

**CASE 4481: Application of DELAWARE
APACHE CORP. FOR A NON-STANDARD
PRORATION UNIT, ROOSEVELT COUNTY.**

Case. Number.

4481

Application,
Transcripts.

Sm all Exhibts.

ETC.

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-4491 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 6, 1971

EXAMINER HEARING

IN THE MATTER OF:

----->
Application of Delaware-Apache Corporation)
for a non-standard proration unit, Roosevelt)
County, New Mexico. Applicant, in the above-)+ Cause
styled cause, seeks approval for an 80-acre)No.4481
non-standard oil proration unit comprising)
the southwest quarter, northeast quarter and)
the northwest quarter, southeast quarter of)
Section 20, Township 8 south, Range 38 east,)
Bluitt-San Andres Associated Pool, Roosevelt)
County, New Mexico, to be dedicated to a well)
to be drilled at a standard location in the)
southwest quarter northeast quarter of said)
Section 20.)
----->

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

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 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

I N D E XPAGEA.W. MANUGH

Direct Examination by Mr. Hinkle

3

Cross Examination by Mr. Nutter

8

E X H I B I T SMarkedOffered and
Admitted

Applicant's Exhibits Nos.
 3A, 3B, 3C, 3D-1 & 3D-2

3

Applicant's Exhibits Nos.
 1, 2 and 3

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8

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1 MR. HATCH: This is the Application of the Delaware-
 2 Apache Corporation for a non-standard proration unit, Roose-
 3 velt County, New Mexico.

4 (Whereupon, Applicant's Exhibits Nos. 3-A, 3-B,
 5 3-C, 3-D,1 and 3-D,2 are marked for identification.)

6 MR. HINKLE: I am Clarence Hinkle, of Hinkle,
 7 Bondurant, Cox and Eaton, appearing on behalf of the
 8 Delaware-Apache Corporation.

9 A. W. MANUGH

10 called as a witness, having been first duly sworn, was
 11 examined and testified as follows:

12 DIRECT EXAMINATION

13 BY MR. HINKLE:

14 Q State your name and residence, and by whom
 15 you are employed?

16 A A. W. Manaugh, Midland, Texas, and I am employed
 17 by the Delaware-Apache Corporation.

18 Q What is your position with the Delaware-Apache
 19 Corporation?

20 A A landman.

21 Q Have you previously testified before the Oil
 22 Conservation Commission?

23 A No, I have not.

24 Q Are you appearing just simply as a landman for
 25 the Corporation?

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1 A Right.

2 Q Are you familiar with the application of the
 3 Delaware-Apache Corporation in this case?

4 A Yes, sir.

5 Q What is the Delaware-Apache Corporation seeking
 6 to accomplish ?

7 A It is seeking approval of a 80-acre non-standard
 8 oil proration unit, which comprises the northeast and north-
 9 west and southeast of Section 20, and an anticline 38 east
 10 in Roosevelt County, New Mexico.

11 Q Have you prepared or has there been prepared under
 12 your direction certain exhibits which are for introduction
 13 in this case?

14 A Yes, sir.

15 Q Would you refer to Exhibit No. 1, and explain to
 16 the Commissioner what this is and what it shows?

17 A This is a plat map showing a nearby well that has
 18 been drilled or is in the process of being drilled, and to-
 19 gether with the offsetting lease holder ownership.

20 Q It shows an outline of the proposed unit?

21 A Yes, sir.

22 Q Would you describe the proposed unit there?

23 A The proposed 80-acre unit is in the southwest
 24 of the northwest quarter, and the northwest quarter of
 25 the southeast quarter of Section 20, Township 8 South,

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1 Range 38 East.

2 Q Pool rules for this pool call for an 80-acre
 3 proration?

4 A Yes, sir.

5 Q What is the status of your well at the present
 6 time?

7 A It has been drilled on a total depth and a produc-
 8 tion casing has been run.

9 Q You haven't done production tests on it at the
 10 present time?

11 A No, sir, it has not been perforated or treated
 12 yet.

13 Q Why is this well located where it is?

14 A At the time, due to the offsetting control, it
 15 appeared to be the best location possible.

16 Q Although you know, of course, that Union has a
 17 well to the north of it?

18 A No, sir, this well was being drilled simultaneously.

19 Q Has the Union Well been completed?

20 A It has been perforating, and reduction tests are
 21 underway, but I don't have any report on it.

22 Q This Exhibit No. 1 also shows ownership of acreage
 23 in the immediate area, doesn't it?

24 A Yes, sir.

25 Q How much acreage does Apache own there?

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1 A In addition to owning one hundred per cent of the
 2 working interest in the property, we own the balance of the
 3 southeast corner of Section 20 and all of the north section
 4 of Section 21.

5 Q Have you obtained waivers from any of the offset
 6 owners?

7 A We have written waivers which we would like to
 8 introduce as exhibits.

9 Q Now, refer to Exhibit No. 2, and explain what
 10 it shows?

11 A This is a geological plat contoured to the top,
 12 and the pie marker is the accepted marker in this area,
 13 and it indicates the tops on the pie markers in all of
 14 these nearby wells.

15 Q Do you have any control for the contours towards
 16 the southeast here?

17 A Yes, sir, not to the southwest corner of Section
 18 29; there is one on the top and there are additional wells
 19 to the south and to the east, lying in the State of Texas.

20 Q What is the present status of your well?

21 A As I said, it has been drilled to the total depth
 22 of approximately 4,850 feet; a production casing has been
 23 run, and the weather has hampered our operations somewhat.

24 Q Now, you stated a while ago that you had waivers
 25 from the offset owners. Would you refer to Exhibit No.3,

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1 and explain those?

2 A As noted on either Exhibit No. 1 or 2, the offset-
 3 ting lease holders are identified as being the Tenneco
 4 Company, and the Union Oil Company of California, and the
 5 J. P. Jennings, and John Cook.

6 Q Now, in Exhibit No. 3, are the waivers from all
 7 of the offset owners?

8 A Yes, sir.

9 Q And they are waiving any objection to the form-
 10 ation of this unit?

11 A Yes, sir.

12 Q Are there any non-standard units caused by
 13 the formation of this unit?

14 A The Union Oil Company of California has re-
 15 cently obtained approval for a 9-unit comprised of the
 16 northwest quarter of the northeast quarter of Section 20,
 17 and the southwest quarter of the southeast quarter, Section
 18 17.

19 Q That crosses Section 9?

20 A Yes, sir.

21 Q Of course, you have taken electrical logs in
 22 completion of your well?

23 A Yes, sir.

24 Q Does it show a pay section equivalent to the
 25 other producing wells in the area?

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1 A Yes, sir, the electrical log shows an analysis
 2 which indicates a pay section as thick or thicker as
 3 the producing wells to the north.

4 Q So, in your opinion, this well will make as good
 5 a well?

6 A Yes, sir.

7 Q And it will be comparable to the wells in the
 8 pool?

9 A Yes.

10 MR. HINKLE: I would like to offer as Exhibits
 11 1, 2 and 3.

12 MR. NUTTER: Applicant's Exhibits Numbers 1
 13 through 3 will be admitted in evidence.

14 BY MR. NUTTER:

15 Q Mr. Manugh, who is the acreage owned by that
 16 is shown on your Exhibits Numbers 1 and 2?

17 A Tenneco Oil Company has all of the west half
 18 of the Section without the south quarter.

19 Q And you identified Jennings?

20 A Yes, sir, and the Union Oil Company owns the
 21 northwest quarter of the northeast quarter, and John
 22 Cook owns the east half of the northeast quarter of
 23 Section 20, and Delaware-Apache owns the balance of
 24 Section 20.

25 Q You own not only the southwest of the northeast of

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1 Section 20, but all of the southeast?

2 A Yes, sir.

3 MR. NUTTER: All of Section 21?

4 MR. HINKLE: The north of Section 21 to the east.

5 BY MR. NUTTER:

6 Q So actually the non-standard unit is partially in
 7 the northeast quarter and partially in the southwest quarter.
 8 Now, as I recall, there was a non-standard approval for
 9 Union Oil Company?

10 A Yes, sir.

11 Q It involved the northeast of Section 20 and some
 12 acreage in Section 17, I believe?

13 A Yes, sir.

14 Q Probably the southwest of the southeast?

15 A Yes, sir.

16 MR. HINKLE: He testified to that.

17 BY MR. NUTTER:

18 Q Mr. Cook, in the southeast of the northeast of
 19 Section 20, he has concented to a non-standard unit?

20 A Yes, I have a waiver, which has been filed.

21 MR. NUTTER: I just wanted the record to be
 22 clear on that point.

23 Are there any further questions of Mr. Managh?

24 MR. HINKLE: That is all.

25 MR. NUTTER: If there is nothing further in Case

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Number 4481, we will take it on good advisement.

dearnley-meier reporting


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1 STATE OF NEW MEXICO)
 2) SS.
 3 COUNTY OF SANTA FE)
 4

5 I, RICHARD L. NYE, Court Reporter, do hereby certify
 6 that the foregoing and attached Transcript of Hearing
 7 before the New Mexico Oil Conservation Commission was
 8 reported by me, and the same is a true and correct record
 9 of the said proceedings, to the best of my knowledge,
 10 skill and ability.

11
 12 
 13 RICHARD L. NYE, Court Reporter
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I do hereby certify that the foregoing is
 a true and correct record of the proceedings
 the aforesaid hearing of Case No. 4481,
 held by me on 1/6 1972


 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

**P. O. BOX 2022 - SANTA FE
87501**

**GOVERNOR
DAVID F. CARGO
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMJO
MEMBER**

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

January 18, 1971

Mr. Clarence Hinkle
Hinkle, Bondurant, Cox & Eaton
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Re: Case No. 4481
Order No. R-4087
Applicant:
Delaware-Apache Corporation

Dear Sir:

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

Very truly yours,

G. L. Parker, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/1r

Copy of order also sent to:

Hobbs OCC x

Artesia OCC_____

Antec OCC_____

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4481
Order No. R-4087

APPLICATION OF DELAWARE APACHE CORPORATION
FOR A NON-STANDARD PRORATION UNIT, ROOSEVELT
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 6, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 15th day of January, 1971, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Delaware-Apache Corporation, is the owner of an oil and gas lease comprising the SW/4 NE/4 and NW/4 SE/4 of Section 20, Township 8 South, Range 38 East, NMPM, Roosevelt County, New Mexico.

(3) That the applicant seeks approval of an 80-acre non-standard oil proration unit in the Bluit-San Andres Associated Pool comprising the above-described acreage to be dedicated to a well located at a standard location in the SW/4 NE/4 of said Section 20.

(4) That said SW/4 NE/4 of said Section 20 comprises all of the interest of the applicant in the NE/4 of said Section 20.

-2-

CASE No. 4481
Order No. A-4087

(5) That all operators owning acreage offsetting the proposed non-standard proration unit have consented to the formation of said unit.

(6) That the entire non-standard oil proration unit requested by the applicant may reasonably be presumed to be productive of oil from the Bluit-San Andres Associated Pool and can be efficiently and economically drained and developed by the aforesaid well.

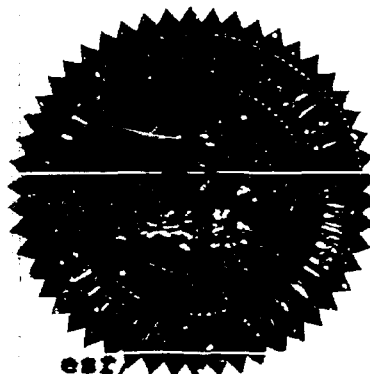
(7) That approval of the 80-acre non-standard oil proration unit as requested by the applicant will afford the applicant the opportunity to produce its just and equitable share of the oil in the Bluit-San Andres Associated Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will 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 80-acre non-standard oil proration unit in the Bluit-San Andres Associated Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 20, Township 8 South, Range 38 East, NMPN, Roosevelt County, New Mexico, is hereby established and dedicated to a well located at a standard location in the SW/4 NE/4 of said Section 20.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMILLO, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

JOHN R. KOCH
3281 WEST SHORES DRIVE
ORCHARD LAKE VILL., MICH. 48033
PHONE 313-682-3554

Dec 14, 1970

NEW MEXICO CONSERVATION COMMISSION,
P.O. Box 2088,
Santa Fe, New Mexico, 87501.

Att: Mr. Geo. Hatch:

RE: Apache Corp. (#2 Koch Fed'l)
Non-Standard Unit,
Sec. 20, 8S, 38E.,
Roosevelt Cnty., N.M.
Bluitt Field

Dear Sir:

This letter confirms that I approve of the non-standard unit as proposed by the Apache Corp., and mentioned in Mr. J. W. Manaugh's letter of Dec. 11, 1970.

It is my understanding that the well would be drilled in the SW $\frac{1}{4}$ NE/4 of Sec. 20, with the NW $\frac{1}{4}$ SE/4 Sec. 20 included to form an 80 acre unit, which is considered to be "non-standard".

Yours truly,

John R. Koch

Air-Mail: JK/j

cc. J.W. Manaugh
Apache Corp.
Midland, Texas.

file cone

JOHN R. KOCH
3281 WEST SHORES DRIVE
ORCHARD LAKE VILL., MICH. 48033.
PHONE 313-682-3554

70 DEC 7 4 11 8 29

Dec. 2, 1970.

NEW MEXICO OIL CONSERVATION COMMISSION,
P.O. BOX 2088,
Santa Fe, New Mexico, 87501.

Case 4481

Att: Sec'y - Dir. Office,

RE: Delaware-Apache Corp.,
Unorthodox well location,
Sec. 20, 8S, 38E,
Roosevelt Cnty., N.M.
Bluitt Fld.,

Dear Sir:

This letter confirms that I do not object to the location
of a well proposed by Apache Corp.'s Mr. J. W. Manaugh
(Delaware-Apache Corp.) as discussed by phone with Mr.
Manaugh on Dec. 1, 1970.

It is my understanding that the well would be drilled in
the SW 1/4 NE/4 of Sec. 20, with the NW 1/4 SE/4 Sec. 20 included
to form an 80 Acre unit. I reiterate that I do not have
any objection to the above mentioned unorthodox location.

Yours truly,

John R. Koch
John R. Koch

Air-Mail: JK/j

cc. Mr. J.W. Manaugh
Apache Corp.
Midland, Texas.

*Mr. J. W. Manaugh
12/16/70
14, 1970*

DOCKET MAILED

Date 12-23-70

- CASE 4478: Application of Refiners Petroleum Corporation for the creation of a new oil pool and special rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Graneros-Dakota formation for its Cuba-Union Well No. 1 located in Unit A of Section 25, Township 22 North, Range 3 West, Sandoval County, New Mexico, and for the promulgation of special rules therefor, including a provisions for 160-acre spacing units.
- CASE 4479: Application of Eastland Oil Company for the creation of a new pool, assignment of discovery allowable, and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks creation of a new pool for the production of oil from the Grayburg and San Andres formations for its Arco Federal Well No. 1 located in the NW/4 NW/4 of Section 5, Township 18 South, Range 31 East, Eddy County, New Mexico, and for the assignment of an oil discovery allowable to said well. Applicant further seeks the adoption of special pool rules to provide for a limiting gas-oil ratio of 5,000 to one.
- CASE 4480: Application of Coastal States Gas Producing Company for expansion of a unit area, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand the Flying "M" (San Andres) Unit Area, authorized by Order No. R-3220, to include some 879 acres, more or less, of Federal, State and Fee lands in Townships 9 and 10 South, Range 33 East, Flying "M" San Andres Pool, Lea County, New Mexico.
- CASE 4481: Application of Delaware-Apache Corporation for a non-standard proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit comprising the SW/4 NE/4 and NW/4 SE/4 of Section 20, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, to be dedicated to a well to be drilled at a standard location in the SW/4 NE/4 of said Section 20.
- CASE 4482: Application of the Petroleum Corporation for the creation of a new pool, special rules therefor, and exceptions to Orders Nos. R-3221 and R-4070, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn oil pool for its Petco State Well No. 1 located in Unit P of Section 26, Township 19 South, Range 29 East, Eddy County, New Mexico, and for the promulgation of special rules therefor, including provisions for 160-acre spacing units and a limiting gas-oil ratio of 4000 cubic feet of gas per barrel of oil. Applicant further seeks exceptions to Orders Nos. R-3221 and R-4070, respectively, to permit the disposal of water produced by said well in an unlined surface pit and to flare gas produced by said well.
- CASE 3709: (Reopened)
In the matter of Case 3709 being reopened pursuant to the provisions of Order No. R-3366-A, which order extended 80-acre spacing units for the Akah Nez-Devonian Oil Pool, San Juan County, New Mexico, for a period of two years. All interested persons may appear and show cause why said pool should not be developed on 40-acre spacing units.

December 7, 1970

Mr. James T. Jennings
P. O. Box 1180
Roswell, New Mexico

Re: Tex-Mex Area
Proposed Koch Federal No. 2
Roosevelt County, New Mexico

Dear Sir:

Apache Corporation proposes the formation of a nonstandard proration unit comprised of the following described lands:

TOWNSHIP 8 SOUTH, RANGE 38 EAST

Section 20: SW/4 NE/4 and
NW/4 SE/4

Containing 80 acres, more or less

We further propose the drilling of a test well at a location 1,980 feet from the north and east lines of said Section 20 (subject to moving 150 feet in any direction due to topographical conditions) to a depth sufficient to test the San Andres formation at approximately 4,800 feet. It is requested that you approve this request, and by signing and returning one copy of this letter, it is agreed that you waive any and all objections to said unit and the subsequent drilling of said test well.

Very truly yours,

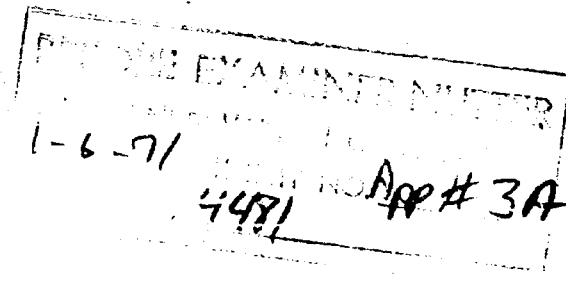
APACHE CORPORATION
J. W. Manough
J. W. Manough
Area Exploration Manager

JRM:RW

AGREED TO AND ACCEPTED THIS 8th DAY OF DECEMBER, 1970.

BY:

James T. Jennings
James T. Jennings



Ex 3A

December 2, 1970

UNION OIL COMPANY OF CALIFORNIA
P. O. Box 671
Midland, Texas

Attn: Mr. George Coombes

Re: Tex-Mex Area
Proposed Koch Federal No. 2
Roosevelt County, New Mexico

Dear Sir:

Apache Corporation proposes the formation of a nonstandard proration unit comprised of the following described lands:

TOWNSHIP 8 SOUTH, RANGE 38 EAST

Section 20: SW/4 NE/4 and
NW/4 SE/4

Containing 80 acres, more or less

We further propose the drilling of a test well at a location 1,980 feet from the north and east lines of said Section 20 (subject to moving 150 feet in any direction due to topographical conditions) to a depth sufficient to test the San Andres formation at approximately 4,800 feet. It is requested that Union Oil Company of California approve this request, and by signing and returning one copy of this letter, it is agreed that you waive any and all objections to said unit and the subsequent drilling of said test well.

Very truly yours,

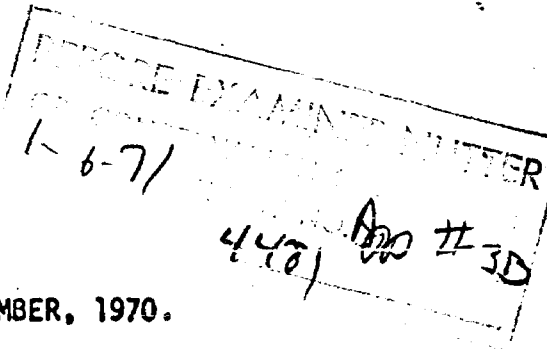
APACHE CORPORATION

J. W. Manaugh
J. W. Manaugh
Area Exploration Manager

AGREED TO AND ACCEPTED THIS 2 DAY OF DECEMBER, 1970.

UNION OIL COMPANY OF CALIFORNIA

BY: *George Coombes*
George Coombes



EX 3B

~~APACHE~~

APACHE CORPORATION
OIL AND GAS DIVISION ■ 1720 WILCO BUILDING ■ MIDLAND, TEXAS 79701 ■ MU 3-5261

December 7, 1970

TENNECO OIL COMPANY
1800 Wilco Building
Midland, Texas

Atten: Mr. F. J. McDonald

Re: Tex-Mex Area
Proposed Koch Federal No. 2
Roosevelt County, New Mexico

Dear Sir:

Apache Corporation proposes the formation of a nonstandard proration unit comprised of the following described lands:

TOWNSHIP 8 SOUTH, RANGE 38 EAST

Section 20: SW/4 NE/4 and
NW/4 SE/4

Containing 80 acres, more or less

We further propose the drilling of a test well at a location 1,980 feet from the north and east lines of said Section 20 (subject to moving 150 feet in any direction due to topographical conditions) to a depth sufficient to test the San Andres formation at approximately 4,800 feet. It is requested that Tenneco Oil Company approve this request, and by signing and returning one copy of this letter, it is agreed that you waive any and all objections to said unit and the subsequent drilling of said test well.

Very truly yours,

APACHE CORPORATION

J. W. Manaugh
J. W. Manaugh
Area Exploration Manager

JWM:mw

AGREED TO AND ACCEPTED THIS 7 DAY OF DECEMBER, 1970

TENNECO OIL COMPANY

BY: *F. J. McDonald*
F. J. McDonald

BEFORE EXAMINED
1-6-71

4481 #3C

EX3C

COPY

JOHN R. KOCH
3281 WEST SHORES DRIVE
ORCHARD LAKE VILL., MICH. 48055
PHONE 313-682-3554

Dec. 14, 1970

NEW MEXICO CONSERVATION COMMISSION,
P.O. Box 2083,
Santa Fe, New Mexico, 87501.

Att: Mr. Geo. Hatch:

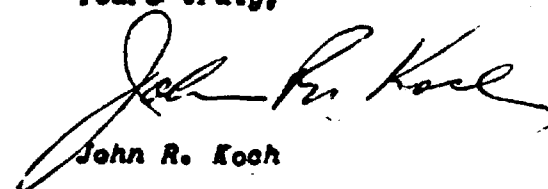
RE: Apache Corp. (#2 Koch Fed'l)
Non-Standard Unit,
Sec. 20, 8S, 38E.,
Roosevelt Cnty., N.M.
Bluff Field

Dear Sir:

This letter confirms that I approve of the non-standard unit as proposed by the Apache Corp., and mentioned in Mr. J. W. Menaugh's letter of Dec. 11, 1970.

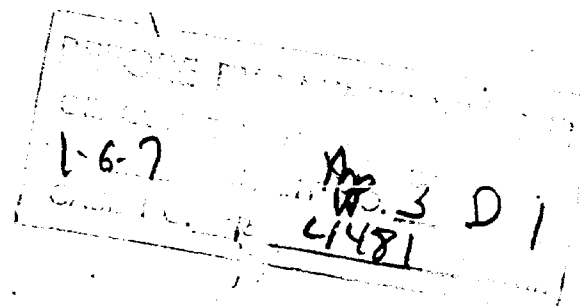
It is my understanding that the well would be drilled in the SW 1/4 NE/4 of Sec. 20, with the NW 1/4 SE/4 Sec. 20 included to form an 80 acre unit, which is considered to be "non-standard".

Yours truly,


John R. Koch

Air-Mail: JK/j

cc. J.W. Menaugh
Apache Corp.
Midland, Texas.



EX3D1

Copy

John R. Koch
ORCHARD LAKE, MICH.

Dec. 2, 1970.

NEW MEXICO OIL CONSERVATION COMMISSION,
P.O. BOX 2038,
Santa Fe, New Mexico, 87501.

Att: Sec'y - Dir. Office,

RE: Delaware-Apache Corp.,
Unorthodox well location,
Sec. 20, 8S, 38E,
Housevelt Cnty., N.M.
Bluff Fld.,

Dear Sir:

This letter confirms that I do not object to the location of a well proposed by Apache Corp.'s Mr. J. W. Manaugh (Delaware-Apache Corp.) as discussed by phone with Mr. Manaugh on Dec. 1, 1970.

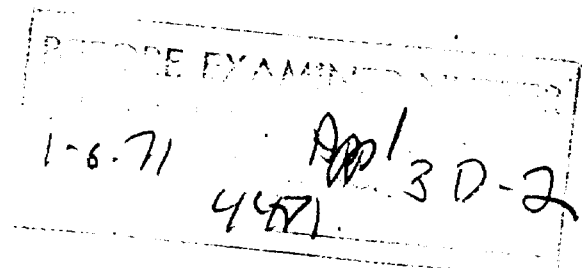
It is my understanding that the well would be drilled in the SW $\frac{1}{4}$ NE/4 of Sec. 20, with the NW $\frac{1}{4}$ SE/4 Sec. 20 included to form an 80 Acre unit. I reiterate that I do not have any objection to the above mentioned unorthodox location.

Yours truly,

John R. Koch

Air-Mail: JK/j

cc, Mr. J.W. Manaugh
Apache Corp.
Midland, Texas.



CLARENCE E. HINKLE
W. E. BONDURANT, JR.
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.

LAW OFFICES
HINKLE, BONDURANT, COX & EATON
600 HINKLE BUILDING
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 86201

December 18, 1970

TELEPHONE (505) 822-6510
MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) MU 3-4891

Case 4481
SWA
OK

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

Gentlemen:

We enclose herewith in triplicate application of Delaware Apache Corporation for approval of a non-standard oil proration unit in the Bluit San Andres Associated Pool, Roosevelt County.

It is our understanding that application was filed with the Commission for administrative approval, but that the Commission has set this matter down for hearing at the examiner's hearing on January 6.

Yours sincerely,

HINKLE, BONDURANT, COX & EATON

By Clarence E. Hinkle
Ed

CEH:cs
Enc.
cc: J W. Manaugh

DUCKET MAILED

Date 12-23-70

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF DELAWARE APACHE CORPORATION)
FOR APPROVAL OF A NON-STANDARD OIL PRORATION)
UNIT TO BE DEDICATED TO DELAWARE APACHE)
CORPORATION WELL LOCATED IN UNIT G OF SEC-)
TION 20, TOWNSHIP 8 SOUTH, RANGE 38 EAST,)
ROOSEVELT COUNTY, NEW MEXICO, IN THE BLUITT)
SAN ANDRES ASSOCIATED POOL)

Case 4481

DEC 21 AM 7 36

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

Comes Delaware Apache Corporation, acting by and through the undersigned attorneys, and hereby makes application for approval of a non-standard oil proration unit to be dedicated to the Delaware Apache Corporation Well located in Unit G (SW $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 20, Township 8 South, Range 38 East, N.M.P.M., Roosevelt County, New Mexico, in the Bluit San Andres Associated Pool, and in support thereof respectfully shows:

1. That Delaware Apache Corporation is the owner of the oil and gas lease covering the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 20, Township 8 South, Range 38 East, N.M.P.M., Roosevelt County, New Mexico, which is situated within the Bluit San Andres Associated Pool. The well is located in the center of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 20, 1980 feet from the north line and 1980 feet from the east line of said section. The Rules of the Commission for the Bluit San Andres Associated Pool establish a standard unit of 80 acres within a governmental quarter-section, but due to other non-standard units in the pool it is necessary that the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 20 be dedicated to a proration unit for the above described well.


2. Applicant has obtained consents and waivers to such non-standard unit from each of the offsetting owners, and the same have been filed with the Commission. The well to which Applicant seeks

to dedicate said acreage will effectively and efficiently drain all of said acreage, and it will be in the interest of protection of correlative rights and the prevention of waste.

3. Applicant requests that this matter be set down for hearing at the Examiner's hearing on January 6, 1971.

Respectfully submitted,

DELAWARE APACHE CORPORATION

By 
Member of the Firm of
HINKLE, BONDURANT, COX & EATON
P. O. Box 10
Roswell, New Mexico 88201
Attorneys for Applicant

New Mexico Oil Conservation Commission
December 7, 1970

Page 2

- b) Copy of Form C-102 "Well Location and Acreage Dedication Plat" and Form 9-331 C "Application for Permit to Drill, Deepen, or Plug Back"

~~Please inform us by collect call, if possible, if further information is required to supplement this application.~~

Yours very truly,

DELAWARE-APACHE CORPORATION



L. Williams,
Area Production Manager

LZW/bh
Attachments

cc. U. S. G. S.
Hobbs, New Mexico

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Delaware-Apache Corporation

3. ADDRESS OF OPERATOR

1720 Wilco Bldg. Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1980' FNL & 1980' FEL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

4 miles W. of Bledsoe

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. unit line, if any)

1980

16. NO. OF ACRES IN LEASE

595

17. NO. OF ACRES ASSIGNED

TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

5000

20. ROTARY OR CABLE TOOLS

Rotary-Sitton & Norton

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GR 3982.1'

22. APPROX. DATE WORK WILL START*

12-16-70

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	20#	325'	200 sx
7-7/8"	4-1/2"	9.5#	5000'	250 sx

Surface - 10, 600 series, Double Ram, 2000 Psi

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Bonnie Husband

TITLE Production Clerk

DATE 12-7-70

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-182
Supersedes C-120
Effective 1-1-65

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

Operator Delaware APACHE CORP.			Lessee KOCH FEDERAL			Well No. 2		
Unit Letter G	Section 20	Township 8 SOUTH	Range 38 EAST	County ROOSEVELT				
Actual Footage Location of Well:								
1980 feet from the NORTH line and			1980 feet from the EAST line					
Ground Level Elev. 3982.1	Producing Formation San Andres		Pool Bluitt San Andres			Dedicated Acreage 80 Acres		

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

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

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

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

CERTIFICATION

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

Borrie Husband

Name
Borrie Husband

Position
Production Clerk

Company
Delaware-Apache Corp.

Date
Dec. 7, 1970

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

Date Surveyed
DECEMBER 3, 1970

Registered Professional Engineer and/or Land Surveyor

John C. West

Certificate No. **676**

0 200 400 600 800 1000 1200 1400 1600 1800 2000 2200 2400 2600 2800 3000 3200 3400 3600 3800 4000

John R. Koch
ORCHARD LAKE, ILL.

Dec. 2, 1970.

DEC 10 10 31 AM '70

Case 4481

NEW MEXICO OIL CONSERVATION COMMISSION,
P.O. BOX 2088,
Santa Fe, New Mexico, 87501.

Att: Sec'y - Dir. Office,

RE: Delaware-Apache Corp.,
Unorthodox well location,
Sec. 20, 8S, 38E,
Roosevelt Cnty., N.M.
Bluff Pld.,

Dear Sir:

This letter confirms that I do not object to the location
of a well proposed by Apache Corp.'s Mr. J. W. Menaugh
(Delaware-Apache Corp.) as discussed by phone with Mr.
Menaugh on Dec. 1, 1970.

It is my understanding that the well would be drilled in
the SW 1/4 NE 1/4 of Sec. 20, with the NW 1/4 SE 1/4 Sec. 20 included
to form an 80 Acre unit. I reiterate that I do not have
any objection to the above mentioned unorthodox location.

Yours truly,

John R. Koch

Air-Mail: JK/J

cc. Mr. J.W. Menaugh
Apache Corp.
Midland, Texas.

APACHE CORPORATION
OIL AND GAS DIVISION ■ 1720 WILCO BUILDING ■ MIDLAND, TEXAS 79701 ■ MU 3-5261

December 7, 1970

Case 4481

TENNECO OIL COMPANY
1800 Wilco Building
Midland, Texas

Atten: Mr. F. J. McDonald

Re: Tex-Mex Area
Proposed Koch Federal No. 2
Roosevelt County, New Mexico

Dear Sir:

Apache Corporation proposes the formation of a nonstandard proration unit comprised of the following described lands:

TOWNSHIP 8 SOUTH, RANGE 38 EAST

Section 20: SW/4 NE/4 and
NW/4 SE/4

Containing 80 acres, more or less

We further propose the drilling of a test well at a location 1,980 feet from the north and east lines of said Section 20 (subject to moving 150 feet in any direction due to topographical conditions) to a depth sufficient to test the San Andres formation at approximately 4,800 feet. It is requested that Tenneco Oil Company approve this request, and by signing and returning one copy of this letter, it is agreed that you waive any and all objections to said unit and the subsequent drilling of said test well.

Very truly yours,

APACHE CORPORATION

J. W. Manaugh
J. W. Manaugh
Area Exploration Manager

JWM:mw

AGREED TO AND ACCEPTED THIS 7 DAY OF DECEMBER, 1970

TENNECO OIL COMPANY

BY:

F. J. McDonald
F. J. McDonald

December 2, 1970

UNION OIL COMPANY OF CALIFORNIA
P. O. Box 671
Midland, Texas

Check 4481

Atten: Mr. George Coombes

Re: Tex-Mex Area
Proposed Koch Federal No. 2
Roosevelt County, New Mexico

Dear Sir:

Apache Corporation proposes the formation of a nonstandard proration unit comprised of the following described lands:

TOWNSHIP 8 SOUTH, RANGE 38 EAST

Section 20: SW/4 NE/4 and
NW/4 SE/4

Containing 80 acres, more or less

We further propose the drilling of a test well at a location 1,980 feet from the north and east lines of said Section 20 (subject to moving 150 feet in any direction due to topographical conditions) to a depth sufficient to test the San Andres formation at approximately 4,800 feet. It is requested that Union Oil Company of California approve this request, and by signing and returning one copy of this letter, it is agreed that you waive any and all objections to said unit and the subsequent drilling of said test well.

Very truly yours,

APACHE CORPORATION

J. W. Manaugh
J. W. Manaugh
Area Exploration Manager

AGREED TO AND ACCEPTED THIS 2 DAY OF DECEMBER, 1970.

UNION OIL COMPANY OF CALIFORNIA

BY: *George Coombes*
George Coombes

APACHE CORPORATION
OIL AND GAS DIVISION

1720 WILCO BUILDING ■ MIDLAND, TEXAS 79701 ■ MU 3-5261

December 7, 1970

DEC 10 AM 9 10
1970

Case 4481

Mr. James T. Jennings
P. O. Box 1180
Roswell, New Mexico

Re: Tex-Mex Area
Proposed Koch Federal No. 2
Roosevelt County, New Mexico

Dear Sir:

Apache Corporation proposes the formation of a nonstandard proration unit comprised of the following described lands:

TOWNSHIP 8 SOUTH, RANGE 38 EAST

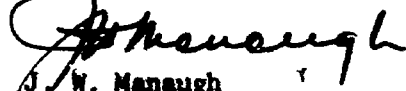
Section 20: SW/4 NE/4 and
NW/4 SE/4

Containing 80 acres, more or less

We further propose the drilling of a test well at a location 1,980 feet from the north and east lines of said Section 20 (subject to moving 150 feet in any direction due to topographical conditions) to a depth sufficient to test the San Andres formation at approximately 4,800 feet. It is requested that you approve this request, and by signing and returning one copy of this letter, it is agreed that you waive any and all objections to said unit and the subsequent drilling of said test well.

Very truly yours,

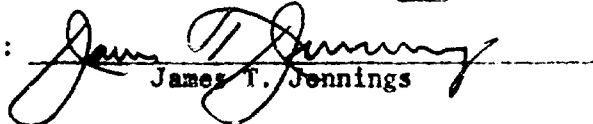
APACHE CORPORATION


J. W. Manaugh
Area Exploration Manager

JWM:mw

AGREED TO AND ACCEPTED THIS 8th DAY OF DECEMBER, 1970.

BY:


James T. Jennings

DRAFT

CMH/csr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CMH
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4481

Order No. R-44087

APPLICATION OF DELAWARE APACHE CORPORATION
FOR A NON-STANDARD PRORATION UNIT, ROOSEVELT
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 6, 1971,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of January, 1971, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Delaware-Apache Corporation, is the
owner of an oil and gas lease comprising the SW/4 NE/4 and NW/4 SE/4
of Section 20, Township 8 South, Range 38 East, NMPM, Roosevelt
County, New Mexico.

(3) That the applicant seeks approval of an 80-acre non-
standard oil proration unit in the Bluit-San Andres Associated
Pool comprising the above-described acreage to be dedicated to a
well, ~~located~~ ^{located} at a standard location in the SW/4 NE/4 of
said Section 20.

(4) *That said SW/4 NE/4 of said Section 20
comprises all of the interest of the applicant in the
NE/4 of said Section 20.*

(5) *That all operations involving acreage offsetting the
proposed non-standard proration unit have consented to the
formation of said unit.*

(14) That the entire non-standard oil proration unit requested by the applicant may reasonably be presumed to be productive of oil from the Bluitt-San Andres Associated Pool and can be efficiently and economically drained and developed by the aforesaid well.

(15) That approval of the 80-acre non-standard oil proration unit as requested by the applicant will afford the applicant the opportunity to produce its just and equitable share of the oil in the Bluitt-San Andres Associated Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will 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 80-acre non-standard oil proration unit in the Bluitt-San Andres Associated Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 20, Township 8 South, Range 38 East, NMPM, Roosevelt County, New Mexico, is hereby established and dedicated to a well ~~to be drilled~~ ^{located} at a standard location in the SW/4 NE/4 of said Section 20.

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

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

CASE 4482: Appli. of PETROLEUM
CORPORATION FOR NEW POOL, RULES
AND EXCEPTION TO R-3221 & R-4070.