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ation 250 feet from the

line and its creek Federal

in Section 23, Town-

surface casing at a

tion casing at least

a cement circulated back

indicates that there are

of commercial potash ore

are the proposed method

owment of potash resources

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its Creek Federal Well No. 4 to be drilled in Unit G, both in

Section 23, Township 18 South, Range 30 East, by setting surface

casing at a depth of approximately 600 feet and production casing

at total depth. The production casing *shall be cemented at a*

depth of 25 feet and the casing

shall be cemented at a

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depth of 25 feet and the casing

PROVIDED HOWEVER, that the applicant shall report the

following, both to the district office of the Division and the

U.S.G.S.:

(a) Any water flows encountered; and

(b) The loss of the cement around the production

casing as determined by temperature survey

if such cement does not circulate.

REQUIREMENTS. That the applicant may be required to

re-cement the production casing to the surface if cement on

well casing did circulate to the surface.

(2) That jurisdiction of this case is retained for the

case of each future action in the Division may deem necessary.

WELL at Santa Fe, New Mexico, on the day and year herein

signed and attested.

WITNESSES my hand and the seal of the Division at Santa Fe,

New Mexico, on the day and year herein

signed and attested.

WITNESSES my hand and the seal of the Division at Santa Fe,

New Mexico, on the day and year herein

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CASE NO. 6845

APPLICATION

TRANSCRIPTS

Small Exhibits

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STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

April 17, 1937

Re: CASE NO. 6845

ORDER NO. 6845

Applicant:

Mr. William F. Darr

Campbell and Mack

Attn: Mr. Darr

Oil Office, Box 1234

Santa Fe, New Mexico

Dear Sir:

Enclosed herewith are two copies of the above-referenced

Division Order recently entered in the subject case.

Yours very truly,

JOHN H. RAMSEY

Director

cc: Mr. Darr

cc: Mr. Mack

cc: Mr. Ramsey

cc: Mr. Darr

cc: Mr. Mack

cc: Mr. Ramsey

cc: Mr. Darr

cc: Mr. Mack

cc: Mr. Ramsey

cc: Mr. Darr

cc: Mr. Mack

cc: Mr. Ramsey

cc: Mr. Darr

cc: Mr. Mack

cc: Mr. Ramsey

7-15
UNCLASSIFIED
DATE 07/15/00

UNCLASSIFIED
DATE 07/15/00

UNCLASSIFIED
DATE 07/15/00

1 of 2 pages, on March 26, 1980,
written by David H. Chandler.

This document is a transcription
of a hearing held on March 26, 1980,
at the New Mexico State Office in Santa Fe.

This document is a transcription
of a hearing held on March 26, 1980,
at the New Mexico State Office in Santa Fe.

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at the New Mexico State Office in Santa Fe.

7-15
UNCLASSIFIED
DATE 07/15/00

1. The hearing was held at the New Mexico State Office in Santa Fe, New Mexico, on March 26, 1980, at 10:00 a.m.

2. The hearing was presided over by Mr. William P. Carr, Examiner, New Mexico State Office.

3. The hearing was held in the presence of Mr. Carr, Mr. William P. Carr, and Mr. William P. Carr.

4. The hearing was held in the presence of Mr. Carr, Mr. William P. Carr, and Mr. William P. Carr.

5. The hearing was held in the presence of Mr. Carr, Mr. William P. Carr, and Mr. William P. Carr.

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16. The hearing was held in the presence of Mr. Carr, Mr. William P. Carr, and Mr. William P. Carr.

17. The hearing was held in the presence of Mr. Carr, Mr. William P. Carr, and Mr. William P. Carr.

18. The hearing was held in the presence of Mr. Carr, Mr. William P. Carr, and Mr. William P. Carr.

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STATE OF NEW MEXICO
ENERGY AND MINERAL DEVELOPMENT
OIL CONSERVATION DIVISION
SPACE AND OILFIELD UNIT
SANTA FE, NEW MEXICO
26 March 1980

EXAMINER HEARING

IN THE MATTER OF:
Application of Marathon Oil Company
for an unorthodox gas well location,
Bddy County, New Mexico.

EXAMINER: Richard C. Stasch

TRANSCRIPT OF HEARING

APPENDICES

1. Application of Marathon Oil Company
for an unorthodox gas well location,
Bddy County, New Mexico.

2. Application of Marathon Oil Company
for an unorthodox gas well location,
Bddy County, New Mexico.

3. Application of Marathon Oil Company
for an unorthodox gas well location,
Bddy County, New Mexico.

4. Application of Marathon Oil Company
for an unorthodox gas well location,
Bddy County, New Mexico.

5. Application of Marathon Oil Company
for an unorthodox gas well location,
Bddy County, New Mexico.

Page 2

for Robert N. Unfield and
Marathon Petroleum Co.,
Marathon Petroleum Co.,
Santa Fe, New Mexico 87501

INDEX

RALPH BURMAN

Direct Examination by Mr. Carr

Cross Examination by Mr. Carr

GEORGE DESEREDOR

Direct Examination by Mr. Carr

Cross Examination by Mr. Carr

Cross Examination by Mr. Carr

Cross Examination by Mr. Carr

Cross Examination by Mr. Carr

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Cross Examination by Mr. Carr

Cross Examination by Mr. Carr

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EXHIBITS

Applicant Exhibit One, Structure Map

Applicant Exhibit Two, Cross Section

Applicant Exhibit Three, Plot

Applicant Exhibit Four, Topographic Map

Page 4

MR. STAMMERS: We'll take next Case 6843.

MR. PADILLA: Application of Marathon

Oil Company for an unorthodox gas well location in Bddy

County, New Mexico.

MR. STAMMERS: Call for appearances.

MR. CARR: Mr. Examiner, I'm William P.

Carr, Campbell and Black, P. A., Santa Fe, appearing on

behalf of the applicant, and I have three witnesses.

MR. KILPATRICK: Mr. Examiner, I'm Gary

Kilpatrick, Montgomery, Andrews, and Hennrich, P. A., repre-

senting Robert Unfield and Marathon Petroleum Company.

We have no witnesses. I may wish to

cross examine and I have a letter to submit.

MR. STAMMERS: Okay. Any other appear-

ances in this case?

I'd like to have all witnesses stand and

be sworn to testimony.

MR. STAMMERS: All right.

MR. STAMMERS: All right.

MR. STAMMERS: All right.

MR. STAMMERS: All right.

MR. STAMMERS: All right.

MR. STAMMERS: All right.

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MR. STAMMERS: All right.

MR. STAMMERS: All right.

MR. STAMMERS: All right.

MR. STAMMERS: All right.

DT

BY MR. CARR:

residence?

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M.

in what capacity?

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Marathon Oil is not

commission?

A.

2

of your education

A.

A.

Marathon Oil is not

commission?

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commission?

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Marathon Oil is not

commission?

A.

A.

DIRECT EXAMINATION

Q All you state your name and place of

A Ralph DeBauw, Hobbs, New Mexico.

Q Mr. DeBauw, by whom are you employed and

A As an Associate Petroleum Engineer for

B&B.

Q Have you previously testified before this

A No, sir.

Q Will you briefly summarize for the hearing

A Yes, sir. I'm a 1973 graduate of Oklahoma

State University, majoring in Petroleum Engineering.

Q And you're currently employed by B&B?

A Yes, sir. I'm currently employed by B&B

as an Associate Petroleum Engineer.

Q And you're currently employed by B&B?

A Yes, sir. I'm currently employed by B&B

as an Associate Petroleum Engineer.

Q And you're currently employed by B&B?

A Yes, sir. I'm currently employed by B&B

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as an Associate Petroleum Engineer.

Q And you're currently employed by B&B?

A Yes, sir. I'm currently employed by B&B

as an Associate Petroleum Engineer.

Q this case?

A Yes, sir.

Q And the area which is the subject matter

A Yes, sir.

Q Mr. Carr: We would tender Mr. DeBauw

as an expert witness in petroleum engineering.

MR. STAMETS: The witness is considered

qualified.

Q Mr. DeBauw, will you briefly state what

Marathon is seeking with this application?

A We're seeking for an unorthodox location

for our Federal 150 Gas Com No. 2, 800 feet from the north

line and 200 feet from the east line of Section 30, Township

21 South, Range 13 East, in Eddy County, New Mexico.

Q Now, Mr. DeBauw, will you refer to what

has been asked for identification as Applicant's Exhibit

Number Four. What is that exhibit?

A It's a map showing the location of the well

and the location of the section line.

Q And you're referring to the exhibit that is in

the exhibit?

A Yes, sir. It's a map showing the location of the well

and the location of the section line.

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the exhibit?

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and the location of the section line.

road that cuts through the middle of Section 30 is a county

highway.

Point 1 shown on Section 30 is the ortho-

dox location for this area, 1650 from the north, 1650 from

the east, and is shown in the center of an arroyo coming

down from the plateau described by the figure eight shaped

contour line.

Point 2 is a 660 from the north, 660 from

east location that we staked and had the BLM inspect, which

was turned down on the basis of a 5-foot cut and fill opera-

tion to put a well pad there.

Point 3 is a tentatively approved loca-

tion by the BLM, 800 from the north and 200 from the east,

and it is tentatively approved on the basis of 1-foot fill

operation and essentially no road from an existing dirt

road the north to the section line.

Q Now, Mr. DeBauw, originally Marathon proposed

a well pad at the 1650/1650 location out of the north

east corner, is that correct?

A Yes, sir.

Q Will you summarize for the hearing the

regulations requested concerning this proposed

well pad?

A Yes, sir. It's a map showing the location of the well

and the location of the section line.

Q And you're referring to the exhibit that is in

the exhibit?

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and the location of the section line.

Q And you're referring to the exhibit that is in

the exhibit?

A Yes, sir. It's a map showing the location of the well

and the location of the section line.

should ask the BLM if this would be an acceptable location

before we came to the Commission with it.

I talked to the USGS and BLM and they

mer me on location, and the BLM said that this is a visual

resource area, visual resource management area, and on the

basis of -- at this particular location there was to be

about a 5-foot cut and fill operation to put in the well

pad, so the BLM rejected this location.

And then we decided that we would go

look at the orthodoxy location for the area, 1650 by 1650.

It was also rejected by the BLM, but they left us with an

option for the 800 by 200 location. The BLM map and I went

out and staked the 800 by 200 location. It has been

tentatively approved as acceptable by the BLM and the USGS.

And is this proposed location on an ex-

isting roadway?

A It is adjacent to -- it will be about a

25 to 30 foot road to the pad.

Q And this still meets the regulatory

concerning water providers?

A Yes, sir.

Q Are there any other concerns that

you have regarding this proposed

well pad?

A No, sir.

Q And you're referring to the exhibit that is in

the exhibit?

A Yes, sir. It's a map showing the location of the well

and the location of the section line.

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the exhibit?

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and the location of the section line.

regard to this exhibit?

A No, sir.

MR. CARR: At this time, Mr. Examiner, I

would offer Applicant's Exhibit Number Four. We have other

witnesses that we intend to call who will testify as to

other considerations.

MR. STAMETS: Exhibit Number Four will

be admitted.

MR. CARR: I have nothing further of

this witness on direct.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. DeBauw, what is a scenic resource

area?

A A visual resource area.

Q Visual, sir, sorry.

A Yes, sir. It's a map showing the location of the well

and the location of the section line.

Q And you're referring to the exhibit that is in

the exhibit?

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and the location of the section line.

Q And you're referring to the exhibit that is in

the exhibit?

a well somewhere in this northeast quarter a little bit more

standard than what you propose without making these unac-

ceptable cuts?

A Well, in our talking with the BLM, in the

northeast quarter up here the 800 by 200 location was the

only one that the BLM would offer tentative approval on.

Q That's because you're going to have, what,

about a 1-foot fill?

A Yes, sir, roughly. This slope as it comes

down off the peak is roughly a two to three percent grade,

leveling out as it approaches the section line.

MR. STAMETS: Any other questions of

this witness?

MR. KUPATZ: No questions.

MR. CARR: At this time I'd call Mr.

George Rosenfelder.

GEORGE ROSENFELDER

being called as a witness and having been duly sworn upon

oath, direct examination as follows, direct:

Q Now, Mr. Rosenfelder, what is your name?

A George Rosenfelder.

Q And you're currently employed by B&B?

A Yes, sir.

Q And you're currently employed by B&B?

A Yes, sir.

Q And you're currently employed by B&B?

A Yes, sir.

Q And you're currently employed by B&B?

A Yes, sir.

Q And you're currently employed by B&B?

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A Yes, sir.

Q And you're currently employed by B&B?

A Yes, sir.

Q And you're currently employed by B&B?

A Yes, sir.

Q And you're currently employed by B&B?

A Yes, sir.

Q And you're currently employed by B&B?

A Yes, sir.

My name is George Degenfelder, and I am from Marathon, Texas.

Mr. Degenfelder, have you previously appeared before this Commission and had your credentials made a matter of record?

Yes.
And you were qualified in what capacity?
As a geologist I was qualified.
Are you familiar with the application in and the subject area?

Yes.

MR. CARR: Are the witnesses' qualifications?

MR. STAMETS: They are.

Will you please refer now to what has been marked on Exhibit three, which is the last document in this case?

Yes.

And again to the area marked in red and blue?

Yes.

And this number three is a well?

Yes.

And this is the location of the well?

Yes.

And this is the location of the well?

Yes.

And this is the location of the well?

Yes.

quarter of this Section 30. There is a gas-producing well, gas well, in Section 29; gas well in Section 20; and one in Section 19.

The yellow acreage is acreage that is held by Marathon, and included in various units, the sections outlined in Section 19, 20, and 29.

Q What is the spacing for this particular area?

A The spacing is 640 acres.

Q And you will be dedicating a nonstandard production unit to the proposed well?

A That is correct.

Q And this has previously received administrative approval from the Oil Conservation Division?

A That is right.

Q Will you now refer to what is marked in red and blue on Exhibit three, which is the last document in this case?

A Yes. And this number three is a well?

Yes.

And this is the location of the well?

Yes.

And this is the location of the well?

Yes.

on well control, and the proposed location is shown by an arrow and circled in red. The structure here shows a closure essentially northwest/southeast and a bounding fault on the west, which is controlled by two dry holes, one in Section 30 and one in Section 31. This fault is pretty well recognized and this is one interpretation and we think it is essentially acceptable.

Do you want Number Two?

Mr. Degenfelder, all the control as to the location of this leg is actually to the south of the proposed well location, is that correct?

A Yes, yes.

Q And this has previously received administrative approval from the Oil Conservation Division?

A That is right.

Q Will you now refer to what is marked in red and blue on Exhibit three, which is the last document in this case?

A Yes. And this number three is a well?

Yes.

And this is the location of the well?

Yes.

And this is the location of the well?

Yes.

And this is the location of the well?

Yes.

And this is the location of the well?

Yes.

And this is the location of the well?

Yes.

top of the producing formation. It's shaded there in blue, and where the fault occurs we have drop of some 300 feet or more of throw on that fault.

The dry hole, as you can see from the well log, the section was tight in the upper 100 feet and water tested in the -- about 100 feet below the top.

The Well No. 3, which is the producing well, Marathon No. 1 Federal IBC, forced gas production about 250 feet below the top of the upper Perm and water about 300 feet below.

Our proposed location, we anticipate a section similar to Well No. 3 and hope to get porosity somewhere in that part of the section or perhaps higher.

Mr. Degenfelder, the existence of the fault makes the drilling of a well in the northeast quarter more risky than if no fault existed, is that correct?

A Yes.

Q And this has previously received administrative approval from the Oil Conservation Division?

A That is right.

Q Will you now refer to what is marked in red and blue on Exhibit three, which is the last document in this case?

A Yes. And this number three is a well?

Yes.

And this is the location of the well?

Yes.

And this is the location of the well?

Yes.

And this is the location of the well?

Yes.

And this is the location of the well?

Yes.

A Well, this is an approximation, but I think anywhere from 160 to 220 acres might be allotted to a well in Section 30.

Q If you are unable to drill a well in this area, in your opinion would gas be trapped and thereby not be produced from either of the wells in Section 19, 20, or 29?

A Yes, I believe that the well in our location in Section 30 is necessary to drain gas that would not otherwise be produced.

Q And if you are not permitted to drill a well in this area, will this result in waste?

A Yes.

Q Do you believe that drilling at the proposed location will impair the correlative rights of any other individual in the area?

A Yes.

Q Do you --

A Oh, I'm sorry.

Q Do you believe that drilling the well at the proposed location will impair --

A No, no, I'm sorry.

Q And this has previously received administrative approval from the Oil Conservation Division?

A That is right.

Q Will you now refer to what is marked in red and blue on Exhibit three, which is the last document in this case?

A Yes. And this number three is a well?

Yes.

And this is the location of the well?

Yes.

A Yes, I do believe that.

MR. CARR: I have nothing further of Mr. Degenfelder on direct and at this time would offer Marathon Exhibits One, Two, and Three.

MR. STAMETS: These exhibits will be admitted.

Any questions of this witness?

MR. KILPATRICK: Yes, we certainly do.

CROSS EXAMINATION

BY MR. KILPATRICK:

Q Mr. Degenfelder, can you tell me just exactly what interest Marathon has in Sections 19, 20 and -- Sections, let's see, 29?

A Section 20. It's somewhere around 50 percent, I think.

Q And who is the operator of that section?

A I believe Briscoe is, yeah, Briscoe.

Q Can you tell me how you arrived at the figure of 160 to 220 acres as a figure for acreage control having to a well, should it be drilled in the proposed location?

A Well, you can see by the map there, NW 1/4 of Section 30, that if you draw the fault where I have

MONTGOMERY, ANDREWS & HANNAH
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
225 PASO DE PERALTA
SANTA FE, NEW MEXICO 87501
March 25, 1980
TELEPHONE 505-982-3873
TELECOPY 505-982-4229

New Mexico Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501
Re: Case 6845 Application, Marathon Oil Company,
for an unorthodox gas well location, Eddy
County, New Mexico

Gentlemen:
This firm represents Robert N. Enfield and Hanagan Petroleum Company, each of which is an operator in the Indian Basin-Upper Penn. Enfield is the operator of the diagonally offsetting unit to the northeast of Marathon's unit for which Marathon has filed an application for an unorthodox gas well location in the above-referenced case.
Enfield and Hanagan are opposed to the granting of Marathon's application because there is no justification for locating the subject gas well anywhere other than at an orthodox location.
The granting of Marathon's application would jeopardize the correlative rights of the offset operators because the proposed unorthodox location is so close to the unit's boundary as to allow this well to drain gas reserves from the offset operators' units. It should be noted that Marathon has opposed a similar application for unorthodox well location in the same field in the past for the same reasons Enfield and Hanagan now oppose this application. This opposition has been as recent as Case 6266 (Application of Harvey A. Yates).
If Marathon's application is granted, the allowable for this well should be reduced by 75% because it will drain gas reserves from the offset operators' units. The additional 25% royalty should be assessed because of the threat the new location poses to the correlative rights of the offset operators for the tract to the north and east of Marathon's proration unit.

Sincerely,
Darryl R. Kephart

GRK/cs
cc: Counsel for Marathon Oil Company

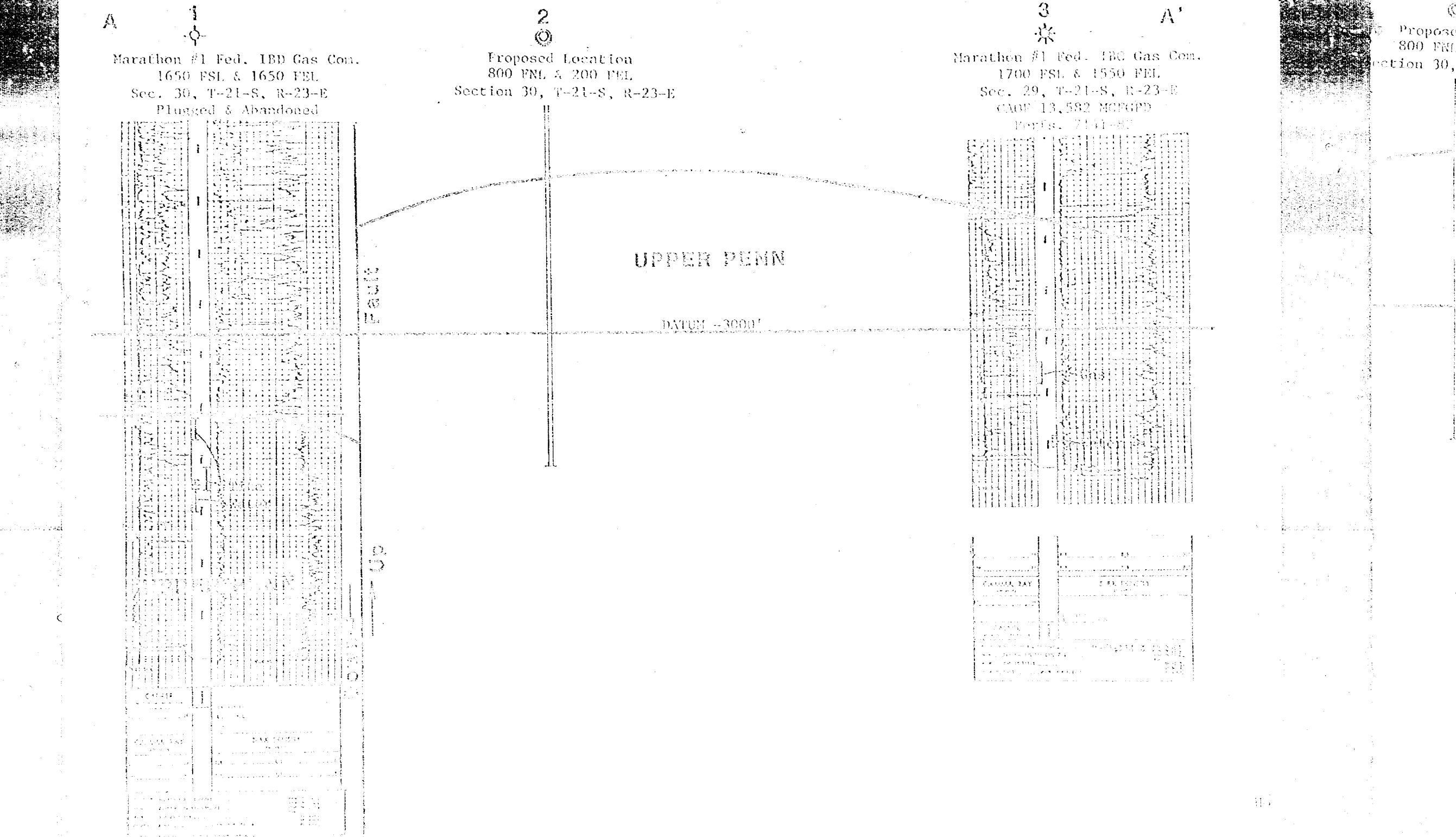
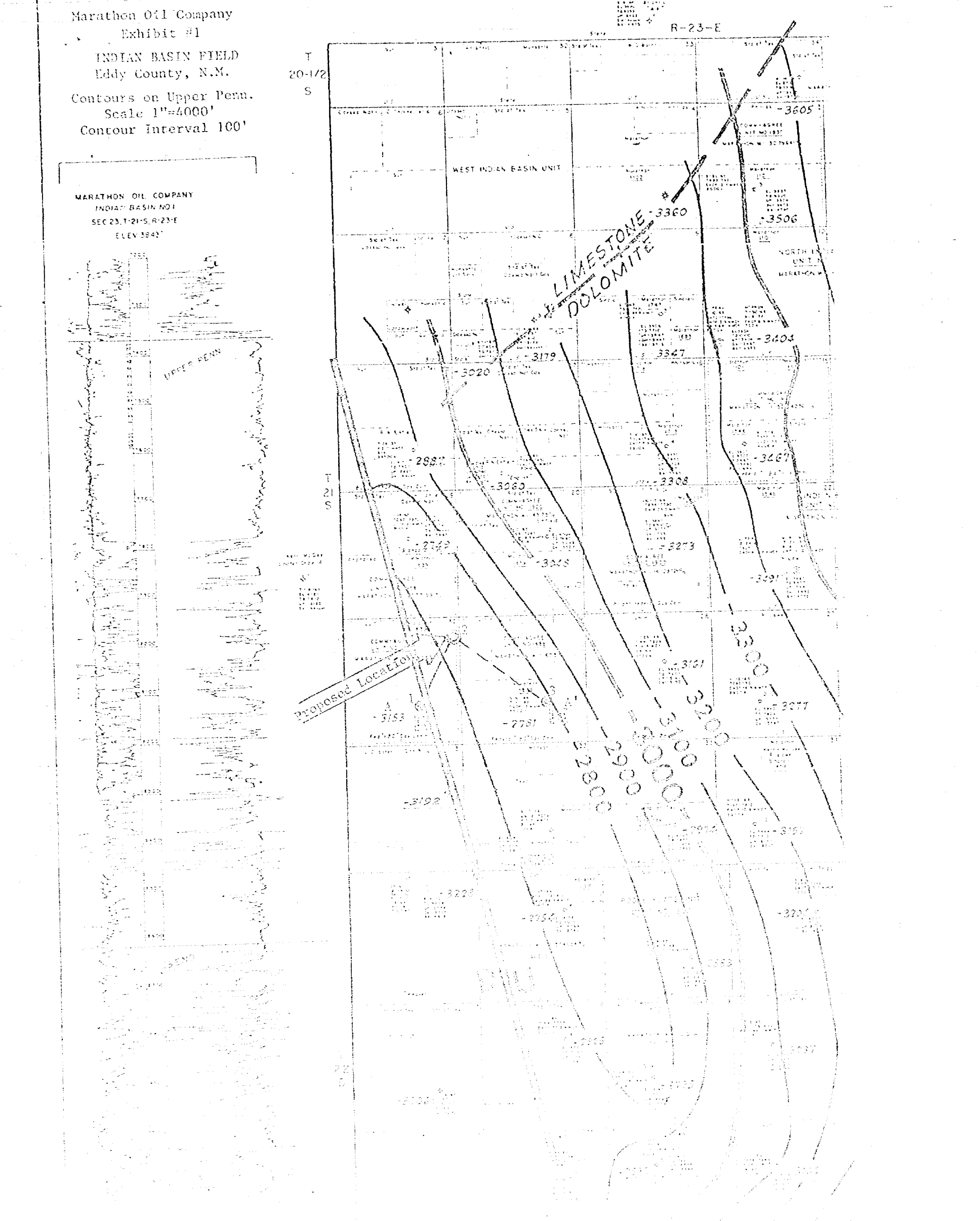
MONTGOMERY, ANDREWS & HANNAH
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
225 PASO DE PERALTA
SANTA FE, NEW MEXICO 87501
March 25, 1980
TELEPHONE 505-982-3873
TELECOPY 505-982-4229

New Mexico Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501
Re: Case 6845 Application, Marathon Oil Company,
for an unorthodox gas well location, Eddy
County, New Mexico

Gentlemen:
This firm represents Robert N. Enfield and Hanagan Petroleum Company, each of which is an operator in the Indian Basin-Upper Penn. Enfield is the operator of the diagonally offsetting unit to the northeast of Marathon's unit for which Marathon has filed an application for an unorthodox gas well location in the above-referenced case.
Enfield and Hanagan are opposed to the granting of Marathon's application because there is no justification for locating the subject gas well anywhere other than at an orthodox location.
The granting of Marathon's application would jeopardize the correlative rights of the offset operators because the proposed unorthodox location is so close to the unit's boundary as to allow this well to drain gas reserves from the offset operators' units. It should be noted that Marathon has opposed a similar application for unorthodox well location in the same field in the past for the same reasons Enfield and Hanagan now oppose this application. This opposition has been as recent as Case 6266 (Application of Harvey A. Yates).
If Marathon's application is granted, the allowable for this well should be reduced by 75% because it will drain gas reserves from the offset operators' units. The additional 25% royalty should be assessed because of the threat the new location poses to the correlative rights of the offset operators for the tract to the north and east of Marathon's proration unit.

New Mexico Oil Conservation Division
March 25, 1980
Sincerely,
Darryl R. Kephart

GRK/cs
cc: Counsel for Marathon Oil Company



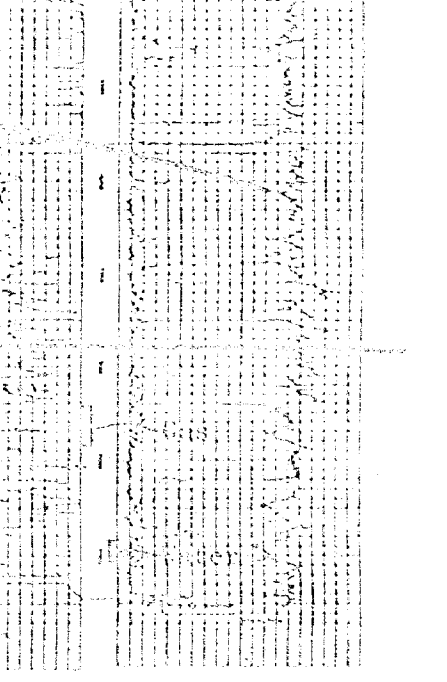
R-23-3

UPPER PENN

10000'

3
A'

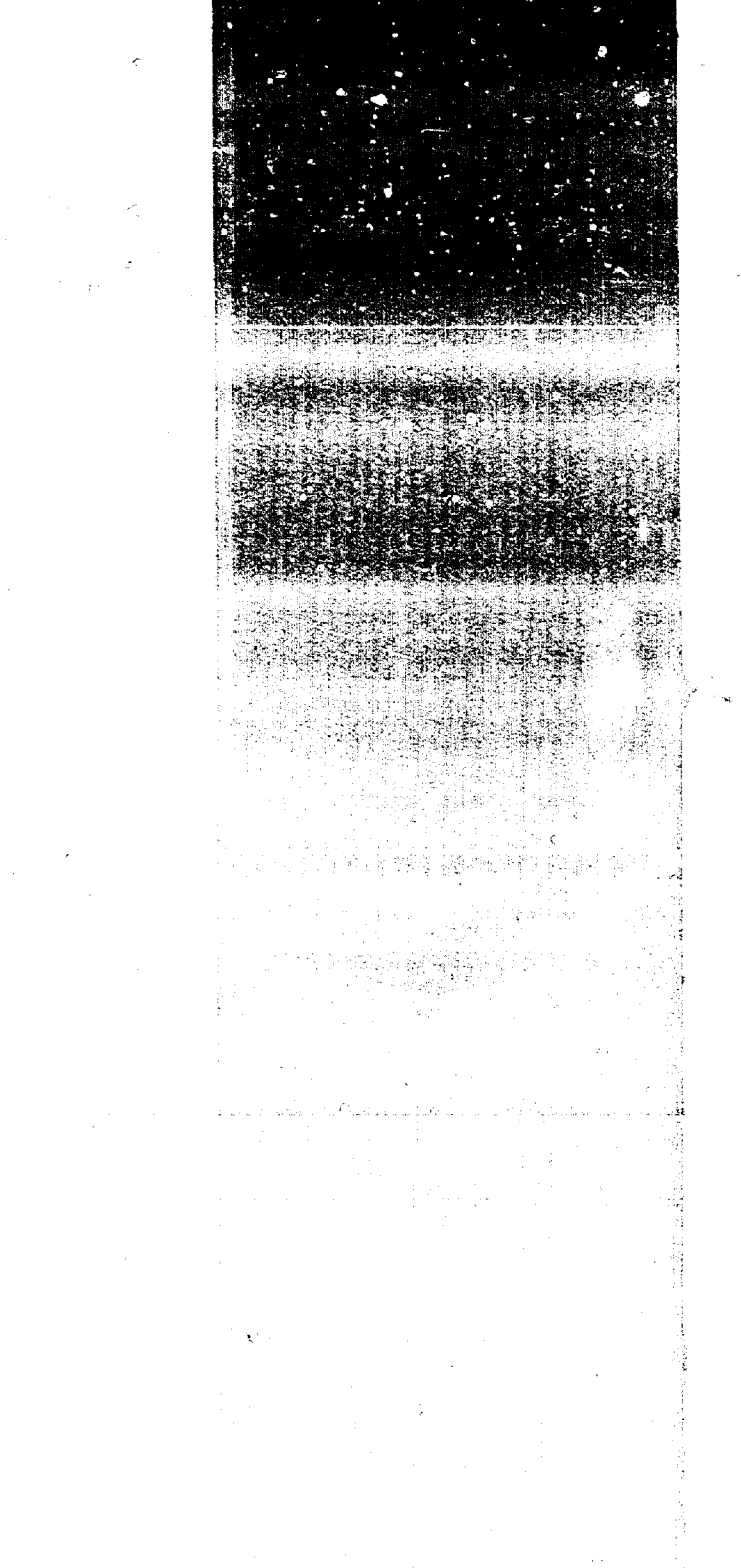
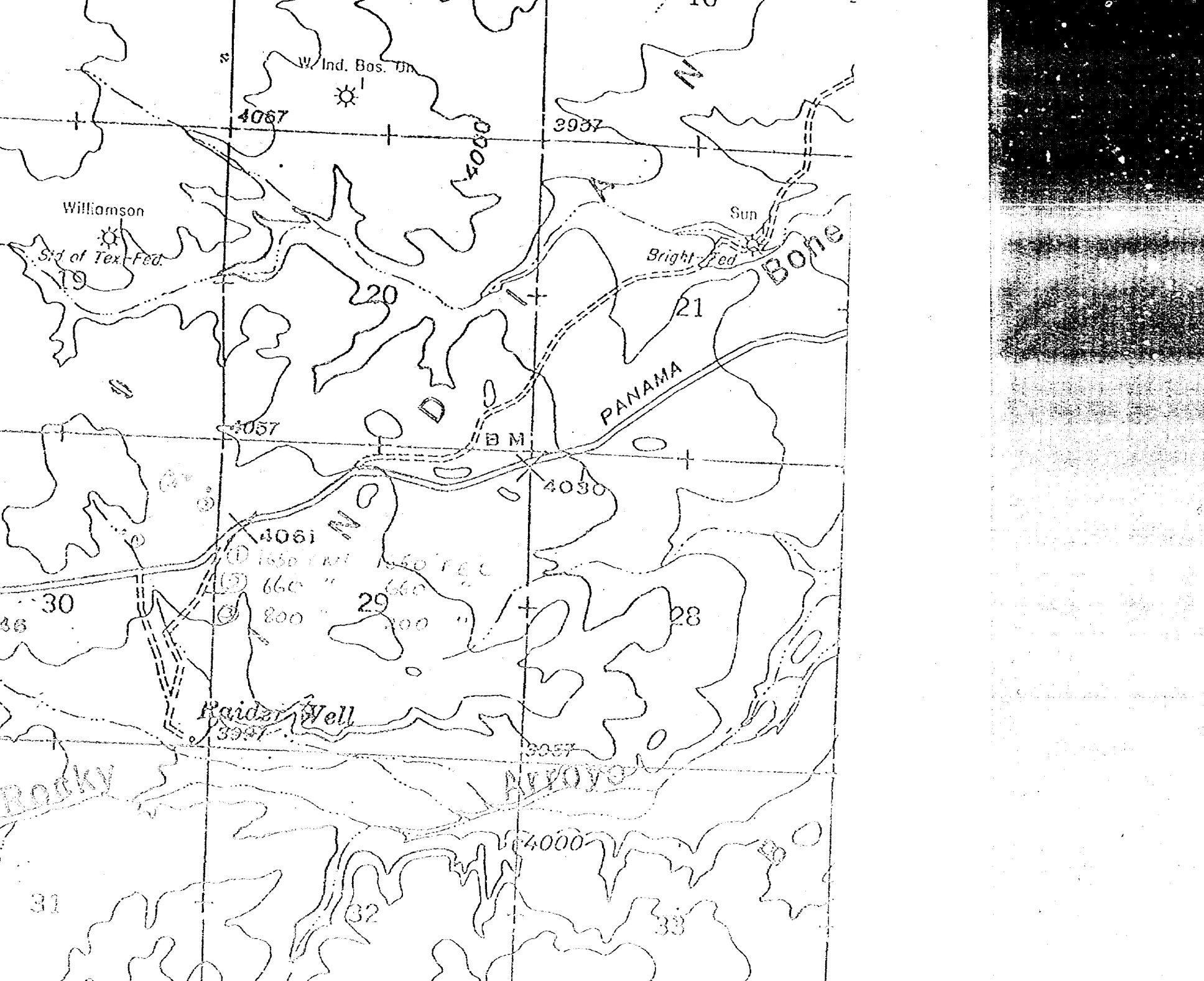
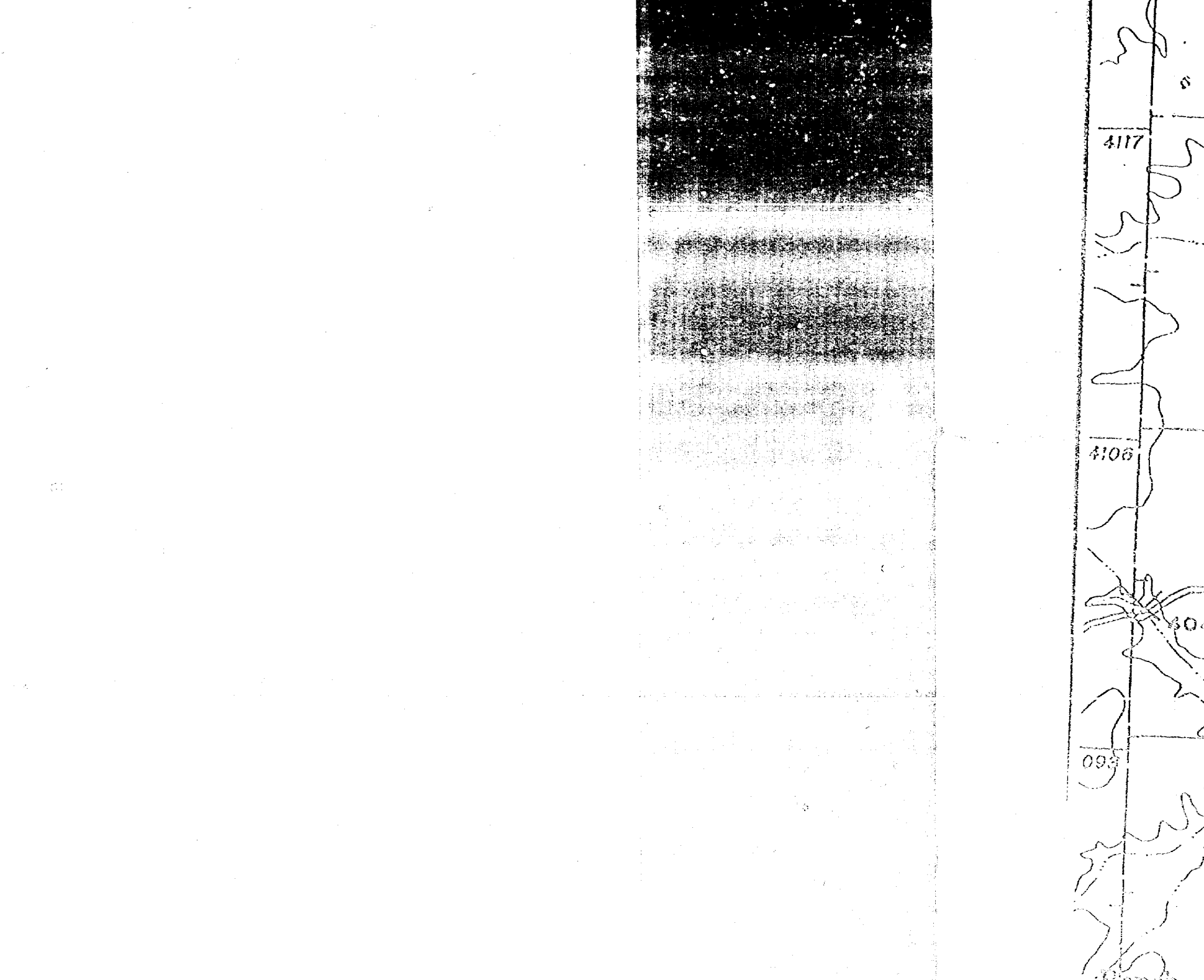
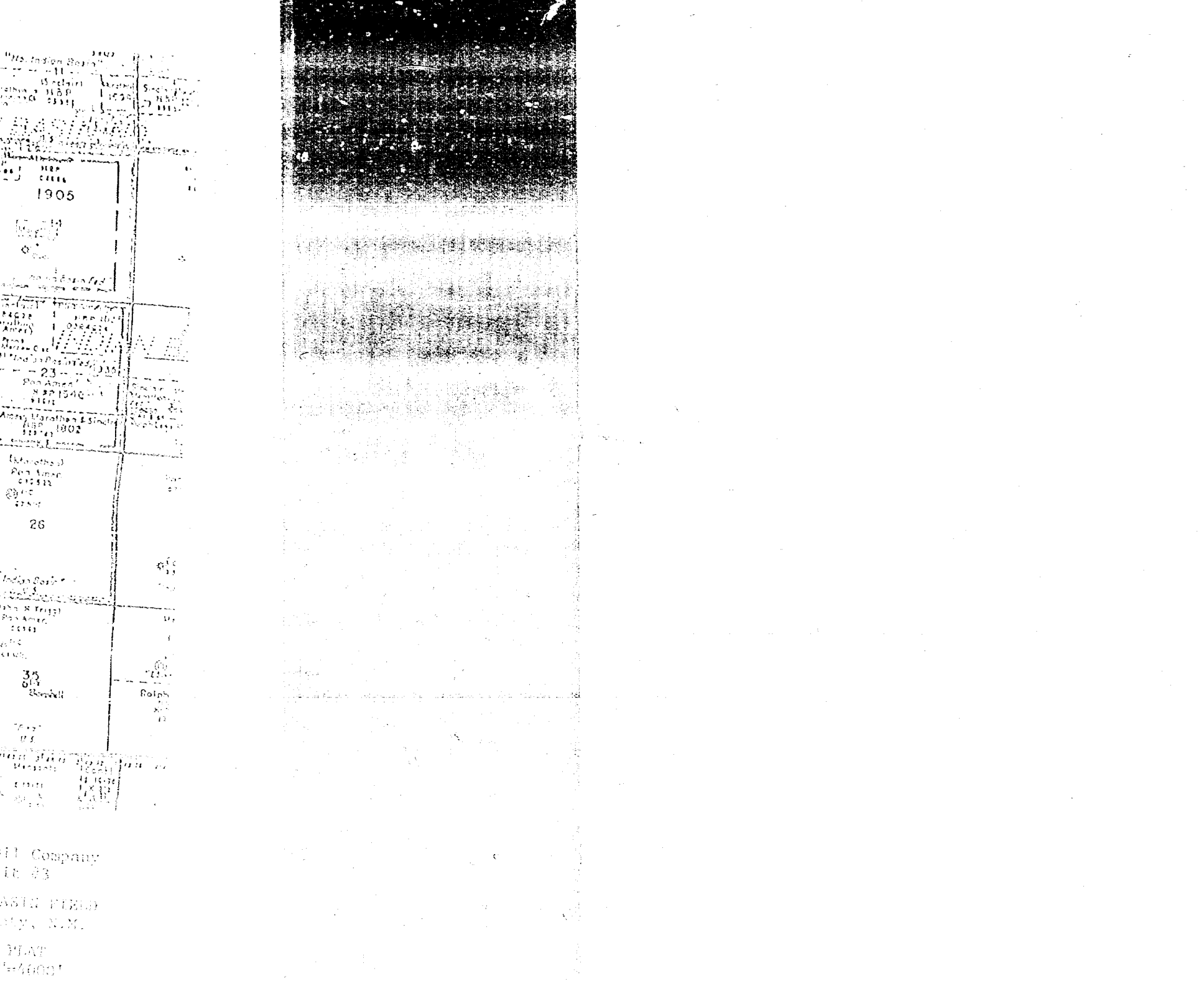
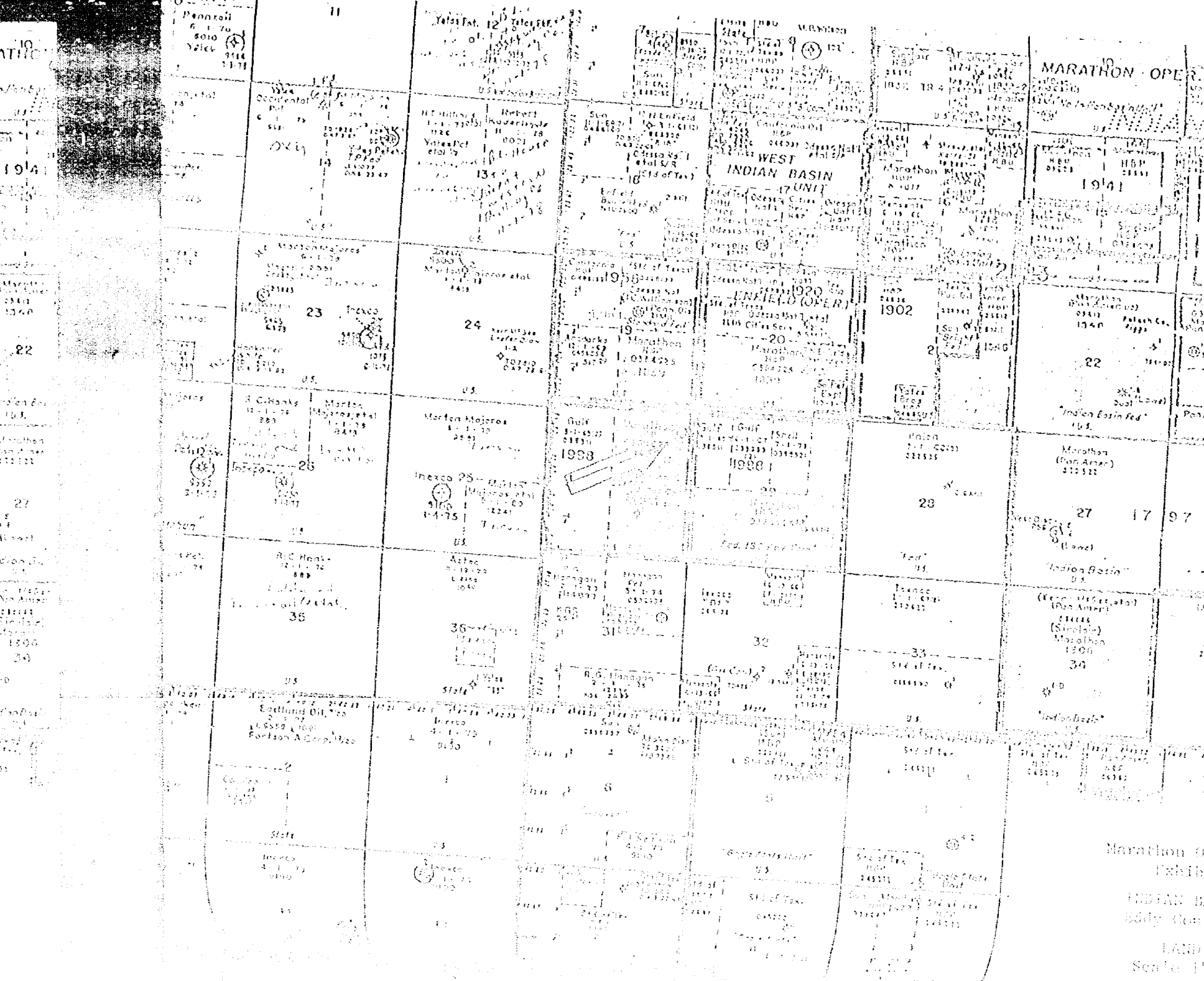
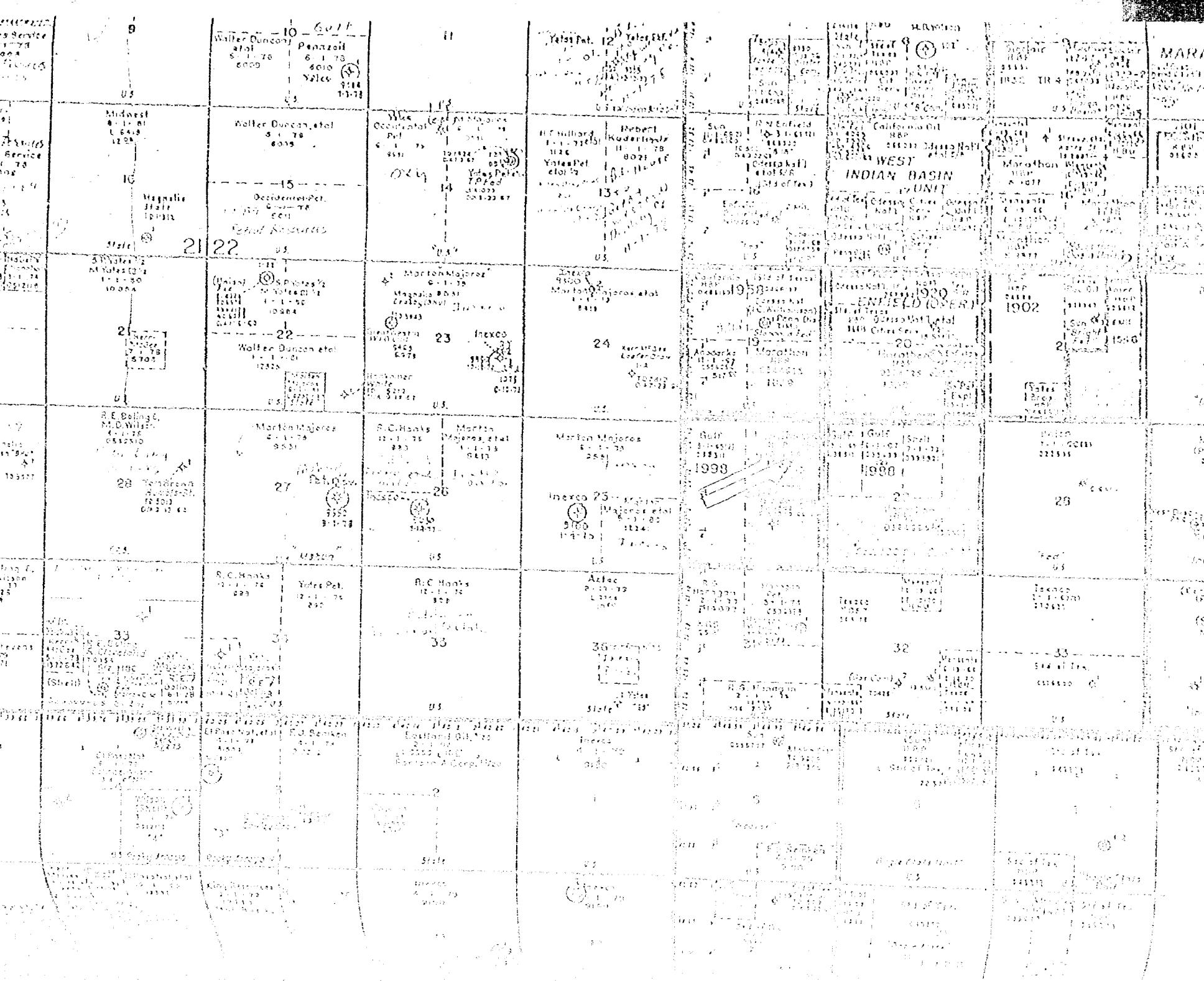
Marathon Oil Co. Fed. Ind. Gas Corp.
1700 PSI. & 1500 PSI.
Sec. 20, T-21-S, R-23-E
GAP 13,582 MCMPD
Perfor. 2141-42



Well No.	Depth (ft.)	Perforation (ft.)	Production (MCMPD)
1	1000	1000-1010	1000
2	1000	1000-1010	1000
3	1000	1000-1010	1000
4	1000	1000-1010	1000
5	1000	1000-1010	1000
6	1000	1000-1010	1000
7	1000	1000-1010	1000
8	1000	1000-1010	1000
9	1000	1000-1010	1000
10	1000	1000-1010	1000

Marathon Oil Company
Bathurst, Pa.

INDIAN BASIN FIELD
Bathurst, Pa.
Geological Section
Vertical Scale: 1000'
Horizontal Scale: 1000'



BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERAL DEPARTMENT
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
MARATHON OIL COMPANY FOR AN UNORTHODOX
GAS WELL LOCATION, INDIAN BASIN-UPPER
PENNSYLVANIAN GAS POOL, EDDY COUNTY,
NEW MEXICO

CASE NO. _____

APPLICATION

Marathon Oil Company, by its attorney, makes this application for an unorthodox gas well location and in support thereof, respectfully states:

1.

That applicant is the operator of the Upper Pennsylvanian formation underlying all of Section 30, Township 21 South, Range 23 East, N.M.P.M., and proposes to drill a well, its Federal LBD Gas Com Well No. 2, to said formation at a location 800 feet from the North Line and 200 feet from the East Line of said Section 30.

2.

Applicant seeks an exception to the special rules and regulations for the Indian Basin-Upper Pennsylvanian Gas Pool promulgated by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico in Orders Nos. R-2440 and R-2440-A to permit the drilling of the proposed well at an unorthodox location.

3.

That a gas production unit of 578.60 acres more or less, comprising all of said Section 30 should be dedicated to such well or such lesser portion of said Section 30 as is reasonably shown to be productive of gas from said pool should be dedicated to said well.

4.

The approval of this application will afford applicant the opportunity to produce in full and efficient share of the gas in the Indian Basin-Upper Pennsylvanian Gas Pool and will protect the public interest.

WHEREFORE, applicant prays:
a. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
b. That upon hearing, the Division enter its Order granting to applicant an exception to the special rules and regulations for the Indian Basin-Upper Pennsylvanian Gas Pool to permit the drilling of applicant's proposed well at an unorthodox location 800 feet from the North Line and 200 feet from the East Line of said Section 30 and dedicate to said well all of Section 30 or that portion of said Section 30 which is reasonably presumed to be productive of gas from said Pool.
c. And for such other relief as may be just in the premises.

MARATHON OIL COMPANY
By Robert J. Pickens
Robert J. Pickens
P. O. Box 3128
Houston, TX 77001
Attorney for Applicant

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERAL DEPARTMENT
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
MARATHON OIL COMPANY FOR AN UNORTHODOX
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MARATHON OIL COMPANY
By Robert J. Pickens
Robert J. Pickens
P. O. Box 3128
Houston, TX 77001
Attorney for Applicant



January 31, 1980

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

Attention: Joe D. Ramey, Secretary-Director

Dear Sir:

Enclosed herewith, in triplicate, is the application of Marathon Oil Company for an unorthodox location 660 feet from the North and East Lines of Section 30, Township 21 South, Range 23 East, N.M.P.M., Eddy County, New Mexico, in the Indian Basin-Upper Pennsylvanian Gas Pool.

Marathon requests that this matter be set down on the docket for the Examiner's hearing to be held on February 27, 1980.

Yours very truly,

Robert J. Pickens
ROBERT J. PICKENS

RJP/Kjs
Enclosures

BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERAL DEPARTMENT
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
MARATHON OIL COMPANY FOR AN UNORTHODOX
GAS WELL LOCATION, INDIAN BASIN-UPPER
PENNSYLVANIAN GAS POOL, EDDY COUNTY,
NEW MEXICO

CASE NO. _____

APPLICATION

Marathon Oil Company, by its attorney, makes this application for an unorthodox gas well location and in support thereof, respectfully states:

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That applicant is the operator of the Upper Pennsylvanian formation underlying all of Section 30, Township 21 South, Range 23 East, N.M.P.M., and proposes to drill a well to said formation at a location 660 feet from the North Line and 660 feet from the East Line of said Section 30.

2.

Applicant seeks an exception to the special rules and regulations for the Indian Basin-Upper Pennsylvanian Gas Pool promulgated by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico in Orders Nos. R-2440 and R-2440-A to permit the drilling of the proposed well at an unorthodox location.

That a gas production unit of 578.60 acres more or less, comprising all of said Section 30 should be dedicated to such well or such lesser portion of said Section 30 as is reasonably shown to be productive of gas from said pool should be dedicated to said well.

The approval of this application will afford applicant the opportunity to produce in full and efficient share of the gas in the Indian Basin-Upper Pennsylvanian Gas Pool and will protect the public interest.

WHEREFORE, applicant prays:

- That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- That upon hearing, the Division enter its Order granting to applicant an exception to the special rules and regulations for the Indian Basin-Upper Pennsylvania Gas Pool to permit the drilling of applicant's proposed well at an unorthodox location 660 feet from the North Line and 660 feet from the East Line of said Section 30 and dedicate to said well all of Section 30 or that portion of said Section 30 which is reasonably presumed to be productive of gas from said Pool.
- And for such other relief as may be just in the premises.

MARATHON OIL COMPANY

By *Robert J. Pickens*
Robert J. Pickens
P.O. Box 3120
Houston, TX 77001
Attorney for Applicant

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ENERGY AND MINERALS DEPARTMENT
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GAS WELL LOCATION, INDIAN BASIN-UPPER
PENNSYLVANIAN GAS POOL, EDDY COUNTY,
NEW MEXICO

CASE NO. 6845

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2.

Applicant seeks an exception to the special rules and regulations for the Indian Basin-Upper Pennsylvania Gas Pool promulgated by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico in Order No. 10,000-A to permit the drilling of the proposed well at an unorthodox location.

3.

That a gas production unit of 575.63 acres more or less, including all of said Section 30 should be dedicated to said well and that the location of said Section 30 as is reasonably presumed to be productive of gas from said Pool should be dedicated to said well.

And that the proposed well should be drilled and operated in accordance with the rules and regulations of the Oil Conservation Division of the State of New Mexico.

WHEREFORE, applicant prays:

- That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- That upon hearing, the Division enter its Order granting to applicant an exception to the special rules and regulations for the Indian Basin-Upper Pennsylvania Gas Pool to permit the drilling of applicant's proposed well at an unorthodox location 660 feet from the North Line and 660 feet from the East Line of said Section 30 and dedicate to said well all of Section 30 or that portion of said Section 30 which is reasonably presumed to be productive of gas from said Pool.
- And for such other relief as may be just in the premises.

MARATHON OIL COMPANY

By *Robert J. Pickens*
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Houston, TX 77001
Attorney for Applicant

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

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WHEREFORE, applicant prays:

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- That upon hearing, the Division enter its Order granting to applicant an exception to the special rules and regulations for the Indian Basin-Upper Pennsylvania Gas Pool to permit the drilling of applicant's proposed well at an unorthodox location 660 feet from the North Line and 660 feet from the East Line of said Section 30 and dedicate to said well all of Section 30 or that portion of said Section 30 which is reasonably presumed to be productive of gas from said Pool.
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Robert J. Pickens
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Houston, TX 77001
Attorney for Applicant

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. 6845

ORDER NO. R-10000-A

APPLICATION OF MARATHON OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 26, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets, NOW, on this day of 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, Marathon Oil Company, seeks approval of an unorthodox gas well location 660 feet from the North Line and 660 feet from the East Line of Section 30, Township 21 South, Range 23 East, N.M.P.M., and that the location of said Section 30 as is reasonably presumed to be productive of gas from said Pool should be dedicated to said well.

And that the proposed well should be drilled and operated in accordance with the rules and regulations of the Oil Conservation Division of the State of New Mexico.

It is the order of the Division that the application be granted and that the well be drilled and operated in accordance with the rules and regulations of the Oil Conservation Division of the State of New Mexico.