

Case Number

4512

Application
Transcripts.

Small Exhibits

ETC.

dearnley-meier

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

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 17, 1971

EXAMINER HEARING

IN THE MATTER OF:

Application of Union Oil Company of
California for rededication of acreage
and a non-standard unit, Roosevelt
County, New Mexico.

)
)
)
) Case No. 4512
)
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BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

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1 MR. NUTTER: Call next Case No. 4512.

2 MR. HATCH: Application of Union Oil Company of
 3 California for rededication of acreage and a non-standard
 4 proration unit, Roosevelt County, New Mexico.

5 MR. LOPEZ: If the Examiner please, my name is
 6 Owen Lopez with Montgomery, Federici, Andrews, Hannahs and
 7 Morris of Santa Fe, appearing on behalf of Union Oil Company
 8 and I have one witness to be sworn.

9 (Witness sworn.)

10 (Whereupon, Applicant's Exhibits 1 through 3 were
 11 marked for identification.)

12 MR. LOPEZ: Mr. Examiner, before we begin presenting
 13 the evidence, I would like to make an oral motion that my
 14 application in this case be amended that everywhere it states
 15 Section 18, it read Section 17. This was a mistake on my
 16 part and I believe it has been advertised correctly as Section
 17 17.

18 MR. NUTTER: So, the application is amended to read
 19 Section 17, Township 8 South, Range 38 East, is this correct?

20 MR. LOPEZ: That's correct, Mr. Examiner.

21 DAVID A. DUNN,

22 having been first duly sworn, testified as follows:

23 DIRECT EXAMINATION

24 BY MR. LOPEZ:

25 Q Mr. Dunn, would you please state your name and address

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1 and by whom you are employed and in what capacity?

2 A My name is David A. Dunn. I reside in Midland, Texas,
 3 and am employed by the Union Oil Company of California
 4 as assistant manager of exploration.

5 Q Have you testified before the Commission and are your
 6 qualifications a matter of record?

7 A They are.

8 MR. LOPEZ: Are his qualifications acceptable?

9 MR. NUTTER: Yes, they are.

10 Q (By Mr. Lopez) Now, Mr. Dunn, referring to Exhibit No.
 11 1, would you please identify the exhibit and explain
 12 what it means?

13 A Exhibit No. 1 is a copy of a structure map that has all
 14 of the information within the area pertaining to the
 15 production from the San Andres with particular emphasis
 16 on the **Bluitt** combined San Andres Gas and Oil Field.

17 The exhibit has been presented previously in Case
 18 4451 and the only modification to this exhibit is to add
 19 three wells that are pertinent to the case that is being
 20 heard here today. The exhibit is a rather complicated
 21 one; it was fully described in Case No. 4451.

22 The colors denote the oil and gas production within
 23 the **Bluitt** Field. The dashed outlines denote what our
 24 people, on studying this field, consider to be the
 25 limits of commercial production that can be obtained

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1 within the area.

2 The line to the south -- the dashed line to the
 3 south is a combination of a lower line of permeability
 4 and down-dip water accumulations in the field. The line
 5 to the north is a permeability -- a loss of permeability
 6 within the Todd zone which is the principal zone of
 7 principal production within the field area.

8 This field produces from both, what we consider the
 9 Todd and Milnesand zone, and they are considered as one
 10 unit producer by the Commission. The wells that have
 11 been added to this exhibit are in Sections 17 and Sections
 12 20. They are the Rodden No. 1 Sands 17, located 2,086
 13 feet from the north line and 2,086 feet from the west
 14 line of Section 17, Township 8 South, Range 38 East.

15 This well was completed November 24, 1970, pumping
 16 120 barrels of oil per day. The Delaware Apache No. 2
 17 Cooke Federal, located 1980 feet from the north and east
 18 lines of Section 20 of Township 8 South, Range 38 East,
 19 was completed January 23, 1971, pumping 22 barrels of
 20 oil and 140 barrels of water per day.

21 The Union No. 120 Federal, located 510 feet from
 22 the north line and 1980 feet from the east line of
 23 Section 20, Township 8 South, Range 38 East, was completed
 24 January 6, 1971, flowing 187 barrels of oil per day on
 25 an 18/64th inch choke.

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1 There has been no modification made of the
 2 structural map, although these wells do not exactly fit
 3 the structure and there is some indication that the
 4 dashed line which, on the map, is located just north of
 5 the Delaware Apache, could be moved a few hundred feet
 6 to the south.

7 The exhibit, as I say, is not changed. The wells --
 8 both Union's Well and the Delaware Apache Wells were
 9 slightly higher structurally than contoured on the map.
 10 This would require very minor modification. I do not
 11 believe there is any significant change from the testimony
 12 previously presented.

13 Q All right. Now, referring to Applicant's Exhibit No. 2,
 14 would you please explain what this exhibit means?

15 A Our Exhibit No. 2 is a land and location plat of a
 16 portion of the Bluitt Field. The printed portion of the
 17 map shows the present proration units or dedicated units
 18 to the individual wells.

19 These -- this exhibit illustrates that Union's 1-A
 20 State in Section 17 in the northwest of the southeast
 21 of Section 17 has a dedication east-west including the
 22 northwest of the southeast and the northeast of the
 23 southeast of Section 17.

24 Union's No. 120 in Section 20 has a dedication of
 25 the northwest of the northeast of Section 20 and the

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1 southwest of the southeast of Section 17.

2 Q Now, I don't want to interrupt you, but is this non-
 3 standard unit that you have just described, was that the
 4 subject of the hearing in Case No. 4451?

5 A That is correct. This was a non-standard unit which was
 6 approved by the Commission as a result of this case.

7 MR. LOPEZ: Mr. Examiner, I believe that was Order
 8 No. R-4066.

9 MR. NUTTER: 4066?

10 MR. LOPEZ: Right.

11 THE WITNESS: Now, the overlay portion of this
 12 exhibit indicates the proposed changes in dedication. There
 13 would, by our recommendation, be a change in the dedication
 14 of acreage to Union's 1 A-17, which would be a non-standard
 15 unit.

16 It would comprise of the northwest of the southeast
 17 of 17 and the southwest of the northeast of 17. This would
 18 allow for a standard unit to be dedicated a well that is
 19 proposed by Union to be drilled in the southeast of the
 20 southeast of Section 17 and the unit for that well to be the
 21 east half of the southeast quarter of Section 17.

22 Q (By Mr. Lopez) Now, Mr. Dunn, have you contacted any
 23 of the offset operators in regards to application in this
 24 case?

25 A Since the non-standard unit would only affect Mr. Rodden

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1 as an offset operator, we did contact Rodden Oil and
 2 Rodden furnished us with a waiver to objection for this
 3 non-standard unit. They sent us a letter signed by Mr.
 4 Webster, dated March 11, 1971.

5 Q And this is Applicant's Exhibit No. 3, is that correct?
 6 What is your conclusion or recommendation to the
 7 Commission?

8 A My recommendation to the Commission is that this non-
 9 standard unit be allowed in order that we may proceed
 10 with orderly development of the Bluit Field. It is our
 11 feeling that our analysis of the field and the conditions
 12 existing here are essentially correct.

13 At the hearing previously referred to in Case 4451,
 14 it was pointed out in the testimony that ultimately if
 15 Union's proposed well at that time was successful it
 16 would be necessary to rededicate acreage to orderly
 17 develop the field.

18 Now, we propose, at this time, to offset the Cities
 19 Service tract in Section 16, but this would be on a
 20 standard unit and would not require any notice. It
 21 would also give State acreage an offset and undoubtedly
 22 would create additional activity.

23 If we are successful at this location, as we feel
 24 we will be, we will propose a well on another standard
 25 unit in the Section 17, that would comprise of the east

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1 half of the northeast quarter of Section 17, for a well
 2 to be drilled in the southeast of the northeast quarter.

3 Q Is it your conclusion that if your application is
 4 granted, that you will prevent economic waste and
 5 protect correlative rights?

6 A It is.

7 Q Were Exhibits 1 and 2 prepared by you or under your
 8 supervision?

9 A They were.

10 MR. LOPEZ: At this time, Mr. Examiner, I would
 11 like to introduce Exhibits 1, 2 and 3 into evidence.

12 MR. NUTTER: Union's Exhibits 1, 2 and 3 will be
 13 entered into evidence.

14 CROSS EXAMINATION

15 BY MR. NUTTER:

16 Q Mr. Dunn, where is this new well proposed to be drilled?

17 A In the southeast of the southeast of Section 17. It is
 18 not on the structural map there, Mr. Nutter. It is on
 19 the plat in Exhibit 2.

20 Q So, you are not disturbing the dedication of the acreage
 21 assigned to your -- I guess it's your No. 120 in Unit
 22 "B" of Section 20?

23 A No, we are not.

24 Q That well has the Unit "B" of 20 and Unit "O" of 17
 25 dedicated to it, doesn't it?

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1 A That is correct, and that unit, Mr. Examiner, is all
 2 on one base lease. The Union's base lease comprises
 3 the east half of Section 17, the south half of the south-
 4 east quarter of Section 8, and the northwest of the north-
 5 east quarter of Section 20. It's all one base lease and
 6 it will not require any changes in royalty or assignment.
 7 Q I see. Now, let's see. Let me get that straight again.
 8 It's the south half of the southeast of 8, the east half
 9 of 17 and the northwest-northeast of 20?
 10 A That's right.
 11 Q And the southwest of 17 is another lease?
 12 A Southwest of 17 is another lease.
 13 MR. NUTTER: Are there any other questions of the
 14 witness? He may be excused.
 15 (Witness excused.)
 16 MR. NUTTER: Do you have anything further, Mr. Lopez?
 17 MR. LOPEZ: No, Mr. Examiner.
 18 MR. NUTTER: Does anyone have anything further they
 19 wish to offer in Case No. 4512? We will take the case under
 20 advisement.
 21
 22
 23
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 25

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I N D E X

WITNESS

PAGE

DAVID A. DUNN

Direct Examination by Mr. Lopez

2

Cross Examination by Mr. Nutter

8

E X H I B I T S

Applicant's Exhibits 1 through 3

2

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1 STATE OF NEW MEXICO)
 2) ss
 3 COUNTY OF BERNALILLO)

4 I, GLENDA BURKS, Court Reporter in and for the County
 5 of Bernalillo, State of New Mexico, do hereby certify that
 6 the foregoing and attached Transcript of Hearing before the
 7 New Mexico Oil Conservation Commission was reported by me;
 8 and that the same is a true and correct record of the said
 9 proceedings to the best of my knowledge, skill and ability.

10 *Glenda Burks*

11 Court Reporter

22 I do hereby certify that the foregoing is
 23 a correct record of the proceedings in
 24 the hearing before the New Mexico Oil Conservation Commission
 25 held on the 3/17/72 at 11:00 AM
Glenda Burks
 San Carlos Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

March 31, 1971

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

Re: Case No. 4512

Mr. Owen Lopez
Montgomery, Federici, Andrews, Hannahs
& Morris
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Ord
App
Un

Order No. R-4124

Applicant:

Union Oil Company of Calif.

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec 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. 4512
Order No. R-4124

APPLICATION OF UNION OIL COMPANY OF
CALIFORNIA FOR REDEDICATION OF ACREAGE
AND 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 March 17, 1971,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of March, 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, Union Oil Company of California,
seeks approval of an 80-acre non-standard oil proration unit in
the Bluit-San Andres Associated Pool comprising the NW/4 SE/4
and the SW/4 NE/4 of Section 17, Township 8 South, Range 38 East,
NMPM, Roosevelt County, New Mexico, to be dedicated to its
Federal 17-A Well No. 1 located in the NW/4 SE/4 of said Section
17.

(3) That a standard 80-acre proration unit comprising the
N/2 SE/4 of said Section 17 is presently dedicated to the subject
well.

(4) That if the above-described request is granted, the
applicant proposes to drill a well in the SE/4 SE/4 of said

-2-

CASE NO. 4512

Order No. R-4124

Section 17 and to dedicate to the well a standard 80-acre proration unit comprising the E/2 SE/4 of said Section 17.

(5) 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 its Federal 17-A Well No. 1.

(6) That the ownership is common throughout the E/2 of said Section 17.

(7) That approval of the 80-acre non-standard oil proration unit as requested will afford the applicant the opportunity to produce its just and equitable share of the oil in the Bluit-San Andres Associated Pool underlying the E/2 of said Section 17, 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, effective April 1, 1971, an 80-acre non-standard oil proration unit in the Bluit-San Andres Associated Pool comprising the NW/4 SE/4 and the SW/4 NE/4 of Section 17, Township 8 South, Range 38 East, NMPM, Roosevelt County, New Mexico, is hereby established and dedicated to the Union Oil Company Federal 17-A Well No. 1 located in the NW/4 SE/4 of said Section 17.

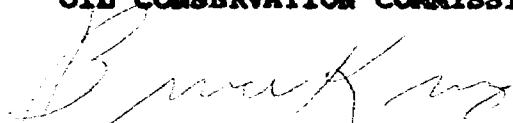
(2) That the operator of the above-described well shall file an amended Form C-102, in accordance with Commission Rule 1102, with the Hobbs Office of the Commission or or before April 1, 1971, dedicating the above-described acreage to the subject well.

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


-3-
CASE NO. 4512
Order No. R-4124

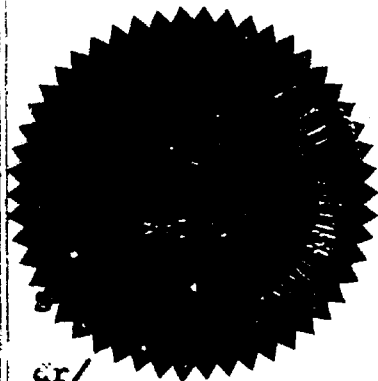
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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



Gr/

CASE 4511: Application of Skelly Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-590-A to permit the rededication of the 240-acre non-standard gas proration unit in the Tubb Gas Pool authorized in said order to its Baker "B" Well No. 7 located 1980 feet from the South and East lines of Section 10, Township 22 South, Range 37 East, Lea County, New Mexico, in lieu of its Well No. 15 located in the same quarter-quarter section.

CASE 4300: (Reopened):

In the matter of Case No. 4300 being reopened pursuant to the provisions of Order No. R-3917, which order established 640-acre spacing units for the Sand Dunes-Atoka Gas Pool, Eddy County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

CASE 4512: Application of Union Oil Company of California for rededication of acreage and a non-standard proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the establishment of a non-standard oil proration unit comprising the NW/4 SE/4 and the SW/4 NE/4 of Section 17, Township 8 South, Range 38 East, Roosevelt County, New Mexico, by the rededication of acreage to its Federal 17 A Well No. 1 located in the NW/4 SE/4 of said Section 17.

CASE 4513: Southeastern New Mexico nomenclature case calling for the extension, creation and abolishment of certain pools in Lea, Eddy, Chaves and Roosevelt 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 South Buffalo-Pennsylvanian Pool. The discovery well is King Resources Company Kimo Sabe No. 1 located in Unit J of Section 16, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
SECTION 16: SE/4

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Grandi Ranch-Atoka Gas Pool. The discovery well is the Byron M. McKnight Grandi Ranch No. 1 located in Unit J of Section

Roden

Union

Cities Service

GULF
I-T

ELEV. 3992
T.D. 4845

T. 8 S. - R.38 E.

Paul Sams et al

ELEV. 3989
T.D. 4820

17

16

FEDERAL "17"

ELEV. 3983
T.D. 4777

1-A

ELEV. 3982
T.D. 4801

RODEN
COPELAN FED.

ELEV. 3983
T.D. 9150

ELEV. 3986
T.D. 4790

U.S.

State

Tenneco

2

ELEV. 3976
T.D. 4900

ELEV. 3989
T.D. 4950

"FASKEN"

Union

1-20"

ELEV. 3975
T.D. 4798

J. Koch

Delaware Apache

1 KOCH-FED.

ELEV. 4003
T.D. 4880

KOCH-FED.

2

ELEV. 3981
T.D. 4860

20

Delaware Apache

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

BEFORE EXAMINER NUTTER

OIL CONSERVATION C.

App EXHIBIT NO. *2*

CASE NO. *4512*

U.S.

 PRESENT ACREAGE DEDICATION
 PROPOSED ACREAGE DEDICATION

UNION OIL COMPANY OF CALIFORNIA
CENTRAL REGION ROSWELL, N.M. DISTRICT
LAND & LOCATION PLAT
OF A PORTION OF THE
BLUITT FIELD
ROOSEVELT CO., NEW MEXICO

SCALE: 1"=1000'

MARCH 1971

WAIVER

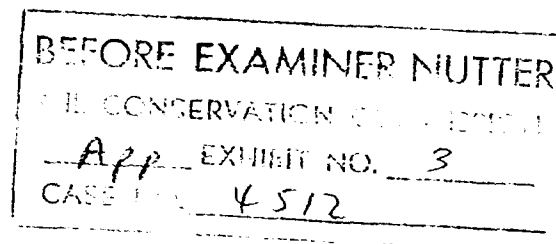
Re: Case 4512
March 17, 1971

The undersigned hereby waives objection to Union Oil Company of California's rededication of acreage and non-standard unit for its Federal 17 "A" Well No. 1. The 80 acre proration unit for subject well is to be changed from N/2 SE/4 to SW/4 NE/4 and NW/4 SE/4 of Section 17, T-8-S, R-38-E, Roosevelt County, New Mexico.

RODEN OIL COMPANY

By B R Nutter

Date 3-11-71



For March 17th Ex.

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

THE APPLICATION OF UNION OIL
COMPANY OF CALIFORNIA FOR NON-
STANDARD UNIT IN ROOSEVELT
COUNTY, NEW MEXICO.

Cause No.

4512

A P P L I C A T I O N

Comes now the applicant, UNION OIL COMPANY OF CALIFORNIA
by and through its attorneys, Montgomery, Federici, Andrews,
Hannahs & Morris and respectfully states:

1. The applicant is the owner of the NW 1/4 of the
SE 1/4 and the SW 1/4 of the NE 1/4 of Section ~~18~~¹⁷, Township
8 South, Range 38 East N.M.P.M., Roosevelt County, New Mexico.

2. Applicant's land is located near the Bluitt-San Andres
Associated Pool in Roosevelt County, New Mexico, and is governed
by the rules thereof which provide for 80 acre well location
units.

3. Applicant has drilled a San Andres well producing
from the Todd Zone, said well named Federal 17A No. 1, at
an orthodox location in the NW 1/4 of the SE 1/4 of Section
~~18~~¹⁷, Township 8 South, Range 38 East, N.M.P.M., which well has
dedicated to it the NE 1/4 of the SE 1/4 and the NW 1/4 of
the SE 1/4 of Section ~~18~~¹⁷, Township 8 South, Range 38 East,
N.M.P.M.

4. For the purposes of developing applicant's lease
in an orderly fashion, preventing waste and protecting correla-
tive rights, applicant submits that it is necessary to convert
the standard unit comprised of the NW 1/4 of the SE 1/4 and
the NE 1/4 of the SE 1/4 of Section ~~18~~¹⁷, Township 8 South, Range

17

DOCKET MAILED

Date

3/3/71

38 East, N.M.P.M. to a non-standard unit comprised of the NW 1/4 of the SE 1/4 and the SW 1/4 of the NE 1/4. Applicant further proposes to drill a future San Andres test well at an orthodox location in a standard unit comprised of the SE 1/4 of the SE 1/4 and the NE 1/4 of the SE 1/4 of Section 16, 17 Township 8 South, Range 38 East, N.M.P.M.

5. The non-standard unit consists of quarter-quarter sections that are contiguous by a common bordering side, that lie wholly within a single governmental 1/2 section, that are part of the same basic lease, that carry the same royalty interest, and that possess common ownership.

WHEREFORE, applicant respectfully requests the Commission to:

1. Set this matter for hearing on March 17, 1971, before an examiner duly appointed by the Commission and that due public notice be given as required by law; and

2. Issue an order approving a non-standard unit comprising the NW 1/4 of the SE 1/4 and the SW 1/4 of the NE 1/4 of Section 16, 17 Township 8 South, Range 38 East, N.M.P.M., which would be an exception to the rules governing the Bluit San Andres Associated Pool in Roosevelt County, New Mexico.

Respectfully submitted,

MONTGOMERY, FEDERICK, ANDREWS,
HANNALS & MORRIS

BY: 

P. O. Box 2307
Santa Fe, New Mexico
Attorneys for Applicant

DRAFT

GMH/dr
3/23/71

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. 4512

Order No. R-4124

APPLICATION OF UNION OIL COMPANY OF
CALIFORNIA FOR REDEDICATION OF ACREAGE
AND 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 March 17, 1971,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of March, 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, Union Oil Company of California,
seeks approval of an 80-acre non-standard oil proration unit in
the Bluitt-San Andres Associated Pool comprising the NW/4 SE/4
and the SW/4 NE/4 of Section 17, Township 8 South, Range 38 East,
NMPM, Roosevelt County, New Mexico, to be dedicated to its
Federal 17A Well No. 1 located in the NW/4 SE/4 of said Section
17.

(3) That a standard 80-acre proration unit comprising the
N/2 SE/4 of said Section 17 is presently dedicated to the subject
well.

(4) That if the above-described request is granted, the applicant proposes to drill a well in the SE/4 SE/4 of said Section 17 and to dedicate to the well a standard 80-acre proration unit comprising the E/2 SE/4 of said Section 17.

(5) 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 its Federal 17-A Well No. 1.

(6) That the ownership is common throughout the E/2 of said Section 17.

(7) That approval of the 80-acre non-standard oil proration unit as requested will afford the applicant the opportunity to produce its just and equitable share of the oil in the Bluitt-San Andres Associated Pool underlying the E/2 of said Section 17, 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, effective April 1, 1971, an 80-acre non-standard oil proration unit in the Bluitt-San Andres Associated Pool comprising the NW/4 SE/4 and the SW/4 NE/4 of Section 17, Township 8 South, Range 38 East, NMPM, Roosevelt County, New Mexico, is hereby established and dedicated to the Union Oil Company Federal 17-A Well No. 1 located in the NW/4 SE/4 of said Section 17.

-3-

CASE NO. 4512

(2) That the operator of the above-described well shall file an amended Form C-102, in accordance with Commission Rule 1102 with the Hobbs Office of the Commission on or before April 1, 1971, dedicating the above-described acreage to the subject well.

(3) 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