CASE 6924: CARIBOU FOUR CORNERS, INC. FOR TWO UNORTHODOX OIL WELL LOCATIONS, MAN JUAN COUNTY, NEW MEXICO

Case 110.

Application
Transcripts

Small Exhibits

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ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501

June 20, 1980

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| • | Re: | CASE NO. | 6924 | |
| Mr. Damon Weems, Attorney | ve: | ORDER NO. | | |
| Caribou Four Corners, Inc. | | | | |
| 2901 East 20th Street Farmington, New Mexico 87401 | | Applicant | plicant: | |
| | | Caribou F | our Corners | Inc. |
| Dear Sir: | | | | |
| Enclosed herewith are two co Division order recently ente | | | | đ |
| Pours very truly, | | | and the second | n sa ankyt |
| JOE D. RAMEY Director | | | | |
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| JDR/fd | | | | |
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| Copy of order also sent to: | | | | |
| Hobbs OCD x | | | | |
| Artesia OCD x | | | | |

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. 6924 Order No. R-6387

APPLICATION OF CARIBOU FOUR CORNERS, INC. FOR TWO UMORTHODOX OIL WELL LOCATIONS, SAN JUAN 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. Nutter.

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:

PINDS:

- (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, Caribou Four Corners, Inc., seeks approval for two unorthodox oil well locations, the first being \$60 feet from the Morth line and 2090 feet from the West line, and the second being 910 feet from the Morth line and 395 feet from the West line, both in Section 13, Township 29 Worth, Range 15 West, MMPM, to test the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico.
- (3) That the E/2 and the W/2, respectively, of the WW/4 of said Section 13 are to be dedicated to said wells.
- (4) That the drilling of the subject wells at said unorthodox locations will enable the applicant to minimise surface damages to cultivated fields.
- (5) That no offset operator objected to the proposed un-

-2-Case No. 6924 Order No. R-6387

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil 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 the application of Caribou Four Corners, Inc.
 for two unorthodox dil well locations for the Gallup formation
 is hereby approved, the first such location 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 of Section 13, Township 29 North, Range 15 West,
 MMTM, Cha Cha-Gallup Oil Fool, San Juan County, New Mexico.
- (2) That the E/2 and the W/2, respectively, of the HW/4 of said Section 13 shall be dedicated to the above-described wells.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

> STATE OF NEW MEXICO OIL CONSERVATION DIVISION

JOE D. MANEY Director

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SEAT

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

STATE OF NEW MEXICO

IN THE MATTER OF:

Application of Caribou Four Corners, Inc., for two unorthodox oil well locations, San Juan County, New Mexico.)

CASE 6924

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

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

For the Applicant:

Damon Weems, Esq. 2901 East 20th Street Farmington, New Mexico 87401

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EXHIBITS

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MR. NUTTER: Call next Case Number 6924.

MR. PADILLA: Application of Caribou

Four Corners, Inc., for two unorthodox oil well locations,
Sa: Juan County, New Mexico.

MR. WEEMS: Mr. Examiner, I'm Damon Weems, attorney from Farmington, New Mexico, on behalf of the applicant, Caribou Four Corners, Incorporated.

In the first case I will have one witness.

MR. NUTTER: We will make notation at this point that Case Number 6924, which you're referring to as the first case, had a fatal error in the legal notice in the Santa Fe New Mexican, and will have to be re-advertised, so if you wish to present your testimony at this time, Mr. Weems, you may, and we will have to re-advertise it. The earliest we can schedule it for hearing would be June 25th, so we'll have to withhold entry of any order until after the case has been re-opened on June 25th.

MR. WEEMS: Yes, Mr. Examiner. It was my understanding before we begin the hearing, however, that the fatal error was in Case 6925, and that proper notification was published in Case 6924.

please?

May I have a clarification of that,

MR. NUTTER: Well, I've got 24 marked here. I'd better go check the newspaper, then.

(Thereupon a brief recess was taken.)

MR. NUTTER: Okay, you're right, Mr. Weems. Case Number 6925 is the case with a fatal error in the notice, so we're okay on 6924.

MR. WEEMS: Mr. Examiner, my one witness will be Mr. Denny Foust. May he be sworn, please?

(Witness sworn.)

DENNY FOUST

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

DIRECT EXAMINATION

BY MR. WEEMS:

- Q. For the record, please state your name.
- A. Denny Foust.
- Q By whom are you employed?
- A Caribou Four Corners, Inc.

O. Is that the applicant in this matter?

A. Yes, sir.

Q. Have you previously testified in front of the Division and had your credentials as an expert accepted?

A Yes, sir.

Q. Are you familiar with the application that we are dealing with here today?

A Yes, sir.

MR. WEEMS: Mr. Examiner, I tender Mr.

Foust as an expert.

MR. NUTTER: He is qualified. How do you spell your name, please?

F-0-U-S-T.

MR NUTTER: Thank you.

Of the application for the two unorthodox well locations?

A. Okay. This is for two wells proposed to be located in the northwest quarter of Section 13, Township 29, Range 15 West.

Exhibit One shows the proposed Caribou Kirtland No. 6 location, which is located in the east half of the northwest quarter. This location, the proposed location, is 2090 feet from the west line, 860 feet from the

north line. The spacing unit consists of 56.09 acres of fee acreage and 23.91 acres of Navajo Tribal acreage. The fee acreage is under lease to Caribou. The Navajo Tribal acreage is on a farmout to Caribou from Continental Oil Company, and the communitization on this acreage has been in the hands of the BIA since April 17th, 1980.

This proposed location will allow Caribou to locate a well on the edge of an irrigated alfalfa field rather than out in the -- towards the center of the field, and the location is easily reached by an existing farm road.

MR. NUTTER: What would be a standard location, Mr. Foust?

A. Okay, for this particular well a standard location would be 810 feet from the north line and 2090 would correspond to --

MR. NUTTER: What's the rule, 150 feet of the center of the -- center point?

A. Yes, sir.

MR. NUTTER: Okay.

A. This is a portion of the -- or extension of the Cha-Cha Unit, which those rules apply.

Mr. Foust, would you please explain Exhibit Two?

A Okay. Exhibit Two shows the proposed Caribou-Kirtland No. 7 location, located in the west half

of the northwest quarter of Section 13, 29 North, 15 West. This is 395 feet from the west line and 910 feet from the north line. It consists of 66,33 fee acres under lease to Caribou, and 13.67 Navajo Tribal acres under a farmout to Caribou from Continental Oil Company.

This, a legal location in this spot would be 510 from the west line and 810 from the north line.

This proposed location would allow Caribou to locate a well on a non-farmable, very rocky, area, and it would be fairly easily accessible by existing farm roads without disturbing agricultural lands to a great extent.

In your opinion will the granting of this application for the two unorthodox well locations be in the interest of conservation, the prevention of waste, and protection of correlative rights?

- I believe so.
- Q Did you prepare Exhibits One and Two?
- A. People who were under my supervision prepared Exhibits One and Two.

MR. WEEMS: Mr. Examiner, I move the admission of Exhibits One and Two, and I have no further questions of the witness.

MR. NUTTER: And the purpose, Mr. Foust,

for both these exhibits is for the preservation of certain cultural features and crops on the land?

A. It's primarily, or it's entirely for preservation of agricultural lands that are currently under cultivation.

Q You're not gaining any geological --

A. No, sir.

Q -- benefit --

A. No, sir,

Q -- or anything like that?

A No, sir.

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

Do you have anything further in this

case, Mr. Weems?

MR. WEEMS: No, Mr. Examiner.

MR. NUTTER: Now offer your exhibits.

MR. WEEMS: Yes, I hope that I moved for

the admission of them already.

MR. NUTTER: I don't know if you did.

If you didn't, Exhibits One and Two are admitted.

MR. WEEMS: Thank you.

MR. NUTTER: Does anyone have anything

they wish to offer in Case Number 6924?

We'll take the case under advisement.

CERTIFICATE

I, SALLY W. BOYD, C.S.R, DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript
tion by me to the best of my ability.

Souly W. Boyd CSE.

do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of case to. 924. heard by meton 1980.

Oli Conservation Division

ALLY W. BOYD, C. Rt. 1 Box 193-B Santa Fe, New Mexico 873 Phone (505) 455-7409

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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 Caribou Four Corners, Inc., for two unorthodox oil well locations, San Juan County, New Mexico.) CASE 6924

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

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

For the Applicant:

Damon Weems, Esq. 2901 East 20th Street Farmington, New Mexico 87401

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DENNY FOUST

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| Apolicant | Exhibit | Two, | Plat | | 6 |

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MR. PADILLA: Application of Caribou
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- a By whom are you employed?
- A Caribou Four Corners, Inc.

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A. Yos, sir.

Have you previously testified in front of the Division and had your credentials as an expert accepted?

A Yes, sir.

Are you familiar with the application that we are dealing with here today?

A. Yes, sir.

MR. WEEMS: Mr. Examiner, I tender Mr.

Foust as an expert.

MR. NUTTER: He is qualified. Now do you spell your name, please?

F-O-U-S-T.

MR NUTTER: Thank you.

Would you briefly explain the purpose of the application for the two unorthodox well locations?

A Okay. This is for two wells proposed to be located in the northwest quarter of Section 13, Town-ship 29, Range 15 West.

Exhibit One shows the proposed Caribou Eirtland No. 6 location, which is located in the east half of the northwest quarter. This location, the proposed location, is 2090 feet from the west line, 860 feet from the

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MR. WEEMS: Yes, I hope that I moved for

the admission of them already.

MR. NUTTER: I don't know if you did.

If you didn't, Exhibits One and Two are admitted.

MR. WEEMS: Thank you.

MR. NUTTER: Does anyone have anything

they wish to offer in Case Number 6924?

We'll take the case under advisement.

SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Sante Fe, New Mexico 67501 Draw, Account 2000

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CERTIFICATE

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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case to. 6924 heard by me on 6/4 19.80.

Conservation Division

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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)

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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 G 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.

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 Royelty 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 Atoks 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-Sau 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 provation 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 provation 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 Blinebry production in the wellbore of its State DC Well No. 1, a quadruple completion located in Unit P 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 Cos 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 WolfcampMississippian 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 Marvey E. Vates 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.
- 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 grs 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 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.

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Docket No. 16-80

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

(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

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, NHPM 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, Said pool would comprise:

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

(h) CREATE a new pool in Les County, New Mexico, classified as a gas pool for Atoka production and designated as the Lusk-Atoka Cas 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, NAPM. 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 Cas 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.

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.
- (1) 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

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, HMPM 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, NMCM 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

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

TOWNSHIP 24 SOUTH, RANGE 35 EAST, IMPM

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NHPH 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: 5/2

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NAPH 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, NMPH Section 12: W/2

(y) EXTERD the Hat Mess-Morrow Gas Pool in Les County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NNPM 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

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM

Section 4: SE/4

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

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

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

TOWNSRIP 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, NMPH Section 21: E/2 SW/4

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(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, NHPM 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

(11) 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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NHPM 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.

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

APPLICATION OF CARIBOU FOUR CORNERS, INC., for an UNORTHODOX WELL LOCATION in the E/2 of the NW/4 of SECTION 13, TOWNSHIP 29 NORTH, RANGE 15 WEST, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

Case No. 6924

APPLICATION FOR UNORTHODOX WELL LOCATION

Applicant, Caribou Four Corners, Inc., by and through its attorney, Damon L. Weems, respectfully applies to the Division for an unorthodox well location Eight Hundred Sixty feet (860') FNL and Two Thousand Ninety feet (2090') FWL of Section 13, Township 29 North, Range 15 West, San Juan County, New Mexico, stating as grounds therefore that demographic and topographic reasons require such unorthodox well location and that the granting of such location would be in the interest of conservation, the prevention of waste and the protection of correlative rights.

Damon L. Weems

Attorney for Caribou Four Corners, Inc.

2901 East 20th Street

Farmington, New Mexico 87401

327-4469

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

APPLICATION OF CARIBOU FOUR CORNERS, INC., for an UNORTHODOX WELL LOCATION in the W/2 of the NW/4 of SECTION 13, TOWNSHIP 29 NORTH, RANGE 15 WEST, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

Case No. 6924

APPLICATION FOR UNORTHODOX WELL LOCATION

Applicant, Caribou Four Corners, Inc., by and through its attorney, Damon L. Weems, respectfully applies to the Division for an unorthodox well location Nine Hundred Ten feet (910') FNL and Three Hundred Ninety-five feet (395') FWL of Section 13, Township 29 North, Range 15 West, San Juan County, New Mexico, stating as grounds therefore that demographic and topographic reasons require such unorothodox well location and that the granting of such location would be in the interest of conservation, the prevention of waste and the protection of correlative rights.

Damon L. Weems

Attorney for Caribou Four Corners, Inc.

2901 East 20th Street

Farmington, New Mexico 87401

327-4469

Memo

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ADMINISTRATIVE SECRETARY
To Called in by Damon Weems

Caribon Four Corners, Inc. Unorthodox Well Location

860/N + 2090/W Section 13, T29N, R15W San Juan County

E/2 NW/4

OIL CONSERVATION COMMISSION-SANTA FE

Memo

From

FLORENE DAVIDSON
ADMINISTRATIVE SECRETARY

To Called in by Damon Weems 5/14/80

Caribron Four Corners, Inc.
Unorthodox Well Location
910/10 + 395/W
Section 13, 729N, R 15 W
San Juan County
W/2 NW/4

OIL CONSERVATION COMMISSION-SANTA FE

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. 6924

ORDER NO. R- (38)

APPLICATION OF CARIBOU FOUR CORNERS, INC. FOR AN UNORTHODOX GAS WELL LOCATIONS, SAN JUAN

ORDER OF THE DIVISION

COUNTY, NEW MEXICO.

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 , 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.
- That the applicant, Caribou Four Corners, Inc. for two seeks approval makan imorthodox gas well locations, the first being 860 feet from the North line and 2090 feet from the West line, and the line and 395 feet from the second being feet from the North both in

line, of Section 13 ____, Township 29 North West

Range 15 West , NMPM, to test the

formation, Cha Cha-Gallup Oil Pool, San Juan

County, New Mexico.

and the W/2, respectively, of the NW/4(3) That the E/2 / of said Section 13 au to be

dedicated to the

at said unorthodox location will

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

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|-----------|--------------|
| Case No. | 1 |
| Order No. | R- |

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

(1) That we unorthodox was well locations for the the first being 860 feet from the North line and formation. Thereby approved for 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 of Section 13 , Township 29 North , Range 15 West

NMPM, Cha Cha-Gallup 0il Pool, San Juan County,

New Mexico.

- the W/2, respectively, of the NW/4 (2) That the E/2 and of said Section 13 shall be dedicated to the above-described wells.
- (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.