

CASE 4787: Appli. of SUPERIOR  
OIL CO. FOR AN UNORTHODOX WELL  
LOCATION, EDDY COUNTY, NEW MEXICO

Case Number  
4787

Application

Transcripts

Small Exhibits

ETC.

dearnley, meier & mc cormick

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1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
CONFERENCE ROOM, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO

August 9, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Superior Oil  
Company for an unorthodox well  
location, Eddy County, New Mexico.

Case No. 4787

BEFORE: Elvis A. Utz,  
Examiner

TRANSCRIPT OF HEARING

dearnley, meier &amp; mc cormick

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1 MR. UTZ: Case 4787.

2 MR. HATCH: Case 4787: Application of Superior  
3 Oil Company for an unorthodox well location, Eddy County,  
4 New Mexico.

5 MR. MORRIS: I am Dick Morris, of Montgomery,  
6 Federici, Andrews, Hannah and Morris, Santa Fe, appearing  
7 on behalf of the Applicant. We have one witness, Mr. Terry  
8 Clay, and I ask that he stand and be sworn.

9 TERRY CLAY,  
10 was called as a witness, and after being duly sworn, testified  
11 as follows:

12 MR. UTZ: Are there other appearances?

13 (No response)

14 MR. UTZ: You may proceed, Mr. Morris.

15 DIRECT EXAMINATION

16 BY MR. MORRIS:

17 Q Mr. Clay, will you please state your name and where  
18 you reside?

19 A Terry Clay, and I work for Superior Oil Company out of  
20 Midland, Texas as an engineer.

21 Q Have you previously testified before the Commission or  
22 one of its commissioners and had your qualifications  
23 as a petroleum engineer established and accepted as a  
24 matter of record?

25 A Yes, I have.

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1 Q What does Superior Oil Company seek by its application  
2 in this case?

3 A We seek approval to drill an unorthodox well located  
4 at a location 990 feet from the West line and 660 feet  
5 from the North line of Section 5, Township 23 South,  
6 Range 27 East, with the North half of Section 5 to be  
7 dedicated to the well.

8 This well will be drilled to an approximate depth  
9 of 11,900 feet.

10 Q Would you please refer to what has been marked as Exhibit  
11 One in this case, the ownership plat, and does that  
12 plat show the proposed unorthodox location that you  
13 have just referred to with the North half of Section 5  
14 dedicated to the well?

15 A Yes, it does. The arrow is pointing toward the unorthodox  
16 well location.

17 Q Is the North half of Section 5 owned or under the control  
18 of Superior Oil Company?

19 A Yes, it is.

20 Q What other information is shown on Exhibit Number One?

21 A Exhibit One shows the outline or the orientation of  
22 the Morrow and Strawn proration units. It shows the  
23 wells that are completed in the Strawn along with the  
24 well completed in the Morrow, and the two wells which  
25 are completed in the Atoca. It also shows the distance

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1 of our proposed unorthodox location from the nearby  
2 producing wells. It will be noticed from the exhibit  
3 that the nearest well to our proposed well is 3,950 feet.

4 Q Does this also show who the offset operators of those  
5 offset wells are?

6 A Yes, sir. The offset operators to our proposed  
7 unorthodox well are, in Section 6, Pennzoil; in Section  
8 31, Antweil; and Cities Service in Section 32.

9 Q All right, sir. The Antweil Well in the Northwest  
10 quarter of Section 6, and which is designated with the  
11 red dot that is a Strawn completion only, is that correct?

12 A That's correct. That well was not drilled to the  
13 Morrow zone.

14 Q The other wells you referred to are in some cases  
15 Morrow wells, and in only two cases are there Morrow  
16 and Strawn wells, is that correct?

17 A That's correct. The dual completion offsetting our  
18 proposed well is the Antweil Allan Well in Section 31,  
19 that is completed in the Strawn and the Morrow; and  
20 the Pennzoil United Gulf Federal Number 2 in the  
21 Southwest quarter of Section 6 is also completed in  
22 the Strawn and the Morrow.

23 Q Now, in your application and in the notice that was  
24 given in this case, you asked for authority to drill  
25 this well at an unorthodox location in the Morrow and

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1 other formations, the Morrow formation is your primary  
2 objective, is that right?

3 A Yes, sir. Based on the offset wells, we do not believe  
4 that the Strawn is a very probable objective in this  
5 case.

6 Q However, in the event it should be productive, even  
7 though you believe that to be a remote possibility, you  
8 are seeking authority for completion of this well not  
9 only as a Morrow well, but as a Strawn well, is that  
10 correct?

11 A That's correct.

12 Q Would you refer to your next exhibit, Exhibit Number Two,  
13 and explain what it is and what it shows?

14 A Exhibit Two is a structure map contoured on the top of  
15 the Strawn zone, and also this map shows wells that are  
16 completed in the Strawn, and these are colored in red,  
17 those completed in the Morrow are colored in blue.

18 It will be noted that the Strawn production is  
19 confined to the central part of the structure. There  
20 are seven wells that purportedly have been completed  
21 in the Strawn that are located in the central part of  
22 the structure. Also it will be noted that the structure  
23 dips to the east toward our proposed unorthodox location.  
24 In the Southeast quarter of Section 6, the Strawn horizon  
25 was tested and tested for a very low volume of gas.

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1 In the Northwest quarter of Section 32, the Strawn  
2 horizon was tested and tested no gas. At our proposed  
3 location, which will be 100 feet low to the two tested  
4 wells, there is very little or no gas in the Strawn.

5 We therefore conclude that it is very unlikely that we  
6 will get any commercial production in the Strawn.

7 Q Would you refer to your next exhibit, Exhibit Number  
8 Three, and explain it, please?

9 A Exhibit Three is a structure map contoured on the  
10 Morrow horizon, and again, the completions are shown  
11 in the Strawn in red and the Morrow in blue. As I  
12 pointed out, there are Morrow completions offsetting  
13 our proposed well. One is located in the Southeast  
14 quarter of Section 31, one in the Northwest quarter of  
15 Section 32, one in the Southeast quarter of Section 6,  
16 and one in the Southwest quarter of Section 6.

17 Again, the apex of the structure seems to conform  
18 very closely to the location of the Strawn apex of the  
19 structure, and this map shows that also on the Morrow  
20 horizon, the structure is dipping eastward into our  
21 proposed unorthodox location.

22 Q From your studies in this area, Mr. Clay, do you have  
23 an opinion as to whether the entire North half of Section  
24 5 is productive of gas from the Morrow formation and  
25 will contribute to the production that you would



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1 experience from a well at your proposed unorthodox  
2 location?

3 A Yes, in my opinion, the North half of Section 5 can  
4 reasonably be considered to be productive of Morrow gas.  
5 The reason for this is based on the offset well to the  
6 North, the Cities Service Strackbein Well, which tested  
7 and is currently completed in the Morrow formation from  
8 sub-sea minus 8,220 to minus 8,593. It will be noted  
9 from the structure map that the lower sub-sea of minus  
10 8,593 would include almost completely the North half  
11 of Section 5.

12 Q What was the source of your information shown on your  
13 Exhibit Three with respect to the Cities Service  
14 Strackbein Well?

15 A This information came from analysis of the electric log  
16 and also the production tests that were run and made  
17 on this well at the time of completion.

18 Q In your opinion, Mr. Clay, will approval of this  
19 application, approval of this unorthodox location, have  
20 an adverse effect on the correlative rights of the  
21 offset operators?

22 A In my opinion, it will not have an adverse effect on  
23 the correlative rights of the offset operators.

24 Q Would you explain the bases of that opinion?

25 A In the immediate area of our proposed well, we have

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1 essentially low volume Morrow gas producers, and it  
2 will be noted that in the Southeast quarter of Section  
3 6, the Antweil Missouri-New Mexico Land Well has not  
4 produced since October of 1971. Sand is present in this  
5 well as observed from the electric log. However the  
6 quantity is deteriorating in an easterly direction, and  
7 the capacity of this well is quite limited.

8 In the Southwest quarter of Section 6, the  
9 Pennzoil Gulf Federal Number 2 has exhibited low volume  
10 gas production slightly in excess of one million MCF  
11 per day.

12 In the Southeast quarter of Section 31, you have  
13 a better capacity well, however a volume of 1.8 million  
14 MCF per day was indicated in May.

15 To the North, the Cities Service Strackbein Well  
16 in the Northwest quarter of Section 32 has indicated  
17 in excess of and has averaged approximately two and one-  
18 half million MCF per day. So the unorthodox well  
19 location is surrounded in Section 6 by quite low capacity  
20 wells, and slightly better wells in Sections 31 and 32.

21 Q If I understand you correctly, you are saying that you  
22 do not believe production from your proposed well will  
23 interfere with the drainage patterns of these other  
24 wells that you have mentioned.

25 A That's correct. In other words, we anticipate that

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1 our proposed location, we are looking at a low volume  
2 Morrow gas well. In view of the low volume production  
3 surrounding it, it is unlikely that our proposed well  
4 location-- that production from our proposed well would  
5 interfere with drainage from these offset wells.

6 Q In addition to the official notice that was given by  
7 the Commission in this case, have you given actual  
8 notice of this application to the operators of the  
9 offset wells to the proposed location?

10 A Yes, we have.

11 Q What response have you received?

12 A We have notified all of the offset operators as well  
13 as the lessees offsetting the proposed proration unit  
14 in the North half of Section 5, and the operators of  
15 the offset wells responded with no objection to the  
16 unorthodox well location.

17 Q Do you consider this well to be a high risk well, Mr.  
18 Clay?

19 A Yes, I do. It is particularly a risk in view of the  
20 production that has been exhibited in the Southeast  
21 quarter of Section 6. Production has been of very low  
22 capacity, and the proposed well is approximately  
23 seventy-five feet down structure from the well in the  
24 Southeast quarter of Section 6.

25 Q In addition to it being a high risk well, is it also,

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1 relatively speaking, a high cost well?

2 A Yes, it is. Drilling until completion cost will run  
3 in the range of \$350,000 for a completed well.

4 Q In view of the high risk and the high cost and the lack  
5 of objection from offset operators, is it your  
6 recommendation that any penalty be assessed against you  
7 in connection with this unorthodox location?

8 A It is my recommendation and hope that in view of the  
9 high risk and the high cost to penetrate and develop  
10 this Morrow sand downdip that no penalty be assessed  
11 against the well.

12 Q One of your offset wells is the Antweil Well in the  
13 Southeast quarter of Section 6, is that an orthodox  
14 location for the Morrow?

15 A No, it is not orthodox.

16 Q When that well was deepened to the Morrow, was any  
17 penalty assessed against that well?

18 A No, there was no penalty assessed.

19 Q I notice, Mr. Clay, that your farm-out from Arco is  
20 in the Northwest quarter of Section 5, and this lease  
21 is shown to expire on September 6th, 1972, is that  
22 correct?

23 A Yes, it is correct. The farm-out is subject to drilling  
24 an 11,900 foot test, and the drilling operation must  
25 commence by September 6th of this year.

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1 Q Should the Commission see fit to approve your  
2 application, is it a fair statement to say that you  
3 hope that they do so promptly?

4 A Yes, we would ask the Commission for an early order if  
5 possible.

6 Q Were Exhibits One, Two, and Three prepared by you or  
7 under your direction?

8 A Yes, they were.

9 MR. MORRIS: At this time, Mr. Examiner, we offer  
10 Exhibits One, Two, and Three into evidence.

11 MR. UTZ: Without objection, Exhibits One, Two,  
12 and Three will be entered into the record of this case.

13 MR. MORRIS: That's all we have on direct  
14 examination.

15 MR. UTZ: Are there any questions of the witness?

16 (No response)

17 CROSS EXAMINATION

18 BY MR. UTZ:

19 Q If you were to draw a 320-acre circle from your proposed  
20 location, would it overlap into the adjoining proration  
21 units in Sections 6 and 31?

22 A Yes, it would.

23 Q However, neither of these people in Sections 6 and 31,  
24 none of the people in Sections 31 and 6, have voiced  
25 any objection to your location?

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1 A That's correct, no objection has been voiced, and we  
2 have been in correspondence with the three operators of  
3 the offset wells to the proposed well.

4 Q This location is non-standard, is it not, from the  
5 West side of the proration unit as well as from the  
6 North side?

7 A It is my understanding that it would be non-standard  
8 from the West side-- from the North side, 660 feet,  
9 and from the West side, 990 feet.

10 Q Six hundred sixty feet is a standard location from the  
11 North?

12 A Yes, standard would be 660 feet from the North and 1,980  
13 feet from the West line.

14 Q All right. In your opinion, would the entire proration  
15 unit in the North half of Section 5 be productive of  
16 gas?

17 A Yes, sir. In my opinion, the Morrow sand has developed  
18 as anticipated, and based on the offset Cities Service  
19 Strackbein Well that was tested and which is currently  
20 completed down to minus 8,593 feet, the entire North  
21 half would be underlined by Morrow gas production.

22 MR. UTZ: Are there any other questions?

23 (No response)

24 MR. UTZ: If not, the witness may be excused.

25 (Witness excused.)

1 MR. UTZ: Are there any statements in this case?

2 MR. HATCH: The Commission has received letters  
3 from Antweil, Atlantic-Richfield, Pubco, Phillips Petroleum  
4 Company, and Cities Service, offering no objection to the  
5 application.

6 MR. UTZ: The letters will be noted. Case 4787  
7 will be taken under advisement.

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

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

11  
 12 *Richard E. McCormick*  
 13 CERTIFIED SHORTHAND REPORTER  
 14  
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22 I do hereby certify that the foregoing is  
 23 a complete record of the proceedings in  
 24 the Examiner hearing of Case No. 4787  
 25 heard by me on Aug 9-7-75  
*Shirley D. [Signature]* Examiner  
 New Mexico Oil Conservation Commission

dearnley, meier & mc cormick

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I N D E XWITNESSPAGE

TERRY CLAY

Direct Examination by Mr. Morris

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Cross Examination by Mr. Utz

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E X H I B I T SAPPLICANT'SADMITTEDOFFERED

Exhibit #1

Ownership plat

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Exhibit #2

Structure map

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Exhibit #3

Structure map

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# OIL CONSERVATION COMMISSION

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

**GOVERNOR  
BRUCE KING  
CHAIRMAN**

**LAND COMMISSIONER  
ALEX J. ARMJO  
MEMBER**

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

**August 21, 1972**

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

Re: Case No. 4787  
Order No. R-4369  
Applicant:  
  
Superior Oil Company

**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           x            
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. 4787  
Order No. R-4369

APPLICATION OF SUPERIOR OIL COMPANY  
FOR AN UNORTHODOX WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 9, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 21st day of August, 1972, 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, Superior Oil Company, seeks an exception to Rule 104 of the Commission Rules and Regulations for approval of an unorthodox gas well location 660 feet from the North line and 990 feet from the West line of Section 5, Township 23 South, Range 27 East, NMPM, to test the Strawn and Morrow formations within one mile of the South Carlsbad Field, Eddy County, New Mexico.

(3) That the N/2 of said Section 5 is to be dedicated to the well.

(4) That a well drilled at the proposed location should encounter the subject formations structurally higher than a well drilled at a standard location.

(5) 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 South Carlsbad Field, 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.

-2-

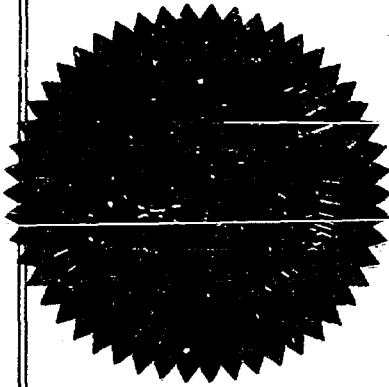
CASE NO. 4787  
Order No. R-4369

IT IS THEREFORE ORDERED:

- (1) That an unorthodox gas well location for the Strawn and Morrow formations is hereby approved for the Superior Oil Company's well within one mile of the South Carlsbad Field at a point 660 feet from the North line and 990 feet from the West line of said Section 5, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico, as an exception to Rule 104 of the Commission Rules and Regulations.
- (2) That the N/2 of said Section 5 is to be dedicated to the above-described 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



*Bruce King*  
BRUCE KING, Chairman

*Alex J. Armito*  
ALEX J. ARMITO, Member

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

S E A L

dr/

Case 4787

Heard. 8-9-72

Rec. 8-9-72

Grant Superior an NSL for  
their well to be drilled.

980/W, 660/W line sec. 5-23-27.

The well to be drilled to the  
Strawn ~~and~~ / ~~or~~ Monnow. If  
production would be a step  
out for either or both the So.  
Carlsbad Strawn or Monnow.

Bools.  
Opp. objection was offered  
by any offset operator.  
All offset operators agreed  
to the NSL.

Thos E. Mc

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 9, 1972

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4785: Application of Gulf Oil Corporation for rededication of acreage and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of a 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 28 and an 80-acre non-standard proration unit comprising the W/2 NE/4 of Section 28; Township 21 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico, to form a 120-acre non-standard proration unit. Applicant also seeks permission to produce the allowable assigned to said 120-acre unit from its Eunice King Wells Nos. 5 and 9 located, respectively, in Units F and G of said Section 28 in any proportion.

CASE 4786: Application of Highland Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the open-hole interval from 4378 feet to 4418 feet in its Russell Federal Well No. 6 located in Unit K of Section 20, Township 26 South, Range 32 East, East Mason-Delaware Pool, Lea County, New Mexico.

CASE 4787: Application of Superior Oil Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a gas well to test the Morrow and other formations at an unorthodox location 660 feet from the North line and 990 feet from the West line of Section 5, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, with the N/2 of said Section 5 to be dedicated to the well.

CASE 4788: Application of Murphy H. Baxter for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing well approximately in the center of the SW/4 of Section 18, Township 17 South, Range 33 East, Maljamar (Grayburg-San Andres) Pool, Lea County, New Mexico. Said well to be within the area of a waterflood project approved by Order No. R-2156.

CASE 4789: Application of Humble Oil & Refining Company for special pool rules, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Many Gates-Abo Pool, Chaves County, New Mexico, including provisions for 80-acre spacing units and wells to be located in the approximate center of the NE/4 or SW/4 of each quarter section.

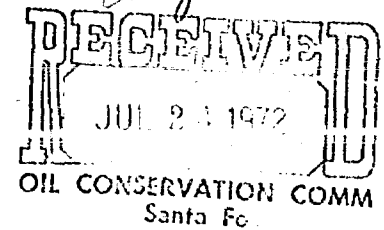
CASE 4790: Application of The Petroleum Corporation for special pool rules and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules

**THE SUPERIOR OIL COMPANY**

P. O. BOX 1900  
MIDLAND, TEXAS 79701

July 14, 1972

Mr. A. L. Porter, Jr.  
Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501



Gentlemen:

This is to advise that the undersigned, an offset operator in the South Carlsbad Field, Eddy County, New Mexico has no objection to granting approval to The Superior Oil Company for an unorthodox well location in this Field.

It is understood that the proposed location will be 990' FWL and 660' FNL Section 5, T-23-S, R-27-E and will be drilled to test the Morrow Zone at an approximate depth of 11,900 feet. It is also understood that applicant plans to dedicate the N/2 Section 5 to the well as the proration unit.

COMPANY: MORRIS E. ANTWEIL

BY: R. M. Williams

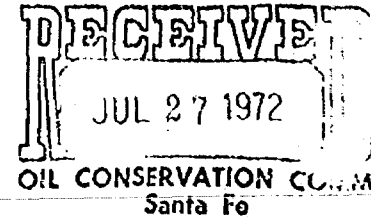
DATE: 21 Jul 72

Case 4787

**THE SUPERIOR OIL COMPANY**

P. O. BOX 1900  
MIDLAND, TEXAS 79701

July 14, 1972



Mr. A. L. Porter, Jr.  
Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

This is to advise that the undersigned, an offset operator in the South Carlsbad Field, Eddy County, New Mexico has no objection to granting approval to The Superior Oil Company for an unorthodox well location in this Field.

It is understood that the proposed location will be 990' FWL and 660' FNL Section 5, T-23-S, R-27-E and will be drilled to test the Morrow Zone at an approximate depth of 11,900 feet. It is also understood that applicant plans to dedicate the N/2 Section 5 to the well as the proration unit.

COMPANY: ATLANTIC RICHFIELD COMPANY

BY: *[Signature]*

DATE: July 26, 1972



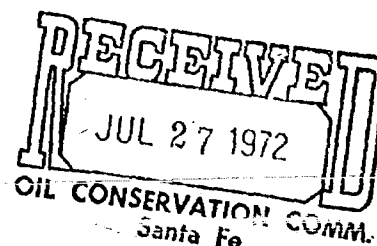
*Case #787*

**THE SUPERIOR OIL COMPANY**

P. O. BOX 1900  
MIDLAND, TEXAS 79701

*[Signature]*

July 14, 1972



Mr. A. L. Porter, Jr.  
Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

This is to advise that the undersigned, an offset operator in the South Carlsbad Field, Eddy County, New Mexico has no objection to granting approval to The Superior Oil Company for an unorthodox well location in this Field.

It is understood that the proposed location will be 990' FWL and 660' FNL Section 5, T-23-S, R-27-E and will be drilled to test the Morrow Zone at an approximate depth of 11,900 feet. It is also understood that applicant plans to dedicate the N/2 Section 5 to the well as the proration unit.

COMPANY: PUBCO PETROLEUM CORPORATION

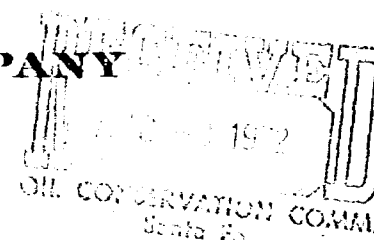
BY: *J. C. Johnson*  
J. C. Johnson, Vice President Production

DATE: July 25, 1972

**THE SUPERIOR OIL COMPANY**

P. O. BOX 1900  
MIDLAND, TEXAS 79701

July 14, 1972



Mr. A. L. Porter, Jr.  
Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

*Case 4787*

Gentlemen:

This is to advise that the undersigned, an offset operator in the South Carlsbad Field, Eddy County, New Mexico has no objection to granting approval to The Superior Oil Company for an unorthodox well location in this Field.

It is understood that the proposed location will be 990' FWL and 660' FNL Section 5, T-23-S, R-27-E and will be drilled to test the Morrow Zone at an approximate depth of 11,900 feet. It is also understood that applicant plans to dedicate the N/2 Section 5 to the well as the proration unit.

Approval conditioned to the following comment: Phillips waives objection to standard unit dedication (N/2 of Section 5) to this unorthodox location only if the location is necessitated by topographic or other conditions and not solely for better structural position."

COMPANY: PHILLIPS PETROLEUM COMPANY

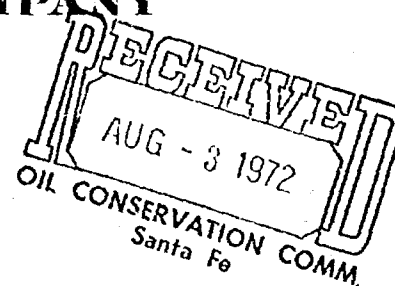
BY: *W. Edwards*

DATE: JULY 31, 1972

**THE SUPERIOR OIL COMPANY**

P. O. BOX 1900  
MIDLAND, TEXAS 79701

July 14, 1972



Mr. A. L. Porter, Jr.  
Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

This is to advise that the undersigned, an offset operator in the South Carlsbad Field, Eddy County, New Mexico has no objection to granting approval to The Superior Oil Company for an unorthodox well location in this Field.

It is understood that the proposed location will be 990' FWL and 660' FNL Section 5, T-23-S, R-27-E and will be drilled to test the Morrow Zone at an approximate depth of 11,900 feet. It is also understood that applicant plans to dedicate the N/2 Section 5 to the well as the proration unit.

COMPANY: CITLES SERVICE OIL COMPANY

BY: *E. F. Motter* E. F. Motter, Region Engineer

DATE: *8-2-72*

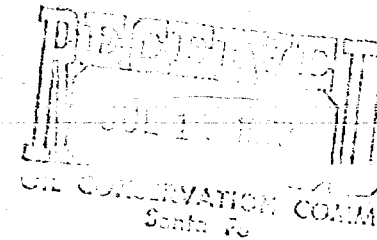
# THE SUPERIOR OIL COMPANY

P. O. BOX 1900  
MIDLAND, TEXAS 79701

*Case 4787*

July 14, 1972

Mr. A. L. Porter, Jr.  
Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501



Re: Application for Unorthodox Location  
990' FWL & 660' FNL  
Section 5, T-23-S, R-27-E  
South Carlsbad Field Area  
Eddy County, New Mexico

Dear Sir:

Applicant, The Superior Oil Company, respectfully requests that the above captioned unorthodox well location be approved for drilling to the Morrow Zone (11,900'). Applicant asks that this matter be set on scheduled hearing date of August 9, 1972, to provide time to secure drilling rig and make necessary arrangements to be drilling by September 6, 1972. Attached is a plat of the South Carlsbad Field Area showing completed wells, lease ownerships within a mile radius of unorthodox well location, and Superior's acreage colored in yellow. Also, a copy of our notification to offset operators and a waiver is included for your file.

Applicant proposes to drill an unorthodox well location in NW/4 Section 5, T-23-S, R-27-E, and in support thereof will show the Commission:

1. Applicant is the owner of the right to drill the NW/4 Section 5, T-23-S, R-27-E by means of a farmout from Atlantic Richfield Company which lease expires on September 6, 1972.
2. Applicant is owner of NE/4 Section 5, T-23-S, R-27-E and proposes to dedicate the N/2 Section 5, T-23-S, R-27-E as the proration unit.
3. Applicant at its sole risk proposes to drill a Morrow test to approximate depth of 11,900 feet and at an unorthodox location in attempt to capture gas on the eastern side of the South Carlsbad Field.

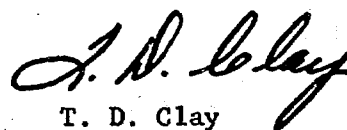
Mr. A. L. Porter, Jr.  
Page 2

4. Applicant proposes to drill at an unorthodox location which is considered down dip and of high risk. The Antwell New Mexico Land Well located in SE/4 Section 6, T-23-S, R-27-E has exhibited poor producing performance and other surrounding wells indicate the quality of Morrow pay is deteriorating in an easterly direction.

We therefore ask that this matter be set for August 9, 1972, hearing so that the expiring lease can be protected.

Very truly yours,

THE SUPERIOR OIL COMPANY



T. D. Clay  
Senior Engineer

TDC/jf

Attachments

# THE SUPERIOR OIL COMPANY

P. O. BOX 1900  
MIDLAND, TEXAS 79701

July 14, 1972

Morris R. Antweil  
P. O. Box 2010  
Hobbs, New Mexico 88240  
Attn: Mr. Alan Antweil

Atlantic Richfield Company  
P. O. Box 1610  
Midland, Texas 79701  
Attn: Mr. W. P. Tomlinson

Cities Service Oil Company  
700 Vaughn Bldg.  
Midland, Texas 79701  
Attn: Mr. E. F. Motter

Mobil Oil Corporation  
Box 633, Wall Towers  
Midland, Texas 79701  
Attn: Mr. C. F. Underriner, Jr.

Pennzoil United, Inc.  
P. O. Box 1828  
Midland, Texas 79701  
Attn: Mr. F. Clinton Edwards

Phillips Petroleum Company  
Phillips Bldg., Fourth & Washington  
Odessa, Texas 79760  
Attn: Mr. F. F. Lovering

Pubco Petroleum Corporation  
P. O. Box 869  
Albuquerque, New Mexico 87103  
Attn: Mr. Charles E. Ramsey, Jr.

Re: Unorthodox Well Location  
NW/4 Section 5, T-23-S, R-27-E  
South Carlsbad Field Area  
Eddy County, New Mexico

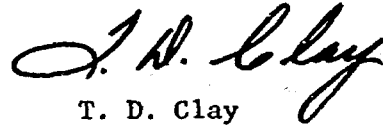
Gentlemen:

The Superior Oil Company proposes to drill an unorthodox well 990' FWL and 660' FNL Section 5, T-23-S, R-27-E. The N/2 Section 5 will be dedicated to this well as the proration unit. We have requested approval from the New Mexico Oil Conservation Commission to drill this Morrow test and have also ask that this request be set for hearing on August 9, 1972.

As an offset operator if you have no objection to the above mentioned unorthodox location, please so indicate by mailing one signed copy of the attached waiver to the Oil Conservation Commission and one copy to the undersigned.

Yours very truly,

THE SUPERIOR OIL COMPANY



T. D. Clay  
Senior Engineer

TDC/jf  
Attachments

# THE SUPERIOR OIL COMPANY

P. O. BOX 1900  
MIDLAND, TEXAS 79701

July 14, 1972

Mr. A. L. Porter, Jr.  
Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

This is to advise that the undersigned, an offset operator in the South Carlsbad Field, Eddy County, New Mexico has no objection to granting approval to The Superior Oil Company for an unorthodox well location in this Field.

It is understood that the proposed location will be 990' FWL and 660' FNL Section 5, T-23-S, R-27-E and will be drilled to test the Morrow Zone at an approximate depth of 11,900 feet. It is also understood that applicant plans to dedicate the N/2 Section 5 to the well as the proration unit.

COMPANY: \_\_\_\_\_  
BY: \_\_\_\_\_  
DATE: \_\_\_\_\_

DRAFT

GMH/dr

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. 4787

Order No. R-4369

APPLICATION OF SUPERIOR OIL COMPANY  
FOR AN UNORTHODOX WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 9, 1972  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz

NOW, on this day of August, 1972, 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, Superior Oil Company, seeks an  
exception to Rule 104 of the Commission Rules and Regulations  
for approval of an unorthodox gas well location, 660 feet from  
the North line and 990 feet from the West line of Section 5,  
Township 23 South, Range 27 East, NMPM, South Carlsbad Field,  
Eddy County, New Mexico.

*to be set aside and  
may be set aside with one  
month's notice*



(3) That the N/2 of said Section 5 is to be dedicated to the well, ~~that the subject well was projected to test the Morrow formation and other formations.~~

(4) 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 South Carlsbad Field, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location, <sup>within one mile of</sup> is hereby approved for the Superior Oil Company's well, ~~in~~ the South Carlsbad Field at a point 660 feet from the North line and 990 feet from the West line of said Section 5, Township 23 South, Range 27 East, NMPm, Eddy County, New Mexico, as an exception to Rule 104 of the Commission Rules and Regulations.

(2) That the N/2 of said Section 5 is to be dedicated to the above-described 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.

(4) That a well drilled at the proposed location should encounter the subject formations structurally higher than a well drilled at a standard location.

for the Morrow and Morrow formations.

**CASE 4788: Application of MURPHY  
H. BAXTER FOR AN UNORTHODOX WELL  
LOCATION, LEA COUNTY, N. MEX.**