

CASE 6783: McCLELLAN OIL CORPORATION FOR
AN UNORTHODOX OIL WELL LOCATION, CHAVES
COURT, STATE OF TEXAS

CASE NO.

6783

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

Page 1

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 McClellan Oil Cor-) CASE
poration for an unorthodox oil) 6783
well location, Chaves 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

I N D E X

JACK L. McCLELLAN

Direct Examination by Mr. Kellahin 3

E X H I B I T S

Applicant Exhibit One, Cross Section	4
Applicant Exhibit Two, Cross Section	6
Applicant Exhibit Three, Contour Maps	6
Applicant Exhibit Four, Plat	4
Applicant Exhibit Five, Plat	7
Applicant Exhibit Six, Log	7

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

Page 3

1 MR. STAMETS: We'll call next Case 6783.

2 MR. PADILLA: Application of McClellan
3 Oil Corporation for an unorthodox oil well location, Chaves
4 County, New Mexico.

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

8 (Witness sworn.)
9

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

14 DIRECT EXAMINATION
15

16 BY MR. KELLAHIN:

17 Q Will you please state your name and
18 occupation?

19 A Jack L. McClellan, geologist, president
20 of McClellan Oil Corporation.

21 Q Mr. McClellan, have you previously
22 testified as a geologist before the Oil Conservation Divi-
23 sion and had your qualifications accepted and made a matter
24 of record?

25 A Yes, I have.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

1 MR. KELLAHIN: We tender Mr. McClellan
2 as an expert geologist.

3 MR. STAMETS: He is considered and so
4 qualified.

5 Q Would you please refer to what we've
6 marked as Applicant Exhibit Number One and identify that
7 for us?

8 A Exhibit Number One is cross section
9 A-A' as depicted on Exhibit Four.

10 Q All right, let's look at Exhibit Four
11 for a moment and have you identify the proposed location
12 and explain to the Examiner what you're seeking to accom-
13 plish.

14 A Exhibit Four indicates the proposed
15 location of the unorthodox well applied for in this request.

16 Q What acreage would be dedicated to the
17 well?

18 A It would be the northeast quarter north-
19 west quarter of Section 24, 14 South, .29 East.

20 Q Exhibit Number Four is broken out into
21 40-acre tracts, is it not?

22 A Yes.

23 Q And this would be a 40-acre oil well?

24 A Yes.

25 Q What is this other test in this 40-acre

1 tract?

2 A This was a test that we had previously
3 asked for an unorthodox location and were granted the unor-
4 thodox location, and subsequently drilled a dry hole.

5 MR .KELIAHIN: If the Examiner please,
6 that is Commission Order R-5946, entered on February 28th,
7 1979, which approved the unorthodox location for which a
8 dry hole was drilled.

9 Q What is the proposed location of this
10 well?

11 A This well is to be situated 1155 from
12 the north line, 2475 feet from the west line.

13 Q In what way is this an unorthodox loca-
14 tion?

15 A It's closer than the 330 allowed by the
16 present State regulation.

17 Q Is McClellan Oil Corporation the owner
18 and operator of the offsetting acreage?

19 A Yes.

20 Q All right, sir, would you go ahead and
21 explain then your cross section on Exhibit Number One?

22 A This cross section depicts the absence
23 or tightness of the Queen Sand on the northern part of the
24 cross section up towards the A part of the cross section.

25 On the lefthand side of the cross section the Marlisue A-1,

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

Page 6

1 a dry hole, indicating there was no sand developed in there,
2 and as you go south, this cross section was done prior to
3 the drilling of the Marlisue No. 3, the other unorthodox
4 location, which had the same situation that exists in the
5 Marlisue A-1. Then it depicts the development of the sand
6 as we moved south through the Marlisue 2 and the Marathon
7 State No. 1.

8 Q All right, would you identify Exhibit
9 Number Two for us?

10 A Exhibit Two is a cross section B-B',
11 as indicated on Exhibit Four. This is to again exhibit
12 the lack of development of the Queen Sand on the northern
13 portion of the tract presented in Exhibit Four.

14 Q All right, if you'll turn to Exhibit
15 Number Three now and describe the information contained
16 on that exhibit.

17 A Exhibit Number Three is a contour
18 structure map on top of the Queen Sand indicating a nosing
19 to the north or more to the east, a little bit to the north,
20 and in color on that exhibit is what I propose to be a
21 depositional facies change, indicated by the three dry holes
22 within that colored area, contending that the proposed un-
23 orthodox location would be sufficiently south and east of
24 that facies change to exhibit the presence of clean sand.

25 Q All right, Exhibit Number Three-A.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

Page 7

1 A Three-A is the same information only
2 it has the depositional area in color.

3 Q In your opinion, Mr. McClellan, is the
4 proposed unorthodox location the optimum location in which
5 to drain this 40-acre tract?

6 A Yes, sir.

7 Q Would you turn to Exhibit Number Five
8 and identify that for us?

9 A This is a land plat of the area, indi-
10 cating the ownership of adjoining acreage, and the acreage
11 in consideration.

12 Q All right, sir, and Exhibit Number Six.

13 A Exhibit Number Six is a gamma ray neutron
14 log of the last well, I used it as a -- I really don't
15 know why I put it in there, except it shows that a well
16 developed sand in the Queen is what we're hoping will deve-
17 lop up in the unorthodox location.

18 The Marlisue 5, we were unable to log
19 it because only -- these were all cable tool holes and I
20 only drilled 1 foot into the Queen Sand and stopped and
21 completed it open hole, so we're unable to have any log on
22 it. It turned out to be as Exhibit Four, produced one hour
23 natural test and made 33 gallons of oil. We subsequently
24 fraced the well open hole, producing about 20 barrels of
25 oil a day and about 45 barrels of water.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 We feel that the proposed location would
2 be up dip and the reason for the unorthodox location is to
3 get it sufficiently away from this tight zone that apparently
4 runs east and west across there.

5 Q Were Exhibits One through Six prepared
6 by you or compiled under your direction and supervision?

7 A They were.

8 Q And in your opinion, Mr. McClellan, will
9 approval of this application be in the best interests of
10 conservation, the prevention of waste, and the protection
11 of correlative rights?

12 A It will.

13 MR. KELLAHTN: Move the introduction
14 of Exhibits One through Six.

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

17 Any questions of the witness? He may
18 be excused.

19 Anything further in this case? The
20 case will be taken under advisement.

21
22 (Hearing concluded.)
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. 6783
heard by me on 1-3 1980
Richard P. Ham, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

Page 1

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 McClellan Oil Cor-) CASE
poration for an unorthodox oil) 6783
well location, Chaves 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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDEX

JACK L. McCLELLAN

Direct Examination by Mr. Kellahin 3

EXHIBITS

Applicant Exhibit One, Cross Section	4
Applicant Exhibit Two, Cross Section	6
Applicant Exhibit Three, Contour Maps	6
Applicant Exhibit Four, Plat	4
Applicant Exhibit Five, Plat	7
Applicant Exhibit Six, Log	7

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 MR. STAMETS: We'll call next Case 6783.

2 MR PADILLA: Application of McClellan
3 Oil Corporation for an unorthodox oil well location, Chaves
4 County, New Mexico.

5 MR. KELLAHIN: 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 JACK L. McCLELLAN
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 Will you please state your name and
18 occupation?

19 A Jack L. McClellan, geologist, president
20 of McClellan Oil Corporation.

21 Q Mr. McClellan, have you previously
22 testified as a geologist before the Oil Conservation Divi-
23 sion and had your qualifications accepted and made a matter
24 of record?

25 A Yes, I have.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7400

1 MR. KELLAHIN: We tender Mr. McClellan
2 as an expert geologist.

3 MR. STAMETS: He is considered and so
4 qualified.

5 Q Would you please refer to what we've
6 marked as Applicant Exhibit Number One and identify that
7 for us?

8 A Exhibit Number One is cross section
9 A-A' as depicted on Exhibit Four.

10 Q All right, let's look at Exhibit Four
11 for a moment and have you identify the proposed location
12 and explain to the Examiner what you're seeking to accom-
13 plish.

14 A Exhibit Four indicates the proposed
15 location of the unorthodox well applied for in this request.

16 Q What acreage would be dedicated to the
17 well?

18 A It would be the northeast quarter north-
19 west quarter of Section 24, 14 South, 29 East.

20 Q Exhibit Number Four is broken out into
21 40-acre tracts, is it not?

22 A Yes.

23 Q And this would be a 40-acre oil well?

24 A Yes.

25 Q What is this other test in this 40-acre

SALLY W. BOYD, C.S.R.

Rt. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 tract?

2 A This was a test that we had previously
3 asked for an unorthodox location and were granted the unor-
4 thodox location, and subsequently drilled a dry hole.

5 MR. KELLAHIN: If the Examiner please,
6 that is Commission Order R-5946, entered on February 28th,
7 1979, which approved the unorthodox location for which a
8 dry hole was drilled.

9 Q What is the proposed location of this
10 well?

11 A This well is to be situated 1155 from
12 the north line, 2475 feet from the west line.

13 Q In what way is this an unorthodox loca-
14 tion?

15 A It's closer than the 330 allowed by the
16 present State regulation.

17 Q Is McClellan Oil Corporation the owner
18 and operator of the offsetting acreage?

19 A Yes.

20 Q All right, sir, would you go ahead and
21 explain then your cross section on Exhibit Number One?

22 A This cross section depicts the absence
23 or tightness of the Queen Sand on the northern part of the
24 cross section up towards the A part of the cross section.
25 On the lefthand side of the cross section the Marliscue A-1,

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 a dry hole, indicating there was no sand developed in there,
2 and as you go south, this cross section was done prior to
3 the drilling of the Marlisue No. 3, the other unorthodox
4 location, which had the same situation that exists in the
5 Marlisue A-1. Then it depicts the development of the sand
6 as we moved south through the Marlisue 2 and the Marathon
7 State No. 1.

8 Q All right, would you identify Exhibit
9 Number Two for us?

10 A Exhibit Two is a cross section B-B',
11 as indicated on Exhibit Four. This is to again exhibit
12 the lack of development of the Queen Sand on the northern
13 portion of the tract presented in Exhibit Four.

14 Q All right, if you'll turn to Exhibit
15 Number Three now and describe the information contained
16 on that exhibit.

17 A Exhibit Number Three is a contour
18 structure map on top of the Queen Sand indicating a nosing
19 to the north or more to the east, a little bit to the north,
20 and in color on that exhibit is what I propose to be a
21 depositional facies change, indicated by the three dry holes
22 within that colored area, contending that the proposed un-
23 orthodox location would be sufficiently south and east of
24 that facies change to exhibit the presence of clean sand.

25 Q All right, Exhibit Number Three-A.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 A Three-A is the same information only
2 it has the depositional area in color.

3 Q In your opinion, Mr. McClellan, is the
4 proposed unorthodox location the optimum location in which
5 to drain this 40-acre tract?

6 A Yes, sir.

7 Q Would you turn to Exhibit Number Five
8 and identify that for us?

9 A This is a land plat of the area, indi-
10 cating the ownership of adjoining acreage, and the acreage
11 in consideration.

12 Q All right, sir, and Exhibit Number Six.

13 A Exhibit Number Six is a gamma ray neutron
14 log of the last -- well, I used it as a -- I really don't
15 know why I put it in there, except it shows that a well
16 developed sand in the Queen is what we're hoping will deve-
17 lop up in the unorthodox location.

18 The Marlisue 5, we were unable to log
19 it because only -- these were all cable tool holes and I
20 only drilled 1 foot into the Queen Sand and stopped and
21 completed it open hole, so we're unable to have any log on
22 it. It turned out to be as Exhibit Four, produced one hour
23 natural test and made 33 gallons of oil. We subsequently
24 fraced the well open hole, producing about 20 barrels of
25 oil a day and about 45 barrels of water.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 We feel that the proposed location would
2 be up dip and the reason for the unorthodox location is to
3 get it sufficiently away from this tight zone that apparently
4 runs east and west across there.

5 Q Were Exhibits One through Six prepared
6 by you or compiled under your direction and supervision?

7 A They were.

8 Q And in your opinion, Mr. McClellan, will
9 approval of this application be in the best interests of
10 conservation, the prevention of waste, and the protection
11 of correlative rights?

12 A It will.

13 MR. KELLAHIN: Move the introduction
14 of Exhibits One through Six.

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

17 Any questions of the witness? He may
18 be excused.

19 Anything further in this case? The
20 case will be taken under advisement.

21 (Hearing concluded.)
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

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

January 18, 1980

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 6733
ORDER NO. R-6253

Applicant:

McClellan Oil Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

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

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. 6783
Order No. R-6253

APPLICATION OF MCCLELLAN OIL CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION,
CHAVES 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 16th 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, McClellan Oil Corporation, seeks approval of an unorthodox oil well location for its Marliese State Well No. 6 to be drilled at a point 1155 feet from the North line and 2475 feet from the West line of Section 24, Township 14 South, Range 29 East, N29E, to test the Queen formation, Double "L"-Queen Associated Pool, Chaves County, New Mexico.

(3) That the NE/4 NW/4 of said Section 24 is to be dedicated to the well.

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

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

-2-

Case No. 6783
Order No. R-6253

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

IT IS THEREFORE ORDERED:

(1) That an unorthodox oil well location for the Queen formation is hereby approved for the McClellan Oil Corporation Marlens State Well No. 6 to be drilled at a point 1155 feet from the North line and 2475 feet from the West line of Section 24, Township 14 South, Range 29 East, NMPM, Double "L"-Queen Associated Pool, Chaves County, New Mexico.

(2) That the NE/4 NW/4 of said Section 24 shall be dedicated to the above-described well.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



Joe D. Ramey
JOE D. RAMEY
Director

fd/

Exhibit 2
6785

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

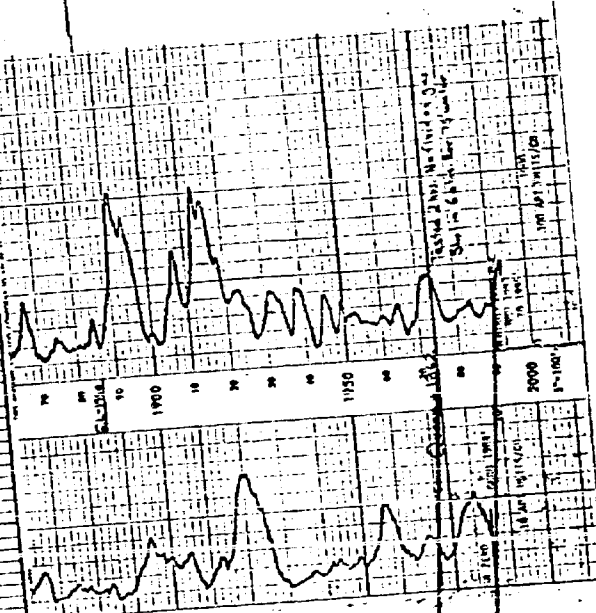
CASE NO. 6783

Submitted by:

Hearing Date 3 Jan 80

CROSS SECTION B-B'

Gamma-Ray Neutron Log

[illegible]

Ground level - 1950

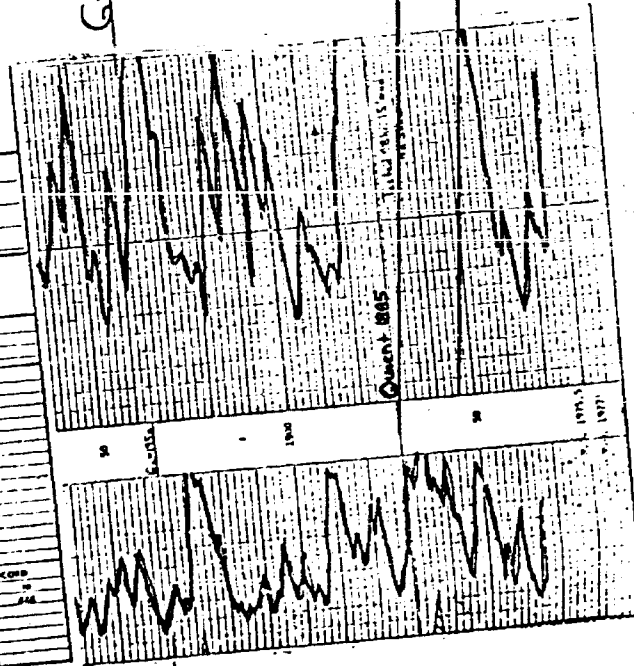
[illegible]

Exhibit 3

6783

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

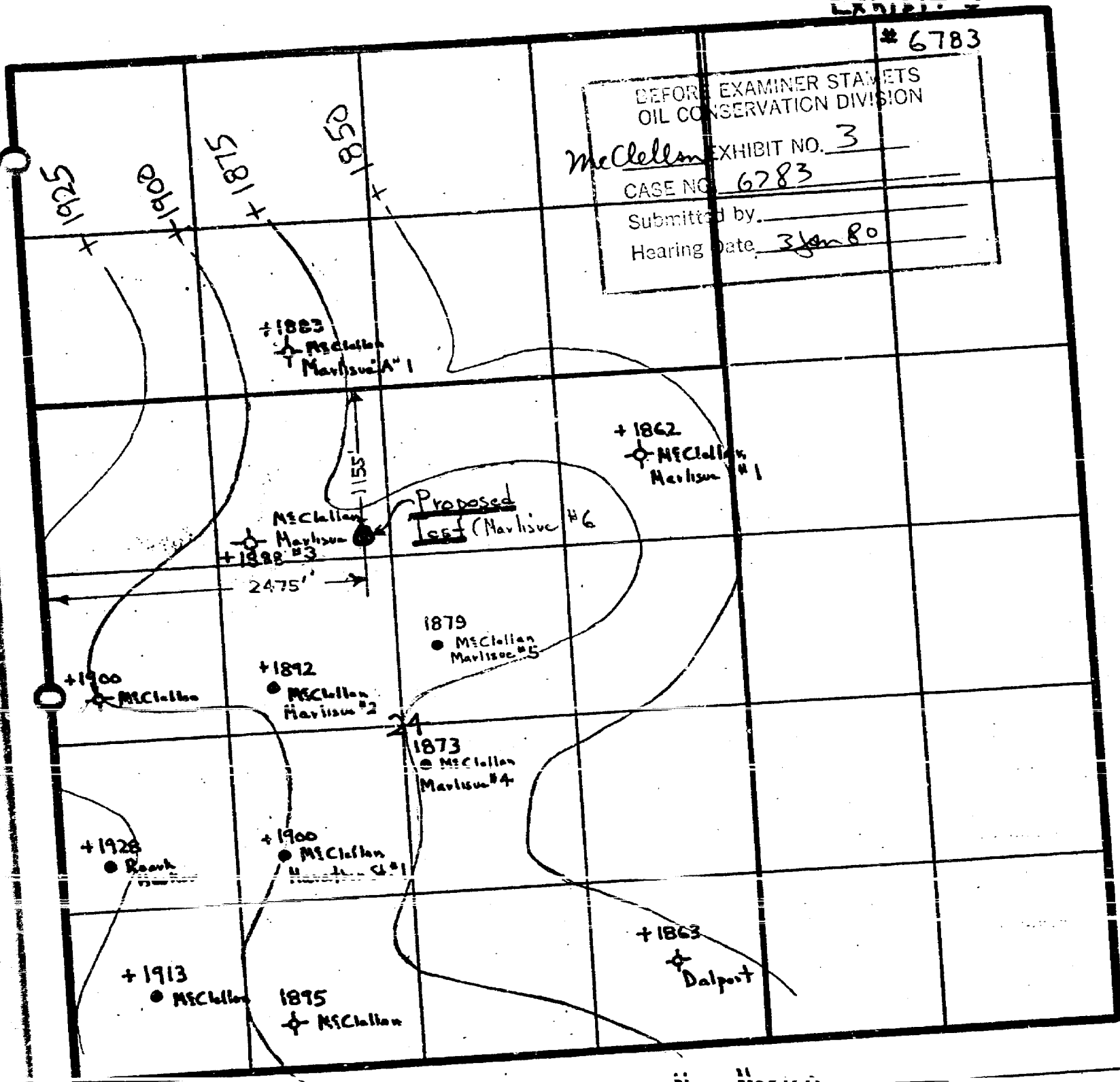
McClellan

EXHIBIT NO. 3

CASE NO. 6783

Submitted by

Hearing date 3 Jan 80



County Chaves State New Mexico
Section 13 & 24 Township 14-South Range 29-East
Datum: Top Queen pay

Remarks:

Scale 1" = 4000'



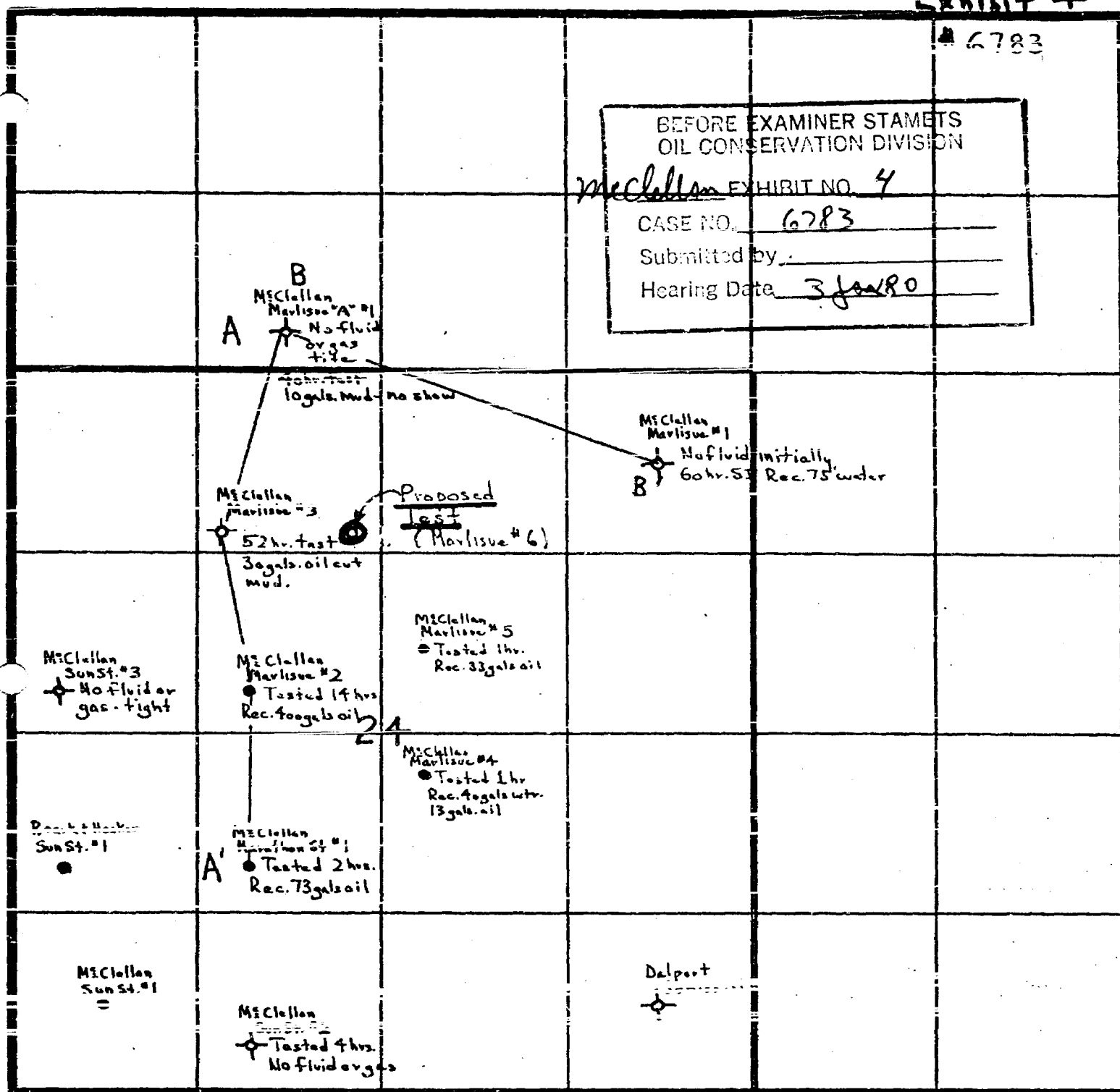
6783

McCallum EXHIBIT NO. 4

CASE NO. 6783

Submitted by: _____

Hearing Date 3/1/80



County Chaves State New Mexico

Section 24 Township 14-South Range 29-East

emarks :

Exhibit 3-A

6783-A

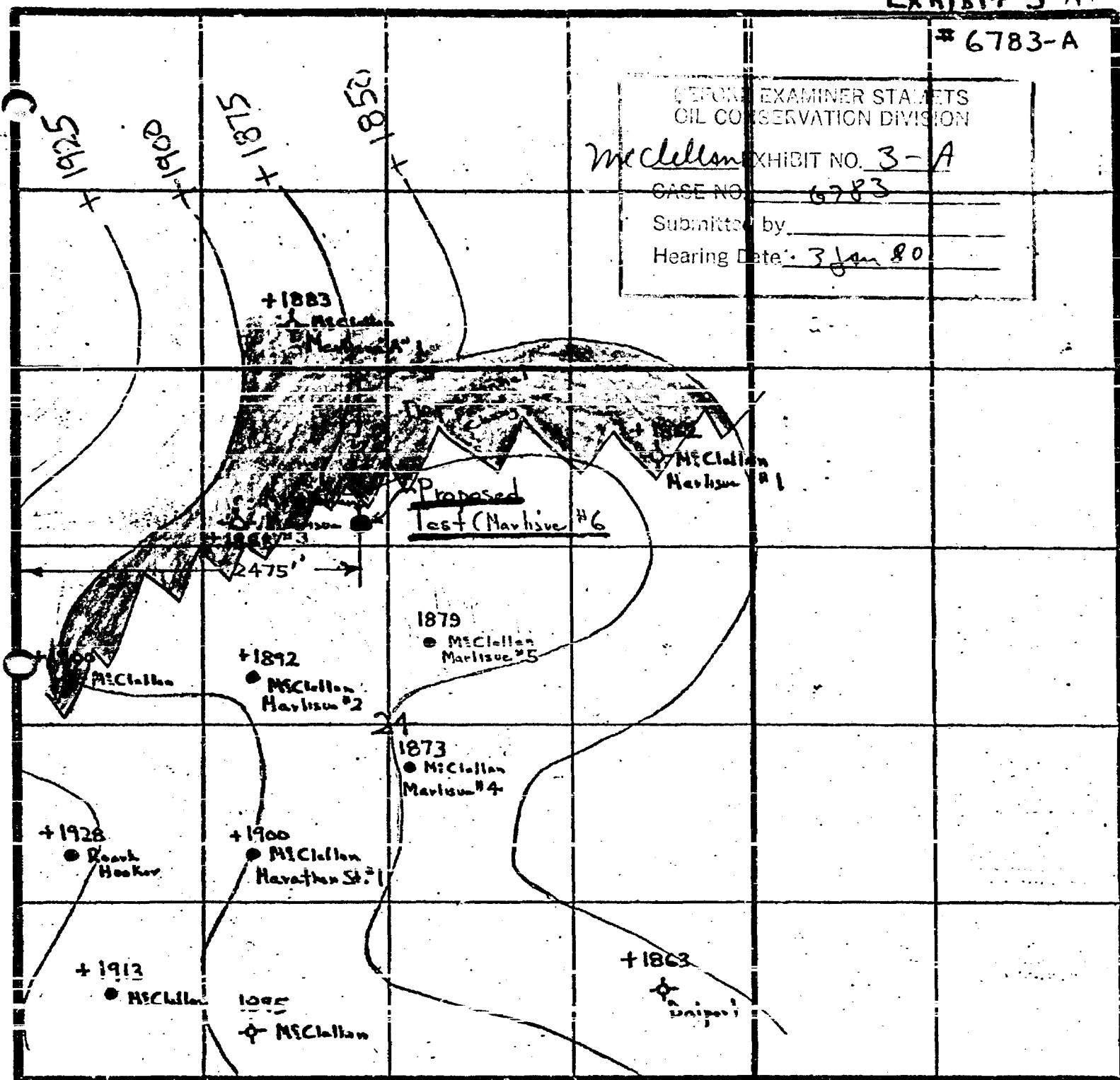
OFFICE EXAMINER STATE
OIL CONSERVATION DIVISION

McClellan EXHIBIT NO. 3-A

CASE NO. 6783

Submitted by

Hearing Date: 3 Jan 80



County Chaves State New Mexico

Section 13 & 24 Township 14-South Range 29-East

Remarks:

Datum: Top Queen pay

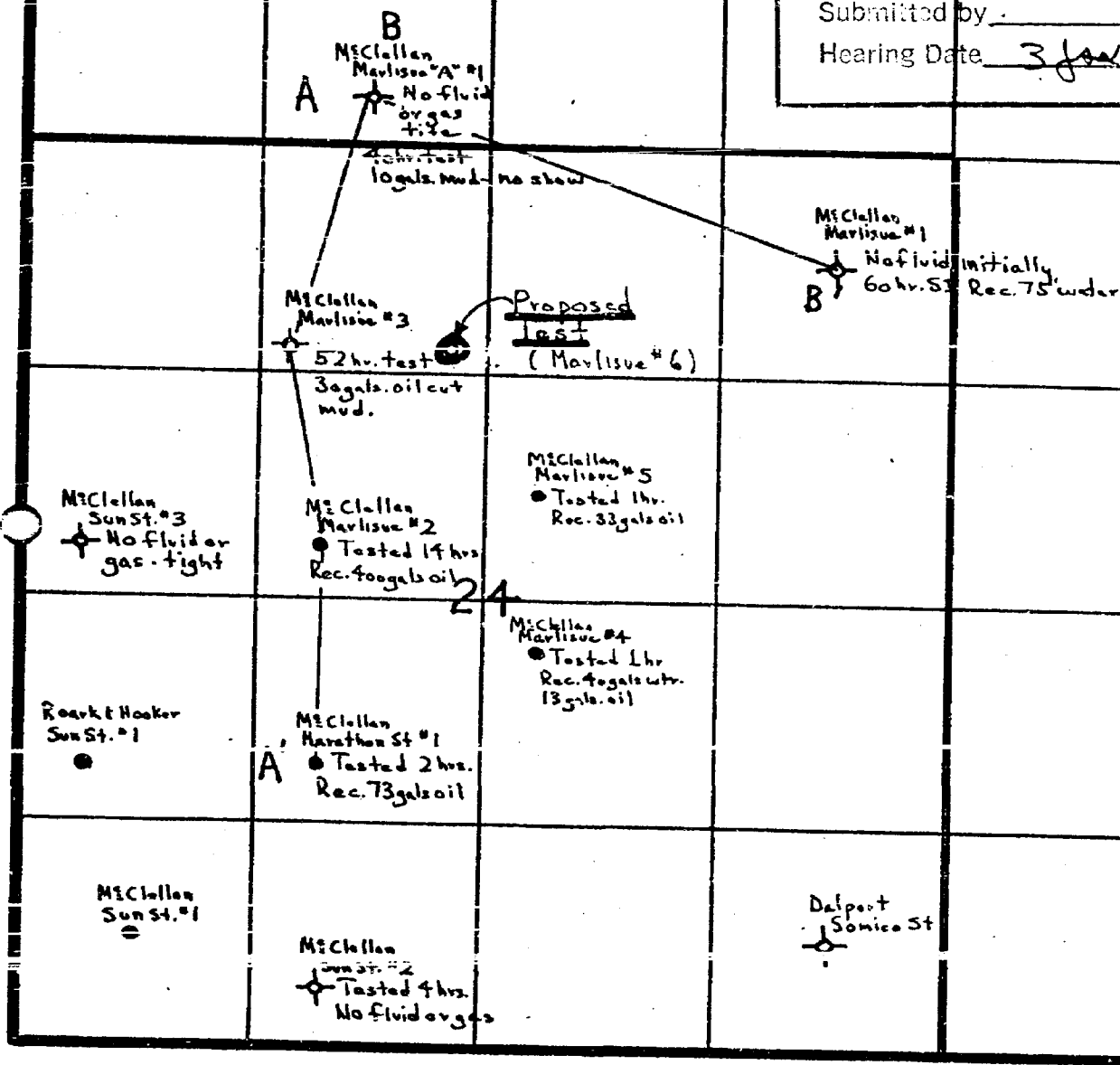
6783

McCallan EXHIBIT NO. 4

CASE NO. 16783

Submitted by _____

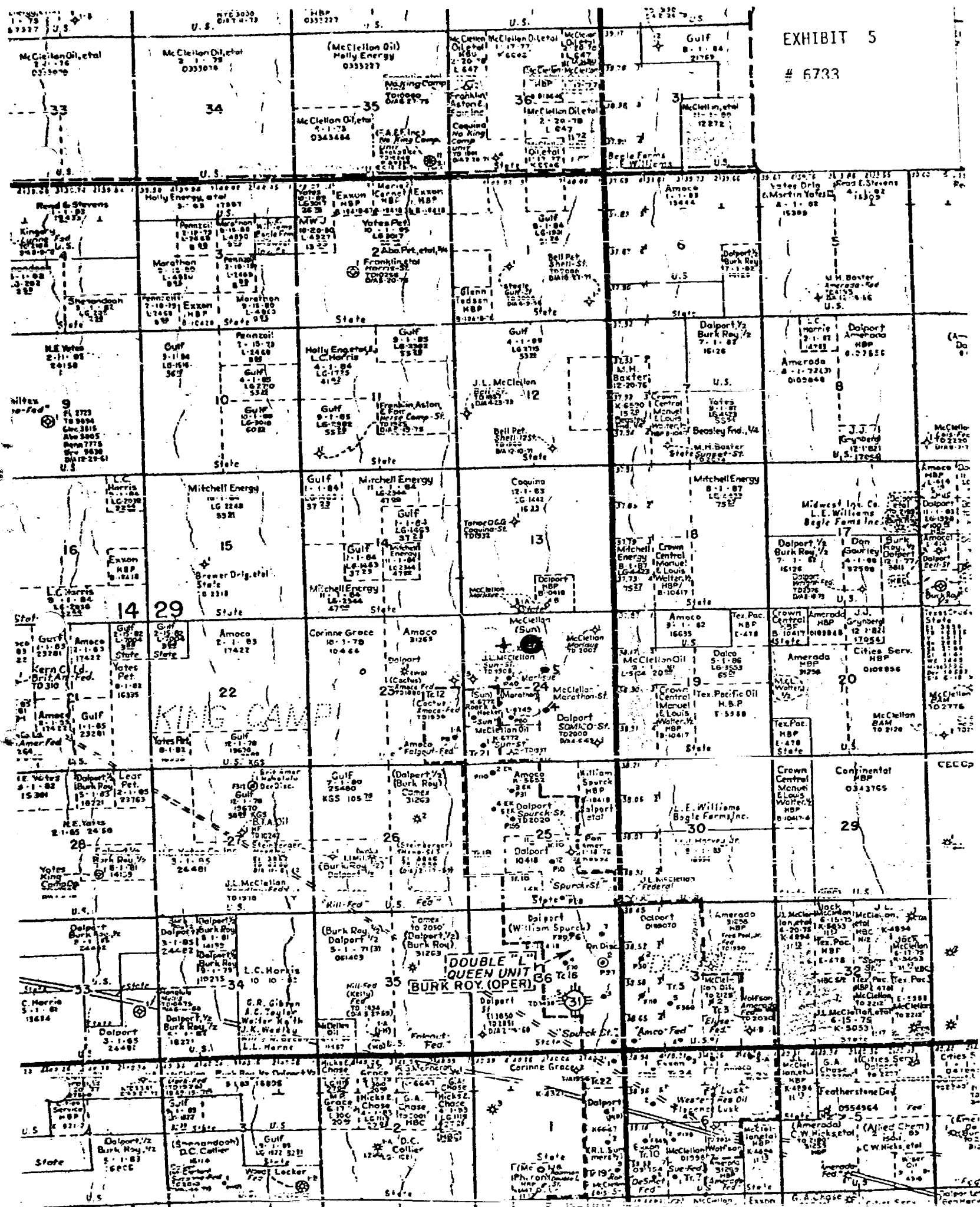
Hearing Date 3/4/80



County Chaves State New Mexico
Section 24 Township 14-South Range 29-East

Remarks:

6733





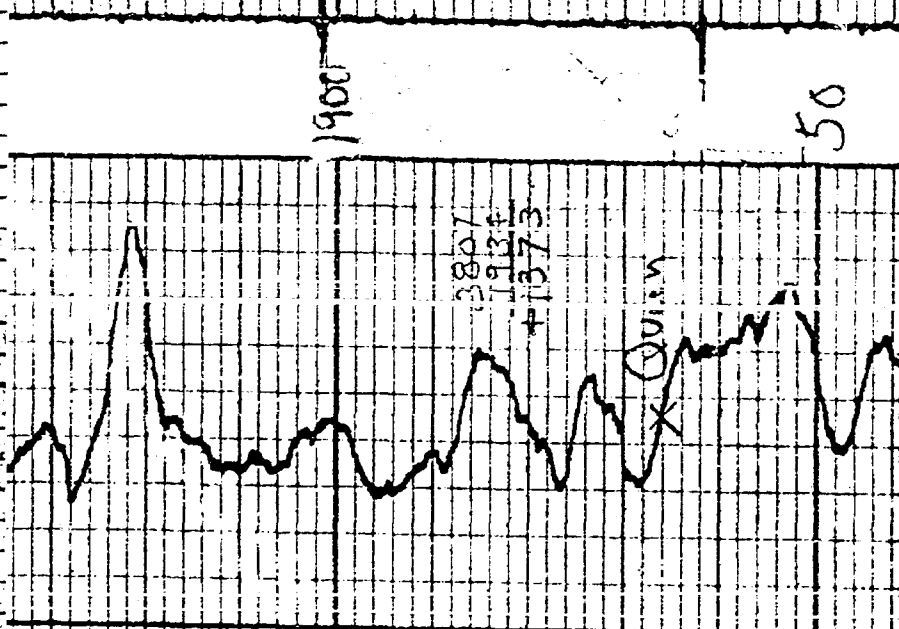
Log
GR/N

FILING NO.	COMPANY <u>Mc CLELLAN OIL Corporation</u>		
	WELL <u>MORRISUE</u> State <u>#4</u>		
	FIELD <u>Undesignated</u> <u>DOUBLE L</u> <u>QUINN</u>		
	COUNTY <u>CHAVES</u> STATE <u>NEW MEX.</u>		
JOB NO. <u>722622</u>	LOCATION <u>2145' FSL + 2310' FEL</u>		OTHER SERVICES: <u>Perf</u>
	SEC <u>24</u>	TWP. <u>14S</u>	RGE. <u>29E</u>

PERMANENT DATUM:	ELEV. <u>3806.6 L</u>	ELEV.: K.B.
LOG MEASURED FROM	FT. ABOVE PERM. DATUM	D.F. <u>3707</u>
DRILLING MEASURED FROM		G.L. <u>3706</u>

DATE	<u>4-2-79</u>
RUN NO.	<u>ONE</u>
TYPE LOG	<u>GR/N</u>
DEPTH-DRILLER	
DEPTH-LOGGER	<u>1975</u>
BOTTOM LOGGED INTERVAL	<u>1974</u>
TOP LOGGED INTERVAL	<u>1000</u>
TYPE FLUID IN HOLE	<u>Water</u>
SALINITY, PPM CL	
DENSITY	
LEVEL	<u>542</u>
MAX. REC. TEMP., DEG. F.	
OPERATING RIG TIME	<u>1.5</u>
RECORDED BY	<u>KENNEDY</u>
WITNESSED BY	<u>MR. Suck McElless</u>

BORE-HOLE RECORD				TUBING AND CASING RECORD			
NO.	BIT	FROM	TO	SIZE	WGT.	FROM	TO
				<u>4 1/2"</u>		<u>0</u>	<u>T.D.</u>



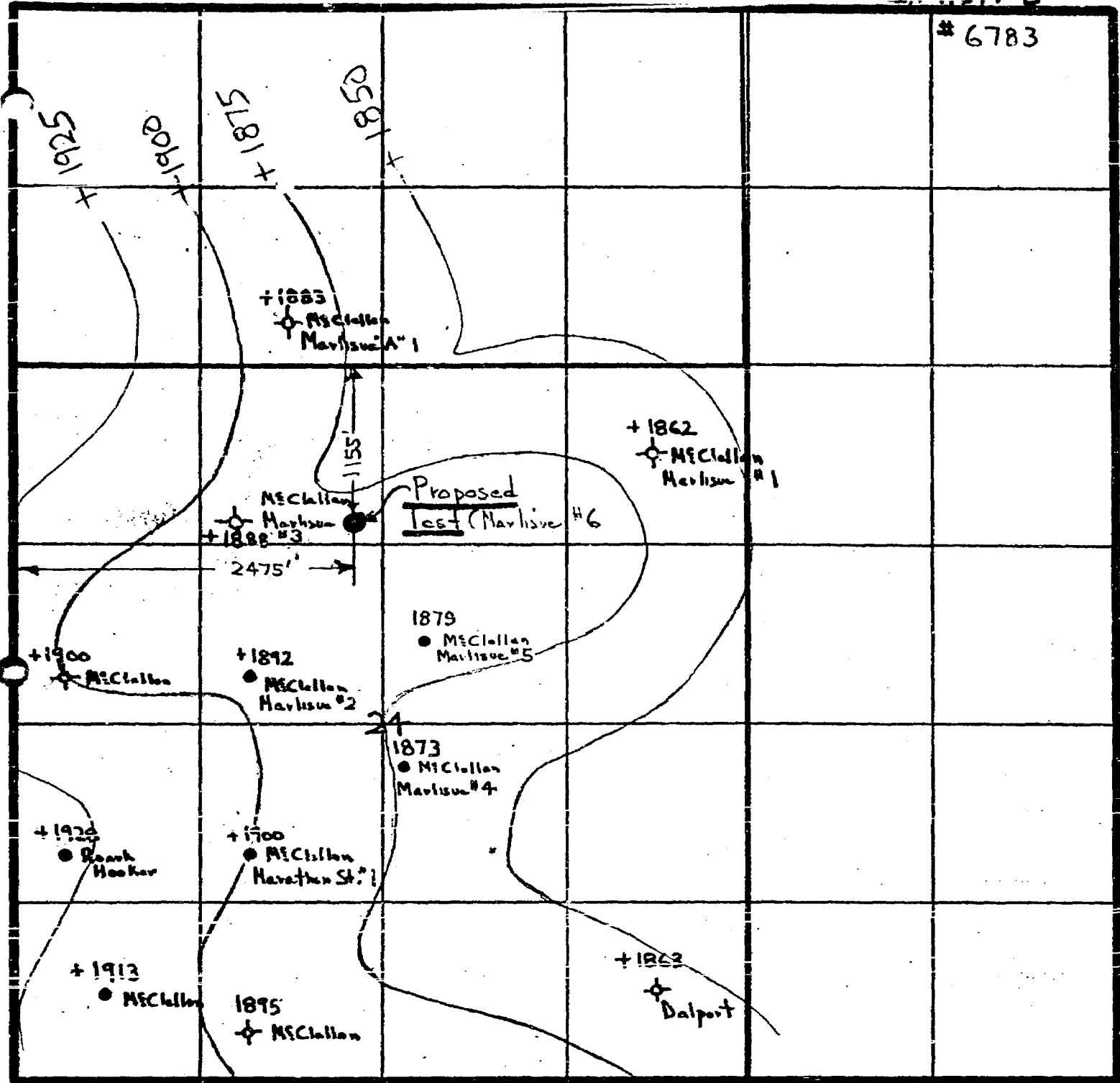
Cross Section B-B'

Ground level - 1950

[illegible]

Exhibit 3

6783



County Chaves State New Mexico

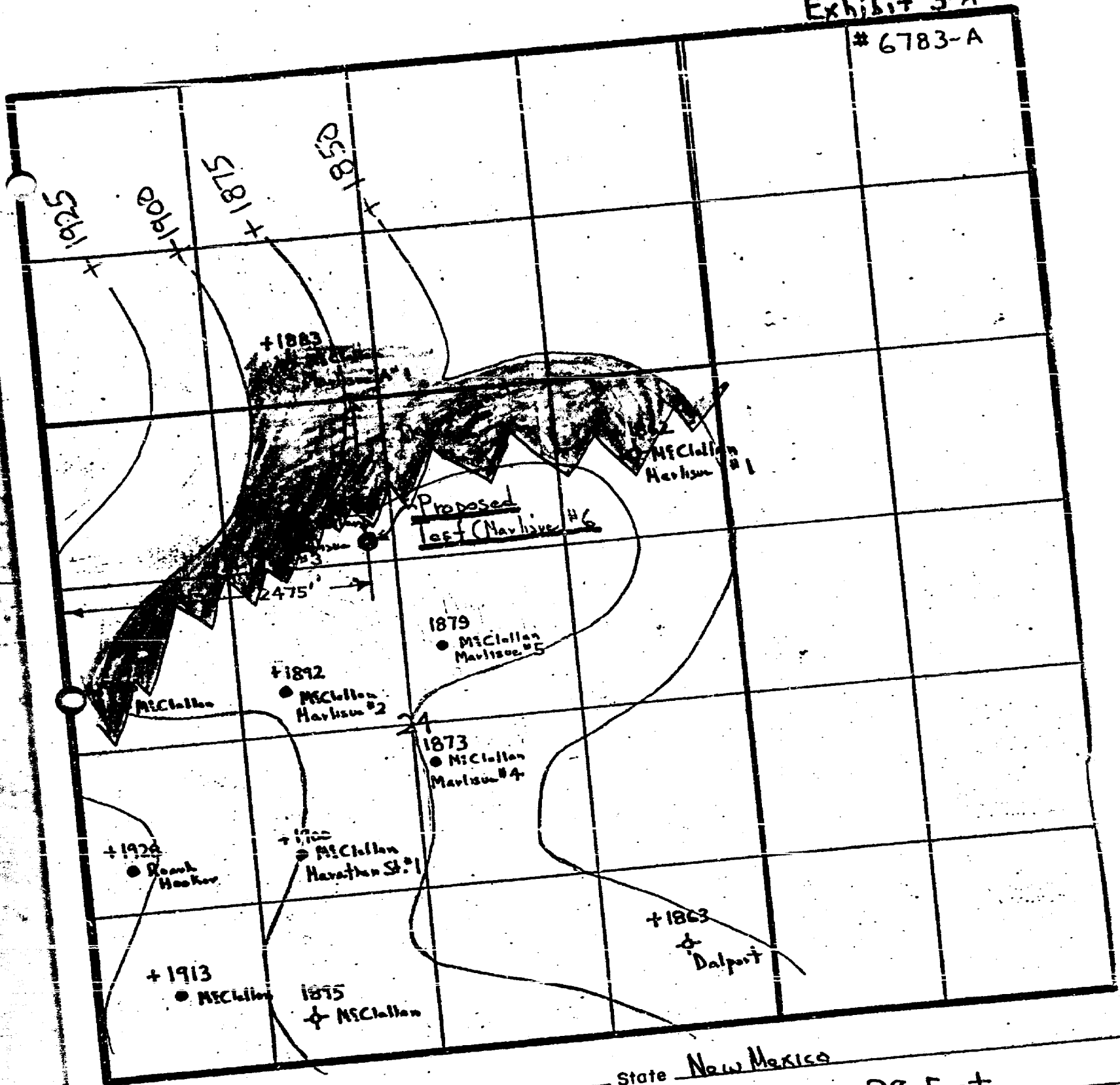
Section 13 & 24 Township 14-South Range 29-East

Remarks:

Datum: Top Queen pay
ST Ruckman

Exhibit 3-A

6783-A

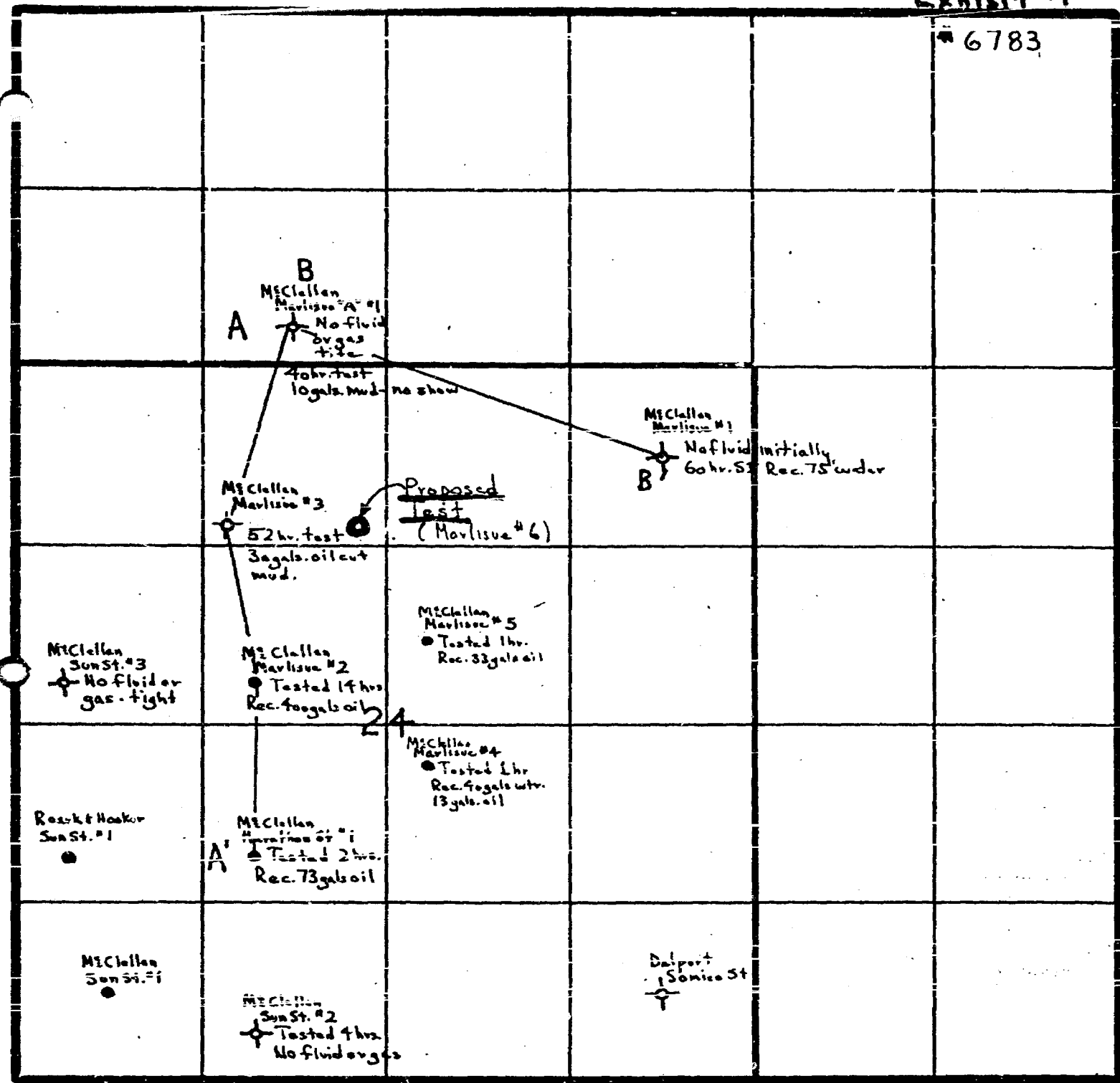


County Chaves State New Mexico
 Section 13 & 24 Township 14-South Range 29-East
 Datum: Top Queen pay

Remarks:

Exhibit 4

6783

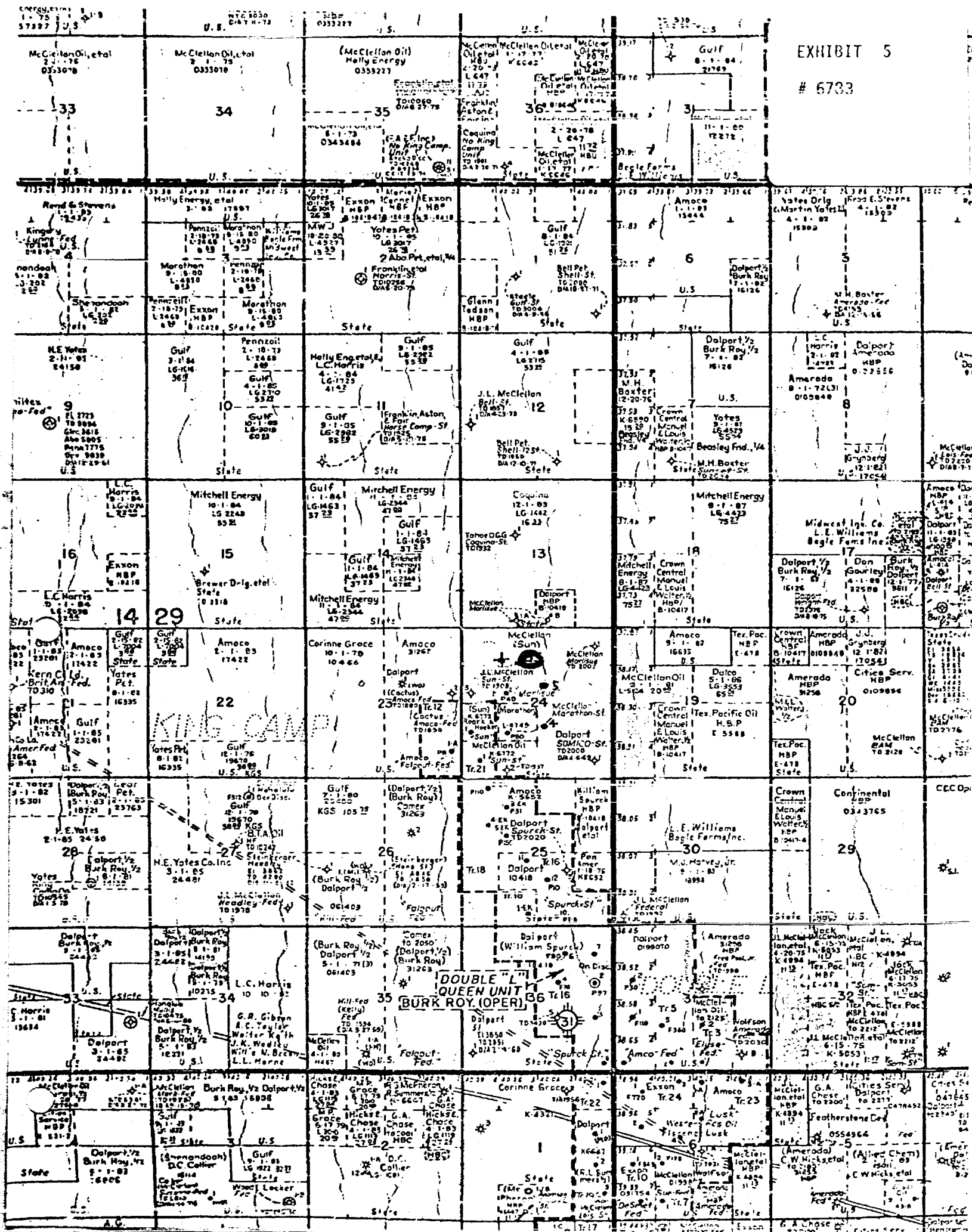


County Chaves State New Mexico

Section 24 Township 14 South Range 29 East

Remarks:

6733



WESTERN
WIRELINE
SERVICES

WL-74 (Rev. 11/78)

Log
GR/N 2x6

FILING NO.

COMPANY Mc CLELLAN OIL Corporation

WELL Marlisle State #4

FIELD Undesignated Double / Queen

COUNTY CHAVES

STATE NEW MEX.

JOB NO.

722622

LOCATION 2345' FSL + 2310' FEL

OTHER SERVICES:

SEC 24 TWP 14S RGE 29E

Perf

PERMANENT DATUM:

ELEV. 3866.6

LOG MEASURED FROM

FT. ABOVE PERM. DATUM

ELEV. X.B.

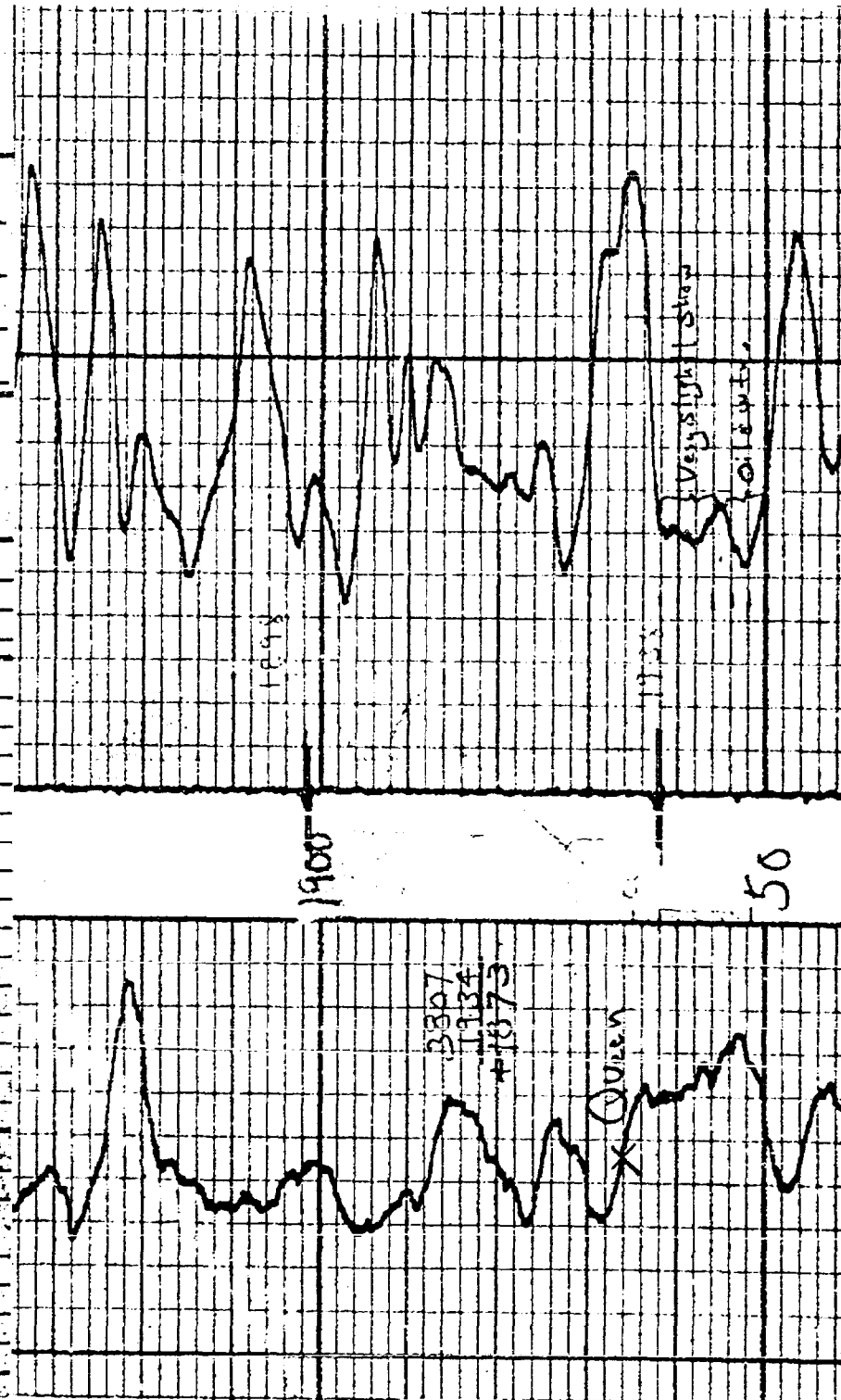
D.F. 3807

DRILLING MEASURED FROM

G.L. 3706

DATE	4-2-79			
RUN NO.	ONE			
TYPE LOG	GR/N			
DEPTH-DRILLER				
DEPTH-LOGGER	1975			
BOTTOM LOGGED INTERVAL	1974			
TOP LOGGED INTERVAL	1000			
TYPE FLUID IN HOLE	Water			
SALINITY, PPM CL				
DENSITY				
LEVEL	F46			
MAX. REC. TEMP. DEG. F				
OPERATING RIG TIME	1.5			
RECORDED BY	KENNEDY			
WITNESSED BY	MR. Sude Mc Clellan			

BORE-HOLE RECORD				TUBING AND CASING RECORD			
NO.	BIT	FROM	TO	SIZE	WGT	FROM	TO
1	4 1/2	0	1.0				
2							
3							
4							
5							
6							
7							
8							
9							
10							



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 6707: (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 NGPA 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 NGPA 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 Bends 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 II 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 Marlise 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.

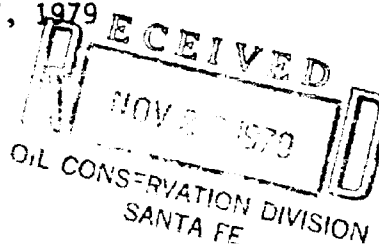
In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.

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.



McClellan Oil Corporation

November 27, 1979



Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

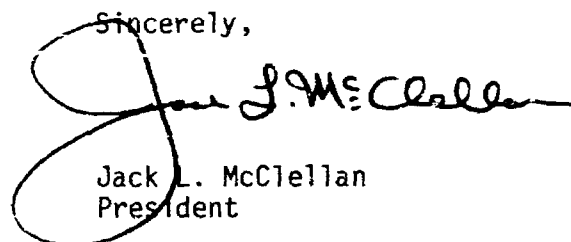
Case 6783

Re: McClellan Oil Corporation
Marlissue State No. 6
1155' FNL & 2475' FWL
Section 24-T14S-R29E

Gentlemen:

This letter is to request a hearing before this Commission for a Non-Standard Location as described in the caption above. This well is located in the Undesignated Double "L" Queen Associated Pool of Chaves County, New Mexico. It is further requested that the hearing be scheduled on the January 3, 1980 Docket in order to determine the feasibility of this Non-Standard Location request. The acreage dedication to this well would be the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 24. Thank you for your cooperation in this matter.

Sincerely,


Jack L. McClellan
President

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6783

ORDER NO. R- 6253

APPLICATION OF McCLELLAN OIL CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION,
CHAVES 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 _____ 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, McClellan Oil Corporation
for its Marlisue State Well No. 6 ~~located to be drilled at a point~~
seeks approval of an unorthodox oil well location/ 1155

feet from the North line and 2475 feet from the
West line of Section 24, Township 14 South,
Range 29 East, NMPM, to test the Queen
formation, Double "L" Queen Associated Pool, Chaves
County, New Mexico.

(3) That the NE/4 NW/4 of said Section 24 is to be
dedicated to the well.

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

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

-2-

Case No. _____

Order No. R- _____

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

IT IS THEREFORE ORDERED:

(1) That an unorthodox oilwell location for the Queen
the McClellan Oil Corporation Marlisue State Well No. 6
formation is hereby approved for ~~a well~~ to be drilled at a point 1155
feet from the North line and 2475 feet from the West
line of Section 24, Township 14 South, Range 29 East
NMPM, Double "L" Queen Associated Pool, Chaves County,
New Mexico.

(2) That the ^{NW/4}NE/4 of said Section 24 shall be dedicated to
the above-described well.

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

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