CASE 6784: MERRION & BAYLESS FOR A NON-STANDARD PROBATION UNIT AND UNORTHODOX GAS WELL LOCATION, SAN JUAN COUNTY, NEW VEXICO

CASE NO.

6784

APPlication,
Transcripts,
Small Exhibits,

ETC.



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

March 12, 1980

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

Re:	CASE NO. 6784
Mr. Robert L. Bayless Merrion & Bayless	ORDER NO. R-6281
P. O. Box 1541 Farmington, New Mexico 87401	Applicant:
	Merrion & Bayless
Dear Sir:	
Enclosed herewith are two copies Division order recently entered i	
Yours very truly, JOE D. RAMEY Director	
JDR/fd	
Copy of order also sent to:	
Hobbs OCD X Artesia OCD X Aztec OCD X	
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. 6784 Order No. R-6281

APPLICATION OF MERRION & BAYLESS FOR A NON-STANDARD PRORATION UNIT AND AN UNORTHODOX GAS WELL LOCATION, BAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 13, 1980, at Santa Pc, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of March, 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, Merrion & Bayless, seeks approval of a 640-acre non-standard gas proration unit comprising the W/2 of Section 19 and the W/2 of Section 19, Township 32 North, Range 14 West, NMPM, to be dedicated to its Ute Wall No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.
- (3) That there is reasonable doubt as to whether the entire non-standard proration unit described above may reasonably be presumed productive of gas from the Barker Creek-Paradox Pool, or that the entire non-standard gas proration unit would be efficiently and economically drained and developed by the aforesaid well.
- (4) That at the hearing, applicant proposed that as an alternative to the above-described 640-acre non-standard proration unit, a 320-acre non-standard unit comprising the W/2 of

Section 19 only be considered, to be dedicated to the subject well.

- (5) That the non-standard unit described in Finding No. (4) above may reasonably be presumed to be productive of gas from the Barker Creek-Paradox Pool, and the entire unit can be efficiently and economically drained and developed by the aforesaid well.
- (6) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Barker Creek-Paradox Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That the application of Merrion & Bayless for a 640-acre non-standard gas proration unit in the Barker Creek-Paradox Pool comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico, is hereby denied, and a 320-acre non-standard gas proration unit comprising the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, San Juan County, New Mexico, is hereby established and dedicated to applicant's 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.
- (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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY

Director

s e A fd/ SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87301

Phone (305) 455-7409

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
13 February 1980

EXAMINER HEARING

STATE OF NEW MEXICO

IN THE MATTER OF:

Application of Merrion & Bayless for a)
non-standard proration unit and an un-)
orthodox gas well location, San Juan)
County, New Mexico.

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

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

CASE

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SALLY W. BOYD, C.S.R.

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Senta Fe, New Mexico 87301

Phone (305) 435-7409

I N D E X

ROBERT L. BAYLESS STATEMENT

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Applicant	Exhibit	B,	Log	
Applicant	Exhibit	c.	Document	-

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MR. NUTTER: Call next Case Number 6784.

MR. PADILLA: Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico.

MR. BAYLESS: Do I remain sworn in?

MR. NUTTER: Yes, you're still under oath,

Mr. Bayless.

MR. BAYLESS: Okay, sir. I would like to submit Exhibits A, B, and C, pertaining to our application on the Ute No. 7 Well, which is located in the southwest of Section 19, 32 North, 14 West, on a Ute Indian lease.

If I might, I'll give you one copy and I'll get you another copy in a minute.

What we have requested is that we either be allowed a non-standard location -- a non-standard proration unit, comprising the west half of 19 and 18, which is all our lease, all a Ute Indian lease, or that we be allowed to dedicate only the 320 acres comprising the west half of 19.

This problem was brought about by this The well was originally drilled in 1951. It was cased and completed. It was never connected by pipeline. situation. It was plugged in 1958 without having ever produced into a pipeline.

We obtained a lease in 1973 from the Ute

LLLY W. BOYD, C.S.R.
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Indian Tribe and starting in August of '79 -- let me back up. We obtained the lease in '74.

In August of '79 we re-entered this well, drilled out cement plugs, ran casing to tie back in to the point where it had been cut off, and made a recompletion attempt. Our attempt will be shown on Exhibit B, and the results of that attempt are shown on Exhibit B, being our well completion log filed with the USGS.

Our accrued expenses to date are shown on Exhibit C.

The acreage holders to the west of us, as shown on Exhibit A, being Galloway and Amoco, both of these leases have lapsed through the terms of the lease.

They are now -- it is now open Ute Tribal acreage. This lapsed in November.

The other acreage involved is shown in yellow adjacent to us, and blue being El Paso and El Paso-Southland Royalty. El Paso is the designated operator of the Paradox formation rights, being the zone we are producing from.

We have been operating the well since November -- or producing the well since November under a temporary permission from the Oil Commission, as we had a deadline that we had to meet to hold the lease.

I have been led to believe by the USGS

SALLY W. BOYD, C.S.R.

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that they would prefer that we not use the long 640 acres,

being the west half of 18 and the west half of 19. We have no strong feel ourselves. Our sole interest is in producing the well. It is a low productivity well for this depth and for this amount of investment.

I believe that covers my initial presentation. If you have some questions, I'll answer them.

MR. NUTTER: Okay, Mr. Bayless.

Now, first of all, this is in the Barker Creek-Paradox Pool.

MR. BAYLESS: Yes.

MR. NUTTER: Which is a gas pool?

MR. BAYLESS: Yes.

MR. NUTTER: And we have established 640acre spacing units for that pool?

MR. BAYLESS: Yes.

MR. NUTTER: So you're seeking primarily a non-standard proration unit, which is the west half of Sections 18 and 19, and would be 640 acres, but the unit's two miles long.

MR. BAYLESS: Yes, sir.

MR. NUTTER: And a half a mile wide.

MR. BAYLESS: Yes, sir. We have no control over where the well happened to be. That's where it was.

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Phone (303) 435-7409

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MR. NUTTER: And I presume this is on the edge of the pool inasmuch as there's no wells out here to the west of it and the leases have expired.

MR. BAYLESS: Yes, sir.

MR. NUTTER: Now, this No. 7 well was originally drilled in 1951, was plugged in '58; you obtained the lease in '74 and re-entered the well.

MR. BAYLESS: Yes, sir.

MR. NUTTER: And spent \$286,000 completing

it?

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MR. BAYLESS: Yes.

MR. NUTTER: And now you've got to dedicate some land to it and are seeking the non-standard proration unit.

MR. BAYLESS: Yes.

MR. NUTTER: What is the footage location of the well? Okay, it's on Exhibit Number --

MR. BAYLESS: It's on B.

MR. NUTTER: B.

MR. BAYLESS: It should be. It's 1685 from the south and 3335 from the east.

MR. NUTTER: And what proration unit would you seek if you were getting a non-standard unit of less than the 640 acres?

MR. BAYLESS: The west half of 19.

MR. NUTTER: Which would be a 320-acre unit, is that it?

MR. BAYLESS: Yes, sir.

MR. NUTTER: And I presume your lease, according to Exhibit Number A, here, goes on up and also includes the southwest quarter of Section 7, is that right?

MR. BAYLESS: That's correct. The top of our lease is the New Mexico State line.

MR. NUTTER: Is that a line that comes across through the middle of Sections 7 and 12, running east/west?

MR. BAYLESS: Yes, it's an east/west line

MR. NUTTER: Are there any further questions of Mr. Bayless? He may be excused.

Does anyone have anything further to offer in Case Number 6784?

Mr. Daniel?

MR. DANIEL: Like Mr. Bayless said, we would object to having a two mile long proration unit.

As far as the standard proration unit goes, either way, I don't see any problem, either all of Section 19 or the west half of Section 19.

MR. NUTTER: Thank you. Mr. Bayless, does -- you may have mentioned but I don't remember -- is

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this El Paso-Southland lease colored in yellow on your Exhibit A dedicated to any well or any part of it dedicated to any well?

MR. BAYLESS: Part of it is. It's a very large lease going to the northeast.

MR. NUTTER: How about the east half of Section 19, is there any well there?

MR. BAYLESS: No.

MR. NUTTER: Is there any well in Section

30?

MR. BAYLESS: No.

MR. NUTTER: So this land that's shown on this exhibit and colored in yellow is not dedicated to any well?

MR. BAYLESS: I think that's correct.

I'm 99 percent sure that's correct. Can you give me any
help?

MR. KENDRICK: I cannot answer it on the dedication of the acreage on that for El Paso and Southland in the Section 19 or 30.

MR. BAYLESS: I can tell you there are no wellbores, producing wellbores, in that -- within that yellow outline.

MR. NUTTER: Is there any possibility that there is a well in the south half of Section 30 to which

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MR. BAYLESS: No. There are no wellbores.

MR. NUTTER: In Sections 19 or 30?

MR. BAYLESS: Correct.

MR. NUTTER: Okay, thank you.

Does anyone else have anything to offer

in Case Number 6784?

We'll take the case under advisement.

MR. KENDRICK: El Paso Natural Gas has furnished Merrion & Bayless a letter not objecting to their two mile long non-standard proration unit north and south; however, at this time we have not had a discussion with them as tar as being force pooled into a unit with them with the acreage in Section 19.

MR. NUTTER: Thank you.

Does anyone have anything further for Case Number 6784.

Take the case under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Snowy le Boyd C. J.R.

I do hereby while the the foregoing is Oil Conservation Division

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STATE OF NEW MUNICO

ENERGY AND MINERALS DEPARTMENT OIL CONSURVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, MEU MOXICO 13 February 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Merrion & Bayless for a) non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico.

CASE 6784

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

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

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ROBERT L. BAYLESS STATEMENT

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Take the case under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

> I do hereby certify that the foregoing is a complete reneral of the proceedings in the Examiner houring of Case No. 6784. Oil Conservation Division , Examiner

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Docket No. 4-80

Dockets Nos. 5-80 and 6-80 are tentatively set for February 27 and March 12, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 13, 1980

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING, SANTA FE: NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for March, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1980, for both of the above areas.
- CASE 6803: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit EPROC Associates, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why its Monsanto State H Well No. 1 located in Unit E of Section 2, Township 30 North, Range 16 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6787: (Continued from January 16, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the approval of 12 non-standard proration units ranging in size from 261.51 acres to 334.24 acres for 320-acre spaced pools, and 19 non-standard proration units ranging in size from 162.65 acres to 207.57 acres for 160-acre spaced pools, all of the aforesaid units being in and resulting from the irregular size and shape of Sections 1 thru 7 and 18, 19, 30, and 31, along the North and West sides of Township 28 North, Range 3 West, Rio Arriba County.

CASE 6487: (Continued from January 3, 1980, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Les 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 6804: Application of The Superior Oil 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 Bondurant

 Pederal Com Well No. 1, a Morrow test to be drilled 1980 feet from the South line and 660 feet from
 the East line of Section 1, Township 19 South, Range 32 East, the S/2 of said Section 1 to be dedicated to the well.
- CASE 6767: (Continued from January 16, 1980, 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.

- Application of Hondo Oil and Gas Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 10 Well No. 1, a Wolfcamp-Pennsylvanian test to be drilled 1550 feet from the North line and 660 feet from the West line of Section 10, Township 18 South, Range 28 East, the W/2 of said Section 10 to be dedicated to the well.
- Application of Westall, Mask and Jennings for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into unlined surface pits adjacent to tank batteries in Sections 23, 24, 25, 26, 27, 34 and 5, Township 18 South, Range 31 East.

- CASE 6807: Application of Meadon Properties, Ltd. for an exception to Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order No. R-111-A to permit a proposed well in Unit L of Section 4, Township 21 South, Range 29 East, to be completed by setting surface casing at 550 feet and production casing at total depth and cementing both casing strings to the surface.
- CASE 6808: Application of Conoco Inc. for two non-standard gas protation units and two unorthodox well locations. Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas protation unit comprising the NW/4 of Section 24, Township 20 South, Range 37 East, Eumont Gas Pool, and also a 120-acre non-standard gas protation unit comprising the W/2 SW/4 and SE/4 of said Section 24, each of said units to be dedicated to a well to be drilled at an unorthodox location, the first being 990 feet from the North line and 330 feet from the West line of the section, and the second being 1650 feet from the South line and 330 feet from the East line.
- CASE 6387: (Reopened and Readvertised)

In the matter of Case 6387 being reopened pursuant to the provisions of Order No. R-5353-E which order reclassified the North Tocito Dome-Pennsylvanian Gas Pool as an associated pool with special rules and regulations therefor. All interested parties may appear and show cause why the North Tocito Dome-Pennsylvanian Associated Pool should not be reclassified as a gas pool to be governed by statewide rules.

- CASE 6809: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Betenbough Unit Area, comprising 1921 acres, more or less, of State and fee lands in Township 13 South, Range 36 East.
- CASE 6790: (Continued from January 30, 1980, Examiner Hearing)

Application of Merrion & Bayless for gas well commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to temporarily commingle certain of its Pictured Cliffs gas wells in Sections 1, 2, 3, 9, 10, and 11, Township 26 North, Range 13 West, in a common gathering system and meter the entire lease output through the purchaser's sales meter located in Unit M of said Section 7.

CASE 6784: (Continued from January 30, 1980, Examiner Hearing)

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 1665 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. 6795: (Continued and Readvertised)

Application of Torroon Gil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Gil Pool by the injection of water into the Menafee formation through its San Luis Fed. Wells Nos. 1 and 2, located in Unit K of Section 21, Township 18 North, Range 3 West. Applicant further seeks an administrative procedure for approval of additional producing and injection wells at unorthodox locations in said project.

- CASE 6810: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending the vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:
 - (a) CREATE a new pool in Les County, New Mexico, classified as an oil pool for Fusselman production and designated as the Brunson-Fusselman Pool. The discovery well is Amoco Production Company Grizzell B Well No. 3 located in Unit H of Section 8, Township 22 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM Section 8: NE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the North Illinois Camp-Morrow Gas Pool. The discovery well is Hondo Oil and Gas Company Exxon State Well No. 1 located in Unit K of Section 9, Township 18 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM A11 Section 9:

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the Kennedy Farms-Upper Pennsylvanian Gas Pool. The discovery well is Yates Petroleum Corporation Seigenthale: "15" Com Well No. 2 located in Unit K of Section 21, Township 17 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM

Section 15: All

Section 16: E/2

Section 21: All

Section 28: E/2

Section 33: E/2

(d) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the East Siete-San Andres Pool. The discovery well is Sundance Oil Company Grynberg Federal Well No. 3 located in Unit D of Section 14, Township 8 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM Section 14: NW/4

(e) EXTEND the vertical limits of the Angell Ranch-Morrow Gas Pool in Eddy County; New Mexico, to include the Atoka formation and redesignate said pool as the Angell Ranch Atoka-Morrow Gas Pool and extend the horizontal limits of said pool to include therein:

TOWNSHIP 19 SCUTH, RANGE 27 EAST, NMPM Section 24: W/2

(f) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM Section 23: N/2

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 23: All

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMFM

Section 3: N/2

(h) EXTEND the West Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM Section 29: NE/4

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

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM

Section 18: N/2

(j) EXTEND the South Bell Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 1: SE/4

Section 12: N/2

(k) EXTEND the Blinebry Oil and Gas Pool in Les County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 20: NW/4

(1) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM Section 25: S/2

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM Section 20: N/2

(m) EXTEND the North Burton Flats-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM Section 22: N/2

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM Section 24: SW/4 NE/4

(o) EXTEND the Caudill-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM Section 9: NW/4 and N/2 SW/4

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

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

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

TOWNSHIP 23 SOUTH, RANCE 28 EAST, NMPM Section 11: E/2

(r) EXTEND the Diamond Mound-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 COUTH, RAINGE 2/ EAST, NMPM Section 10: All Section 12: S/2

(s) EXTEND the Double L Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM Section 23: W/2
Section 24: W/2 NE/4

(t) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM Section 12: SW/4

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

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM Section 15: S/2

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

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

TOWKSHIP 18 SOUTH, RANGE 29 EAST, NMPM Section 4: S/2

(w) EXTEND the bast Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM Section 22: NE/4 and NE/4 SE/4

Page 5 of 6
Examiner Hearing - Wednesday - February 13, 1980

Dunket No. 4-80

(x) EXTEND the Eumont Yates Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM Section 4: Lots 9, 10, 11, 12, 13, 14, 15 and 16

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMFM Section 33: E/2 NE/4 Section 34: W/2

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

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM Section 5: S/2

(4a) EXTEND the Hardy-Blinebry Pool in Los County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM Section 11: NE/4

(bb) EXTEND the Logan Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM Section 22: 17/2

(cc) EXTEND the Maljamar Grayburg-San Andres Pool in Les County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM Section 23: NE/4 Section 24: NW/4

(dd) EXTEND the Palmille Bone Springs Pool in Eddy County, New Mexico, to include therein:

Section 1: NE/4 and N/2 NW/4

(ee) EXTEND the Penasco Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGZ 25 EAST, NMPM Section 27: W/2 Section 28: All

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM Section 31: W/2 W/2

(gg) EXTEND the Race Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM Section 19: N/2 NE/4 Section 20: NW/4 NW/4

(hh) EXTEND the Sand Dunes-Bone Springs Pool in Les County, New Mexico, to include therein:

TOWNSHIF 23 SOUTH, RANGE 32 EAST, NMPM Section 18: W/2

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

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM Section 16: NW/4

Page 6 of 6 Examiner Hearing - Wednesday - February 13, 1980

Docket No. 4-80

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

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

(kk) EXTEND the Winchester-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM Section 27: W/2

MERRION & BAYLESS

Application for Non-Standard Protation Unit & Unorthodox Gas Well Location COUNTY Son Juan STATE New Mexico

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INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or Sinie laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or state office. See instructions on terms 22 and 24, and 33, below regarding separate completions.

submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below of will be assued by, or may be obtained from, the local reverse and/or state office. See instructions of them 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drivers, geologists, sample and core analysis, all types electric atc.) formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. (All attachments should be listed on this form, see item 36.)

From the continuous surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. (All attachments should be listed on this form, see item 36.)

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MERRION & BAYLESS UTE #7

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Summary of Perforations

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SUMMARY OF ACIDIZING			
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5308-5313	500 gal. MCA
3201-3211	250 gal. 15% HCL
4067-4072	250 gal. 15% HCL
8874-8904	5000 gal. 15% HCL
8374-8388	3500 gal. 15% HCL
8374-8404	5000 gal. 15% HCL

SUMMARY OF SQUEEZE CEMENTING

DEPTH	CEMENT
	35 sx
4070	75 sx
3700	150 sx
3090	35 sx
5308-13	35 sx
4067-72	· 150 sx
3202-3652	15 s x
3558-3568	20 sx
3448-55	35 sx
3201-11	33 5

MERRION & BAYLESS Accrued Expenses To-Date UTE #7

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	Shiprock Transport	474.68	15177
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	Schlumberger Well Service	87.88EP	13175
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Justino Supply Dent Engineering July total October 1979	731.67 573.38 562.95 00.8361	13802- 13802 13816
Shiprock Drama Justia Supply Dow Chemical Dalgaino Drama Construction Supply	4401.22 398.14 2781.56 64.65 1324.37 155.81	13429 13429 13420 13389 13376 13375 13375

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	Son Juan Reproduction	4.18	13593
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Solot, Compliance Rental	\$ 975.01	# 13590
Safety Compliance Rental Pine Day Drading	19149,90	13571
1, 2, 1, 8	15394.42	//
, , , , , , , , , , , , , , , , , , ,	5225,00	<i>i</i> }
	2873.74	1-1
	15152.50	10
	00,2040	11
	1346.91	13505
ne necloslough	1205,40	13546
Ja R Constructors	52.51	13544
Hopper Specialty	18.86	1 :
Groat Durwork	1539.20	13842
Draves Butane	12,98	13541
	910,40	13540
Dle Welding	104.50	13586
Don States Services	893.99	135 35
Devor Oil Juld Supply	276.14	11
	562.80	13529
Enouonmental Fifty	8.44	11
	7.29	1 🔨
	39.19	13523
D. W. Villeruni	1430.71	13516
Dene De	3672.97	13514
Danco april	939.45	13812
h in	1059.52	1,
O n	640.79	13511
Daker Facilis	396.78	t į
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November (cont) Baker Packers \$ 327.20 # 13511 20.PE8G 112.05 13508 A-1 Machine 13491 25.6041 EL Welding 13489 70.00 Lene Durham 13466 42164.23 Bargess Drelling 13463 343,00 Eddie Montona November total 150866.67

total 286,107.36

MERRION & BAYLESS

Ute #7

Application for Non-Standard Proration Unit & Unorthodox Gas Well Location

San Juan STATE New Mexico

Application for Non-Sea	STITE New	Mexico		
Son Juan	STATE New	32 N		
COUNTY -		22.N	RANGE	
	TOWNSHIP -	32		
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		- TANK 1		
	-13, was a see -	El Paso		
	Gallaway			4
	M+8			
	Gallaway Merric	El Paso		7
	Gallaway Merric	311		1
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	Gallaway			
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A. Delander				
1,000	Mer	rion El Paso Southlan	80% d 20%	
	Ba	yless		1.
	24			
	Amocb Bas	77		
		ute	1	
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	Amoco E	1 Paso 80% outhland 20%	-	
	Amoco	1 1 1		+ 1
	25			
	+ 1			Exhibit A
				6784
			i	

Furm 5-426 (Nev. 5-42)		UNITEE	ATS (res	ຣບ	BMIT IN	DUPLICA FE®	Form	n spproved. —
	DEPART				TERM) R	(See other in		ret Bureau No. 42-R355.5.
		SECLUGIC					reverse side	5. 12.12 2.200	ALIUM AND BEREAL NO.
<u> </u>									20-1706 ! =
WELL CO	MPLETION	OR RECO	MPLET	ON	REPOR	TAN	LOG*		tain Tribe
1. TYPE OF WEL	LL: OIL WELL	WELL	X) p	r []	Other	4 .		7UNIT ACREEM	
L TYPE OF COM					15	1		1 1 1	
WELL	OVER DEED	PLOS DACE	Dies.	in.[]	Other R	e-entr	У	S. FARM OR LEA	DE NAME
2. NAME OF OPERA					11			- Utè 🔭	
	ry Merrion	& Robert	L. Bay	les s	5		ान । ह	9. F * L. 70.	
8. ADDRESS OF OPE	: 507, Farmi	naton NM	9740	1				10, FIELD AND P	OOL OR WILDCAR
4. LOCATION OF WE	LL (Report location	clearly and in	accordance	scith an	y State re	quiremente) () () () () () () () () () (그리스 보고 보고 있다.	reek Paradox
At surface	85' FSL & 3	2261 555			1.91	T h 124	3	71, SEC., T., R., 3	L ON BLOCK AND BURYET
•	terval reported belo							COL OR AREA	
		same				61.1.3	ក់ទល់ទៀ	Section	19 - T32N RL4W
At total depth S	ame							- 5 E F	5 5 5 E E
			14. PE	SMIT NO.		DATE II	SULD	12, COUNTY OR	된 사용할인생활.
15. DATE SPUDDED	1 16. DATE T.D. RE	ACHED 17. DAT	E COMPL. (Ready 1	o prod.) i		TIONS (DF, REB	l San Juan	New Mexico
3-16-51	5-21-51	t t	-9-79		្ឋ	6526			6526
20. TOTAL DEPTH, MD		BACK T.D., ND A		IF MUL	TIPLE COM		23. INTERVALE	-ROTART TOOLS	CABLE TOOLS
9350	1	8788		HOW M		<u>.</u>	DRILLED BY	Z X a z	
24. PRODUCING INTE	ETAL(8), OF THIS C	OMPLETION-TO	P, BOTTOM,	NAME ()	ED AND TY	D)*		E 28 E E	25. WAS DIRECTIONAL BURVET MADE
	_					2 4		P. 440 UNA J	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
8374-8404		10				·	: 		
or position	CAD CILLE LOGG A	, A		•	2			27.	No see a see
TDT-K		CAS	ING RECO			ings set in	well)	<u> </u>	NOTER - L
CASINO BIZE	WEIGHT, LBJF				LE BIEE	-1-5		RECORD, 2 ; 2	AMOUNT PULLED
13-3/8"	48#	330		17-	-1/4	£ 5.	250 sx	######################################	None = =
9-5/8"	36#	3100		12-	-1/4	= : = :	1100 sx		None : ∾
<u>- 7" </u>	23# & 26#	9350		8-	-3/4	<u> </u>	1600 sx		€ 3090 € 5
<u> </u>					<u>. </u>	- 3 1 3			
29.		INER RECORD BOTTON (MD)	BACES CE		BCREEN	`	SÛ.	DEPTH BET (MD)	
4-1/2"	surface	5400	FA Pac			¥-:	2"	*8373 = £	None :
4-1/2	Surrace	3400	11114			· []		# 7 E A E B	NOTE:
31. PERFORATION REC	ORD (Interval, size	and number)			1 32.	ACIT	SHOW MITTO	TURE CAMENT D	(UBEEK EIG E
See Attach	ment				DEPTH	INTERVAL:	(MD) A	MOUNT AND KIND OF	P MATERIAL ESED
i					İ		Attachmen		
·						> - 1			1
•					\ <u></u>	5 24			
38.7 i				PRGI	DUCTION	- !		0 <u> </u>	
DITE PIRET PRODUCT	יספמשי ביייי	žiok-Mermon -(,	riowing, ga	a tijt, pi	mping—e		e of pump)	WELL STA	TUB [Producing or
1						<u> </u>			
DATE OF TEST	HOUSE IESTED	CHOKE BIZE	PROD'N		OIL-BB		GASMCF.	WATER-BEL	GAS-OIL BATTO
11-15-79	CASING PRESSURE	2"		->	1.0		167	= 2	100,000
PLOW. TUBING PRESS.	i	CALCULATED 24-HOUR RAT		_	i i		WAIER L C	그 은 성장 등 취임 학생	GRAVITY-API (CORE.)
30 84. DISPOSITION OF 0.	450 As (Sold, used for fi	uel, vented, etc.	15	·		500-) 6	TEST-WITNESSED	9 60 7 3 2 E F
	ld to El Pa			iompar	ny			John C. A	nderson
35. LIST OF ATTACE						# 1. .			
		<u></u>			:	<u>ा हिन्</u> स			
86. I hereby certify	that the foregoing	and attached i	nformation	is comp	lete and c	orrect as c	setermined from	all available recor	ds
SIGNED X	Negra	henry	_ TIT	L.	CO-Ow	ner 📰		DATE -N	lovember 16, 1979
								- L	<u> </u>
¥	*(See	Instructions a	nd Space	s for A	ddition	ıl Data o	on Reverse Si		
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dian-								or Fig.	Gameralt
12 1 NEW 7 198 1 198 E	no for-raing in 4 stainhed lat.	Boundary of Street St.	MOI3 VEITOR	H. Jaid WORK	- 175 - 175		thim 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements is used as reference (where not otherwise shown) for depth measurements is used as reference and the production from more than one interval zone (multiple of interval, or intervals, top (s), bottom (s) and mane(s), iff any), for only the interval reported in item 33. Sulfor each indifficult interval to be separately produced, but the additional data pertinent to such interval. It is not a separately or any multiple if item 29: "Sucks Cement": Attached supplemental records for this well should show the details of any multiple is a separately produced. (See it is a separately completion report on this form for each interval to be separately produced.	or both, pursuant to applicable a ederal and/or State laws and regulations. Any necessary special instructions concerning the although the procedures and practices, either are shown below or will be taken and/or State office. See the tructions on items 22 and 24, and 33, below regarding separate reports for separate completions. It not the drine the summary record is submitted, copies of all currently available logs (drillers, geologists, sample then and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable. Federal and should be liked on this form, see item 35. When 4: If there are no applicable State requirements, locations on Federal of Indian land should be described in accordance or Federal office for specific instructions.	H
	i. O et Language		L	359			Indicate and 24: I be intervended intervended intervended in ervended in interven	reuant particulte office to office prior i prior i prior i there there office f	ale for
17 2 4 33 4 2 3 53	the mark that the case of legan			OF PORC			If thi vals, thi int	ularly e. Si to the tests in this are n	B
1	a nameraca i della millaria.		T . [4	POROUS ZONES: IMPORTANT ZONES OF POROSITY AND CONTRAYS THURROF; REVAL TESTED, CUSHION USED, TIME TOOK OPEN; FLOWING	9 0.0	2 24 <u>3</u> -	which elevation is used as reference (where not otherwise shown) for depth measurements if this well is completed for separate production from more than one interval zone (multiple c vals, top(s), bottom(s) and mane(s). (If any) for only the interval reported in item 33. Su interval to be separately produced, aboving the additional data pertinent to such interval to be separately produced, showing the additional data pertinent to such multiple dement"; Attached supplemental records for this well should show the details of any multiple a separate completion report on this form for each interval to be separately produced. (See	applicable request and/or State laws and regulations. Any necessary special instructionally with regard to local, area, or regional procedures and practices, either are shown below See instructions on items 22 and 24, and 33, below regarding separate reports for separate the time this summary record is submitted, copies of all currently available logs (drillers, gists, and directional surveys, should be attached hereto, to the extent required or applicable form, see item 35. no applicable State requirements, locations on Federal of Indian land should be described perific instructions.	This form is designed for submitting a
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				0 7001		ָבַבּיבּי <u>ָ</u>	(erence parate mae(s) duced, il reco	and 2 and 2 in sul	д С
Carl Attendant (4		<u> </u>	9.7 (2	10 XB:	त्रःच ० ६	510 03050	produ (W) (M) (W) (W)	awa ar egiona d, and d be a locat	ete A
र्श रि∖्ता स्थाप		y each of the		OKIAO:			the not by for this or each	id region and region a	3
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5 33	- <u>2 26</u> - 9330		- T-1	COMED INTERVALS; AND A	1400		while e	is and/or state laws and regulations. Any necessary special instructions local, area, or regional procedures and practices, either are shown below items 22 and 23, and 33, below regarding separate reports for separate ary record is submitted, copies of all currently available logs (drillers, grant submitted, copies of all currently available logs (drillers, grant submitted or application of the extent required or applications on Federal of Indian land should be described.	.a .—
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19(22 25) 2 A	enas, us 745. । अस्तवत ६/११ CASIM	O RECORD - Region	21 12 CO	KD AC	<u> </u>	1-4,2 1 7	for ce luter le luter	etent i	repo
DE-16	ুট্ডু চিডিন উন্ধ	ີ່ ດ້ ສ		DAIL.			val go	eporta ble lor equire	T C
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23-1,5-51 20-2 : tu etrist, 30 + 50	1 57 May 2002 257 FB 6 22 2-01-21 17-8		ैंड उस का	2		14.723 ×		w (or we example example geological)	per or
13. 2 72 WC2050 18. 0	712 10 3870HDD 72 0426 (O Committee of the control of the co	<u> </u>	Cippine	1,0%3 - 31	. 1854 Kr	50 - 21	cernin will be pletion lata, a 'ederal	lands
३: १०:११ दक्कता <mark>ड</mark> न्सक		14, 652.4 £ 'W.		υ / 8	4. (3		ther a	erning the the of this for erning the taxued by, or may lettions. lettions. sts. sample and core analyderal and/or litate laws accordance with Federal	
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ATTO DE CONSTRUIO	D Stee D Stee D	attace. Ct	MICAN DEPT.	MARKERS		_	ven in other spaces on this form and in any attachments, napletion); so state in item 22, and in item 24 show the producing pull a separate report (page) on this form, a sequately identified, with the comenting and the location of the cementing tool		agenc
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MERRION & BAYLESS UTE #7

Summary of Perforations

1.07 1 9 1979

DEPTH	NUMBER	SIZE	TYPE
4080	4	0.5	Squeeze Holes
3700 3652, 3634, 3612,	4	0.5	Squeeze Holes
3588, 3573, 3556,			
3544, 3528, 3490,	20	0.4	Squeeze Holes
3472, 3452, 3432, 3394, 3370, 3362,	<i>:</i>		
3346, 3290, 3282,			
3214, 3202			
5308-5313 4067-4072	10	0.4	Prod. Test
3558-3568	10 20	0.4	Prod. Test Prod. Test
3448-3455	14	0.4	Prod. Test
3201-3211	20	0.4	Prod. Test
8874-8904 8374-8380	30 28	0.5 0.5	Prod. Test Prod. Test
3389-8404	30	0.5	Prod. Test
			,
SUMMARY OF ACIDIZING			
5300-5313	500 gal	.o.	
3201-3211 4067-4072	250 gal 250 gal		
	_		
8874-89N4	5000 gai		
8374-8388 8374-8404	3500 gal 5000 gal		
00/2 0303	Jose gas	 ندب	

SUMMARY OF SQUEEZE CEMENTING

DEPTH	CEI	ÆNT.
4070	35	sx
3700	75	sx
3090	150	sx
5308-13	35	sx
4067-72	35	sx
3202-3652	150	sx
3558-3568	15	sx
3448-55	20	sx
3201-11	35	sx

MERRION & BAYLESS Accrued Expenses To-Date UTE #7

V-76	Ute # 7	(943)
Eptember 1979		
Company	amount	Check #
Western	21. EE8 B	13188
	534.20	13187
	1168.32	13187
Derry Wede But Service	00.906	13184
Shiprock Transport	474.65	13177
	591,37	13177
Schlumberger Well Service	87.88EP	13175
Permian	7568.24	13168
	6279.00	13167
Totronal Cementers	2836.96	13156
	1523.35	13155
11	1407.56	13188
, (4028.37	13154
ne mechalongh	1198.88	13150
	936.17	13149
	970.57	13149
Monarch	233.31	13145
	295.48	11
McKee Signs	23.34	13140
Degane Drans.	229.64	13107
	315.65	1:
Blue Jet	2071.37	13096
Bug Rod Dool Co.	366.69	13093
	366.69	13093
	366.69	11
Baker Service Dools	1287.44	13090
E. A	Chia	70

September (cont) A-1 Machine Co Steve Dunn September total	\$ 19.19 	#13081 13078
Moste Moste Moste Moste Siens Lea Equipment H+S Construction Who Welding Jent Engineering Delcarno Drans Andrewo Co August Istal	325.00 17.58 10.28 10.28 2066.00 104.50 9362.79 987.10 321.34 3194.59	12970 12961 12955 12953 12947 12940 129,20
July 1979 Junt Engineering 11 July total	131.67 573.38 562.95 1258 00	15802 19802 1381P
October, 1979 Western Shiprock Drans Justic Supply Dow Chemical Dalgaino Drans Construction Supply	4401.22 398.14 2781.56 64.65 1324.37 155.81	13429 13429 13420 13389 13375 13375

© ctobe	(cont)	(1)		
	Blueget	\$	1500.74	#13368
	1 \ 8		OC. 30E1	701861
	()		1415,15	TUE51
	Baker Packer		474.22	13366
			2185.87	13366
	allen Construction		253.62	1 य हर
			706.59	U
	li Yi		418.68	i 1
	Western		364.23	13356
			68,93	13
			391.23	<i>)</i> 1
	Derry Wade But Service		114,50	13355
Market Head	Wal Ronatabout		685,79	13354
			CONSTITUTE OF THE PARTY OF THE	62 0
	Desoro Land + Marine Renta	1	M3.77	13347
	Shiproch Dransport		1475.84	13345
	National Cementers		1980,10	13586
			3044.79	13327
	1		1449.42	13321
	Lo Wiredine Services		2245.18	13300
	Environmentel Sefety		OG. 484	13290
	Dow Chemical		195,00	13288
	in II		20.814	11
	3 1		5909.30	L
	Chief Dransport		405.00	13281
(14년) 1915년 1917년 1917년	Baker Dools		Pd. 868	13277
	Baker Packers		970.51	13276

October	(cont)	\$ 58.44	#13274
	avelson	43841.45	132 63
	Barless Oreling	1000,00	13258
	BIA	136.50	13236
	Dilan Pioche	13/2.50	13235
	Merale Montoya	640,00	13234
	Eddie Montoya	85262.09	
	October total		
Josen	Mer 1979	P8. 5021	र्टहर्ज्टा
	San Juan Casing	157.87	12635
	nn State Unio.	40.18	12695
i i	Justis Supply	222.03	$\mathcal{L}\mathcal{L}$
		343.72	١,
	O D T TMA	11.8006	13631
	Da R Constructors	105.03	13618
	Bonham Oil 2008 Co	78.52d	أيمرم إ
	Dalguns Drans	452.89	13617
	i i	795,35	, ,
		1132.38	13617
		1457.69	13 616
and the state of t	Dhe gt	5739,39	13609
	Western	422.26	13608
	Western	\$17.55	40081
	Vinson Supply	686.45	13601
	Desoro Land + Marine	796.80	13546
7 1 1	Shiprock Dransport	4.18	13593
	Son Juan Reproduction Sapety Compliance Bontas	1802.90	13590

November (cont)		
Safety Compliance Rental Nine Star Drading	10.25°P	# 13590
Il une star Drading	19149.90	13571
	15394.42	11
	2792 '00	<i>(</i>)
	2873.74	,,
	15152.50	1.
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In mcCoollough	1346.91	7556
Ja R Constructors	1205,40	13546
Hopper Specialty	52.51	13544
	18.86	11
Great Durwork	1539.20	13542
Draves Butane	12.98	13541
Dila welding	910,40	13540
Dow States Services	104.50	13536
Demor Oil Dield Supply	893.99	132,32
	276.14	1,
Enoumnental Safet	562.80	13539
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,,	7.29	1.
D. M. Machine	39.19	13523
Bene Jex	1430.71	13516
Banco Sper	3672.97	13514
Baker Service 2006s	939.45	13512
"	1059.52	1,
Baker Packers	640.79	13811
l i	396.78	i,

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November (cont) Baker Packers 327.20 # 13511 20.PE8G 1/ A-1 Machine 112.05 13508 EL Welding Lene Durham 25.6041 13491 70.00 13489 Bargess Drilling Eddie Montona 42164.23 13466 363,00 13463 November total 150866.67

total

286,107.36

SIMIL OF MAR MEXICO ENERGY AND MINERALS DEPARTMENT STATE LAND OFFICE PIDG. OIL CONSERVATION DIVISION SAMUA FE, HEW MEXICO 16 January 1980 EXAMINER HEARING IN THE MATTER OF: CASE Application of Merrion and Bayless 6790 for gas well commingling, San Juan County, New Mexico. and CASE Application of Merrion and Bayless ₹ 6784 for a non-standard proration unit, unorthodox gas well location, San Juan County, New Mexico. 12 13 DEFORE: Daniel S. Nutter 14 เอ็ TRINSCRIPT OF HEFRING 16 17 EPPEARANCES 18 19 Ernest L. Padilla, Esq. Legal Counsel to the Division For the Gil Conservation 20 State land Office Bldg. Division: Santa Fe, New Mexico 87501

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MR. NUTTEP: We'll call next Cases --

MR. PADILLA: Application of Merrion and Bayless for gas well commingling, San Juan County, New Mexico.

Case Number 6790.

MR. NUTTER: And we'll also call Case Number 6784.

MR. PADILLA: Application of Merrion and Bayless for a non-standard proration unit, unorthodox gas well location, San Juan County, New Mexico.

Mr. Examiner, the applicant in both of these cases have requested the cases be continued to January 30, 1980.

MR. NUTTER: Case Number 6790 and 6784 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a.m. January 30, 1980.

The hearing is adjourned.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, A Certified Shorthand Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd, C.S.R.

! do hereby certify that the foregoing is a complete record of the pressure in the Examiner hearing of Case 10.6784-6790 heard by me on_ Man Examiner

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

30 January 1980

EXAMINER HEARING

STATE OF NEW MEXICO

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IN THE MATTER OF:

Application of Merrion & Bayless for) a non-standard proration unit and an) unorthodox gas well location, San Juan County, New Mexico.

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

For the Oil Conservation Division:

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

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MR. STAMETS: Call next Case 6784.

MR. PADILLA: Application of Merrion &

Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico.

MR. STAMETS: The applicant has requested that this case be continued to the February 13th Examiner Hearing and it will be.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the 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.

Solly W. Bogd C.J.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case to. 6784. , Examiner Oil Conservation Division

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STATE OF NEW MENICO

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 30 January 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Merrion & Bayless for) a non-standard proration unit and an) unorthodox gas well location, San Juan County, New Mexico.

CASE 6784

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

For the Oil Conservation Division:

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

MR. STAMETS: Call next Case 6784.

MR. PADILIA: Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico.

MR. STAMETS: The applicant has requested that this case be continued to the February 13th Examiner Hearing and it will be.

(Hearing concluded.)

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

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REPORTER'S CERTIFICATE

I; SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the 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.

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Oil Conservation Division

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Y W. BOYD, C.S. Rt. 1 Box 193-B

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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 Merrion & Bayless for) a non-standard proration unit and an) unorthodox gas well location, San Juan) County, New Mexico.

CASE 6784

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Dldg. Santa Fe, New Mexico 87501 MR. STAMETS: Call next Case 6784.

MR. PADILLA: Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico.

MR. STAMETS: At the request of the Applicant in this case, the case will be continued to the January 16th Examiner Hearing.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the said 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 carlify that the foregoing is a complete record of the processlings in the Examiner hearing of Case 3. 6784

, Exeminer

Oil Conservation Division

STATE OF NEW MUNICO
EMERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DEVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEMICO
3 January 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Merrion & Layless for) a non-standard proration unit and an) unorthodox gas well location, San Juan; County, New Mexico.

CASE 6784

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501 MR. STAMETS: Call next Case 6734.

MR. PADILLA: Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico.

MR. STAMETS: At the request of the Applicant in this case, the case will be continued to the January 16th Examiner Hearing.

(Hearing concluded.)

REPORTUR'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 said 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.

do hereby certify that the foregoing is	
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Oil Conservation Division

Docket No. 3-80

TASE 6784: (Continued from January 16, 1980, Examiner Hearing)

Application of Merrion & Bayless for a non-standard proration unit and an unorthodex gas well loca-TION, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640acre 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 6373: (Reopened and Readvertised)

In the matter of Case 6373 being reopened pursuant to the provisions of Order No. R-5875 which order created the East High Hope-Abo Gas Pool with temporary special rules therefor providing for 320-acre spacing. All interested parties may appear and show cause why the East High Hope-Abo Gas Pool should not be developed on 160-acre spacing units.

CASE 6802: Application of Harlan Drilling Company for drilling drainholes, McKinley County, New Mexico.

Applicant, in the above-styled cause, seeks authority to drill and case a vertical hole to an approximate depth of 3200 feet in the Gallup formation from a surface location 1930 feet from the South line and 678 feet from the East line of Section 13, Tounship 19 North, Range 6 West, and to then drill two lateral drainholes therefrom, each to a distance of approximately 200 feet in the Gallup formation. In the event the Gallup formation is non-inductive, applicant seeks authority to drill vertically to the Dakota formation at a depth of approximately 4200 feet and to then drill two 200-foot lateral drainholes.

CASE 6795: (Continued from January 16, 1980, Examiner Hearing)

Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Oil Pool by the injection of water into the Menafee formation through its San Luis Fed. Wells Nos. 1 and 2, located in Unit K of Section 21, Township 18 South, Range 3 East. Applicant further seeks an administrative procedure for approval of additional producing and injection wells at unorthodox locations in said project.

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Booket No. 3-80

Dockets Nos. 4-80 and 5-80 are temperaturely set for February 13 and 27, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 30, 1980

9 A.H. - 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. Nutier, Alternate Examiner:

CASE 6787: (Continued from January 16, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its cwn motion to consider the approval of 12 non-standard proration units ranging in size from 261.51 acres to 334.24 acres for 320-acre spaced pools, and 19 non-standard proration units ranging in size from 162.65 acres to 207.57 acres for 160-acre spaced pools, all of the aforesaid units being in and resulting from the irregular size and shape of Sections 1 thru 7 and 18, 19, 30, and 31, along the North and West sides of Township 28 North, Range 3 West, Rio Arriba County.

- Application of Union Oil Company of California 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 1, Township 8 South, Range 28 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 679: Application of Yates Petroleum Corporation for compulsory pooling, £ddy County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Penn formations underlying the N/2 of Section 28, Township 18 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.
- CASE 6/98: Application of Estoril Producing Corporation for an unorthodex gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Curry Federal Well No. 1, to be drilled 1980 feet from the South line and 660 feet from the East line of Section 22, Township 23 South, Range 34 East, Antelope Ridge-Morrow Cas Pool, the S/2 of said Section 22 to be dedicated to the well.
- CASE 6799: Application of Caulkins 0:11 Company for a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6794: (Continued from January 16, 1980, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling or Tocito Gallup and Dakota production in the wellbore of ito Eracch "p" well No. 140 located in Unit A of Section 11, Township 26 Month, range 6 West.

- CASE 6800: Application of Gazikins Oil Company for dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Breech "E" Wells Nos. 83-E located in Unit L of Section 5 and 54-E and 68-E located in Units P and L of Section 4; Breech "A" No. 268-E located in Unit P of Section 16; and Breech "D" No. 346 located in Unit D of Section 22, all in Township 26 North, Range 6 West, in such a manner as to produce gas from the Dakota formation and commingled Unacra and Mesaverde production through parallel strings of tubing.
- CASE 6801: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Breech "C" Well No. 248-E located in Unit D of Section 13, Township 26 North, Range 6 West, in such a manner as to produce commingled Tapacito-Gallup and Dakota production and commingled Chacra and Mesaverde production through parallel strings of tubing.
- CASE 6790: (Continued from January 16, 1980, Examiner Hearing)

Application of Merrion & Bavless for has well commingling, San Juan County, New Mexico.

Applicant, in the above-styled cause, seeks permission to temporarily commingle certain of its

Pictured Cliffs gas wells in Sections 1, 2, 3, 9, 10, and 11, Township 26 North, Range 13 West,
in a common gathering system and meter the entire lease output through the purchaser's sales meter
located in Unit M of said Section 7.

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Dockets Nos. 3-80 and 4-80 are tentatively set for January 30 and February 13, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 16, 1980

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

- The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

 ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for February, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 6787: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the approval of 12 non-standard proration units ranging in size from 261.51 acres to 334.24 acres for 320-acre spaced pools, and 19 non-standard proration units ranging in size from 162.65 acres to 207.57 acres for 160-acre spaced pools, all of the aforesaid units being in and resulting from the irregular size and shape of Sections 1 thru 7 and 18, 19, 30, and 31, along the North and West sides of Township 28 North, Range 3 West, Rio Arriba County.
- CASE 6788: Application of Amoco Production Company for a dual completion, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its South Mattix Unit Well No. 35 located in Unit F of Section 15, Township 24 South, Range 37 East, to produce gas from the Fowler-Upper Paddock Pool and oil from the Fowler-Drinkard Pool thru parallel strings of tubing.
- CASE 6789: Application of Knox Industries, Inc. for an unorthodox oil well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an exception to the well location requirements of the Scharb-Bone Springs Pool as promulgated by Order No. R-2589 to permit its New Mexico State Well No. 2 to be drilled in Unit H of Section 1, Township 19 South, Range 34 East, the E/2 NE/4 of said Section 1 to be dedicated to the well.
- Application of Merrion & Bayless for gas well commingling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks permission to temporarily commingle certain of its Pictured Cliffs gas wells in Sections 1, 2, 3, 9, 10, and 11, Township 26 North, Range 13 West, in a common gathering system and meter the entire lease output through the purchaser's sales meter located in Unit M of said Section 7.

CASE 6784: (Continued from January 3, 1980, Examiner Hearing)

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 enorthodox 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 6791: Application of Holly Energy, Inc. 10. an uncerthodox bas well location, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of its state 30 Well No. 1, a Morrow test to be drilled 660 feet from the North line and 840 feet from the East line of Section 30, Township 17 South, Range 28 East, the N/2 of said Section 30 to be dedicated to the well.
- CASE 6792: Application of Plotide Employetton Company for a non-standard gas provation unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 324.25-acre non-standard gas provation unit comprising Lots 1 and 2 and N/2 NE/4 of Section 33 and Lots 2, 3, and 4 and NW/4 NE/4 and N/2 NW/4 of Section 34, all in Township 26 South, Range 30 East, Ross Draw Area, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6793: Application of Meadco Properties, Ltd. for an exception to Order No. R-111-A, Eddy County, New hexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order No. R-111-A to permit a proposed well in Unit E of Section 4, Township 21 South, Range 29 East, to be completed by setting surface casing at 550 feet and production casing at total depth and cementing both casing strings to the surface.
- CASE 6794:

 Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tocito Gallup and Dakota production in the wellbore of its Breech "0" Well No. 140 located in Unit A of Section 11, Township 26 North, Range 6 West.

Application of Torroon Oil Company for a waterflood project, Sandoval Courty, McC Necko.

Applicant, in the above-styled cause, sooks authority to institute a waterflood project in the San Luis-Messaverde Cil Tool by the injection of water into the Menafee formation through its San Luis Fed. Wells Nos. 1 and 2, located in Unit K of Section 21, Township 18 South, Range 3 East. Applicant further seeks an administrative procedure for approval of additional producing and injection

CASE 6608: (Reopened and Readvertised)

In the matter of Case 6608 being reopened pursuant to the provisions of Order No. R-6088 which order created the Grama Ridge-Wolfcamp Pool with temporary special rules and regulations with provisions for 160-acre spacing. All interested parties may appear and show cause whether the Grama Ridge-Wolfcamp Pool is in fact an oil reservoir or a gas reservoir, and if it is an oil reservoir, show cause why the Grama Ridge-Wolfcamp Pool should not be developed on less than 160-acre spacing units.

CASE 6771: (Continued from January 3, 1980, Examiner Hearing)

wells at unorthodox locations in said project.

Application of Getty 0il Company for a non-standard gas provation unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas provation 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 6767: (Continued from January 3, 1980, 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 Matural 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 maid 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.

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 Morth, 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.
- 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.
- Application of Doyle Martman 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 protation unit comprising the NM/ NM/ 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 scake 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.
- CLEE 5/68: (Continued and Readvertised)

Application of Alpha Twenty-One Production Company for two non-standard gas proration enits, 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 Bo. 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 uncrthodox 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 preration 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, less County, New Merico. 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 Sall 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, Tree 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. Yales 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 WolfcampPennsylvanian 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.

- 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.
- Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Scrpentine Bends Unit Area, comprising 4,802 acres, more or less, of State and Federal lands in Township 24 South, Ranges 23 and 24 East.
- Application of Tates Petroleum Comporation 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.

Page 3 of 3 Examiner Hearing - Thursday - January 3, 1980

Docket No. 1-80

CASE 6792: Application of Inexeo 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 Marlisue 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.

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.

DFF. 325-8093

J. GREGORY MERRION

P. Q. BOX 507

P. O. BOX 507 FARHINGTON, NEW MEXICO 27 NOVAJATION DIVISION
SANTA FE

November 21, 1979

State of New Mexico Energy & Minerals Department Oil Conservation Division P.O. Box 2088 Santa Fe, NM 87501

Case 6784

ATTENTION: Mr. Joe Ramey

RK: Request for Hearing
Merrion & Bayless
Ute #7, Barker Creek Paradox Field

Gentlemen:

We have completed the Ute #7 well as a producer of gas from the interval 8374 to 8404 in the Paradox formation of the Barker Creek Paradox Gas Pool. The pool rules as set forth in Order R-46 call for 640-acre spacing with an implication that the 640 acres be all on a governmental section, and furthermore, require that wells be located no nearer than 650 feet from the boundaries of the proration unit. Our acreage situation is such that we own only the West half of the section under our well (Section 19, T32N, R14W), and as a result the location of the well is only 695 feet from the boundary which is the North/South center line of the section.

Please schedule a hearing to consider one of two alternatives. First, an application for: (a) a non-standard proration unit consisting of 640 acres including the West halves of Sections 18 and 19, T32N, RI4W, San Juan County, New Mexico, and (b) an application for an unorthodox location at a point 1685 feet from the South line and 3335 feet from the East line, Section 19 (695 feet from the North/South center line of the section).

In the alternative, if this is not approved, we would request that second, we be granted an order force-pooling the East half of Section 19 so as to be able to form a communitized provation unit which would be standard and which would have an orthodox location.

Yours very truly,

MERRICA & BAYLESS

J. CRECORY MERKION

XC: El Paso Natural Gas Co., Mr. Johnny Ahlm Southland Royalty Co., Mr. Curtis Parsons

(Sell

23335

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:

APPLICATION OF MERRION & BAYLESS

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CASE NO.	6784	
Order No.	R- 6281	

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ORDER OF THE DIVISION

COUNTY, NEW MEXICO.

BY THE DIVISION:

SAN JUAN

This cause came on for hearing at 9 a.m. on danuary 16

19 80 , at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this ______ day of _____ January ____, 19 80 ____, the Division

Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the

FOR A NON-STANDARD PRORATION UNIT, AND AN UNORTHODOX GAS WELL LOCATION,

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.
- (3) That the entire non-standard proration unit, may reasonably he presumed productive of gas from the Barker Creek-Paradox Pool.

 Cauld be presumed that the entire non-standard gas proration unit can

be efficiently and economically drained and developed by the

x

(4) That at the hearing, applicant proposed as an atternative to the above described CNO acre non-shandard provation with a 520-wire non-shandard much compared the with of Section 19 only be considered, to be dedicated to the snaper were.

(5) That The non-Abandard mint described in Friding No. 4 above may ressonably be presumed to be productive of gus from the Barker Crock. Paraday Paul, and the entire unit can be efficiently and seconomically brained and developed by the afrance and developed by the afrance.

	(本) That approval of the subject application will afford	
	the applicant the opportunity to produce his just and equitable	
·	share of the gas in the Barker Creek-Paradox Pool	
	MANUSCOL, 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 a 640 -acre non-standard gas proration unit	
	in the Barker Creek-Paradox Pool xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	
W/2	of Section 18 and the W/2 of Section 19 , Rownship 32 North	_,
	Range 14 West , NMPM, San Juan County, New Mexico,	_
\mathcal{C}	hange county, New Mexico, applicants has hereby established and dedicated to the Ute Well No. 7 at an unorthor 3335 feet from the East line	d
location	685 feet from the South line and/ xxx incatextx in xinitx xxxxxxxxxx of said	
	Section 19	
	(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 hereinabove	/
	designated.	
	The application of merrion & Bayless for	
	77	
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	i i si	
	- is hereby denied, and a 520-acre min	
	the day an provation with compressing the	İ
	standard gar prosotion with comprising the standard gar prosotion with comprising the standard of Section 19 Township 32 north, Range Want Juan)
	14 west Barker Creek-Paraday Vool, Nan Julie	
	14 west, Barker Creek-Paraday Pool, Dan Juan County, Van Merico, is	
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