INVESTMENT								
LEASE & WELL EQUIPMENT	19,691	13,407	3,450	5,180	1,880		4,735	130
INTANGIBLE DRILLING	23,686	7,847	2,932	6,658	6,323	566	8,002	162

CC 108ER 1979
NM13701
WI .7500000, REV. INT. .5625000

MAY	JUNE	JULY	AUG.	SEPT.	OCT.	6 MO. AVG.	PRICE YR. 6 MO. AVG.	YTD
5,374	2,425	1,152	691	582	447	1,775	242	11,792
79,741	51,192	65,675	46,602	37,206	32,711	51,865	15,621	381,932
173	81	37	22	19	14	58	8	39
2,572	1,706	2,054	1,505	1,240	1,055	1,691	509	1,256
1	1	1	2	2	2	1	1	
115	440	278	278	353	353	303	172	2,273
		139	193			55		332
					732	122	19	1,837
708	1,652	1,062	1,770	1,273	1,001	1,244		8,762
							1	18
							556	
52						5		232
282	564	564	564	564	564	517	216	577
					1,406	234	553	32
1,137	2,056	2,043	2,805	2,190	4,056	2,480	1,517	4,118
								1,406
								19,123
19,071	13,497	3,450-	5,180-	1,800		4,735	130	250,597
23,006	7,847	2,932	6,658	6,323	566	6,002	162	680,140

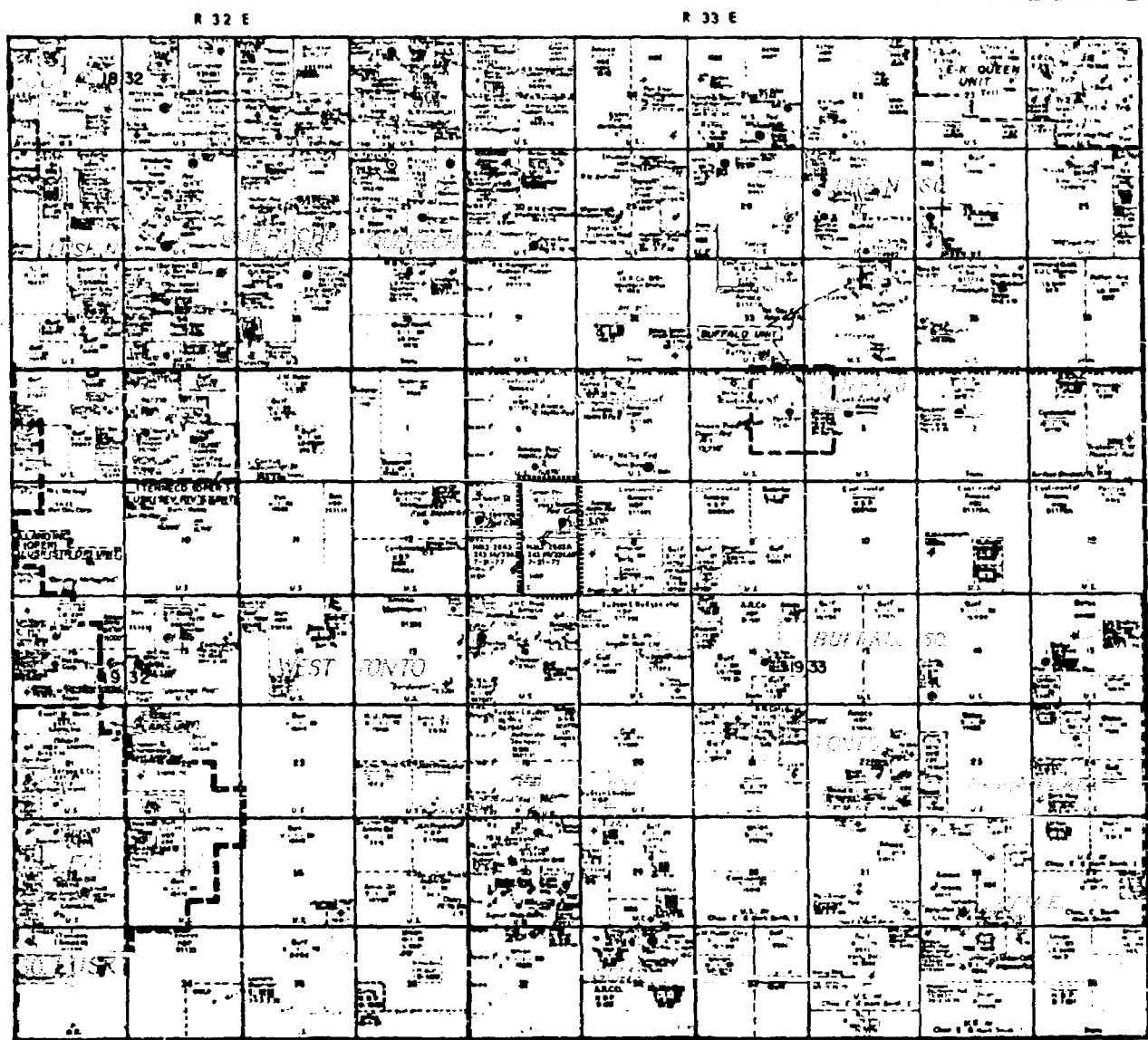
EXPENSE EXAMINER STAMPS
OIL CONSERVATION DIVISION

INEXCO EXHIBIT NO. 5

CASE NO. 6783

Submitted by _____

Hearing Date 3 Jan 80



Open Acreage: 100-127-4, 100-127-5, 100-127-6, 100-127-7, 100-127-8, 100-127-9, 100-127-10, 100-127-11, 100-127-12, 100-127-13, 100-127-14, 100-127-15, 100-127-16, 100-127-17, 100-127-18, 100-127-19, 100-127-20, 100-127-21, 100-127-22, 100-127-23, 100-127-24, 100-127-25, 100-127-26, 100-127-27, 100-127-28, 100-127-29, 100-127-30, 100-127-31, 100-127-32, 100-127-33, 100-127-34, 100-127-35, 100-127-36, 100-127-37, 100-127-38, 100-127-39, 100-127-40, 100-127-41, 100-127-42, 100-127-43, 100-127-44, 100-127-45, 100-127-46, 100-127-47, 100-127-48, 100-127-49, 100-127-50, 100-127-51, 100-127-52, 100-127-53, 100-127-54, 100-127-55, 100-127-56, 100-127-57, 100-127-58, 100-127-59, 100-127-60, 100-127-61, 100-127-62, 100-127-63, 100-127-64, 100-127-65, 100-127-66, 100-127-67, 100-127-68, 100-127-69, 100-127-70, 100-127-71, 100-127-72, 100-127-73, 100-127-74, 100-127-75, 100-127-76, 100-127-77, 100-127-78, 100-127-79, 100-127-80, 100-127-81, 100-127-82, 100-127-83, 100-127-84, 100-127-85, 100-127-86, 100-127-87, 100-127-88, 100-127-89, 100-127-90, 100-127-91, 100-127-92, 100-127-93, 100-127-94, 100-127-95, 100-127-96, 100-127-97, 100-127-98, 100-127-99, 100-127-100.

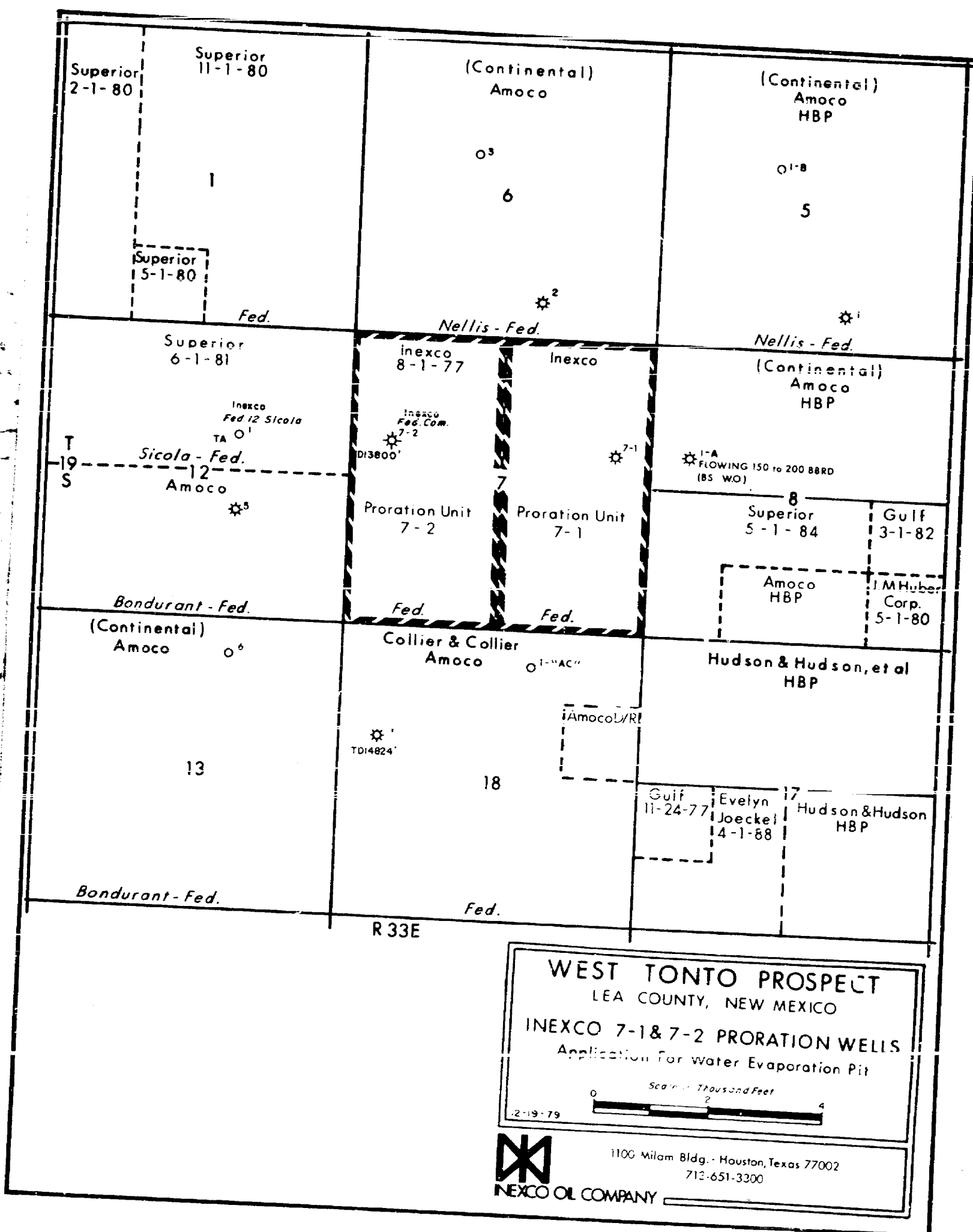
NEW MEXICO
484.63 Net
648.84 Gross

WEST TONTO PROSPECT
LEA COUNTY, NEW MEXICO

Scale in Feet

1100 Miles Bldg. - Houston, Texas 77002
713-451-3300

MOORE COMPANY



APPLICATIONS FOR EXCEPTIONS TO ORDER A 3221

<u>O.</u>	<u>CASE NO.</u>	<u>ORDER NO.</u>	<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL</u>
1	3925	R-3601	11-26-68	Denied	W.E. Jeffers	Red Lake	B 30
2	3997	3635	12-23-68	"	Reading & Bates Offshore Drilg. Co.	W. White Ranch Dev.	A 1
3	3998	3636	12-23-68	Granted	H.N. Sweeney & Paul Slayton	Twin Lakes SA & Dev.	36-3
4	4024	3670	2-4-69	"	V.S. Welch	Shugart	NW/4
5	4027	3679	2-24-69	Dismissed	McDonald Oil Corp.	Jackson Abo	F 22
6	4025	3684	2-28-69	Granted	Ralph Lowe	Corral Canyon Del.	8 &
7	4026	3685	2-28-69	"	Fred Pool Drilg. Co.	"	8 &
8	4050	3687	2-28-69	"	Texaco Inc.	Cotton Draw Brushy Canyon	O 2
9	3996	3711	3-25-69	Dismissed	Martin Yates, III	Dark Canyon Del.	1 22
0	4102	3734	4-22-69	Granted	W.H. McKinley	Square Lake	NE/4
1	4099	3746	5-5-69	Denied	Joseph L. Dunigan	Russell	A 23
2	4100	3747	5-5-69	"	J.M.C. Ritchie	Welch Delaware	16, 2
3	4101	3759	5-20-69	"	Geo. H. Mitchell	Pecos Delaware	B 34
4	4126	3761	5-20-69	"	Curtis Hankamer	Brushy Draw Del.	12, 1
5	4132	3771	5-28-69	Granted	Pan American	Shugart	D, E
6	4135	3773	6-3-69	"	Kimsey & Cahoon	W. Henshaw Gbr.	F 3-
7	4145	3775	6-10-69	"	Tenneco Oil Co.	Lusk	NE/4
	4149	3777	6-10-69	"	Jack L. McClellan	W. Henshaw Gbr.	19-1
	4146	3778	6-10-69	"	V.S. Welch	Shugart	P 5-
	4156	3784	7-7-69	"	Jack L. McClellan	Sulimar-Queen	NE/4
	4169	3800	7-15-69	"	Mask, Jennings, Keohane & Westall	Shugart	SE/4
	4176	3804	8-1-69	"	"	Shugart	E/2
	4179	3812	8-14-69	"	Petr. Corp. of Texas	Corral Canyon Del.	All
	4180	3813	8-14-69	"	Union Oil Co. of California	Grayburg Jackson	M 14
	4182	3820	8-27-69	"	Franklin, Aston & Fair, Inc.	Shugart	NE/4
	"	"	"	"	"	Loco Hills Abo	I &
	4220	3864	10-28-69	"	Pan American Pet. Corp.	Loco Hills	O 30
	4230	3865	10-29-69	"	Dalport Oil Corp.	Sulimar-Queen	B 24
	4262	3891	12-3-69	"	Plains Radio Broadcasting Co.	Double-L Queen	F 31
	4278	3904	1-14-70	Dismissed	Windfohr Oil Co.	White Ranch Siluro-Dev.	E 34
	4279	3905	1-14-70	"	"	Jackson Abo	I & J
	4286	3909	1-14-70	Granted	Gulf Oil Corp.	Grayburg Jackson	B 8-
						Shugart	All

APPLICATIONS FOR EXCEPTIONS TO ORDER A 3221

RESULTS	OPERATOR NAME	POOL NAME	WELL LOCATION
Denied	W.E. Jeffers	Red Lake	B 36-17-27
"	Reading & Bates Offshore Drilling Co.	W. White Ranch Dev.	A 1-12-28
Granted	H.N. Sweeney & Paul Slayton	Twin Lakes SA & Dev.	36-8-28 & 1-9-28 all wells
"	V.S. Welch	Shugart	NW/4 & N/2 SW/4 27-18-31
Dismissed	McDonald Oil Corp.	Jackson Abo	F 22-17-30
Granted	Ralph Lowe	Corral Canyon Del.	8 & 18-25-30
"	Fred Pool Drilling Co.	"	8 & 9-25-30
"	Texaco Inc.	Cotton Draw Brushy Canyon	O 24-24-31
Dismissed	Martin Yates, III	Dark Canyon Del.	I 22-23-26
Granted	W.H. McKinley	Square Lake	NE/4 1-17-30
Denied	Joseph L. Dunigan	Russell	A 23-20-28
"	J.M.C. Ritchie	Welch Delaware	16, 20 & 21-26-27
"	Geo.H. Mitchell	Pecos Delaware	B 34-2629
"	Curtis Hankamer	Brushy Draw Del.	12, 13, 14 & 24-26-29
Granted	Pan American	Shugart	D, E & P 27-18-31
"	Kimsey & Cahoon	W. Henshaw Gbr.	F 3-16-30
"	Tenneco Oil Co.	Lusk	NE/4 24-19-31 & SW NW 19-19-32
"	Jack L. McClellan	W. Henshaw Gbr.	P 5-16-30
"	V.S. Welch	Shugart	NE/4 28-18-31
"	Jack L. McClellan	Sulimar-Queen	SE/4 13 & NE/4 24-15-29
"	Mask, Jennings, Keohane & Westall	Shugart	E/2 NW/4 & NE/4 2-19-31
"	"	Corral Canyon Del.	All wells in pool
"	Petr. Corp. of Texas	Grayburg Jackson	M 14-17-30
"	Union Oil Co. of California	Shugart	NE/4 31-18-31
"	Franklin, Aston & Fair, Inc.	Loco Hills Abo	I & P 20-17-30
"	"	Loco Hills	O 36-17-29 & A 17-18-30
"	Pan American Pet. Corp.	Sulimar-Queen	B 24 & all sec. 25-15-29
"	Dalport Oil Corp.	Double-L Queen	F 31-14-30
"	Plains Radio Broadcasting Co.	White Ranch Siluro-Dev.	E 34-11-29
Dismissed	Windfohr Oil Co.	Jackson Abo	I&J 23-17-30
"	"	Grayburg Jackson	B 8-17-30
Granted	Gulf Oil Corp.	Shugart	All Sec. 22-18-31

APPLICATIONS FOR EXCEPTIONS TO ORDER R-3221

<u>CASE NO.</u>	<u>ORDER NO.</u>	<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL ID</u>
4327	R-3944	4-3-70	Granted	Franklin, Aston & Fair, Inc.	Loco Hills	All well
4329	R-3943	4-3-70	"	R.D. Collier	Jackson Abo	F-22-17
4350	R-3958	5-5-70	"	Cities Service Oil Co.	Sulimar-Queen	S/2NE
4337	R-3966	5-20-70	"	Petr. Corp. of Texas	Jackson Abo	J-22-17
4379	R-3996	7-15-70	"	Hal M. Stierwalt & Southern Union Prod. Co.	West Henshaw-Gbr.	Opr. we Section
4408	R-4015	8-21-70	"	Keohane & Westall	Shugart	D & E 2
4400	R-4016	8-25-70	"	David C. Collier	H. Hackberry Y-SR	Ut. A, C
4117	R-4030	9-15-70	"	J. Cleo Thompson	Sq. Lake	9-G & 12
4438	R-4047	10-27-70	"	Eastland Oil Co.	Gbr. Jackson SA P-4092	NW/4 5f
4482	R-4093	1-25-71	"	The Petroleum Corp.	Parkway-Strawn	P-26-19
4475	R-4097	2-8-71	Dismissed	Texas American Oil Corp.	Sand Dunes Atoka & Cherry Canyon	G-26-23
4490	R-4120	3-23-71	Granted	Texas Pacific Oil Co.	Loco Hills Abo	K-21-17
4536	R-4148	5-24-71	Granted	The Eastland Oil Co.	Power Gbr. SA	M-32-17
4528	R-4149	6-7-71	Dismissed	Franklin, Aston & Fair, Inc.	Loco Hills	H-5-18-3
4561	R-4165	7-28-71	Granted	Great Plains Land Co.	Shugart	D 31-18
4689	R-4295	5-11-72	Granted	Petroleum Corp. of Texas	Gbr. Jackson	J-15 & N
4710	R-4308	5-30-72	Denied	Hanson Oil Corp.	Shugart	22 wells Secs. 34
4736	R-4327	6-14-72	Granted	Daipport Oil Corp.	Undes. Q	F-22-15
5038	R-4620	8-23-73	Granted	Twinlakes Oil Co.	Undes. Cisco	K 1-9-2
5208	R-4786	5-21-74	Granted	Yates Petr. Corp.	Square Lake	M-4&NE/4
5527	R-5071	7-22-75	Granted	Plains Radio Broadcasting Co.	East Chisum SA	1-N & O A & B 16
5699	R-5236	7-14-76	Granted	Daipport Oil Corp.	S. Lucky Lake Queen	K-22-15-29
5719	R-5245	8-24-76	Denied	LaRue & Muncy	N. Benson Q-G	G&F 33-18
5720	R-5246	"	"	Harvey E. Yates	" " " "	A-B-G-H-J
5721	R-5247	"	"	H&S Oil Co.	" " " "	C, 33-18-3
5722	R-5248	"	"	Gene Snow	" " " "	L, 32-18-3
5723	R-5249	"	"	Marbob Energy Corp.	" " " "	E, 28 & G
5709	R-5278	9-16-76	"	Tahoe Oil & Cattle Co.	Pit in Potash area	K-2-20-30
5824	R-5346	1-17-77	Dismissed	Raymond Eaves		

APPLICATIONS FOR EXCEPTIONS TO ORD. R-3221

<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL LOCATION</u>
4-3-70	Granted	Franklin, Aston & Fair, Inc.	Loco Hills	All wells in NE/4 1-18-29
4-3-70	"	R.D. Collier	Jackson Abo	F-22-17-30
5-5-70	"	Cities Service Oil Co.	Sulimar-Queen	S/2NE & N/2SE 26-15-29
5-20-70	"	Petr. Corp. of Texas	Jackson Abo	J-22-17-30
7-1-70	"	Hal M. Stierwalt & Southern Union Prod. Co.	West Henshaw-Gbr.	Opr. wells in Section 1 & 2-16-30
8-21-70	"	Keohane & Westall	Shugart	D & E 2-19-31
8-25-70	"	David C. Collier	H. Hackberry Y-SR	Ut. A, C, E, G, I, K & M, 30-19-31
9-15-70	"	J. Cleo Thompson	Sq. Lake	9-G & 12-B 33-16-30
10-27-70	"	Eastland Oil Co.	G. Jackson SA B-4092	NW/4 5f 5 & NE/4 6-18-31
1-25-71	"	The Petroleum Corp.	Parkway-Strawn	P-26-19-29
2-8-71	Dismissed	Texas American Oil Corp.	Sand Dunes Atoka & Cherry Canyon	G-26-23-31
3-23-71	Granted	Texas Pacific Oil Co.	Loco Hills Abo	K-21-17-30
5-24-71	Granted	The Eastland Oil Co.	Power Gbr. SA	M-32-17-31 & C&D 6-18-31
6-7-71	Dismissed	Franklin, Aston & Fair, Inc.	Loco Hills	H-5-18-30
7-28-71	Granted	Great Plains Land Co.	Shugart	D 31-18-31
5-11-72	Granted	Petroleum Corp. of Texas	Gbr. Jackson	J-15 & NW/4 20-17-30 (5 wells)
5-30-72	Denied	Hanson Oil Corp.	Shugart	22 wells Sec. 24-25-26
6-14-72	Granted	Dalport Oil Corp.	Undes. Q	Secs. 34 & 35-18-30
8-23-73	Granted	Twinlakes Oil Co.	Undes. Cisco	F-22-15-29
5-21-74	Granted	Yates Petr. Corp.	Square Lake	K 1-9-28 (Temp. 1yr)
7-22-75	Granted	Plains Radio Broadcasting Co.	East Chisum SA	M-4&NE/4 5-17-30
7-14-76	Granted	Dalport Oil Corp.	S. Lucky Lake Queen	1-N & O 9
8-24-76	Denied	LaRue & Muncy	N. Benson Q-G	A & B 16- 11-28 Vic. Wells
"	"	Harvey E. Yates	" " " "	K-22-15-29 Expires 8-1-
"	"	H&S Oil Co.	" " " "	G&F 33-18-30
"	"	Gene Snow	" " " "	A-B-G-H-J 32-18-30
"	"	Marbob Energy Corp.	" " " "	C, 33-18-30
9-16-76	"	Tahoe Oil & Cattle Co.	Pit in Potash area	L, 32-18-30
1-17-77	Dismissed	Raymond Eaves		E, 28 & G-H, 29-18-30
				K-2-20-30

APPLICATIONS FOR EXCEPTIONS TO ORDER R-3221

<u>CASE NO.</u>	<u>ORDER NO.</u>	<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL LOG</u>
5719 DeNovo	R-5245-A	1-25-77	Granted	LaRue & Muncy	N.Benson Q-G	#9 & 10 G-F, 33
5720 DeNovo	R-5246-A	"	"	Harvey E. Hates	" " " "	#1-G, 2- 32-18-30
5721 DeNovo	R-5247-A	"	"	H&S Oil Co.	" " " "	#7-C, 33
5722 "	R-5248-A	"	"	Gene Snow	" " " "	#1-L, 32
5723 "	R-5249-A	"	"	Marbob Energy Corp.	" " " "	#1-E, 28 2-H & 3-
5812	R-5355	"	"	Petr.Development Corp.	E.Lusk Bone Sprins	1-I, 16-
5950	R-5472	6-21-77	"	Joe Don Cook	Shugart	1 J, 2-1
5922	R-5464	6-14-77	"	A.L.Daughterity	Salt Lake(Commercial disposal lake)	24-8-29
6594	R-6083	8-16-79	"	Flag-Redfern Oil Co.	Shugart	SW/4 2-1
6659	R-6134	10-10-79	"	Amoco Prod.Co.	Shugart Penn	27,34 &

APPLICATIONS FOR EXCEPTIONS TO ORDER R-3221

<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL LOCATION</u>
5-25-77	Granted	LaRue & Muncy	N. Benson Q-G	#9 & 10 G-F, 33-18-30
"	"	Harvey E. Hates	" " " "	#1-G, 2-B, 3-A, 4-J, 6-G 32-18-30
"	"	H&S Oil Co.	" " " "	#7-C, 33-18-30
"	"	Gene Snow	" " " "	#1-L, 32-18-30
"	"	Marbob Energy Corp.	" " " "	#1-E, 28-18-30 2-H & 3-G, 29-18-30
"	"	Petr. Development Corp.	E. Lusk Bone Springs	1-I, 16-19-32
5-21-77	"	Joe Don Cook	Shugart	1 J, 2-19-31
6-14-77	"	A.L. Daugherty	Salt Lake (Commercial disposal lake)	24-8-29 & 19-8-30
8-16-79	"	Flag-Redfern Oil Co.	Shugart	SW/4 2-19-31
9-10-79	"	Amoco Prod. Co.	Shugart Penn	27, 34 & 35-T18S-R31E

09/30/77

WELL NM13701-001 FEDERAL 1-7
TYPE - GP R O D U C T I O N H I S T
O P E R A T O R - I N E X C O O I L C O

DATE	O I L		G A S		CF/BBL OR BBL/MMCF	BBL
	BBLs PER MO.	CUM. BBLs	MCF PER MO.	CUM. MCF		
0777	2,279	2,279	115,979	115,979		
0877	3,751	6,030	175,234	291,213	20	
0977	3,083	9,113	173,552	464,765	21	
1077	1,619	10,732	133,791	598,556	18	
1177	1,279	12,011	70,844	669,400	12	
1277	1,710	13,721	77,289	746,689	18	
YTD	13,721		746,689		22	
0178	994	14,715	60,310	806,999		
0278	410	15,125	18,821	825,820	16	
0378	639	15,764	34,217	860,037	22	
0478	539	16,303	31,279	891,316	19	
0578	361	16,664	25,339	916,655	17	
0678	375	17,039	22,001	938,656	14	
0778	232	17,271	14,611	953,267	17	
0878	177	17,448	11,438	964,705	16	
0978	208	17,656	11,396	976,101	15	
1078	100	17,756	8,940	985,041	18	
1178	322	18,078	19,646	1,004,687	11	
1278	593	18,671	32,658	1,037,345	16	
YTD	4,950		290,656		15	
0179	505	19,176	21,551	1,058,896		
0279	239	19,415	16,658	1,075,554	23	
0379	268	19,683	18,306	1,093,860	14	
0479	109	19,792	8,379	1,102,239	15	
0579	47	19,839	921	1,103,160	13	
0679	80	19,919	5,035	1,108,195	51	
0779	6	19,925	6,970	1,115,165	16	
0879	99	20,024	13,997	1,129,162	1	
0979	141	20,165	9,452	1,138,614	7	
YTD	1,494		101,269		15	

09/30/79

WELL NM13701-002 FEDERAL 1-7
TYPE - GP R O D U C T I O N H I S T C
O P E R A T O R - I N E X C O O I L C O

DATE	O I L		G A S		CF/BBL OR BBL/MMCF	BBLs
	BBLs PER MO.	CUM. BBLs	MCF PER MO.	CUM. MCF		
0579	5,327	5,327	78,820	78,820	58	
0679	2,345	7,672	46,157	124,977	51	
0779	1,146	8,818	56,705	181,682	20	
0879	592	9,410	32,665	214,347	18	
0979	441	9,851	27,754	242,101	16	
YTD	9,851		242,101			

12/10/79
 LEASE - FEDERAL 1-7
 OPERATOR - INEXCO OIL COMPANY
 FIELD - W. TONTO PENN

INEXCO OIL COMPANY
 LEASE OPERATING STATEMENT
 OPERATED PROPERTIES

WI .7500000, REV

CC 10

NM 10

PRIOR Y

6 MO. AVG.

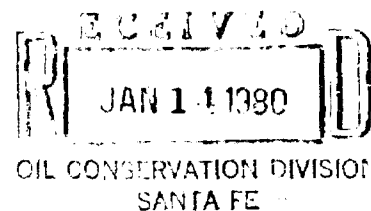
	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	6 MO. AVG.	PRIOR Y 6 MO. AVG.
PRODUCTION								
OIL - BBL	5,374	2,425	1,152	691	582	447	1,779	242
GAS - MCF	79,741	51,192	63,675	46,602	37,206	32,711	51,865	15,021
OIL - BBL PER DAY	173	81	37	22	19	14	58	8
GAS - MCF PER DAY	2,572	1,706	2,054	1,505	1,240	1,055	1,691	509
WELL STATUS								
PRODUCING - GAS	1	1	1	2	2	2	1	1
EXPENSES								
02 LABOR AND EXPENSES-PUMPERS	115	440	278	278	353	353	303	172
03 LABOR AND EXPENSES-COMPANY J			139	193			55	
04 CONTRACT LABOR & REPAIRS-SUR						732	122	1
05 TRUCKING-MATERIAL & EQUIPMEN								
06 FLUID HANDLING AND SERVICE	708	1,652	1,002	1,770	1,273	1,001	1,244	
07 MATERIAL-OPERATIONS & REPL.								
08 WELL SERVICING EXPENSE								555
09 POWER, FUEL AND WATER								
11 TREATING CHEMICALS								
12 LOCATION AND ROAD EXPENSE								
20 OTHER DIRECT								
23 COMP. GEN. LIAB. INS. PREM.	32						5	
PRODUCING OVERHEAD	282	564	564	564	564	564	517	210
AD VALOREM & PROPERTY TAXES						1,406	234	55
TOTAL WELL OPER. EXP.	1,137	2,056	2,043	2,805	2,190	4,056	2,480	1,517
REPAIR WELL EXPENSE								
INVESTMENT								
LEASE & WELL EQUIPMENT	15,671	13,497	3,450-	3,180-	1,800		4,735	135
INTANGIBLE DRILLING	23,606	7,847	2,932	6,658	6,323	566	8,002	162

INEXCO OIL COMPANY
LEASE OPERATING STATEMENT
OPERATED PROPERTIES

OCTOBER 1979
NM13701
WI .7500000, RELV.INT. .5625000

MAY	JUNE	JULY	AUG.	SEPT.	OCT.	6 MO.AVG.	PRICE YR. 6 MO.AVG.	YTD
5,374	2,425	1,152	691	382	447	1,779	242	11,792
79,741	51,192	63,675	46,602	37,206	32,711	51,865	15,621	381,932
173	81	37	22	19	14	58	8	39
2,572	1,706	2,054	1,505	1,240	1,055	1,691	509	1,256
1	1	1	2	2	2	1	1	
115	440	278	278	353	353	303	172	2,273
		139	193			55		332
					732	122	19	1,837
708	1,652	1,062	1,770	1,273	1,001	1,244		8,762
							1	18
							556	
32								232-
282	564	564	564	564	564	5		577
						517	216	32
1,137	2,656	2,043	2,805	2,190	1,406	234	553	4,118
					4,058	2,480	1,517	1,406
								19,123
19,691	13,497	3,450-	3,160-	1,800		4,725	180	250,597
23,666	7,847	2,932	6,658	6,323	566	8,002	162	680,140

WEST TONTO YATES
NO PIT ORDER EXCEPTION



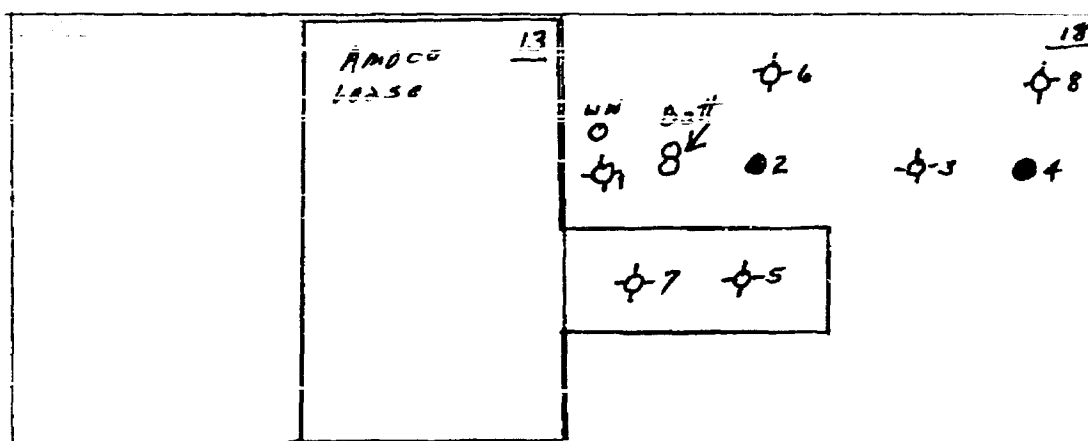
The Collier and Collier Federal 18 Lease in 18-19-33 (formerly JHC Prod. and Originally Hudson & Hudson) West Tonto-Yates Pool is being produced into pits at battery in Unit E of 18-19-33, from two wells #2 in Unit F and #4 in Unit H both in 18-19-33. Both of these wells are outside the exempt from No-pit order R-3554. The original wells in exempt area of Collier and Collier which went into battery in Unit E are P&A. Amoco has some wells in E/2 of Section 13-19-32 which are exempt.

There is a water well located in the W/2 of Unit E which supplies stock water and is 156 ppm chlorides (Jan. 10, 1980) There are three large pits at the Collier battery (Unit E) which are interconnected and have much water in them. Chlorides 12,425 ppm.

— AREA EXEMPT UNDER R-3552 -- WEST TONTO-YATES POOL

19-32

19-33



John W. Runyan
John W. Runyan
Hobbs - OCD
January 11, 1980

26 J.C. Barnes 9390 U.S.	25 J.C. Barnes 9390 U.S.	30 R.N. Infield Hudson U.S.	29 J.C. Barnes 9390 U.S.	31 J.C. Barnes 9390 U.S.	32 J.C. Barnes 9390 U.S.	33 J.C. Barnes 9390 U.S.	34 J.C. Barnes 9390 U.S.
35 J.M. Huber 12-1-80 U.S.	36 A.R. Co. 12-1-80 U.S.	37 A.R. Co. 12-1-80 U.S.	38 A.R. Co. 12-1-80 U.S.	39 A.R. Co. 12-1-80 U.S.	40 A.R. Co. 12-1-80 U.S.	41 A.R. Co. 12-1-80 U.S.	42 A.R. Co. 12-1-80 U.S.
43 J.M. Huber 12-1-80 U.S.	44 A.R. Co. 12-1-80 U.S.	45 A.R. Co. 12-1-80 U.S.	46 A.R. Co. 12-1-80 U.S.	47 A.R. Co. 12-1-80 U.S.	48 A.R. Co. 12-1-80 U.S.	49 A.R. Co. 12-1-80 U.S.	50 A.R. Co. 12-1-80 U.S.
51 J.M. Huber 12-1-80 U.S.	52 A.R. Co. 12-1-80 U.S.	53 A.R. Co. 12-1-80 U.S.	54 A.R. Co. 12-1-80 U.S.	55 A.R. Co. 12-1-80 U.S.	56 A.R. Co. 12-1-80 U.S.	57 A.R. Co. 12-1-80 U.S.	58 A.R. Co. 12-1-80 U.S.
59 J.M. Huber 12-1-80 U.S.	60 A.R. Co. 12-1-80 U.S.	61 A.R. Co. 12-1-80 U.S.	62 A.R. Co. 12-1-80 U.S.	63 A.R. Co. 12-1-80 U.S.	64 A.R. Co. 12-1-80 U.S.	65 A.R. Co. 12-1-80 U.S.	66 A.R. Co. 12-1-80 U.S.
67 J.M. Huber 12-1-80 U.S.	68 A.R. Co. 12-1-80 U.S.	69 A.R. Co. 12-1-80 U.S.	70 A.R. Co. 12-1-80 U.S.	71 A.R. Co. 12-1-80 U.S.	72 A.R. Co. 12-1-80 U.S.	73 A.R. Co. 12-1-80 U.S.	74 A.R. Co. 12-1-80 U.S.
75 J.M. Huber 12-1-80 U.S.	76 A.R. Co. 12-1-80 U.S.	77 A.R. Co. 12-1-80 U.S.	78 A.R. Co. 12-1-80 U.S.	79 A.R. Co. 12-1-80 U.S.	80 A.R. Co. 12-1-80 U.S.	81 A.R. Co. 12-1-80 U.S.	82 A.R. Co. 12-1-80 U.S.
83 J.M. Huber 12-1-80 U.S.	84 A.R. Co. 12-1-80 U.S.	85 A.R. Co. 12-1-80 U.S.	86 A.R. Co. 12-1-80 U.S.	87 A.R. Co. 12-1-80 U.S.	88 A.R. Co. 12-1-80 U.S.	89 A.R. Co. 12-1-80 U.S.	90 A.R. Co. 12-1-80 U.S.
91 J.M. Huber 12-1-80 U.S.	92 A.R. Co. 12-1-80 U.S.	93 A.R. Co. 12-1-80 U.S.	94 A.R. Co. 12-1-80 U.S.	95 A.R. Co. 12-1-80 U.S.	96 A.R. Co. 12-1-80 U.S.	97 A.R. Co. 12-1-80 U.S.	98 A.R. Co. 12-1-80 U.S.
99 J.M. Huber 12-1-80 U.S.	100 A.R. Co. 12-1-80 U.S.	101 A.R. Co. 12-1-80 U.S.	102 A.R. Co. 12-1-80 U.S.	103 A.R. Co. 12-1-80 U.S.	104 A.R. Co. 12-1-80 U.S.	105 A.R. Co. 12-1-80 U.S.	106 A.R. Co. 12-1-80 U.S.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

APPLICATION OF WILLIAM A. AND
EDWARD R. HUDSON FOR AN EXCEPTION
TO ORDER NO. R-3221, AS AMENDED,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 16, 1968,
at Santa Fe, New Mexico, before the Oil Conservation Commission
of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 18th day of November, 1968, the Commission, a
quorum being present, having considered the testimony presented
and the exhibits received at said hearing, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicants, William A. and Edward R. Hudson,
are the operators of certain oil wells producing from the West
Tonto Yates-Seven Rivers Pool, Lea County, New Mexico.

(3) That the West Tonto Yates-Seven Rivers Pool as presently
designated comprises the following-described acreage:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 13: E/2

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 13: N/2 and SW/4.

(4) That effective January 1, 1969, Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, stream-bed, or arroyo, or in any watercourse, or in any other place or in any manner which will constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(5) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(6) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(7) That the applicants seek an exception to the provisions of the aforesaid Order (3) to permit the continued disposal of salt water, produced by all of the wells in the West Tonto Yates-Seven Rivers Pool in unlined surface pits located within the horizontal limits of said pool.

(8) That there is an abandoned shallow water well, the water from which has been reported as impotable, approximately 4 1/2 miles from the subject pits.

(9) That the evidence presented indicates that the nearest existing shallow water well is more than five miles from the subject pits.

(10) That there appears to be no water in the vicinity of the subject unlined surface pits for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination.

(11) That approval of the subject application will not cause waste nor violate correlative rights.

-3-

CASE No. 3892
Order No. R-3554

IT IS THEREFORE ORDERED:

(1) That the operators of oil and/or gas wells, both existing and prospective, producing from the West Tonto Yates-Seven Rivers Pool and located in the E/2 of Section 13, Township 19 South, Range 32 East, and the N/2 and SW/4 of Section 18, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico, are hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to continue to dispose of water produced in conjunction with the production of oil or gas, or both, by said wells in unlined surface pits located within the boundaries of the West Tonto Yates-Seven Rivers Pool as presently designated.

(2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS, NEW MEXICO

WATER ANALYSIS

Well Ownership: Unknown Well No. #1

Land Status: State Federal X Fee

Well Location: Unit Letter E, Section 18, T 12 S, R 33 E

Water well has small pump jack - electric

Type Well: water well Depth ?? feet.

Well Use: stock

Sample Number: #1

Date Taken: 1-10-80

Taken By: John W. Runyan

Specific Conductance: m/m

Total dissolved Solids: PPM.

Chlorides: 156.2 PPM.

Sulfates: PPM.

Ortho-phosphates: ☐ V.Low ☐ Low ☐ Medium ☐ High

Sulfides: ☐ None ☐ Low ☐ Medium ☐ High

Date Analyzed: 1-11-80

By: John W. Runyan
Oil Conservation Division

REMARKS: This water well is 300 feet west of battery which has open
pit disposal -- sample static taken from stock tank

25 ml sample = 142.0 factor x 1.1 titration = 156.2

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS, NEW MEXICO

WATER ANALYSIS

Well Ownership: Collier & Collier Well No. Battery pit

Land Status: State Federal X Fee

Well Location: Unit Letter E, Section 18, T 19 S, R 33 E

Federal 18 Lease -- West Tonto - Yates

Type ~~Well~~: Battery pits Depth feet.

~~Well~~ Use: water disposal

Sample Number: #1

Date Taken: 1-10-80

Taken By:

Specific Conductance: m/cu

Total dissolved Solids: 12,425 PPM.

Chlorides: PPM.

Sulfates: PPM.

Ortho-phosphates: ☐ V.Low ☐ Low ☐ Medium ☐ High

Sulfides: ☐ None ☐ Low ☐ Medium ☐ High

Date Analyzed: 1-11-80

By: John W. Riney
Oil Conservation Division

REMARKS: Sample taken from pit -- static

Three large pits interconnected 3--4' water in pits (no oil on water H₂S odor)

1 ml sample = 3550 factor x 3.5 titration = 12,425 ppm

APPLICATIONS FOR EXCEPTIONS TO ORDER A 3221

<u>O.</u>	<u>CASE NO.</u>	<u>ORDER NO.</u>	<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>REMARKS</u>
1	3925	R-3601	11-26-68	Denied.	W.E. Jeffers	Red Lake	B 36
2	3997	3635	12-23-68	"	Reading & Bates Offshore Drilling Co.	W. White Ranch Dev.	A 1
3	3998	3636	12-23-68	Granted	H.N. Sweeney & Paul Slayton	Twin Lakes SA & Dev.	36-8
4	4024	3670	2-4-69	"	V.S. Welch	Shugart	NW/4
5	4027	3679	2-24-69	Dismissed	McDonald Oil Corp.	Jackson Abo	F 22
6	4025	3684	2-28-69	Granted	Ralph Lowe	Corral Canyon Del.	8 & 1
7	4026	3685	2-28-69	"	Fred Pool Drilling Co.	"	8 & 9
8	4050	3687	2-28-69	"	Texaco Inc.	Cotton Draw Brushy Canyon	O 24
9	3996	3711	3-25-69	Dismissed	Martin Yates, III	Dark Canyon Del.	1 22
10	4102	3734	4-22-69	Granted	W.H. McKinley	Square Lake	NE/4
11	4099	3746	5-5-69	Denied	Joseph L. Dunigan	Russell	A 23
12	4100	3747	5-5-69	"	J.M.C. Ritchie	Welch Delaware	16, 20
13	4101	3759	5-20-69	"	Geo. H. Mitchell	Pecos Delaware	B 34
14	4126	3761	5-20-69	"	Curtis Hankamer	Brushy Draw Del.	12, 11
15	4132	3771	5-28-69	Granted	Pan American	Shugart	D, E 8
16	4135	3773	6-3-69	"	Kimsey & Cahoon	W. Henshaw Gbr.	F 3-1
17	4145	3775	6-10-69	"	Tenneco Oil Co.	Lusk	NE/4
18	4149	3777	6-10-69	"	Jack L. McClellan	W. Henshaw Gbr.	19-19
19	4146	3778	6-10-69	"	V.S. Welch	Shugart	P 5-1
20	4156	3784	7-7-69	"	Jack L. McClellan	Sulimar-Queen	NE/4
21	4169	3800	7-15-69	"	Mask, Jennings, Keohane & Westall	Shugart	SE/4
22	4176	3804	8-1-69	"	"	Shugart	E/2
23	4179	3812	8-14-69	"	Petr. Corp. of Texas	Corral Canyon Del.	All
24	4180	3813	8-14-69	"	Union Oil Co. of California	Grayburg Jackson	M 14
25	4182	3820	8-27-69	"	Franklin, Aston & Fair, Inc.	Shugart	NE/4
26	"	"	"	"	"	Loco Hills Abo	I & J
27	4220	3864	10-28-69	"	Pan American Pet. Corp.	Loco Hills	O 36
28	4230	3865	10-29-69	"	Dalport Oil Corp.	Sulimar-Queen	B 24
29	4262	3891	12-3-69	"	Plains Radio Broadcasting Co.	Double-L Queen	F 31
30	4278	3904	1-14-70	Dismissed	Windfohr Oil Co.	White Ranch Siluro-Dev.	E 34
31	4279	3905	1-14-70	"	"	Jackson Abo	I&J
32	4286	3909	1-14-70	Granted	Gulf Oil Corp.	Grayburg Jackson	B 8-1
33						Shugart	All

APPLICATIONS FOR EXCEPTIONS TO ORDER NO. 221

	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL LOCATION</u>
-26-68	Denied.	W.E. Jeffers	Red Lake	B 26-17-27
-23-68	"	Reading & Bates Offshore Drilling Co.	W. White Ranch Dev.	A 1-12-28
-23-68	Granted	H.N. Sweeney & Paul Slayton	Twin Lakes SA & Dev.	36-8-28 & 1-9-28 all wells
-4-69	"	V.S. Welch	Shugart	NW/4 & N/2 SW/4 27-18-31
-24-69	Dismissed	McDonald Oil Corp.	Jackson Abo	F 22-17-30
-28-69	Granted	Ralph Lowe	Corral Canyon Del.	8 & 18-25-30
-28-69	"	Fred Pool Drilling Co.	"	8 & 9-25-30
-28-69	"	Texaco Inc.	Cotton Draw Brushy Canyon	O 24-24-31
-25-69	Dismissed	Martin Yates, III	Dark Canyon Del.	1 22-23-26
-22-69	Granted	W.H. McKinley	Square Lake	NE/4 1-17-30
-5-69	Denied	Joseph L. Dunigan	Russell	A 23-20-28
-5-69	"	J.M.C. Ritchie	Welch Delaware	16, 20 & 21-26-27
-20-69	"	Geo. H. Mitchell	Peccs Delaware	B 34-2629
-20-69	"	Curtis Hankamer	Brushy Draw Del.	12, 13, 14 & 24-26-29
-28-69	Granted	Pan American	Shugart	D, E & P 27-18-31
-3-69	"	Kimsey & Cahoon	W. Henshaw Gbr.	F 3-16-30
-10-69	"	Tenneco Oil Co.	Lusk	NE/4 24-19-31 & SW NW 19-19-32
-10-69	"	Jack L. McClellan	W. Henshaw Gbr.	P 5-16-30
-10-69	"	V.S. Welch	Shugart	NE/4 28-18-31
-7-69	"	Jack L. McClellan	Sulimar-Queen	SE/4 13 & NE/4 24-15-29
-15-69	"	Mask, Jennings, Keohane & Westall	Shugart	E/2 NW/4 & NE/4 2-19-31
-1-69	"	"	Corral Canyon Del.	All wells in pool
-14-69	"	Petr. Corp. of Texas	Grayburg Jackson	M 14-17-30
-14-69	"	Union Oil Co. of California	Shugart	NE/4 31-18-31
-27-69	"	Franklin, Aston & Fair, Inc.	Loco Hills Abo	I & P 20-17-30
-28-69	"	"	Loco Hills	O 36-17-29 & A 17-18-30
-28-69	"	Pan American Pet. Corp.	Sulimar-Queen	B 24 & all sec. 25-15-29
-29-69	"	Dalport Oil Corp.	Double-L Queen	F 31-14-30
-3-69	"	Plains Radio Broadcasting Co.	White Ranch Siluro-Dev.	E 34-11-29
-14-70	Dismissed	Windfobr Oil Co.	Jackson Abo	I&J 23-17-30
-14-70	"	"	Grayburg Jackson	B 3-17-30
-14-70	Granted	Gulf Oil Corp.	Shugart	All Sec. 22-18-31

APPLICATIONS FOR EXCEPTIONS TO ORDER R-3221

<u>CASE NO.</u>	<u>ORDER NO.</u>	<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL</u>
4327	R-3944	4-3-70	Granted	Franklin, Aston & Fair, Inc.	Loco Hills	All w
4329	R-3943	4-3-70	"	R.D. Collier	Jackson Abo	F-22-
4350	R-3953	5-5-70	"	Cities Service Oil Co.	Sulimar-Queen	S/2NE
4337	R-3966	5-20-70	"	Petr. Corp. of Texas	Jackson Abo	J-22-
4379	R-3996	7-15-70	"	Hal M. Stierwalt & Southern Union Prod. Co.	West Henshaw-Gbr.	Opr. v Section
4408	R-4015	8-21-70	"	Keohane & Westall	Shugart	D & E
4400	R-4016	8-25-70	"	David C. Collier	H. Hackberry Y-SR	Ut. A,
4117	R-4030	9-15-70	"	J. Cleo Thompson	Sq. Lake, SA P-4092	9-G &
4438	R-4047	10-27-70	"	Eastland Oil Co.	Gbr. Jackson	NW/4 6
4482	R-4093	1-25-71	"	The Petroleum Corp.	Parkway-Strawn	P-26-1
4475	R-4097	2-8-71	Dismissed	Texas American Oil Corp.	Sand Dunes Atoka & Cherry Canyon	G-26-2
4490	R-4120	3-23-71	Granted	Texas Pacific Oil Co.	Loco Hills Abo	K-21-1
4536	R-4148	5-24-71	Granted	The Eastland Oil Co.	Power Gbr. SA	M-32-17
4528	R-4149	6-7-71	Dismissed	Franklin, Aston & Fair, Inc.	Loco Hills	H-5-18-
4561	R-4165	7-28-71	Granted	Great Plains Land Co.	Shugart	D 31-18
4689	R-4295	5-11-72	Granted	Petroleum Corp. of Texas	Gbr. Jackson	J-15 &
4710	R-4308	5-30-72	Denied	Hanson Oil Corp.	Shugart	22 well Secs. 34
4736	R-4327	6-14-72	Granted	Dalport Oil Corp.	Undes. Q	F-22-15
5038	R-4620	8-23-73	Granted	Twinlakes Oil Co.	Undes. Cisco	K 1-9-
5208	R-4786	5-21-74	Granted	Yates Petr. Corp.	Square Lake	M-4&NE
5527	R-5071	7-22-75	Granted	Plains Radio Broadcasting Co.	East Chisum SA	1-N & C A & B
5699	R-5236	7-14-76	Granted	Dalport Oil Corp.	S. Lucky Lake Queen	K-22-15-
5719	R-5245	8-24-76	Denied	LaRue & Muncy	N. Benson Q-G	G&F 33-1
5720	R-5246	"	"	Harvey E. Yates	" " " "	A-B-G-H-
5721	R-5247	"	"	H&S Oil Co.	" " " "	C, 33-18
5722	R-5248	"	"	Gene Snow	" " " "	L, 32-10
5723	R-5249	"	"	Marbob Energy Corp.	" " " "	E, 28 &
5709	R-5278	9-16-76	"	Tahoe Oil & Cattle Co.	Pit in Potash area	K-2-20-3
5824	R-5346	1-17-77	Dismissed	Raymond Eaves		

APPLICATIONS FOR EXCEPTIONS TO ORT 1 R-3221

<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL LOCATION</u>
4-3-70	Granted	Franklin, Aston & Fair, Inc.	Loco Hills	All wells in NE/4 1-18-20
4-3-70	"	R.D. Collier	Jackson Abo	F-22-17-30
5-5-70	"	Cities Service Oil Co.	Sulimar-Queen	S/2NE & N/2SE 26-15-29
5-20-70	"	Petr. Corp. of Texas	Jackson Abo	J-22-17-30
7-15-70	"	Hal M. Stierwalt & Southern Union Prod. Co.	West Henshaw-Gbr.	Opr. wells in Section 1 & 2-16-30
8-21-70	"	Keohane & Westall	Shugart	D & E 2-19-31
8-25-70	"	David C. Collier	H. Hackberry Y-SR	Ut. A, C, E, G, I, K & M, 30-19-1
9-15-70	"	J. Cleo Thompson	Sq. Lake	9-G & 12-B 33-16-30
10-27-70	"	Eastland Oil Co.	Gbr. Jackson <i>SA R-4092</i>	NW/4 5f 5 & NE/4 6-18-31
1-25-71	"	The Petroleum Corp.	Parkway-Strawn	P-26-19-29
2-8-71	Dismissed	Texas American Oil Corp.	Sand Dunes Atoka & Cherry Canyon	G-26-23-31
3-23-71	Granted	Texas Pacific Oil Co.	Loco Hills Abo	K-21-17-30
5-24-71	Granted	The Eastland Oil Co.	Power Gbr. SA	M-32-17-31 & C&D 6-18-31
6-7-71	Dismissed	Franklin, Aston & Fair, Inc.	Loco Hills	H-5-18-30
7-28-71	Granted	Great Plains Land Co.	Shugart	D 31-18-31
5-11-72	Granted	Petroleum Corp. of Texas	Gbr. Jackson	J-15 & NW/4 20-17-30 (5 well
5-30-72	Denied	Hanson Oil Corp.	Shugart	22 wells Sec. 24-25-26
6-14-72	Granted	Dalport Oil Corp.	Undes. Q	Secs. 34 & 35-18-30
8-23-73	Granted	Twinlakes Oil Co.	Undes. Cisco	F-22-15-29
5-21-74	Granted	Yates Petr. Corp.	Square Lake	K 1-9-28 (Temp. 1yr)
7-22-75	Granted	Plains Radio Broadcasting Co.	East Chisum SA	M-4&NE/4 5-17-30
7-14-76	Granted	Dalport Oil Corp.	S. Lucky Lake Queen	1-N & O 9
8-24-76	Denied	LaRue & Muncy	N. Benson Q-G	A & B 16- 11-28 Vic. of well
"	"	Harvey E. Yates	" " " "	K-22-15-29 Expires 8-1-
"	"	H&S Oil Co.	" " " "	G&F 33-18-30
"	"	Gene Snow	" " " "	A-B-G-H-J 32-18-30
"	"	Marbob Energy Corp.	" " " "	C, 33-18-30
9-16-76	"	Tahoe Oil & Cattle Co.	Pit in Potash area	L, 32-18-30
1-17-77	Dismissed	Raymond Eaves		E, 28 & G-H, 29-18-30
				K-2-20-30

APPLICATIONS FOR EXCEPTIONS TO ORDER R-3221

<u>CASE NO.</u>	<u>ORDER NO.</u>	<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL</u>
5719 DeNovo	R-5245-A	1-25-77	Granted	LaRue & Muncy	N.Benson Q-G	#9 & 1 G-F, 3
5720 DeNovo	R-5246-A	"	"	Harvey E. Hates	" " " "	#1-G, 32-18-
5721 DeNovo	R-5247-A	"	"	H&S Oil Co.	" " " "	#7-C, #1-L,
5722 "	R-5248-A	"	"	Gene Snow	" " " "	#1-E, 2-H &
5723 "	R-5249-A	"	"	Marbob Energy Corp.	" " " "	1-I, 1 1 J, 2
5812	R-5355	"	"	Petr.Development Corp.	E.Lusk Bone Sprins	24-8-2
5950	R-5472	6-21-77	"	Joe Don Cook	Shugart	SW/4 2
5922	R-5464	6-14-77	"	A.L.Daughterity	Salt Lake(Commercial disposal lake)	27,34
6594	R-6083	8-16-79	"	Flag-Redfern Oil Co.	Shugart	
6659	R-6134	10-10-79	"	Amoco Prod.Co.	Shugart Penn	

APPLICATIONS FOR EXCEPTIONS TO ORDER R-3221

<u>DATE</u>	<u>RESULTS</u>	<u>OPERATOR NAME</u>	<u>POOL NAME</u>	<u>WELL LOCATION</u>
1-25-77	Granted	LaRue & Muncy	N.Benson Q-G	#9 & 10 G-F, 33-18-30
"	"	Harvey E. Hates	" " " "	#1-G, 2-B, 3-A, 4-J, 6-G 32-18-30
"	"	H&S Oil Co.	" " " "	#7-C, 33-18-30
"	"	Gene Snow	" " " "	#1-L, 32-18-30
"	"	Marbob Energy Corp.	" " " "	#1-E, 28-18-30 2-H & 3-G, 29-18-30
"	"	Petr.Development Corp.	E.Lusk Bone Sprins	1-I, 16-19-32
6-21-77	"	Joe Don Cook	Shugart	1 J, 2-19-31
6-14-77	"	A.L.Daughterity	Salt Lake(Commercial disposal lake)	24-8-29 & 19-8-30
8-16-79	"	Flag-Redfern Oil Co.	Shugart	SW/4 2-19-31
10-10-79	"	Amoco Prod.Co.	Shugart Penn	27,34 & 35-T18S-R31E

09/30/79
WELL NM13701-001 FEDERAL 1-7
TYPE - G

PRODUCTION HIST
OPERATOR - INEXCO OIL CO

	O I L		G A S		CF/BBL OR BBL/MMCF	---
DATE	BBLs PER MO.	CUM. BBLs	MCF PER MO.	CUM. MCF		BBL
0777	2,279	2,279	115,979	115,979	20	
0877	3,751	6,030	175,234	291,213	21	
0977	3,083	9,113	173,552	464,765	18	
1077	1,619	10,732	133,791	598,556	12	
1177	1,279	12,011	70,844	669,400	18	
1277	1,710	13,721	77,289	746,689	22	
YTD	13,721		746,689			
0178	994	14,715	60,310	806,999	16	
0278	410	15,125	18,821	825,820	22	
0378	639	15,764	34,217	860,037	19	
0478	539	16,303	31,279	891,316	17	
0578	361	16,664	25,339	916,655	14	
0678	375	17,039	22,001	938,656	17	
0778	232	17,271	14,611	953,267	16	
0878	177	17,448	11,438	964,705	15	
0978	208	17,656	11,396	976,101	18	
1078	100	17,756	8,940	985,041	11	
1178	322	18,078	19,646	1,004,687	16	
1278	593	18,671	32,658	1,037,345	18	
YTD	4,950		290,656			
0179	505	19,176	21,551	1,058,896	23	
0279	239	19,415	16,658	1,075,554	14	
0379	268	19,683	18,306	1,093,860	15	
0479	109	19,792	8,379	1,102,239	13	
0579	47	19,839	921	1,103,160	51	
0679	80	19,919	5,035	1,108,195	16	
0779	6	19,925	6,970	1,115,165	1	
0879	99	20,024	13,997	1,129,162	7	
0979	141	20,165	9,452	1,138,614	15	
YTD	1,494		101,269			

09/30/79
WELL NM13701-002 FEDERAL 1-7
TYPE - G

PRODUCTION HIST C
OPERATOR - INEXCO OIL CO

DATE	O I L		G A S		CF/BBL OR BBL/MMCF	BBLs
	BBLs PER MO.	CUM. BBLs	MCF PER MO.	CUM. MCF		
0579	5,327	5,327	78,820	78,820	68	
0679	2,345	7,672	46,157	124,977	51	
0779	1,146	8,818	56,705	181,682	20	
0879	592	9,410	32,665	214,347	18	
0979	441	9,851	27,754	242,101	16	
YTD	9,851		242,101			

12/10/79
 LEASE - FEDERAL 1-7
 OPERATOR - INEXCO OIL COMPANY
 FIELD - W. TONTU PENN

INEXCO OIL COMPANY
 LEASE OPERATING STATEMENT
 OPERATED PROPERTIES

OCTO
 NMIS
 W1 .7500000, REV

	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	6 MO.AVG.	PRICE YR 6 MO.AVG.
PRODUCTION								
OIL - BBL	5,374	2,425	1,152	691	582	447	1,779	242
GAS - MCF	79,741	51,192	65,675	46,602	37,206	32,711	51,865	15,622
OIL - BBL PER DAY	173	81	37	22	19	14	58	
GAS - MCF PER DAY	2,572	1,706	2,054	1,505	1,240	1,055	1,691	509
WELL STATUS								
PRODUCING - GAS	1	1	1	2	2	2	1	
EXPENSES								
02 LABOR AND EXPENSES-PUMPERS	115	440	278	278	353	353	303	172
03 LABOR AND EXPENSES-COMPANY D			139	193			55	
04 CONTRACT LABOR & REPAIRS-SUR						732	122	1
05 TRUCKING-MATERIAL & EQUIPMENT								
06 FLUID HAULING AND SERVICE	708	1,652	1,062	1,770	1,275	1,001	1,244	
07 MATERIAL-OPERATIONS & REPL.								
09 WELL SERVICING EXPENSE								508
10 POWER, FUEL AND WATER								
11 TREATING CHEMICALS								
12 LOCATION AND ROAD EXPENSE								
20 OTHER DIRECT								
23 COMP. GEN. LIAB. INS. PREM.	32						5	
PRODUCING OVERHEAD	282	564	564	564	564	564	517	216
AD VALOREM & PROPERTY TAXES						1,406	234	503
TOTAL WELL OPER. EXP.	1,137	2,656	2,043	2,805	2,190	4,056	2,480	1,517
REPAIR WELL EXPENSE								
INVESTMENT								
LEASE & WELL EQUIPMENT	15,691	13,497	3,450-	5,160-	1,800		4,735	133
INTANGIBLE DRILLING	23,666	7,847	2,932	6,658	6,323	566	6,002	162

INEXCO OIL COMPANY
LEASE OPERATING STATEMENT
OPERATED PROPERTIES

OCTOBER 1979
NM13701
WI .7500000, REV.INT. .5625000

MAY	JUNE	JULY	AUG.	SEPT.	OCT.	6 MO.AVG.	PRICE YR. 6 MO.AVG.	YTD
5,374	2,425	1,152	691	562	447	1,775	242	11,792
79,741	51,192	65,675	46,662	37,206	32,711	51,865	15,621	381,932
173	81	37	22	19	14	58	8	39
2,572	1,706	2,054	1,505	1,240	1,055	1,691	509	1,256
1	1	1	2	2	2	1	1	
115	440	276	278	353	353	303	172	2,273
		159	193			55		332
					732	122	19	1,337
708	1,652	1,062	1,770	1,273	1,001	1,244		8,762
							1	18
							556	
								232-
								577
32						5		32
282	564	564	564	564	564	517	216	4,118
					1,406	234	553	1,406
1,137	2,056	2,043	2,805	2,190	4,056	2,480	1,517	19,123
15,671	13,497	3,450-	5,180-	1,850		4,735	130	250,597
23,066	7,847	2,932	6,658	6,323	566	8,002	162	680,140

Kellahin
Thomas Kellahin
Ken Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
600 Don Gaspar Avenue
Post Office Box 1769
Santa Fe, New Mexico 87501
RECEIVED
DEC 03 1979
OIL CONSERVATION DIVISION
SANTA FE

Telephone 982-4285
Area Code 505

December 3, 1979

Case 6782

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

re: Inexco Oil Company

Dear Joe:

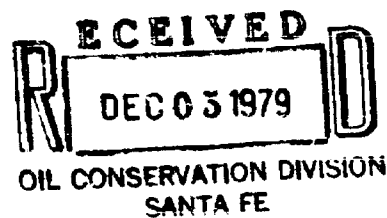
Please set the enclosed application for hearing
on January 3, 1980.

Very truly yours,

Tom
W. Thomas Kellahin

WTK:mm
Encl.

cc: Mr. Sam Reeves



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

IN THE MATTER OF THE APPLICATION
OF INEXCO OIL COMPANY FOR AN
EXCEPTION TO ORDER NO. R-3221 AS
AMENDED, LEA COUNTY, NEW MEXICO

Case 6782

APPLICATION

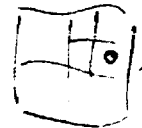
COMES NOW the Applicant, Inexco Oil Company, by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for approval to dispose in an unlined surface water pit produced in conjunction with the production from its Inexco wells No.'s 7-1 and 7-2 located in the SE/4NE/4 and SW/4NW/4 respectively in Section 7, T19S, R33E, Lea County, New Mexico and in support thereof would show:

1) Applicant is the operator of the Inexco Oil Company No. 7-1 well, SE/NE/4 Sec. 7 and Inexco 7-2 well, SW/NW/4 of Sec. 7 T19S, R33E, Lea County, New Mexico.

2) Applicant proposes to dispose of up to 120 barrels per day of water produced from said well in an unline surface pit located SE/4NE/4 of said Section 7 and requests an exception to Commission Order No. R-3221.

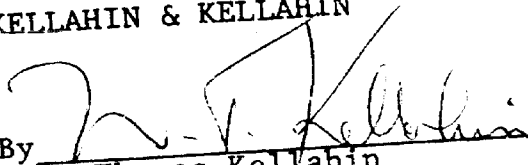
3) That numerous other exceptions have been granted for the disposal of salt water in unlined surface pits in the area.

4) That there is no fresh water in the area that could be contaminated by approval of this application.

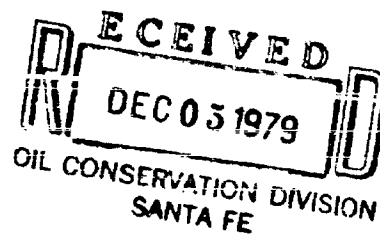


WHEREFORE, application requests that the Division
set this matter for hearing and that after notice and hearing
that the application be granted as requested.

KELLAHIN & KELLAHIN

By 

W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501
ATTORNEY FOR APPLICANT



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

IN THE MATTER OF THE APPLICATION
OF INEXCO OIL COMPANY FOR AN
EXCEPTION TO ORDER NO. R-3221 AS
AMENDED, LEA COUNTY, NEW MEXICO

Case 6782

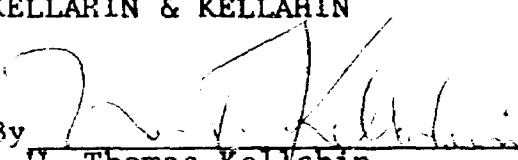
APPLICATION

COMES NOW the Applicant, Inexco Oil Company, by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for approval to dispose in an unlined surface water pit produced in conjunction with the production from its Inexco wells No.'s 7-1 and 7-2 located in the SE/4NE/4 and SW/4NW/4 respectively in Section 7, T19S, R33E, Lea County, New Mexico and in support thereof would show:

- 1) Applicant is the operator of the Inexco Oil Company No. 7-1 well, SE/NE/4 Sec. 7 and Inexco 7-2 well, SW/NW/4 of Sec. 7 T19S, R33E, Lea County, New Mexico.
- 2) Applicant proposes to dispose of up to 120 barrels per day of water produced from said well in an unlined surface pit located SE/4NE/4 of said Section 7 and requests an exception to Commission Order No. R-3221.
- 3) That numerous other exceptions have been granted for the disposal of salt water in unlined surface pits in the area.
- 4) That there is no fresh water in the area that could be contaminated by approval of this application.

WHEREFORE, application requests that the Division
set this matter for hearing and that after notice and hearing
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KELLAHIN & KELLAHIN

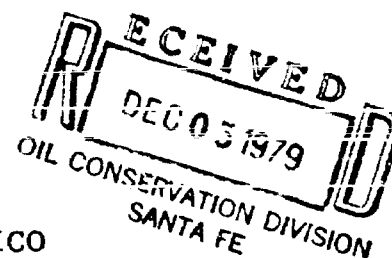
By 

W. Thomas Kellahin

P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEY FOR APPLICANT



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

IN THE MATTER OF THE APPLICATION
OF INEXCO OIL COMPANY FOR AN
EXCEPTION TO ORDER NO. R-3221 AS
AMENDED, LEA COUNTY, NEW MEXICO

Case 6782

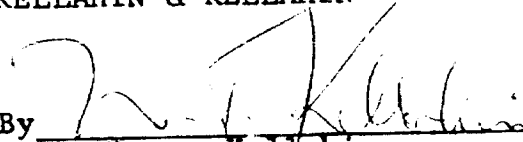
APPLICATION

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WHEREFORE, application requests that the Division set this matter for hearing and that after notice and hearing that the application be granted as requested.

KELLAHIN & KELLAHIN

By 

W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501
ATTORNEY FOR APPLICANT

Docket No. 1-80

Dockets Nos. 2-80 and 3-80 are tentatively set for January 16 and 30, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1980

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 6770: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit National Petroleum Company and all other interested parties to appear and show cause why its Well No. 1 located 905 feet from the North line and 1155 feet from the West line of Section 22, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6786: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of its administrative procedure for the approval of infill drilling on existing gas proration units as promulgated by Order No. R-6013 to permit the approval of infill wells as new onshore production wells pursuant to the Natural Gas Policy Act of 1978 without notice and hearing even though such wells have been spudded prior to receiving such approval.
- CASE 6771: Application of Getty Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the E/2 SW/4 of Section 31, Township 24 South, Range 37 East, and the NW/4 NE/4 and NE/4 NW/4 of Section 6, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6772: Application of Reading & Bates Petroleum Co. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the SE/4 of Section 17, Township 24 North, Range 3 West, Chacon-Dakota 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 6773: 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 E/2 of Section 20, Township 19 South, Range 27 East, 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 6774: Application of Doyle Hartman for an unorthodox location, non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the NW/4 NW/4 of Section 6, Township 25 South, Range 37 East, and the W/2 SW/4 of Section 31, Township 24 South, Range 37 East, to be dedicated to his Federal Jalmat Com Well No. 1 at an unorthodox location 590 feet from the North line and 660 feet from the West line of said Section 6; applicant further seeks a finding that the drilling of said 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: (Continued and Readvertised)
- 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 SE/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 6767: (Continued from December 12, 1979, Examiner Hearing)

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 6487: (Continued from October 17, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6732: (Continued from November 28, 1979, Examiner Hearing)

Application of Dorchester Exploration, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Morton Solid State Unit Well No. 1 located 2156 feet from the North line and 990 feet from the West line of Section 4, Township 15 South, Range 34 East, Tres Papalotes-Pennsylvanian Pool.

CASE 6775: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Young Deep Unit Area, comprising 2242 acres, more or less, of Federal lands in Township 18 South, Range 32 East.

CASE 6776: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Young Deep Unit Well No. 1, a Morrow test to be drilled 660 feet from the North and West lines of Section 10, Township 18 South, Range 32 East, the W/2 of said Section 10 to be dedicated to the well.

CASE 6777: Application of Harvey E. Yates Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Amoco 22 State Well No. 2 located in Unit G of Section 22, Township 23 South, Range 27 East.

CASE 6778: Application of Harvey E. Yates Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Loco Hills Welch Well No. 2 located in Unit N of Section 4, Township 18 South, Range 29 East.

CASE 6745: (Continued from November 28, 1979, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the W/2 of Section 28, Township 23 South, Range 24 East, 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 6779: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Pronghorn Unit Area, comprising 5,120 acres, more or less, of State and Federal lands in Townships 22 and 23 South, Range 33 East.

CASE 6780: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Serpentine Bands Unit Area, comprising 4,802 acres, more or less, of State and Federal lands in Township 24 South, Ranges 23 and 24 East.

CASE 6781: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South line and 1980 feet from the East line of Section 1, Township 20 South, Range 28 East, the E/2 of said Section 1 to be dedicated to the well.

CASE 6782: Application of Inexco Oil Company for an exception to Order No. R-3221, Lea 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 Unit H of Section 7, Township 19 South, Range 33 East.

CASE 6783: Application of McClellan Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marlissue State Well No. 6 located 1155 feet from the North line and 2475 feet from the West line of Section 24, Township 14 South, Range 29 East, Double "L"-Queen Associated Pool, the NE/4 NW/4 of said Section 24 to be dedicated to the well.

CASE 6784: Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, to be dedicated to its Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.

In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.

CASE 6785: Application of The Harlow Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 SW/4 of Section 18, Township 8 South, Range 29 East, 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.

ROUGH

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. 6782

ORDER NO. R- 7345

APPLICATION OF INEXCO OIL COMPANY

FOR AN EXCEPTION TO ORDER NO. R-3221,
AS AMENDED, LEA COUNTY,
NEW MEXICO.

JOHN W. 9500
M.S.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 3,
1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of January, 1980, 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, Inexco Oil Company, is
the owner and operator of certain wells,
located in Section 7, Township 19 South,
Range 33 East, NMPM,
Lea County, New Mexico.

(3) That Order (3) of Division Order No. R-3221, as amended,
prohibits in that area encompassed by Lea, Eddy, Chaves, and
Roosevelt Counties, New Mexico, the disposal, subject to minor
exceptions, of water produced in conjunction with the production
of oil or gas, or both, on the surface of the ground, or in any
pit, pond, lake, depression, draw, streambed, or arroyo, or in
any watercourse, or in any other place or in any manner which
would constitute a hazard to any fresh water supplies and said
disposal has not previously been prohibited.

(4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(6) That the applicant seeks as an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by applicant's above-described wells into an unlined surface pit located in Unit H of said Section 7.

(7) That it now appears that the wells for which the exception was sought have been plugged and abandoned and this case should ~~be~~ therefore be dismissed.

IT IS THEREFORE ORDERED

(1) That Case No 6782 is hereby dismissed.