

CASE 6893: STEVENS OIL COMPANY TO
AMEND ORDER NO. R-5353, CHAVES COUNTY,
NEW MEXICO

Case No.

6893

Application

Transcripts

Small Exhibits

ETC

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. 6893
Order No. R-5353-F

APPLICATION OF STEVENS OIL COMPANY
TO AMEND ORDER NO. R-5353, CHAVES
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 21, 1980,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 5th day of June, 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, Stevens Oil Company, seeks a re-
vision of the special rules for the Twin Lakes-San Andres
Associated Pool as promulgated by Order No. R-5353 to provide
that each well, oil or gas, shall be located no nearer than
330 feet to any quarter-quarter section line, except that any
well drilled in a known gas productive area shall be located
within 150 feet of the center of the quarter-quarter section.

(3) That no party appeared and objected to the proposed
revision to said special pool rules.

(4) That the proposed amendment to said special pool rules
will not serve to cause waste nor violate correlative rights
and should be approved.

-2-

Case No. 6893

Order No. R-5353-F

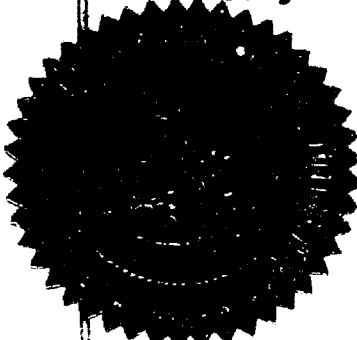
IT IS THEREFORE ORDERED:

(1) That Rule 2 of the special rules and regulations for the Twin Lakes-San Andres Associated Pool as promulgated by Order No. R-5353 shall be amended to add Rule 2(b) which shall read in its entirety as follows:

"RULE 2. (b) Each well, oil or gas, shall be located no nearer than 330 feet to any quarter-quarter section line, except any well drilled or any known gas producing area shall be located within 150 feet of the center of a quarter-quarter section."

(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.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Raney
JOE D. RANEY
Director

Ed/

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Stevens Oil Company
for a non-standard gas proration
unit and unorthodox location, Chaves
County, New Mexico.

CASE
6878

and

Application of Stevens Oil Company
to amend Order No. R-5353, Chaves
County, New Mexico.

CASE
6893

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

For the Applicant:

Donald W. Miller, Esq.
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I N D E X

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JACK ALLEN

| | |
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| Direct Examination by Mr. Miller | 3 |
| Cross Examination by Mr. Stamets | 12 |

E X H I B I T S

| | |
|------------------------------|---|
| Applicant Exhibit Five, Plat | 6 |
| Applicant Exhibit Six, Plat | 9 |

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1 MR. STAMETS: We'll call next Case 6878.

2 MR. PADILLA: Application of Stevens Oil
3 Company for a non-standard gas proration unit and unorthodox
4 location, Chaves County, New Mexico.

5 MR. STAMETS: I'll call for appearances
6 in this case.

7 MR. MILLER: My name is Donald Miller
8 and I represent Stevens Oil Company in this case. I have one
9 witness.

10
11 (Witness sworn.)

12
13 JACK ALLEN
14 being called as a witness and having been duly sworn upon
15 his oath, testified as follows, to-wit:

16
17 DIRECT EXAMINATION

18 BY MR. MILLER:

19 Q Mr. Allen, would you state your name,
20 please?

21 A My name is Jack Allen.

22 Q Where do you live?

23 A I live in Roswell, New Mexico.

24 Q What is your occupation?

25 A I'm a consulting geologist.

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1 Q What is your relationship to the applicant
2 here, Stevens Oil Company?

3 A I have been employed by Stevens Oil Com-
4 pany to investigate the circumstances of Twin Lake Oil and
5 Gas Pool and present testimony to that effect.

6 Q Have you testified before the Hearing
7 Examiner before and been accepted as an expert witness?

8 A Yes, I have.

9 MR. MILLER: Mr. Hearing Examiner, is the
10 witness -- are the witness' qualifications acceptable for
11 testimony?

12 MR. STAMETS: They are.

13 MR. MILLER: Mr Hearing Examiner, I move
14 that the testimony and exhibits presented at the previous
15 hearing by Mr. Allen be combined and consolidated with the
16 testimony and exhibits which will be presented here today
17 under Cause Number 6893 for purposes of this hearing.

18 MR. STAMETS: You want to combine 6878
19 with 6893?

20 MR. MILLER: Yes, sir.

21 MR. STAMETS: Okay. Let's call 6893.

22 MP. PADILLA: Application of Stevens Oil
23 Company to amend Order No. R-5353, Chaves County, New Mex-
24 ico.

25 MR. STAMETS: Are there any other appear-

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1 ances in either of these two cases?

2 We will consolidate Case 6878 and 6893.

3 MR. MILLER: Thank you.

4 Q Mr. Allen, would you state what the appli-
5 cant seeks in these petitions?

6 A The application, yes, sir.

7 In Case 6978 the applicant seeks approval
8 of a 160-acre non-standard proration unit, comprising the
9 north half of the southwest quarter and the south half of the
10 northwest quarter of Section 25 of Township 8 South, Range
11 28 East, which is located in the Twin Lake San Andres Asso-
12 ciated Pool.

13 This proration unit would be dedicated to
14 the O'Brien "F" Well No. 4 at an unorthodox location of 1650
15 feet from the south line and 2310 feet from the west line
16 of the said Section 25.

17 Okay. In Case 6893 the applicant seeks
18 to amend Order No. R-5353, which are rules governing the
19 Twin Lakes San Andres Pool. The revision to the rules would
20 provide that each well, whether oil or gas, shall be loca-
21 ted no nearer than 330 feet from any quarter-quarter section
22 line, except that any well drilled specifically for known
23 gas in a known gas productive area, shall be located within
24 150 feet of the center of a quarter-quarter area.

25 Q Would you explain to the Hearing Examiner

1 why the applicant seeks this relief?

2 A There are essentially three reasons for
3 seeking this relief.

4 Our primary reason being that it allows
5 considerably more flexibility in well location to avoid gas,
6 known gas areas. A gas well is less commercial than an oil
7 well. Producing a gas well would adversely affect reservoir
8 energy and the applicant seeks to drill oil wells only, and
9 only by accident will we be drilling into a gas cap or a
10 gaseous portion of the reservoir.

11 Secondly, we are attempting to maintain
12 the spacing that has already been established and the pattern
13 already established within the oil field. If you'll note
14 on the map, Exhibit Number Five, that in Section 25 most of
15 the wells are pulled south and east from the center of a
16 quarter-quarter section. This is for purposes of secondary
17 recovery at the time when we feel that it is proper to pro-
18 ceed with secondary recovery endeavors.

19 Q What will be the effect on the applicant
20 if the applicant is drilling for oil and strikes gas and does
21 not have -- if this application is not granted?

22 A Okay, the requirement would be that in
23 each instance a special hearing would have to be held in
24 Santa Fe for permission for an unorthodox location for a gas
25 well. This would waste the time of the Oil Conservation

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1 Commission as well as that of the applicant.

2 Q And that is also because there is no
3 allowable, am I correct.

4 A There would be no allowable for the well
5 unless they were approved.

6 Q Mr. Allen, I hand you what has been marked
7 as Applicant's Exhibit Number Five and ask you if you recog-
8 nize that and state what it is.

9 A Yes, sir, this is a location plat in the
10 Twin Lake San Andres Pool, showing the location of all of the
11 wells that have been drilled to date and some proposed loca-
12 tions.

13 Q Is that exhibit the same exhibit as what
14 has previously been admitted by the Hearing Examiner in the
15 previous hearing as Exhibit One?

16 A Yes, sir, with the exception of the loca-
17 tion of two wells that are being proposed by applicant.

18 Q Where are those wells?

19 A The location for Well "F" No. 5 O'Brien
20 is in Section 35 and it is circled in red in Section 35,
21 located 330 from the south line and 1650 feet from the east
22 line.

23 Well No. "F" 6 is located in Section 26,
24 being 1650 from the south and 330 from the east.

25 Q In these wells under the present rules,

1 if gas is encountered after drilling it as an oil well, are
2 you in an orthodox or an unorthodox location?

3 A According to current rules, we are in an
4 unorthodox location; therefor, a hearing would have to be
5 set in each of those instances and we'd go through the same
6 thing again.

7 The primary purpose of Stevens Oil Comapny
8 is to find oil and not gas, and these wells are located on
9 the premise that we will be exploring for oil.

10 Q Let me refer you, then, Mr. Allen, to
11 what has been marked as Applicant's Exhibit Number Six and
12 ask you if you recognize that, and ask you to state what it
13 is to the Hearing Examiner?

14 A Yes, sir, this is the same exhibit that
15 we used at the previous hearing. I think it was Exhibit
16 Number Two, with the exception of the wells No. 5 O'Brien
17 and 6 O'Brien, as previously stated.

18 Q All right, sir. Now, relating to the
19 known gas caps, where are these wells located?

20 A Okay, they are located outside the known
21 gas caps.

22 Q All right.

23 A As I have projected them based on the
24 evidence a month ago.

25 Q All right, and the reason they're located

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1 is that the applicant is purposely attempting to avoid drilling
2 near the gas caps, is that correct?

3 A That is correct.

4 Q In your opinion do the locations of these
5 two wells conform with the field spacing patterns?

6 A They do. For oil wells, yes, sir.

7 Q For oil wells?

8 A Yes, sir.

9 Q What purpose as related to secondary re-
10 covery and infill drilling is the -- is served by locating
11 these wells where they are -- would be located?

12 A Okay. Applicant feels that one well on
13 40-acres will not adequately drain the reservoir and in the
14 development that has been carried on by Stevens Oil Company,
15 provision has been made for another well, a second well, on
16 each 40-acre proration unit at the diagonal location from
17 the present location, and applicant has maintained a pattern
18 with certain exceptions, those wells that have been drilled
19 in the distant past are not on this particular pattern.
20 But all recent wells are maintained on this pattern so that
21 a second well in a 40 may be drilled.

22 And after that well is drilled, then
23 secondary recovery procedures can take place.

24 Q All right. Would you please explain for
25 the Hearing Examiner the factors behind the unorthodox loca-

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1 tion of F-4?

2 A Yes, sir. The F-4 was located on the
3 basis of attempting to extend the oil field in a northerly
4 direction from already developed production on the Stevens
5 Oil Company O'Brien lease in the west half of Section 25.
6 The well was drilled in the normal pattern that Stevens Oil
7 Company drills their wells.

8 In Section 25 Harlow Corporation initiated
9 drilling in the south and east portion of each 40. They
10 were pulled south and east of each 40. So applicant, on his
11 second well reflected this pulling to maintain the standard
12 pattern so that engineering studies would be more compatible.

13 At the time Well No. 4 was drilled the
14 No. 1 O'Brien of Stevens Oil Company was a very poor well.
15 As a matter of fact, it had been temporarily abandoned, and
16 the No. 3 Well which you see on the map was drilled to re-
17 place it. It is -- it was a producing oil well.

18 The No. 2 O'Brien, a good producing oil
19 well, also. The Harlow Corporation No. 1, 2, 3, and 4 were
20 oil wells. Therefor a well at this location, this structural
21 position down-dip from some oil wells, at the same structural
22 datum as other producing oil wells, it was expected that it
23 would be an oil well, also.

24 Q Under the present rules what sort of
25 location would this be for a gas well?

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1 A Unorthodox.

2 Q And I think you've testified there would
3 be no allowable therefor without an exception?

4 A That is correct.

5 Q If the applicant is denied the allowable,
6 what will be the result regarding the drilling of another
7 unorthodox location?

8 A Another unorthodox location?

9 Q A new -- a new --

10 A A new well?

11 Q Yeah.

12 A A new well would have to be drilled at an
13 orthodox location which is within 150 feet of the center of
14 the quarter-quarter section, a No. 5 well, perhaps; the cost
15 of such a well is approximately \$150,000. The No. 4 Well
16 would have to be abandoned and it would be a very significant
17 economic waste.

18 Q Mr. Allen, were these exhibits prepared
19 by you or under your direction and supervision?

20 A Yes, sir, they were.

21 Q Five and Six? In your opinion, and based
22 upon your experience and knowledge in this field, would the
23 granting of the applications prohibit waste, protect correl-
24 ative rights, and avoid the necessity of incurring further
25 drilling costs by the applicant?

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1 A Yes, sir, I do believe so, as previously
2 stated in my testimony.

3 Q All right, would you just sum up why you
4 believe that is so for the Hearing Examiner? Why would it
5 prohibit waste?

6 A It would prohibit waste -- the granting
7 of the application would prohibit waste in that another, a
8 second well would not have to be drilled on this same pro-
9 ration unit.

10 It would protect correlative rights in
11 that there is oil underneath this lease that applicant has
12 a right to recover, and would not be able to recover if he
13 were not granted this application.

14 Q And he would lose that correlative right
15 if the application was denied, is that true?

16 A Yes, sir.

17 MR. MILLER: I have no further questions.

18
19 CROSS EXAMINATION

20 BY MR. STAMETS:

21 Q Mr. Allen, looking at your exhibits here,
22 it appears as though the location of gas zones in this parti-
23 cular pool is a difficult problem. They are not very pre-
24 dictable, is that right?

25 A That is correct.

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1 Q Now, one thing I'm not certain about, do
2 you feel that a 160-acre gas allowable can be produced with
3 this corner location on this 160?

4 A As adequately as it could be from a 150
5 location.

6 Q You don't believe that would cause any
7 production problems or any waste in the reservoir?

8 A Sir, the production -- the problem has
9 already been caused. This is an anomolous gas area in this
10 particular position, due to excessive production from off-
11 setting wells, and the problem is already there in this
12 particular instance.

13 The applicant is seeking only to recover
14 his rightful amount of oil and gas.

15 MR. STAMETS: Any other questions of the
16 witness?

17 MR. MILLER: I think, Mr. Hearing Examiner,
18 I did not move the admission of the two exhibits, and I do
19 so now.

20 MR. STAMETS: These exhibits will be ad-
21 mitted.

22 If there is nothing further, the witness
23 may be excused and the case will be taken under advisement.
24

25 (Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, CSR, 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.

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0012 351 (SUS), 000494

I do hereby certify that the foregoing is
a correct and true copy of the original in
the custody of the Bureau of Land Management,
heard by me on _____ 19____,
_____, Examiner
Oil Conservation Division

Docket No. 14-80

Dockets Nos. 16-80 and 17-80 are tentatively set for June 4 and 25, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - MAY 20, 1980

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

CASE 6715: (DE NOVO)

Application of Texaco Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Loomis Fed. Well No. 1 to be drilled 1600 feet from the North line and 660 feet from the West line of Section 5, Township 21 South, Range 32 East, South Salt Lake-Morrow Gas Pool, the N/2 of said Section 5 to be dedicated to the well.

Upon application of Texaco Inc. and Bass Enterprises Production Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

Docket No. 15-80

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 21, 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:

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

CASE 6891: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Midwest Refining Company and all other interested parties to appear and show cause why the State Well No. 1 located in Unit A of Section 16, Township 33 South, Range 14 West, Hidalgo County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6859: (Continued from April 9, 1980, Examiner Hearing)

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 6886: (Continued from May 7, 1980, Examiner Hearing)

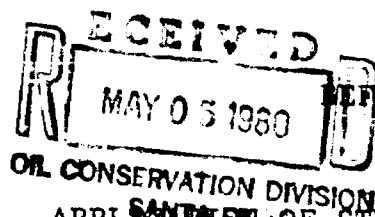
Application of Aminoil USA, Inc. for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 10, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 2080 feet from the South line and 1773 feet from the East line of said Section 10. 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 6884: (Continued from May 7, 1980, Examiner Hearing)

Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the N/2 of Section 4, Township 30 North, Range 11 West, to be dedicated to a proposed dual completion 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 6892: Application of Merrion & Bayless for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the South Blanco-Pictured Cliffs Pool underlying the SW/4 of Section 27, Township 24 North, Range 2 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 6878: (Readvertised)
- Application of Stevens Oil Company for a non-standard gas proration unit and unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the N/2 SW/4 and S/2 NW/4 of Section 25, Township 8 South, Range 28 East, Twin Lakes-San Andres Associated Pool, to be dedicated to its O'Brien "F" Well No. 4 at an unorthodox location 1650 feet from the South line and 2310 feet from the West line of said Section 25.
- CASE 6893: Application of Stevens Oil Company to amend Order No. R-5353, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks a revision of the special rules for the Twin Lakes-San Andres Associated Pool as promulgated by Order No. R-5353 to provide that each well, oil or gas, shall be located no nearer than 330 feet to any quarter-quarter section line, except that any well drilled in a known gas productive area shall be located within 150 feet of the center of the quarter-quarter section.
- CASE 6894: Application of Sun Oil Company for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jennings-Federal "B" Well No. 1, a Yates test to be drilled 2440 feet from the South line and 2290 feet from the West line of Section 15, Township 19 South, Range 32 East, Lusk Field, the NE/4 SW/4 to be dedicated to the well.
- CASE 6895: Application of Sun Gas Company for an NCPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks findings that the drilling of its J. A. Akens Well No. 10 located in Unit N of Section 3, Township 21 South, Range 36 East, was necessary to effectively and efficiently drain that portion of an existing proration unit which could not be drained by the existing well.
- CASE 6896: Application of John E. Schalk for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard Blanco Mesaverde gas proration unit comprising the NE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to his Gulf Well No. 2 to be drilled at an unorthodox location 1925 feet from the North line and 790 feet from the East line of said Section 8.
- CASE 6897: Application of McClellan Oil Corporation for two compulsory poolings, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 1200 feet below the surface to the base of the Abo formation underlying the SW/4 and the SE/4 of Section 30, Township 6 South, Range 26 East, each to be dedicated to a proposed gas 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 6898: Application of Conoco Inc. for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Meyer B-28 Well No. 4 to be drilled 560 feet from the North line and 1980 feet from the West line of Section 28, Township 20 South, Range 37 East, Eumont Gas Pool, to be simultaneously dedicated with its Meyer B-28 Well No. 1 in Unit G to the NE/4 and E/2 NW/4 of said Section 28.
- CASE 6899: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South and East lines of Section 9, Township 17 South, Range 26 East, the E/2 of said Section 9 to be dedicated to the well.
- CASE 6900: Application of Yates Petroleum Corporation for a non-standard oil proration unit, unorthodox well location, and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard oil proration unit comprising the N/2 SE/4 of Section 22, Township 16 South, Range 33 East, Kemnitz Field, to be dedicated to its Sombrero "MS" State Well No. 1 at an unorthodox location 1650 feet from the South and East lines of said Section 22. Applicant also seeks approval for the downhole commingling of Wolfcamp and Cisco production in the wellbore of said well.

- CASE 6901: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Mississippian formations underlying the E/2 of Section 19, Township 14 South, Range 36 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 6902: Application of Harvey E. Yates Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Young Deep Unit Well No. 1 located in Unit D of Section 10, Township 18 South, Range 32 East, to produce gas from the Morrow formation and oil from the Bone Springs formation thru parallel strings of tubing.
- CASE 6903: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian-Mississippian test well to be drilled 560 feet from the South line and 990 feet from the East line of Section 33, Township 13 South, Range 36 East, the S/2 of said Section 33 to be dedicated to the well.
- CASE 6904: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the McDonald Unit Area, comprising 1,440 acres, more or less, of fee lands in Townships 13 and 14 South, Range 36 East.
- CASE 6905: Application of Harvey E. Yates Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Buffalo Lake Unit Area, comprising 2,560 acres, more or less, of Federal, State, and fee lands in Township 15 South, Range 27 East.



BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

Case 6893

OIL CONSERVATION DIVISION

APPLICANT OF STEVENS OIL COMPANY
FOR A CHANGE OF LOCATION REQUIREMENTS
FOR GAS WELLS IN THE TWIN LAKES SAN
ANDRES ASSOCIATED POOL, CHAVES COUNTY,
NEW MEXICO

I.

COMES NOW STEVENS OIL COMPANY makes an application to the New Mexico Oil Conservation Division to revise the gas well location requirements in the Twin Lakes San Andres Associated Pool, Chaves County, New Mexico as are set out in Order No. R-5353, and would show the commission as follows:

1. Order No. R-5353 covering Associated Gas Pools including the Twin Lakes San Andres Associated Pool provides oil wells may be located not closer than 330' to the boundary of the tract and that gas wells be located within 150' of the center of the quarter quarter section wherein located.

2. Said rules provide no circumstance where a well originally located for oil 330' from the boundary of a tract can produce gas in the circumstance where gas is encountered instead of oil since the well would not comply with gas well spacing.

3. Order No. R-4103 originally covering the Twin Lakes San Andres Associated Pool provided for said circumstance in rule 4 as follows:

Each well, oil or gas, shall be located no nearer than 330' to any quarter quarter section line, except any well drilled or any known gas producing area shall be located within 150' of the center of a quarter quarter section.

4. Such wording enabled any operator to locate wells for possible 20 acre spacing or for maximum structural position and yet be able to produce gas if it were encountered due to lack of geological knowledge.

5. Changing the gas well location requirements in the Twin Lakes Pool back to the previous rule would provide operators with an opportunity to properly locate oil wells and yet produce gas

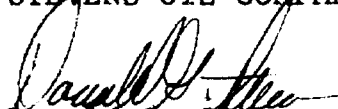
wells if completed as such, tending to protect correlative rights and prevent waste.

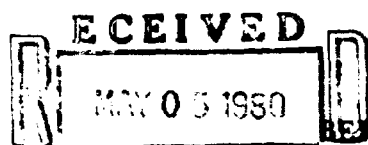
II.

Wherefore operator requests this application be placed on the docket for the next appropriate Oil Conservation Division Hearing and after hearing testimony thereto the Division enter its order granting applicant's request for revision of said pool rules to provide for the 330' from the tract boundary oil or gas spacing except where drilling in a known gas producing area, and for such other and further orders as may be proper in the premises.

Respectfully Submitted,

STEVENS OIL COMPANY


Donald G. Stevens, Attorney



BEFORE THE OIL CONSERVATION DIVISION
OIL CONSERVATION DIVISION OF THE STATE OF NEW MEXICO
SANTA FE

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FOR A CHANGE OF LOCATION REQUIREMENTS
FOR GAS WELLS IN THE TWIN LAKES SAN
ANDRES ASSOCIATED POOL, CHAVES COUNTY,
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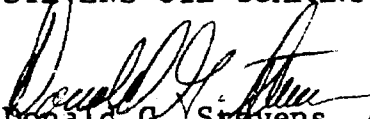
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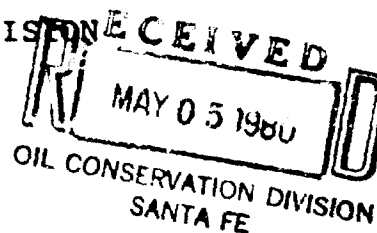
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STEVENS OIL COMPANY


Donald G. Stevens, Attorney

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO



APPLICATION OF STEVENS OIL COMPANY
FOR A CHANGE OF LOCATION REQUIREMENTS
FOR GAS WELLS IN THE TWIN LAKES SAN
ANDRES ASSOCIATED POOL, CHAVES COUNTY,
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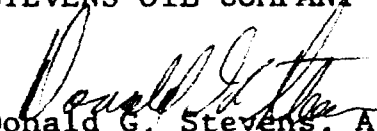
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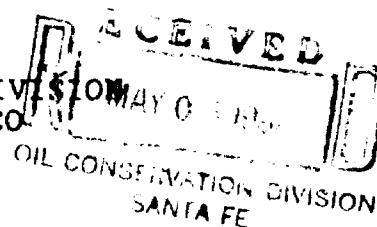
Respectfully Submitted,

STEVENS OIL COMPANY


Donald G. Stevens, Attorney

Case 6893

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO



APPLICATION OF STEVENS OIL COMPANY
FOR A CHANGE OF LOCATION REQUIREMENTS
FOR GAS WELLS IN THE TWIN LAKES SAN
ANDRES ASSOCIATED POOL, CHAVES COUNTY,
NEW MEXICO

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Respectfully Submitted,

STEVENS OIL COMPANY


Donald G. Stevens, Attorney

Called in by Alon Stevens

5/2/80

Stevens Oil Company
Change in Well Location Requirements of Order K-5353, Chaves County.

Oil or gas well shall be located no nearer than 330' to any quarter-quarter section line, except that any well drilled in a known gas productive area shall be located within 150' of center.

ROUGH

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6893
Order No. R-5353-F

Application of Stevens Oil Company to amend Order No. R-5353, Chaves County, New Mexico.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 21,
19 80, at Santa Fe, New Mexico, before Examiner R. L. S.

NOW, on this _____ day of _____, 19____, 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, Stevens Oil
Company,

seeks a revision of the special rules for the Twin Lakes-San
Andres Associated Pool as promulgated by Order No. R-5353 to provide that each well, oil or gas, shall
be located no nearer than 330 feet to any quarter-quarter section line, except that any well drilled
in a known gas productive area shall be located within 150 feet of the center of the quarter-quarter
section.

(3) That no party appeared and objected to the proposed revision to said special pool rules.

(4) That the proposed amendment to said special pool rules will not serve to cause waste ~~and~~ nor violate correlative rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That Rule 2. ~~of~~ of the special rules and regulations ~~of~~ for the Twin Lakes - San Andres Associated Pool ^{as promulgated by Order No. R-5353} shall be amended to ^{add Rule 2.(b) which shall} read in its entirety as follows:

"Rule 2.(b)" Each well, oil or gas, shall be located no nearer than 330' to any quarter quarter section line, except any well drilled or any known gas producing area shall be located within 150' of the center of a quarter quarter section."

(2) Jurisdiction

Dodd Testifying

(3) That complex geologic conditions in said
Twin Lakes - San Ruchas Associated Pool
can ~~may~~ result in wells ~~being~~ ^{being} The completion of
gas wells in said pool at locations reasonably
projected as oil wells.