

CASE 6913: KERR-McGEE CORPORATION FOR AN
UNORTHODOX WELL LOCATION, CHAVES COUNTY,
NEW MEXICO

Case No.

6913

Application

Transcripts

Small Exhibits

ETC



LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

June 20, 1980

Mr. Michael Campbell
Campbell and Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 6913
ORDER NO. R-6379

Applicant:

Kerr-McGee Corporation

Dear Sir:

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

~~Yours very truly,~~

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	x
Artesia OCD	x
Aztec OCD	

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. 6913
Order No. R-6379

APPLICATION OF KERR-McGEE
CORPORATION FOR AN UNORTHODOX
WELL LOCATION, CHAVES COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 4, 1980,
at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 18th 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, Kerr-McGee Corporation, seeks
approval of an unorthodox well location for its State F Well
No. 14 to be drilled 1310 feet from the North line and 1330
feet from the West line of Section 2, Township 8 South, Range
23 East, NMPM, to test the San Andres formation, Chaveroo-San
Andres Pool, Chaves County, New Mexico.

(3) That the NE/4 NW/4 of said Section 2 is to be dedi-
cated to the well.

(4) That the operator desires to drill a well at the proposed
location to evaluate the efficiency of the 40-acre pattern under
which the subject pool was developed.

(5) That a well at said unorthodox location may better
enable applicant to produce the gas underlying the proration
unit.

-2-
Case No. 6913
Order No. R-6379

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

(7) 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 well location for the San Andres formation is hereby approved for the Kerr-McGee Corporation State Well No. 14 to be located at a point 1310 feet from the North line and 1330 feet from the West line of Section 2, Township 8 South, Range 33 East, NMPM, Chaveroo-San Andres Pool, Chaves County, New Mexico.

(2) That the NE/4 NW/4 of said Section 2 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
Director

SEAL

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Kerr-McGee Corporation) CASE
for an unorthodox well location, Chaves) 6913
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

For the Applicant: Michael Campbell, Esq.
CAMPBELL & BLACK P. A.
Jefferson Place
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.

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

I N D E X

DAVID CHRISTIAN

Direct Examination by Mr. Campbell	3
Cross Examination by Mr. Nutter	9

E X H I B I T S

Applicant Exhibit One, Plat	5
Applicant Exhibit Two, Well Data	6

SALLY W. BOYD, C.S.II.

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1 MR. NUTTER: Call Case Number 6913.

2 MR. PADILLA: Application of Kerr-McGee
3 Corporation for an unorthodox well location, Chaves County,
4 New Mexico.

5 MR. CAMPBELL: Mr. Examiner, my name is
6 Michael Campbell, Campbell and Black, appearing on behalf of
7 applicant, Kerr-McGee.

8 We have one witness to be sworn.

9
10 (Witness sworn.)

11
12 DAVID CHRISTIAN
13 being called as a witness and having been duly sworn upon his
14 oath, testified as follows, to-wit:

15
16 DIRECT EXAMINATION

17 BY MR. CAMPBELL:

18 Q Would you please state your name and cur-
19 rent occupation?

20 A My name is David Christian. I am employed
21 by Kerr-McGee Corporation as a conservation and unitization
22 assistant.

23 Q Have you previously testified before this
Commission on any matter?

24 A I have not.

SALLY W. BOYD, C.S.R.

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Santa Fe, New Mexico 87501

Phone (505) 455-7409

1 Q Would you briefly summarize your education-
2 al and professional experience?

3 A I received a Bachelor of Science degree
4 in mechanical engineering in 1973 from Arizona State Univer-
5 sity and a Juris Doctor degree in 1976 from the University of
6 Tulsa.

7 Since graduation from the University of
8 Tulsa I have worked for Kerr-McGee Corporation in the oil and
9 gas production division. Primary areas of responsibility
10 have been State and Federal Oil and Gas operational regula-
11 tions and joint operations.

12 I am a member of the Oklahoma Society of
13 Professional Engineers and I have testified in similar con-
14 servation matters in Oklahoma and North Dakota.

15 Q Are you familiar with the subject matter
16 of the present application?

17 A I am.

18 MR. CAMPBELL: Mr. Examiner, are the wit-
19 ness' qualifications acceptable?

20 MR. NUTTER: Yes, they are.

21 Q Mr. Christian, would you briefly explain
22 the purpose of Kerr-McGee's application in this case?

23 A Kerr-McGee is seeking to drill a second
24 well on the 40-acre proration unit known as the northeast
25 quarter of the northwest quarter of Section 2, Township 8

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1 South, Range 33 East, which is in the Chaveroo San Andres
2 Field. That's -- the projected depth is to the San Andres
3 formation.

4 We propose to drill it at a location 1310
5 feet from the north line and 1330 feet from the west line
6 of Section 2.

7 Q Do you also seek a simultaneous dedication
8 of acreage?

9 A Yes, we do.

10 Q I would refer you to applicant's Exhibit
11 Number One and request that you identify and explain that
12 exhibit.

13 A Exhibit Number One is a plat of Kerr-McGee's
14 State "F" lease. It comprises the northwest quarter in the
15 south half of Section 2, Township 8 South, Range 33 East.
16 The lease outline is shown by the hatched area. Kerr-McGee
17 owns a 100 percent working interest in this State lease. It
18 is a State lease with the State owning all the royalty.

19 The entire lease is -- has been drilled
20 on a 40-acre unitwide basis. I also show the operator and
21 lease name of all leases offsetting the northwest quarter
22 of Section 2. Our proposed well and location is shown in
23 red, the State "F" No. 14 Well.

24 Q And what acreage is it that you contemplate
25 a simultaneous dedication of this well to?

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1 A That would be unit designation C, or the
2 northeast quarter of the northwest quarter. We already have
3 an existing well, the State "F" No. 2, on this unit, and we
4 wish the simultaneous dedication for the No. 2 Well and the
5 No. 14 Well.

6 Q In your opinion will the granting of this
7 application impair correlative rights?

8 A No, I do not believe it will impair any
9 correlative rights.

10 Q Why is Kerr-McGee proposing to drill at
11 this unorthodox location?

12 A Well, we believe there is a significant
13 amount of oil remaining underlying the northwest quarter of
14 Section 2, and originally the first people who looked at it
15 wanted to drill the well right smack dab in the center of
16 the northwest quarter. Upon finding out that that could not
17 be done, we moved it 10 feet off the half section line.

18 Q Have you prepared a compilation of well
19 data in the area?

20 A Yes, I have, and it's designated as Exhibit
21 Number Two.

22 Q Would you please explain that exhibit?

23 A Exhibit Number Two is a well data sheet.
24 It shows the operator and well name for all the leases off-
25 setting the northwest quarter of Section 2, in addition to

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1 all the Kerr-McGee wells on the State "F" lease.

2 The well data sheet shows the location of
3 the wells and the completion dates. You'll notice the com-
4 pletion dates are all very close to the same. There's no
5 great difference between when one well was drilled and an-
6 other well.

7 I've calculated the original oil in place
8 underlying each unit on a volumetric basis, assuming 40-acre
9 spacing and taking the net pay that was encountered in each
10 wellbore. I also show the cumulative production to February
11 1, 1980, and then the percent recovery of each well of its
12 original oil in place.

13 MR. NUTTER: To this cum date?

14 A Yes, from February 1, 1980.

15 The percent recoveries range from a low of
16 8.5 percent in this area to a high of 39.1 percent. In parti-
17 cular the northwest quarter, where Kerr-McGee has the State
18 "F" Wells Nos. 1 through 4, the percent recoveries were 17.9,
19 9.6, 35.4, and 17.0. If you take an average of the four
20 wells in the northwest quarter, we get a percent recovery of
21 16.7 percent. I believe that by drilling another well, we
22 could increase our percent recovery underlying the northwest
quarter.

I also show the current production of each
well that is shown on Exhibit Number One as my -- as my last

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1 entry.

2 Q In your opinion will the granting of this
3 application result in the recovery of hydrocarbons that
4 otherwise would not be recovered?

5 A I think so, on the basis of the percent
6 recovery to date, and if you take the current production rates
7 of the wells, and assuming their normal decline, I believe
8 we'd only recover about 22 percent of the original oil in
9 place underlying the northwest quarter.

10 Q In your opinion will granting this appli-
11 cation be in the interest of conservation, the prevention
12 of waste, and the protection of correlative rights?

13 A Yes, I do.

14 Q When do you plan to spud the subject
15 well?

16 A We hope to drill the well just as soon as
17 we receive Oil Conservation Division approval and secure a
18 rig. At this time we do have a possibility of two different
19 rigs, of acquiring them in the near future.

20 Q And as part of your application, then,
21 would you request that the Commission expedite, if possible,
22 the entry of an order in this case?

23 A Yes, I would.

24 MR. CAMPBELL: I would move the introduction
25 of Applicant's Exhibits One and Two.

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1 MR. NUTTER: Exhibits One and Two will be
2 admitted in evidence.

3 MR. CAMPBELL: Thank you. I have no fur-
4 ther questions, Mr. Examiner.

5
6 CROSS EXAMINATION

7 BY MR. NUTTER:

8 Q Mr. Christian, I suppose that this is an
9 experimental effort here and that if it is successful and
10 you do recover appreciable amounts of additional oil, that
11 you would infill drill the rest of this lease, then, is that
12 it?

13 A That's correct. I can -- I can foresee
14 at least four additional infill locations if this No. 14 Well
15 proves out to be successful.

16 MR. NUTTER: Are there any further ques-
17 tions of the witness? He may be excused.

18 Do you have anything further, Mr. Campbell?

19 MR. CAMPBELL: No, sir.

20 MR. NUTTER: Does anyone have anything to
21 offer in Case Number 6913?

22 We'll take the case under advisement.

23
24 (Hearing concluded.)
25

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C E R T I F I C A T E

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.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6913
heard by me on 6/4 1980.

[Signature] Examiner
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Kerr-McGee Corporation) CASE
for an unorthodox well location, Chaves) 6913
County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

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

For the Applicant:

Michael Campbell, Esq.
CAMPBELL & BLACK P. A.
Jefferson Place
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I N D E X

DAVID CHRISTIAN

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E X H I B I T S

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MR. NUTTER: Call Case Number 6913.

MR. PADILLA: Application of Kerr-McGee Corporation for an unorthodox well location, Chaves County, New Mexico.

MR. CAMPBELL: Mr. Examiner, my name is Michael Campbell, Campbell and Black, appearing on behalf of applicant, Kerr-McGee.

We have one witness to be sworn.

(Witness sworn.)

DAVID CHRISTIAN

being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CAMPBELL:

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Q Have you previously testified before this Commission on any matter?

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Q Would you briefly summarize your educational and professional experience?

A I received a Bachelor of Science degree in mechanical engineering in 1973 from Arizona State University and a Juris Doctor degree in 1976 from the University of Tulsa.

Since graduation from the University of Tulsa I have worked for Kerr-McGee Corporation in the oil and gas production division. Primary areas of responsibility have been State and Federal Oil and Gas operational regulations and joint operations.

I am a member of the Oklahoma Society of Professional Engineers and I have testified in similar conservation matters in Oklahoma and North Dakota.

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South, Range 33 East, which is in the Chaveroo San Andres Field. That's -- the projected depth is to the San Andres formation.

We propose to drill it at a location 1310 feet from the north line and 1330 feet from the west line of Section 2.

Q Do you also seek a simultaneous dedication of acreage?

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Q I would refer you to applicant's Exhibit Number One and request that you identify and explain that exhibit.

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The entire lease is -- has been drilled on a 40-acre unitwide basis. I also show the operator and lease name of all leases offsetting the northwest quarter of Section 2. Our proposed well and location is shown in red, the State "F" No. 14 Well.

Q And what acreage is it that you contemplate a simultaneous dedication of this well to?

A. That would be unit designation C, or the northeast quarter of the northwest quarter. We already have an existing well, the State "F" No. 2, on this unit, and we wish the simultaneous dedication for the No. 2 Well and the No. 14 Well.

Q. In your opinion will the granting of this application impair correlative rights?

A. No, I do not believe it will impair any correlative rights.

Q. Why is Kerr-McGee proposing to drill at this unorthodox location?

A. Well, we believe there is a significant amount of oil remaining underlying the northwest quarter of Section 2, and originally the first people who looked at it wanted to drill the well right smack dab in the center of the northwest quarter. Upon finding out that that could not be done, we moved it 10 feet off the half section line.

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Q. Would you please explain that exhibit?

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I've calculated the original oil in place underlying each unit on a volumetric basis, assuming 40-acre spacing and taking the net pay that was encountered in each wellbore. I also show the cumulative production to February 1, 1980, and then the percent recovery of each well of its original oil in place.

MR. NUTTER: To this cum date?

A Yes, from February 1, 1980.

The percent recoveries range from a low of 8.5 percent in this area to a high of 39.1 percent. In particular the northwest quarter, where Kerr-McGee has the State "F" Wells Nos. 1 through 4, the percent recoveries were 17.9, 9.6, 35.4, and 17.0. If you take an average of the four wells in the northwest quarter, we get a percent recovery of 16.7 percent. I believe that by drilling another well, we could increase our percent recovery underlying the northwest quarter.

I also show the current production of each well that is shown on Exhibit Number One as my -- as my last

entry.

Q In your opinion will the granting of this application result in the recovery of hydrocarbons that otherwise would not be recovered?

A I think so, on the basis of the percent recovery to date, and if you take the current production rates of the wells, and assuming their normal decline, I believe we'd only recover about 22 percent of the original oil in place underlying the northwest quarter.

Q In your opinion will granting this application be in the interest of conservation, the prevention of waste, and the protection of correlative rights?

A Yes, I do.

Q When do you plan to spud the subject well?

A We hope to drill the well just as soon as we receive Oil Conservation Division approval and secure a rig. At this time we do have a possibility of two different rigs, of acquiring them in the near future.

Q And as part of your application, then, would you request that the Commission expedite, if possible, the entry of an order in this case?

A Yes, I would.

MR. CAMPBELL: I would move the introduction of Applicant's Exhibits One and Two.

MR. NUTTER: Exhibits One and Two will be admitted in evidence.

MR. CAMPBELL: Thank you. I have no further questions, Mr. Examiner.

CROSS EXAMINATION

BY MR. NUTTER:

Q. Mr. Christian, I suppose that this is an experimental effort here and that if it is successful and you do recover appreciable amounts of additional oil, that you would infill drill the rest of this lease, then, is that it?

A. That's correct. I can -- I can foresee at least four additional infill locations if this No. 14 Well proves out to be successful.

MR. NUTTER: Are there any further questions of the witness? He may be excused.

Do you have anything further, Mr. Campbell?

MR. CAMPBELL: No, sir.

MR. NUTTER: Does anyone have anything to offer in Case Number 6913?

We'll take the case under advisement.

(Hearing concluded.)

C E R T I F I C A T E

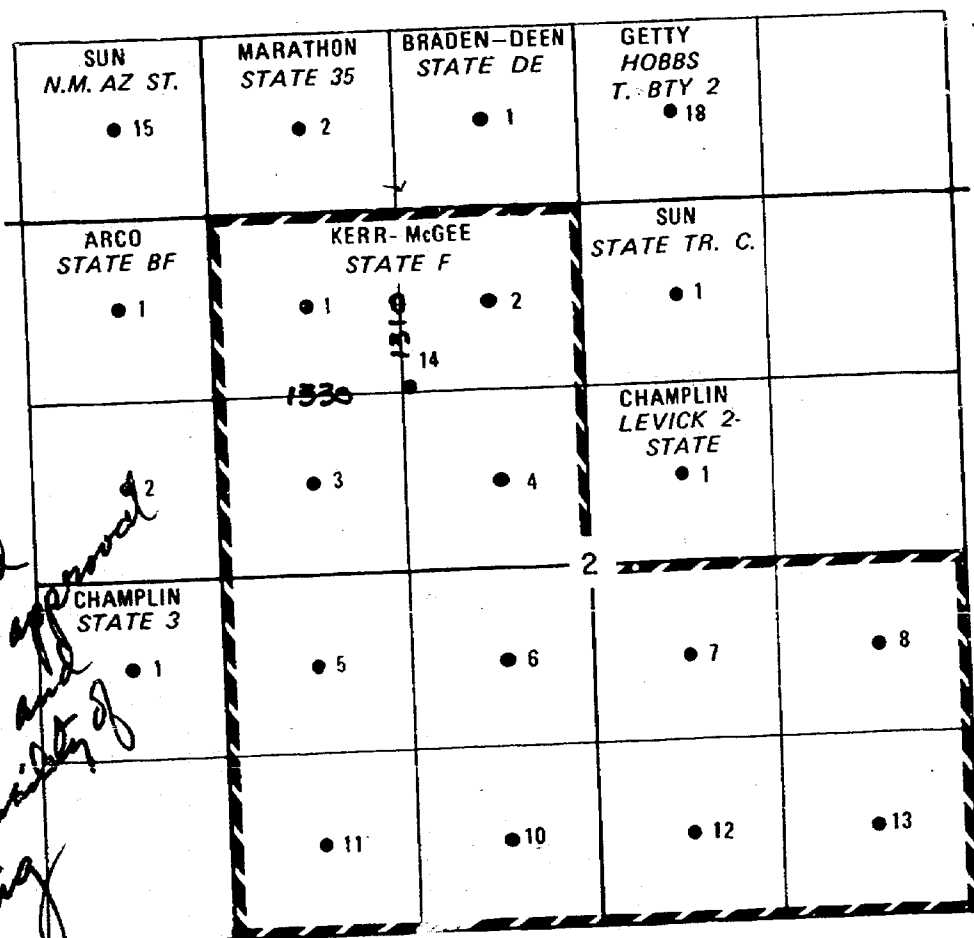
I, SALLY W. BOYD, C.S.R., DO HEREBY
CERTIFY that the foregoing Transcript of Hearing before the
Oil Conservation Division was reported by me; that the said
transcript is a full, true, and correct record of the
hearing, prepared by me to the best of my ability.

SALLY W. BOYD, C.S.R.

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

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examinar hearing of Case No. 6813.
heard by me on 6/4 1980.

[Signature]
Oil Conservation Division




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R 33 E

*will be
spudded
upon approval
by O&D and
availability of
rig*

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
~~KERR-McGEE~~ EXHIBIT NO. 1
CASE NO. 6413

 **KERR-McGEE CORPORATION**

STATE F LEASE
CHAUVEROO (SAN ANDRES) FIELD
CHAVES COUNTY NEW MEXICO

Scale: 4"=1 mile By: D.C. MAY 28, 1980

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

~~Kerr-McGee~~ EXHIBIT NO. 2

CASE NO. 6913

CHAVEROO (SAN ANDRES) FIELD

Well Data Sheet

*calc on
volumetric
basis*

to cum date

Operator/Well Name	Sec-Twp-Rge	Completion Date	Original Oil in Place (BO)	Cum. Prod. To 2-1-80 (BO)	Percent Recovery	Current Production (BOPD)
Kerr-McGee						
State F No. 1-D	2-8S-33E	6-66	363,230	65,133	17.9	2.2
State F No. 2-C	2-8S-33E	6-66	640,990	61,581	9.6	5.2
State F No. 3-E	2-8S-33E	7-66	213,665	75,741	35.4	3.8
State F No. 4-F	2-8S-33E	7-66	619,625	105,321	17.0	4.3
State F No. 5-L	2-8S-33E	9-66	359,276	154,547	39.1	14.0
State F No. 6-K	2-8S-33E	8-66	534,157	122,016	22.8	2.1
State F No. 7-J	2-8S-33E	9-66	694,404	78,578	11.3	5.0
State F No. 8-I	2-8S-33E	9-66	395,276	81,377	20.6	6.6
State F No. 10-N	2-8S-33E	10-66	363,227	89,320	24.6	4.9
State F No. 11-M	2-8S-33E	10-66	384,593	75,894	19.7	6.4
State F No. 12-O	2-8S-33E	10-66	470,058	72,554	15.4	5.0
State F No. 13-P	2-8S-33E	11-66	640,988	54,241	8.5	2.9
Champlin						
State 3 No. 1-I	3-8S-33E	4-67	416,642	148,801	35.7	13.6
Levick 2-State No. 1-G	2-8S-33E	8-66	459,375	80,417	17.5	5.6
Arco						
State BF No. 1-A	3-8S-33E	4-66	341,859	97,415	28.5	3.4
State BF No. 4-H	3-8S-33E	7-66	715,768	83,185	11.6	3.9
Sum						
N.M. Az. St. No. 15-P	34-7S-33E	12-65	256,395	50,591	19.7	SI 3-78
State Tr. C No. 1-B	2-8S-33E	6-66	544,838	80,015	14.7	4.4
Marathon						
State 35 No. 2-M	35-7S-33E	3-66	341,859	39,511	11.6	2.0
Braden-Deen						
State De No. 1-N	35-7S-33E	4-66	438,007	54,418	12.4	1.6
Getty						
Hobbs T. Bty. 2 # 18-0	35-7S-33E	5-66	373,909	97,287	26.0	2.4

EXHIBIT NO. 2

SUN N.M. AZ ST. ● 15	MARATHON STATE 35 ● 2	BRADEN-DEEN STATE DE ● 1	GETTY HOBBS T. BTY 2 ● 18		T 7 S
ARCO STATE BF ● 1	KERR-McGEE STATE F ● 1 ● 2 14		SUN STATE TR. C. ● 1		
● 2	● 3	● 4	CHAMPLIN LEVICK 2- STATE ● 1		T 8 S
CHAMPLIN STATE 3 ● 1	● 5	● 6	● 7	● 8	
	● 11	● 10	● 12	● 13	

R 3 3 E

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

~~KERR-McGEE~~ EXHIBIT NO. 1

CASE NO. 1913



KERR-McGEE CORPORATION

STATE F LEASE
CHAUVEROO (SAN ANDRES) FIELD
CHAVES COUNTY NEW MEXICO

Scale: 4"=1 mile

By: D.C.

MAY 28, 1980

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

~~Kerr-McGee~~ EXHIBIT NO. 2

CASE NO. 6913

CHAVEROO (SAN ANDRES) FIELD

Well Data Sheet

<u>Operator/Well Name</u>	<u>Location Sec-Twp-Rge</u>	<u>Completion Date</u>	<u>Original Oil in Place (BO)</u>	<u>Cum. Prod. To 2-1-80 (BO)</u>	<u>Percent Recovery</u>	<u>Current Production (BOPD)</u>
Kerr-McGee						
State F No. 1-D	2-8S-33E	6-66	363,230	65,133	17.9	2.2
State F No. 2-C	2-8S-33E	6-66	640,990	61,581	9.6	5.2
State F No. 3-E	2-8S-33E	7-66	213,665	75,741	35.4	3.8
State F No. 4-F	2-8S-33E	7-66	619,625	105,321	17.0	4.3
State F No. 5-L	2-8S-33E	9-66	359,276	154,547	39.1	14.0
State F No. 6-K	2-8S-33E	8-66	534,157	122,016	22.8	2.1
State F No. 7-J	2-8S-33E	9-66	694,404	78,578	11.3	5.0
State F No. 8-I	2-8S-33E	9-66	395,276	81,377	20.6	6.6
State F No. 10-N	2-8S-33E	10-66	363,227	89,320	24.6	4.9
State F No. 11-M	2-8S-33E	10-66	384,593	75,894	19.7	6.4
State F No. 12-O	2-8S-33E	10-66	470,058	72,554	15.4	5.0
State F No. 13-P	2-8S-33E	11-66	640,988	54,241	8.5	2.9
Champlin						
State 3 No. 1-I	3-8S-33E	4-67	416,642	148,801	35.7	13.6
Levick 2-State No. 1-G	2-8S-33E	8-66	459,375	80,417	17.5	5.6
Argo						
State BF No. 1-A	3-8S-33E	4-66	341,859	97,415	28.5	3.4
State BF No. 4-H	3-8S-33E	7-66	715,768	83,185	11.6	3.9
Sum						
N.M. Az. St. No. 15-P	34-7S-33E	12-65	256,395	50,591	19.7	SI 3-78
State Tr. C No. 1-B	2-8S-33E	6-66	544,838	80,015	14.7	4.4
Marathon						
State 35 No. 2-M	35-7S-33E	3-66	341,859	39,511	11.6	2.0
Braden-Deen						
State De No. 1-N	35-7S-33E	4-66	438,007	54,418	12.4	1.6
Getty						
Hobbs T. Bty. 2 # 18-0	35-7S-33E	5-66	373,909	97,287	26.0	2.4

EXHIBIT NO. 2

SUN N.M. AZ ST. ● 15	MARATHON STATE 35 ● 2	BRADEN-DEEN STATE DE ● 1	GETTY HOBBS T. BTY 2 ● 18		T 7 S
ARCO STATE BF ● 1	KERR-McGEE STATE F ● 1 ● 2 14		SUN STATE TR. C. ● 1		
● 2	● 3	● 4	CHAMPLIN LEVICK 2- STATE ● 1		T 8 S
CHAMPLIN STATE 3 ● 1	● 5	● 6	● 7	● 8	
	● 11	● 10	● 12	● 13	

R 33 E

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

~~KERR-McGEE~~ EXHIBIT NO. 1
CASE NO. 6913



KERR-McGEE CORPORATION

STATE F LEASE
CHAVEROO (SAN ANDRES) FIELD
CHAVES COUNTY NEW MEXICO

Scale: 4"=1 mile

By: D.C.

MAY 28, 1980

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

KERR-McGEE EXHIBIT NO. 2

CASE NO. 6913

CHAVEROO (SAN ANDRES) FIELD

Well Data Sheet

Operator/Well Name	Location Sec-Twp-Rge	Completion Date	Original Oil in Place (BO)	Cum. Prod. To 2-1-80 (BO)	Percent Recovery	Current Production (BOPD)
Kerr-McGee						
State F No. 1-D	2-8S-33E	6-66	363,230	65,133	17.9	2.2
State F No. 2-C	2-8S-33E	6-66	640,990	61,581	9.6	5.2
State F No. 3-E	2-8S-33E	7-66	213,665	75,741	35.4	3.8
State F No. 4-F	2-8S-33E	7-66	619,625	105,321	17.0	4.3
State F No. 5-L	2-8S-33E	9-66	359,276	154,547	39.1	14.0
State F No. 6-K	2-8S-33E	8-66	534,157	122,016	22.8	2.1
State F No. 7-J	2-8S-33E	9-66	694,404	78,578	11.3	5.0
State F No. 8-I	2-8S-33E	9-66	395,276	81,377	20.6	6.6
State F No. 10-N	2-8S-33E	10-66	363,227	89,320	24.6	4.9
State F No. 11-M	2-8S-33E	10-66	384,593	75,894	19.7	6.4
State F No. 12-O	2-8S-33E	10-66	470,058	72,554	15.4	5.0
State F No. 13-P	2-8S-33E	11-66	640,988	54,241	8.5	2.9
Champlin						
State 3 No. 1-I	3-8S-33E	4-67	416,642	148,801	35.7	13.6
Levick 2-State No. 1-G	2-8S-33E	8-66	459,375	80,417	17.5	5.6
Arco						
State BF No. 1-A	3-8S-33E	4-66	341,859	97,415	28.5	3.4
State BF No. 4-H	3-8S-33E	7-66	715,768	83,185	11.6	3.9
Sun						
N.M. Az. St. No. 15-P	34-7S-33E	12-65	256,395	50,591	19.7	SI 3-78 4.4
State Tr. C No. 1-B	2-8S-33E	6-66	544,838	80,015	14.7	
Marathon						
State 35 No. 2-M	35-7S-33E	3-66	341,859	39,511	11.6	2.0
Braden-Deen						
State De No. 1-N	35-7S-33E	4-66	438,007	54,418	12.4	1.6
Getty						
Hobbs T. Bty. 2 # 18-0	35-7S-33E	5-66	373,909	97,287	26.0	2.4

EXHIBIT NO. 2

Docket No. 17-80

Dockets Nos. 19-80 and 20-80 are tentatively set for June 25 and July 9, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - THURSDAY - JUNE 5, 1980

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

CASE 6927: Application of Doyle Hartman 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 Pennsylvanian formation underlying the S/2 of Section 24, Township 17 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and West lines of said Section 24. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6928: Application of ARCO Oil and Gas Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 24, Township 17 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

Docket No. 16-80

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 4, 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 6803: (Continued from April 23, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit EPROC Associates, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why its Monsanto State H Well No. 1 located in Unit E of Section 2, Township 30 North, Range 16 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6906: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its South Mattix Unit Well No. 39 located in Unit C of Section 15, Township 24 South, Range 37 East, to produce oil from the Fowler-Upper Yeso and Fowler-Drinkard Pools thru parallel strings of tubing.

CASE 6907: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Myers B Federal Well No. 28 located in Unit M of Section 9, Township 24 South, Range 37 East, to produce gas from the Jalmat and Langlie Mattix Pools thru parallel strings of tubing.

CASE 6908: Application of Estoril Producing 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 Curry State Well No. 1, a Pennsylvanian test to be drilled 660 feet from the North and East lines of Section 22, Township 23 South, Range 34 East, Antelope Ridge Field, the N/2 of said Section 22 to be dedicated to the well.

CASE 6909: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Largo-Gallup production in the wellbore of its Rincon Unit Well No. 164 located in Unit L of Section 2, Township 26 North, Range 7 West.

CASE 6886: (Continued from May 21, 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 6910: Application of Grace Petroleum Corporation for four compulsory poolings, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying four 40-acre proration units, being the SE/4 NE/4, the SE/4 NW/4, and the NW/4 NW/4 of Section 28, and the SW/4 SE/4 of Section 29, all in Township 24 North, Range 7 West, each 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, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 6911: Application of Grace Petroleum Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying the NE/4 NW/4 of Section 11, Township 23 North, Range 7 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6912: Application of Southland Royalty Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State "14" Comm. Well No. 1 located in Unit E of Section 14, Township 19 South, Range 29 East, Turkey Track Field, to produce gas from the Morrow and Atoka formations thru tubing and the casing-tubing annulus, respectively

CASE 6913: Application of Kerr-McGee Corporation for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State F Well No. 14 to be drilled 1310 feet from the North line and 1330 feet from the West line of Section 2, Township 8 South, Range 33 East, Chaveroo-San Andres Pool.

CASE 6914: Application of Wilson Oil Company for a non-standard proration unit and unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the S/2 of Section 29, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, to be dedicated to its State JD Well No. 1 at an unorthodox location 1650 feet from the South line and 1980 feet from the West line of said Section 29.

CASE 6915: Application of Jake L. Hamon for a non-standard gas proration unit and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the S/2 of Section 8, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1980 feet from the West line of said Section 8.

CASE 6916: Application of Petro-Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinety production in the wellbore of its State DC Well No. 1, a quadruple completion located in Unit F of Section 19, Township 21 South, Range 37 East.

CASE 6917: Application of Yates Petroleum Corporation for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Goat Roper "LP" Com. Well No. 1 located in Unit P of Section 30, Township 17 South, Range 26 East.

CASE 6918: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Upper Penn and Morrow gas production in the wellbore of its Kennedy "JQ" Com. Well No. 1 located in Unit H of Section 33, Township 17 South, Range 26 East, Kennedy Farms Field.

CASE 6919: Application of Yates Petroleum Corporation for downhole commingling or consolidation of two pools, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wolfcamp and Penn gas production in the wellbore of its Anderson State "CS" Com. Well No. 1-Y located in Unit G of Section 14, and its Fordinkus State "HZ" Com. Well No. 1 located in Unit G of Section 22, both in Township 18 South, Range 24 East, or, in the alternative, the consolidation of the Fordinkus-Cisco Gas Pool and the Penasco Draw Permo-Penn Gas Pool into one Permo-Penn gas pool to include the above-described wells.

CASE 6920: Application of Yates Petroleum Corporation for a dual completion and unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its 5 Mile Draw Federal Well No. 1 to produce from the Pennsylvanian and Abo formations thru the tubing and casing-tubing annulus, respectively; applicant also seeks approval for the unorthodox location of said well in the Abo formation 800 feet from the South line and 2100 feet from the East line of Section 34, Township 6 South, Range 25 East, the SE/4 of the section to be dedicated to the well.

CASE 6903: (Continued from May 21, 1980, Examiner Hearing)

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 660 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: (Continued from May 21, 1980, Examiner Hearing)

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 6921: 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-Mississippian formations underlying the S/2 of Section 33, Township 13 South, Range 36 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and East lines of Section 33. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6922: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the E/2 of Section 24, Township 18 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6923: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Cayton-Austin Unit Area, comprising 960 acres, more or less, of State and fee lands in Township 14 South, Range 36 East.

CASE 6924: Application of Caribou Four Corners, Inc. for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of two wells to be drilled, the first being 860 feet from the North line and 2090 feet from the West line, and the second being 910 feet from the North line and 395 feet from the West line, both in Section 13, Township 29 North, Range 15 West, Cha Cha-Gallup Oil Pool, the E/2 and the W/2, respectively, of the NW/4 of said Section 13 to be dedicated to the wells.

CASE 6925: Application of Caribou Four Corners, Inc. for two exceptions to Rule 306, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 306 of the Division Rules and Regulations to permit the permanent flaring of gas from its Kirtland Wells Nos. 1 and 2, located in Units A and B, respectively, of Section 13, Township 29 North, Range 15 West.

CASE 6889: (Readvertised)

Application of Belco Petroleum Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 1980 feet from the North line and 920 feet from the West line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom it at an unorthodox location within 660 feet of a point 1320 feet from the North line and 2640 feet from the West line of said Section 36 in the Morrow formation, the N/2 of said Section 36 to be dedicated to the well.

CASE 6896: (Continued from May 21, 1980, Examiner Hearing)

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 Mesaverte 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 6926: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting vertical limits, and extending horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) **CREATE** a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Arkansas Junction-Pennsylvanian Pool. The discovery well is Rex Alcorn Bobbi Well No. 1Y located in Unit J of Section 20, Township 18 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM
Section 20: SE/4

(b) **CREATE** a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Avalon-Delaware Pool. The discovery well is MWJ Producing Company State GW Well No. 1 located in Unit K of Section 36, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 36: SW/4

(c) **CREATE** a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the East Burton-Delaware Pool. The discovery well is J. C. Williamson TOG Federal Well No. 1 located in Unit F of Section 16, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 16: NW/4

(d) **CREATE** a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Dog Canyon-Strawn Gas Pool. The discovery well is Harvey E. Yates Company Gates Federal Deep Well No. 1 located in Unit P of Section 6, Township 17 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 6: S/2

(e) **CREATE** a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Double L-San Andres Pool. The discovery well is McClellan Oil Corporation Mark Federal Well No. 1 located in Unit I of Section 30, Township 15 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 30: SE/4

(f) **CREATE** a new pool in Eddy County, New Mexico, classified as a gas pool for Grayburg production and designated as the Empire-Grayburg Gas Pool. The discovery well is Carl A. Schellinger West Federal Well No. 1 located in Unit G of Section 14, Township 17 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 14: NE/4

(g) **CREATE** a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Hume-Morrow Gas Pool. The discovery well is Bass Enterprises Production Company Bass 36 State Well No. 1 located in Unit E of Section 36, Township 15 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 36: W/2

(h) **CREATE** a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Lusk-Atoka Gas Pool. The discovery well is Phillips Petroleum Company Lusk Deep Unit A Com Well No. 13 located in Unit K of Section 18, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 18: S/2

(i) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Milepost-Morrow Gas Pool. The discovery well is Exxon Corporation Scheidt Federal Well No. 1 located in Unit L of Section 30, Township 26 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 25 EAST, NMPM

Section 36: N/2 N/2 and Lots 1, 2,
3, and 4

TOWNSHIP 26 SOUTH, RANGE 26 EAST, NMPM

Section 30: S/2
Section 31: N/2 NW/4 and Lots 3 and 4

(j) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Turkey Track-Atoka Gas Pool. The discovery well is Tenneco Oil Company State HL 11 Well No. 1 located in Unit N of Section 11, Township 19 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 10: E/2
Section 11: S/2

(k) CONTRACT the vertical limits of the East Grama Ridge-Bone Springs Pool to the interval from 10,472 feet to 10,900 feet as found on the type log for the Getty Oil Company State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, NMPM, and redesignate said pool as the East Grama Ridge-Lower Bone Springs Pool.

(l) EXTEND the Airstrip-Upper Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 25: W/2 SW/4
Section 26: SE/4

(m) EXTEND the Atoka-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM

Section 33: NW/4 and N/2 S/2

(n) EXTEND the Brunson-Fusselman Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 8: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 9: NW/4

(p) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 13: W/2
Section 14: E/2

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

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM

Section 34: S/2

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM

Section 2: Lots 1 through 8

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

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM

Section 34: NE/4

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM

Section 3: SW/4

- (s) EXTEND the Cinta Roja-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM
Section 4: All

- (t) EXTEND the South Corbin-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 29: N/2
Section 30: N/2

- (u) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 28: W/2

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

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 8: S/2

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 17: All

- (x) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 12: W/2

- (y) EXTEND the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 10: W/2

- (z) EXTEND the Henshaw Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 11: SW/4 SW/4
Section 14: S/2 and W/2 NW/4
Section 15: E/2 SE/4

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 4: SE/4

- (bb) EXTEND the Indian Flats-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 2: N/2 NE/4

- (cc) EXTEND the South Kennitz Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 29: W/2

- (dd) EXTEND the Logan Draw-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 19: N/2 NE/4 and SE/4 NE/4

- (ee) EXTEND the Middle Lynch Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 21: E/2 SW/4

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

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 31: SW/4

(gg) EXTEND the East Red Lake Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 25: S/2 S/2
Section 26: S/2 SE/4 and SE/4 SW/4
Section 36: N/2 NW/4

(hh) EXTEND the North Shugart-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 17: S/2

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

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 25: SE/4

(jj) EXTEND the Turkey Track Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 9: E/2 NE/4

(kk) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 17: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 3: All

(mm) EXTEND the Winchester-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 30: W/2

Docket No. 18-80

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 19, 1980

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

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

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

CAMFBELL AND BLACK, P.A.

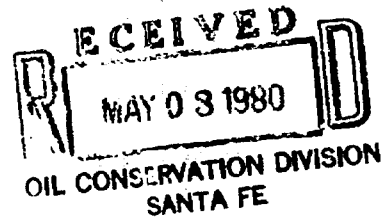
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 988-4421

May 8, 1980

Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of Energy & Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501



Case 6913

Re: Application of Kerr-McGee Corporation for
an Unorthodox Well Location and Simultaneous
Dedication, Chaves County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Kerr-McGee Corporation in the above-referenced matter.

The applicant requests that this matter be included on the docket for the examiner hearing scheduled to be held on June 4, 1980.

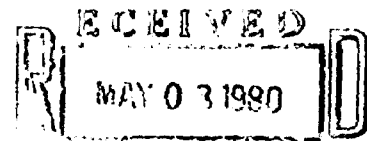
Very truly yours,

William F. Carr

WFC:lr

Enclosure

cc: Mr. David Christian



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

OIL CONSERVATION DIVISION
SANTA FE

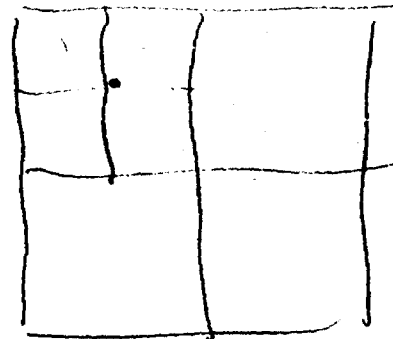
IN THE MATTER OF THE APPLICATION
OF KERR-McGEE CORPORATION FOR AN
UNORTHODOX WELL LOCATION AND
SIMULTANEOUS DEDICATION, CHAVES
COUNTY, NEW MEXICO.

Case No. 6913

APPLICATION

Comes now, KERR-McGEE CORPORATION, by its undersigned attorneys, and hereby makes application to the Oil Conservation Division for an unorthodox well location and simultaneous dedication and in support thereof, respectfully states:

1. Applicant is the operator of the San Andres formation underlying the NE/4 NW/4 of Section 2, Township 8 South, Range 33 East, N.M.P.M., Chaves County, New Mexico, which is dedicated to its State F No. 2 Well.
2. Applicant proposes to drill its State F No. 14 Well at an unorthodox location 1,310 feet from the North line and 1,330 feet from the West line of said Section 2.
3. Applicant seeks an exception to the well location requirements of Oil Conservation Division Rule 104 B, I (a) for said State F No. 14 Well.
4. A standard 40 acre oil proration unit comprising the NE/4 NW/4 of said Section 2 should be simultaneously dedicated to said Kerr-McGee Corporation State F Wells No. 2 and No. 14.

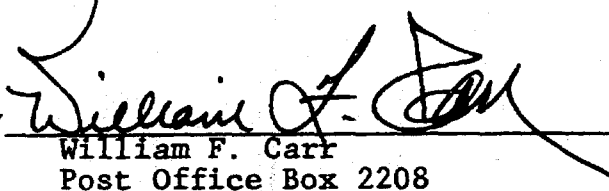


5. That approval of this application will afford applicant the opportunity to produce its just and equitable share of gas from the Chavaroo Field, San Andres Formation and will protect correlative rights.

WHEREFORE, Kerr-McGee Corporation requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division, that notice be given as required by law and the rules of the Division, that the Division enter its order granting the applicant permission to drill its State F No. 14 Well at an unorthodox location 1,310 feet from the North line and 1,330 feet from the West line of said Section 2 and that the NE/4 NW/4 of said Section 2 be simultaneously dedicated to the Kerr-McGee Corporation State F Wells No. 2 and No. 14.

Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By



William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

RECEIVED
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D
BEFORE THE
OIL CONSERVATION DIVISION
SANTA FE
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF KERR-McGEE CORPORATION FOR AN
UNORTHODOX WELL LOCATION AND
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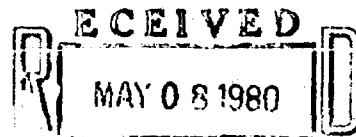
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Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By _____
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant



BEFORE THE
OIL CONSERVATION DIVISION SANTA FE

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF KERR-McGEE CORPORATION FOR AN
UNORTHODOX WELL LOCATION AND
SIMULTANEOUS DEDICATION, CHAVES
COUNTY, NEW MEXICO.

Case No. 6913

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Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By _____
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

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. 6913

ORDER NO. R- 6379

APPLICATION OF KERR-McGEE CORPORATION

FOR AN UNORTHODOX ~~GAS~~ ^{XXX} WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 4, 19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of June, 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, Kerr-McGee Corporation, for its State F Well No. 14 to be drilled seeks approval of an unorthodox ~~gas~~ well location / 1310

feet from the North line and 1330 feet from the West line of Section 2, Township 8 South

Range 33 East, NMPM, to test the San Andres formation, Chaveroo-San Andres Pool, Chaves County, New Mexico.

(3) That the NE/4 NW/4 of said Section 2 is to be dedicated to the well.

(5) That a well at said unorthodox location ^{may} will better enable applicant to produce the gas underlying the proration unit.

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

(4) That the operator desires to drill a well at the proposed location to evaluate the efficiency of the 40-acre pattern under which the San Andres pool was developed.

-2-

Case No. _____

Order No. R- _____

(9) 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 San Andres the Kerr-McGee Corporation State F Well No. 14 formation is hereby approved for ~~well~~ to be located at a point 1310 feet from the North line and 1330 feet from the West line of Section 2, Township 8 South, Range 33 East NMPM, Chaveroo-San Andres Pool, Chaves County, New Mexico.

(2) That the NE 1/4 of said Section _____ 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.