

CASE 6854: JACK A. COLE FOR AN UNORTHO-
DOX GAS WELL LOCATION, RIO ARRIBA COUNTY,
NEW MEXICO

CASE NO.

6854

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Jack A. Cole for an un-) CASE
orthodox gas well location, Rio) 6854
Arriba County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

SALLY W. BOYD, C.S.R.

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Santa Fe, New Mexico 87501
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Page 2

1 MR. NUTTER: We'll call next Case Number
2 6854.

3 MR. PADILLA: Application of Jack A.
4 Cole for an unorthodox gas well location, Rio Arriba County,
5 New Mexico.

6 MR. NUTTER: Stand and be sworn, please.

7
8 (Mr. Cole sworn.)
9

10 MR. COLE: My name is Jack Cole, ap-
11 pearing on my own behalf, and I guess the best thing for
12 me to do is go chronologically with what has happened on
13 this case.

14 In September of 1978 I received approval
15 from the U. S. Geological Survey to drill a well known as
16 my Apache Hills No. 6, 990 from the north, 1850 from the
17 west, Section 17, 23, 3.

18 In February, 1979, we drilled our Apache
19 Hills No. 6 and filed all the appropriate reports with all
20 the necessary agencies, and filed a completion report ef-
21 fective April 29th, 1979, and the well was subsequently
22 tied into El Paso Natural Gas Company's system and started
23 producing into that system in June, 1979.

24 On May the 23rd of 1979 I got a certi-
25 fied letter from the United States Department of the Interior,

1 Geological Survey, stating that there was a possibility that
2 that well may have been drilled 200 to 300 feet south of
3 the staked location, and it may now be an unorthodox gas
4 well. They asked that I re-survey it. In June I wrote
5 the USGS back and told them I had notified a surveyor and
6 that we were presently awaiting a survey plat from him.

7 We subsequently got that in July and
8 mailed the plat to the USGS and then that was in July of
9 '79.

10 Then I'm missing some correspondence, but
11 I got some correspondence from the State of New Mexico,
12 Oil Conservation Commission, and from Mr. Joe Ramey, and
13 he requested that we ask for a non-standard location, since
14 the restaking of the well, and resurveying of the well, in-
15 dicated that it was in fact 1326 feet from the north and
16 1843 feet west of Section 17, 23, 3, rather than the original
17 I believe it was --

18 MR. NUTTER: 990, 1850.

19 MR. COLE: Right, 990, 1850.

20 At that time I informed him by letter
21 that I was at a loss as to why the actual location was about
22 300 feet from where it was originally staked, and so I
23 sent -- I sent Mr. Ramey a survey plat showing where it was.
24 Then I was notified that the application that I had made
25 for a non-standard location could not be approved administra-

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1 tively and it was set for hearing, and here I am, pleading
2 ignorance to why it was moved 200 or 300 feet. I just
3 don't know. I can't tell you.

4 MR. NUTTER: The location was staked and
5 when they moved the rig in they just set it at the wrong
6 place and drilled a well?

7 MR. COLE: Well, the location was built
8 before they moved the rig in, and there was a period of,
9 oh, probably seven or eight months between the time the
10 thing was staked and the time it was drilled, and I -- but
11 I can't -- I was there when we staked it. I was there when
12 we had the environmental people. I was not there when the
13 location was built... I was there while the well was being
14 drilled, but you know, 300 feet, I couldn't -- I had no way
15 of seeing that.

16 MR. NUTTER: What kind of terrain is this
17 in this vicinity?

18 MR. COLE: Oh, it's basin and range.
19 It's just one canyon right after another.

20 MR. NUTTER: Typical San Juan country?

21 MR. COLE: Yes, uh-huh.

22 MR. NUTTER: What about offset operators?
23 Did this location move in any substantial amount towards
24 any offset operator, or was it actually drilled more towards
25 the interior of the unit, simply closer to the quarter

1 quarter section line?

2 MR. COLE: Yes, sir, that's exactly what
3 happened. I own all the acreage in the interior and that's
4 the direction the well was moved.

5 MR. NUTTER: So it's not violating any-
6 one's correlative rights.

7 MR. COLE: No, sir. No, sir, it is not.

8 MR. NUTTER: Are there any questions of
9 Mr. Cole? He may be excused.

10 Does anyone have anything they wish to
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12 We'll take the case under advisement.

13 (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.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Exon-Iner hearing of Case No. 6854 heard by me on 4/7 1980.

[Signature], Examiner
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Jack A. Cole for an un-) CASE
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BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

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For the Oil Conservation
Division:

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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 Conserva-
tion 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.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner's hearing of Case No. 685P
heard by me on 4/9 1980.

[Signature] Examiner
Oil Conservation Division



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

April 17, 1980

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

Mr. Jack Cole
P. O. Box 191
Farmington, New Mexico 87401

Re: CASE NO. 6854
ORDER NO. R-6317

Applicant:

Jack A. Cole

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD 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. 6854
Order No. R-6317

APPLICATION OF JACK A. COLE FOR
AN UNORTHODOX GAS WELL LOCATION,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

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

NOW, on this 15th day of April, 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, Jack A. Cole, seeks approval of
an unorthodox gas well location for his Apache Hills Well No.
6, which has been drilled at a point 1326 feet from the North
line and 1843 feet from the West line of Section 17, Township
23 North, Range 3 West, NMPM, Ballard-Pictured Cliffs Pool, Rio
Arriba County, New Mexico.

(3) That the NW/4 of said Section 17 is to be dedicated
to the well.

(4) That although the location which was staked for the
subject well was a standard location, the drilling rig for some
unknown reason was set and the hole drilled at the above-
described point.

(5) That no offset operator objected to the proposed un-
orthodox location.

-2-

Case No. 6854
Order No. R-6317

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

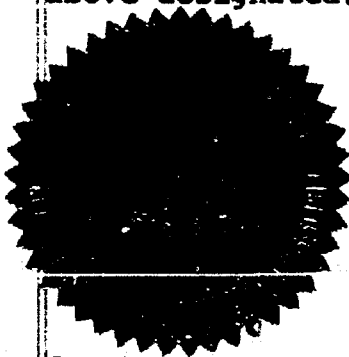
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Pictured Cliffs formation is hereby approved for the Jack A. Cole Apache Hills Well No. 6 drilled at a point 1326 feet from the North line and 1843 feet from the West line of Section 17, Township 23 North, Range 3 West, NMPM, Ballard-Pictured Cliffs Pool, Rio Arriba County, New Mexico.

(2) That the NW/4 of said Section 17 shall be dedicated to the above-described well.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

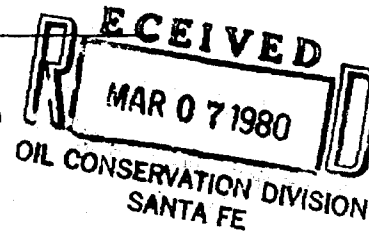
Joe D. Ramey
JOE D. RAMEY
Director

S E A L

fd/

JACK A. COLE
PETROLEUM GEOLOGIST
P.O. BOX 191
FARMINGTON, NEW MEXICO 87401
(505) 325 - 1415

March 5, 1980



Case 6854

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87501

Re: Apache Hills No. 6
Sec. 17-T23N-R3W
Rio Arriba County,
New Mexico

Attention: Ms. Florene Davidson
Administrative Secretary

Dear Ms. Davidson,

In reference to your letter dated February 27, 1980, you advised that a hearing was set before an examiner on March 26, 1980, and that I was to let you know if the date was satisfactory.

Please be advised that I will be in the field, due to drilling operations, and I would appreciate it if you would set another date of hearing either in April or May.

Very truly yours,

Jack A. Cole
Jack A. Cole

JAC:njs

CASE 6843: (Continued from March 26, 1980, Examiner Hearing)

Application of Yates Petroleum Corporation for two compulsory poolings, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Yaso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, Penasco Draw Field, each unit 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 wells 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 wells and a charge for risk involved in drilling said wells.

CASE 6858: Application of H. L. Brown, Jr. for gas well commingling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Bluit-Wolfcamp gas and condensate production from ten federal wells located as follows: Units K and P of Section 33 and L of 34, Township 7 South, Range 37 East; Units D and L of Section 3, C and J of 4, I of 5, C of 9 and C of 10; and one fee well in D of 10, all in Township 8 South, Range 37 East. Applicant would separate and meter the gas and condensate production from each well, then recombine the well's stream and commingle all wells into a small gasoline plant. Allocation of gas and condensate to each well would be on the basis of wellhead meter readings and allocation of gasoline plant production would be on the basis of gas production and BTU content at each well.

CASE 6859: Application of R & G Drilling Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1890 feet from the North line and 1830 feet from the East line of Section 28, Township 28 North, Range 11 West, Kutz-Fruitland Pool, the NE/4 of said Section 28 to be dedicated to the well.

CASE 6860: Application of Flag-Redfern Oil Company for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit P of Section 3, Township 19 South, Range 31 East.

CASE 6861: Application of Zia Energy, Inc. for pool creation, special pool rules, and an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres oil pool for its State "C" Well No. 1 located in Unit F of Section 17, Township 22 South, Range 37 East, and special rules therefor, including a provision for a limiting gas-oil ratio of 10,000 to 1. Applicant further seeks a new onshore reservoir determination for said State "C" Well No. 1.

CASE 6837: (Continued from March 26, 1980, Examiner Hearing)

Application of Curtis Little 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 W/2 of Section 7, Township 25 North, Range 3 West, 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 6862: Application of ARCO Oil and Gas Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State 157 "D" Well No. 11 drilled 2123 feet from the South line and 1644 feet from the East line of Section 12, Township 22 South, Range 36 East, Drinkard Pool, the NW/4 SE/4 of said Section 12 to be dedicated to the well.

CASE 6863: Application of Bass Enterprises Production Co. for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Big Eddy Unit Well No. 72 located in Unit R of Section 3, Township 21 South, Range 28 East, to produce undesignated Atoka and Morrow gas thru parallel strings of tubing.

CASE 6864: Application of Grace Petroleum Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Smith Ranch Well No. 11, to be drilled 1980 feet from the North line and 660 feet from the West line of Section 11, Township 20 South, Range 33 East, Teas-Penn Gas Pool, the N/2 of said Section 11 to be dedicated to the well.

Dockets Nos. 12-80 and 13-80 are tentatively set for April 23 and May 7, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 9, 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:

- CASE 6850: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Jack F. Grimm, N. B. Hunt, George R. Brown, Am-Arctic, Ltd., The Travelers Indemnity Company, and all other interested parties to appear and show cause why the Mobil 32 Well No. 1 located in Unit D of Section 32, Township 25 South, Range 1 East, Dona Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6851: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider amendments to its SPECIAL RULES FOR APPLICATIONS FOR WELLHEAD PRICE CEILING CATEGORY DETERMINATIONS as promulgated by Division Order No. R-5878 and amended by R-5878-A. The proposed amendments would make said SPECIAL RULES conform to FERC Order No. 55 which promulgated final regulations implementing filing requirements of the Natural Gas Policy Act of 1978.
- CASE 6852: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider special rules and procedures for the designation of "tight formations" or "tight sands" as outlined in the FERC interim rules and regulations issued February 20, 1980, relating to Section 107(b) of the Natural Gas Policy Act of 1978.
- CASE 6853: Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cha Cha-Gallup Pool underlying the N/2 NE/4 of Section 18, Township 29 North, Range 14 West, 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 6854: Application of Jack A. Cole for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Apache Hills Well No. 6, 1326 feet from the North line and 1843 feet from the West line of Section 17, Township 23 North, Range 3 West, Ballard-Pictured Cliffs Pool, the NW/4 of said Section 17 to be dedicated to the well.
- CASE 6841: (Continued from March 26, 1980, Examiner Hearing)
- Application of CIG Exploration, Inc. for two non-standard gas proration units, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of two non-standard gas proration units in Township 16 South, Range 28 East, the first being 219.6 acres comprising Lots 1 thru 6 of Section 1 and the second being 219.92 acres comprising Lots 1 thru 8 of Section 2, for the Wolfcamp, Pennsylvanian, and Mississippian formations, each unit to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6855: Application of Dome Petroleum Corporation for an unorthodox well location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Santa Fe 3 Well No. 1 to be drilled 1220 feet from the North line and 900 feet from the West line of Section 3, Township 21 North, Range 10 West.
- CASE 6856: Application of Texaco Inc. for downhole commingling, Les County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry, Tubb-Drinkard, and Fusselman production in the wellbore of its C. C. Fristoe "B" Federal NCT-2 Well No. 6 located in Unit H of Section 34, Township 26 South, Range 37 East, Justis Field.
- CASE 6857: Application of Holly Energy, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State 14 Well No. 1, a Morrow test to be drilled 660 feet from the South line and 990 feet from the East line of Section 14, Township 18 South, Range 28 East, the S/2 of said Section 14 to be dedicated to the well.

CASE 6846: (Amended)

In the matter of Case No. 6846 being amended to reflect that the location for the unorthodox location of the well on the second unit is 330 feet from the North line and 2310 feet from the East line of Section 13, Township 21 South, Range 36 East, Lea County.

CASE 6846: (Continued from March 26, 1980, Examiner Hearing)

Application of Doyle Hartman for two compulsory poolings, two non-standard gas proration units, and two unorthodox well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying two 80-acre non-standard gas proration units, the first being the S/2 NE/4 of Section 13, Township 21 South, Range 36 East, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the North line and 2310 feet from the East line of said Section 13, and the second being the N/2 NE/4 of said Section 13 to be dedicated to a well to be drilled at an unorthodox location 330 feet from the North line and 2310 feet from the East line of said Section 13. Also to be considered will be the cost of drilling and completing said wells 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 wells and a charge for risk involved in drilling said wells.

CASE 6865: Application of Getty Oil Company to reopen Case No. 6608, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to reopen Case No. 6608 for consideration of the establishment of maximum efficient rates of withdrawal from the Grama Ridge-Wolfcamp Gas Pool.

Docket No. 10-80

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 16, 1980

8:45 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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for May, 1930, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for May, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

Docket No. 11-80

DOCKET: COMMISSION HEARING - WEDNESDAY - APRIL 16, 1980

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6609: (DE NOVO) (Continued from March 11, 1980, Commission Hearing)

Application of Napeco Inc. for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn oil pool for its Benson Deep Unit Well No. 1 located in Unit O of Section 33, Township 18 South, Range 30 East, and special rules therefor, including 160-acre spacing and standard well locations.

Upon application of Yates Petroleum Corporation and Napeco Inc. this case will be heard De Novo pursuant to the provisions of Rule 1220. Applicants allege this is not an "oil" pool but is a "volatile" oil pool.

Case 6854

OIL CONSERVATION COMMISSION
Alto
DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

RECEIVED
FEB 27 1980
OIL CONSERVATION DIVISION
SANTA FE

DATE February 26, 1980
RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated February 22, 1980
for the Jack A. Cole Apache Wells #6 F-17-23N-3W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Docket for hearing

Yours very truly,

Frank S. Chazy

JACK A. COLE
PETROLEUM GEOLOGIST
P.O. BOX 191
FARMINGTON, NEW MEXICO 87401
(505) 325-1415

February 22, 1980

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe Ramey

Dear Mr. Ramey,

As per your request we are asking for a non-standard location for the Apache Hills No. 6. The original was staked 990/N and 1350/W of Section 17-T23N-R3W, Rio Arriba County, New Mexico. Actual drilling site is 1326/N and 1843/W of Section 17-T23N-R3W, Rio Arriba County, New Mexico.

I am at a loss as to why the actual location is 300' from where originally staked unless it was due to extreme wet, muddy conditions during the actual building of the location.

I own the Pictured Cliffs rights in all of Sections 17, 8 and 7. The 300' difference between the original and the actual location in this case should not effect any other operators.

Enclosed please find resurvey plats showing actual location of wellhead.

Very truly yours,


Jack A. Cole

RECEIVED
JAC:ms FEB 27 1980
Enclosures
OIL CONSERVATION DIVISION
SANTA FE
cc: N.M. Oil Conservation Commission-Aztec



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

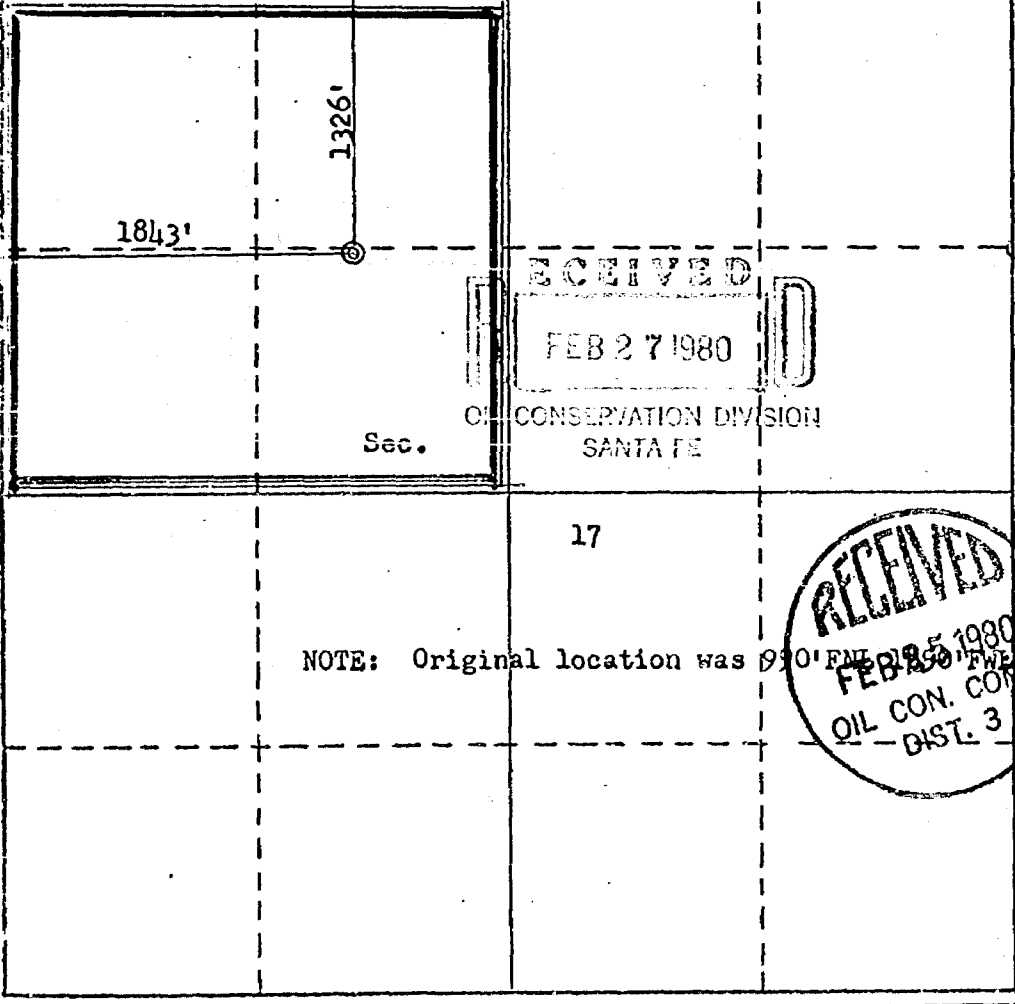
Operator JACK A. COLE		Lease APACHE HILLS		Well No. 6
Unit Letter F	Section 17	Township 23N	Range 3W	County Rio Arriba
Actual Footage Location of Well: 1326 feet from the North line and 1843 feet from the West line				
Ground Level Elev. 7364	Producing Formation Pictured Cliffs	Pool Ballard	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

	CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Name <u><i>Jack A. Cole</i></u> Position <u>Operator</u> Company <u>Jack A. Cole</u> Date <u>July 24, 1979</u>
	RECEIVED FEB 27 1980 OIL CONSERVATION DIVISION SANTA FE NOTE: Original location was 930' from the West line. RECEIVED FEB 25 1980 OIL CON. COM. DIST. 3 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. Date Surveyed <u>July 24, 1979</u> Registered Professional Engineer and Oil and Gas Surveyor <u><i>Fred B. Kerr, Jr.</i></u> No. <u>3930</u> Certification No. <u>3950</u> FRED B. KERR, JR.

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

February 27, 1980

Jack A. Cole
Petroleum Geologist
P. O. Box 191
Farmington, New Mexico 87401

Dear Mr. Cole:

Your application dated February 22, 1980, for a non-standard location for the Apache Hills Well No. 6 in Section 17, Township 23 North, Range 3 West, Rio Arriba County, New Mexico, cannot be approved administratively.

This application will be set for hearing before an examiner on March 26, 1980. A copy of the docket will be sent to you as soon as it is printed.

If this date is not satisfactory to you, please let me know.

Yours very truly,

Florene Davidson
Administrative Secretary

C
O
P
Y

JACK A. COLE
PETROLEUM GEOLOGIST
P.O. BOX 191
FARMINGTON, NEW MEXICO 87401
(505) 325 - 1415

February 22, 1980

NSL

Case 6854

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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I own the Pictured Cliffs rights in all of Sections 17, 8 and 7. The 300' difference between the original and the actual location in this case should not effect any other operators.

Enclosed please find resurvey plats showing actual location of wellhead.

Very truly yours,

RECEIVED
FEB 25 1980
JAC:njs
OIL CONSERVATION DIVISION
Enclosures SANTA FE

Jack A. Cole

cc: N.M. Oil Conservation Commission-Aztec

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

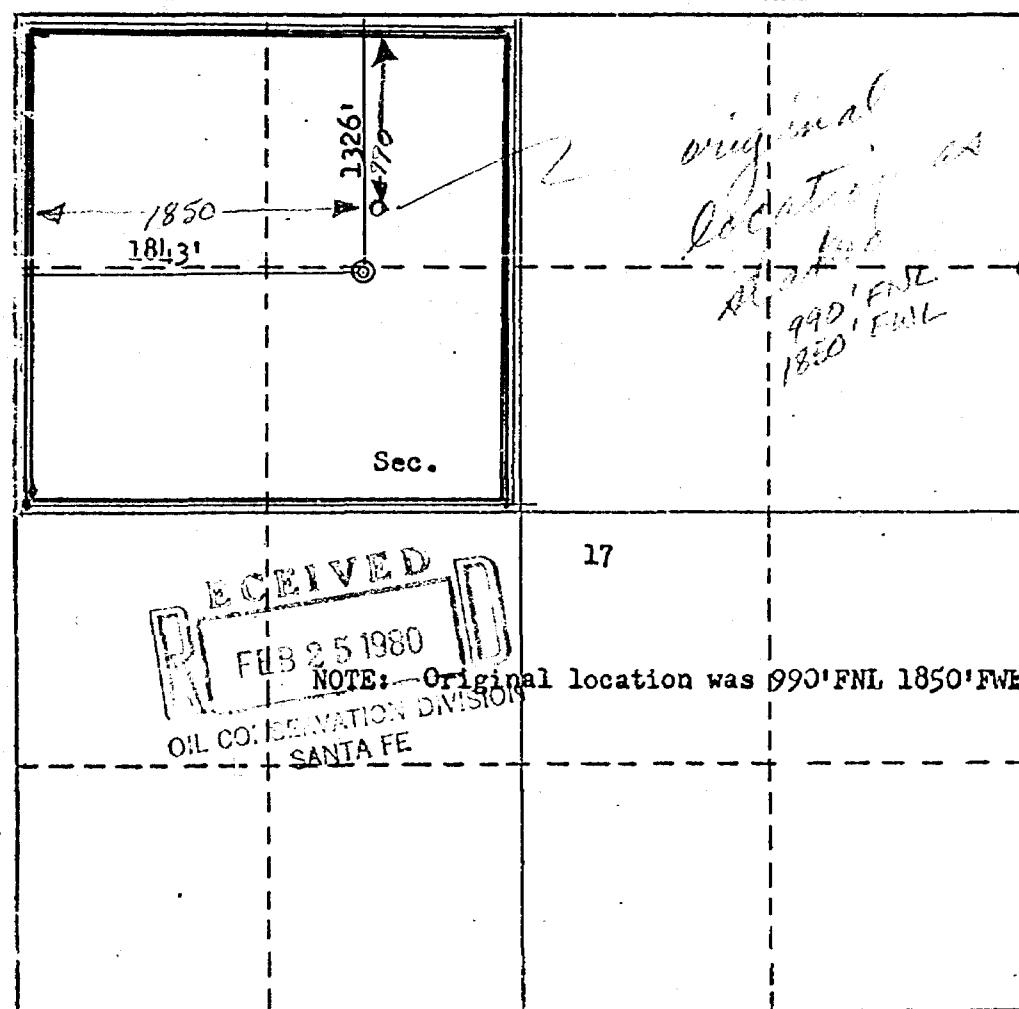
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CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Position

Operator

Company

Jack A. Cole

Date

July 24, 1979

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

July 29, 1979

Registered Professional Engineer and State Surveyor

No. 3930
Fred B. Kerr, Jr.

Certification No. ME

3950 B. KERR, JR.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

JACK A. COLE
PETROLEUM GEOLOGIST
P.O. BOX 191
FARMINGTON, NEW MEXICO 87401
(505) 325-1415

February 22, 1980

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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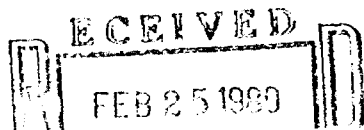
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Very truly yours,



Jack A. Cole
Jack A. Cole

JAC:njs
OIL CONSERVATION DIVISION
SANTA FE
Enclosures

cc: N.M. Oil Conservation Commission-Aztec

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

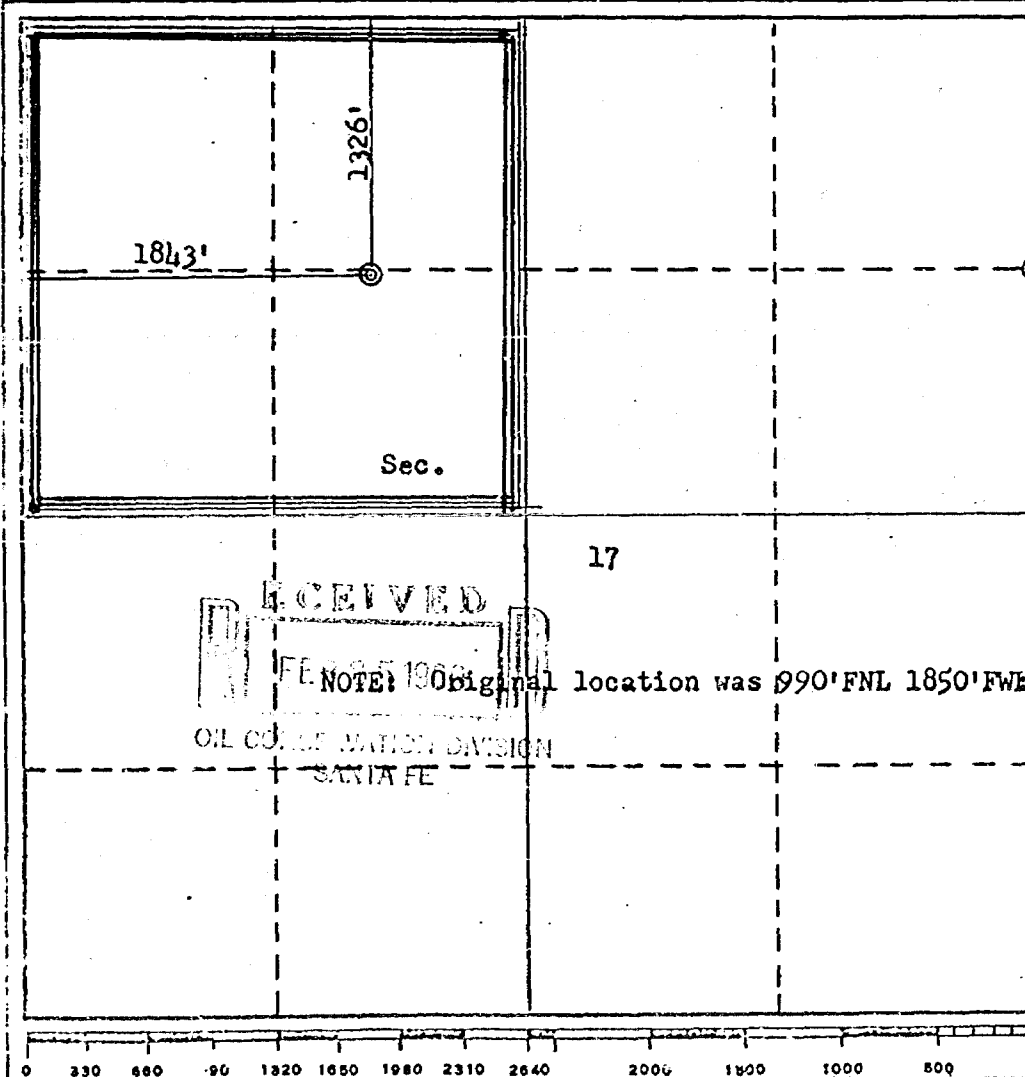
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CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Position

Operator

Company

Jack A. Cole

Date

July 24, 1979

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

July 29, 1979

Registered Professional Engineer and Oil and Gas Surveyor

No. 3930

Fred B. Kerr, Jr.

Certification No. MEX 3950

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6854

ORDER NO. R- 6317

APPLICATION OF JACK A. COLE

FOR AN UNORTHODOX GAS WELL LOCATION,

RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

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

NOW, on this _____ day of April, 19 80, 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, Jack A. Cole
for his Apache Hills Well No. 6, *which has been drilled at a point*
seeks approval of an unorthodox gas well location 1326
feet from the North line and 1843 feet from the
West line of Section 17, Township 23 North
Range 3 West, NMPM, ~~to test the Pictured Cliffs~~
~~formation,~~ Ballard-Pictured Cliffs Pool, Rio Arriba
County, New Mexico.

(3) That the NW/4 of said Section 17 is to be
dedicated to the well.

(4) That ~~a well at said unorthodox location will better~~
although the location which was staked for the subject
~~will was a standard location, the drilling rig for some unknown reason~~
~~enable applicant to produce the gas underlying the proration unit~~
~~was set and the hole drilled at the above-described point.~~

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

-2-

Case No. _____
Order No. R- _____

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

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Pictured Cliffs the Jack A. Cole Apache Hills Well No. 6 *drilled* formation is hereby approved for ~~a well to be located~~ at a point 1326 feet from the North line and 1843 feet from the West line of Section 17, Township 23 North, Range 3 West NMPM, Ballard-Pictured Cliffs Pool, Rio Arriba County, New Mexico.

(2) That the NW/4 of said Section 17 shall be dedicated to the above-described well.

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

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