

CASE 7482: WISER OIL COMPANY FOR AN
UNORTHODOX OIL WELL LOCATION, LEA COUNTY,
NEW MEXICO

DOCKET MAILED

Date 2/5/82

CASE NO.

7482

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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

17 February 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Wiser Oil Company
for an unorthodox oil well loca-
tion, Lea County, New Mexico.

CASE
7482

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

STATEMENT BY MR. KELLAHIN 3

BILL SINGLETARY

Direct Examination by Mr, Kellahin 4

Cross Examination by Mr. Stamets 10

E X H I B I T S

Applicant Exhibit One, Document 5

Applicant Exhibit Two, Plat 6

Applicant Exhibit Three, Graph 6

Applicant Exhibit Four, Graph 8

Applicant Exhibit Five, Graph 8

Applicant Exhibit Six, Document 9

1
2 MR. STAMETS: We'll call now Case 7482.

3 MR. PEARCE: Application of Wiser Oil
4 Company for an unorthodox oil well location, Lea County,
5 New Mexico.

6 MR. KELLAHIN: If the Examiner please,
7 I'm Tom Kellahin, of Santa Fe, New Mexico, appearing on be-
8 half of the applicant, and I have one witness.

9
10 (Witness sworn.)
11

12 MR. KELLAHIN: If the Examiner please,
13 Wiser Oil Company seeks the approval of an unorthodox loca-
14 tion.

15 If you'll note on Exhibit Number One,
16 the location is a matter of about 25 feet out of the center
17 of the 160-acre tract, and there are already existing on
18 that 160-acre tract four Penrose-Skelly oil wells, and Wiser
19 seeks approval for a fifth well in the approximate center
20 of the 160-acre tract.

21 The well that's the subject of this
22 hearing has already been drilled pursuant to verbal approval
23 of Mr. Ramey, and we now seek to present evidence formally
24 before the Examiner that would correct the application which
25 states that none of these wells have been drilled, which is

1
2 not true.

3 The advertisement is correct, however,
4 and indicates that it's this last, or fifth well that re-
5 quires the approval.

6 We would propose an order that would
7 allow us to allocate the production from all five wells among
8 the proration unit for four, so we've got 160 acres on which
9 we have five wells instead of four wells, and we'd like to
10 allocate the production from the five wells to the 160-acres.

11
12 BILL SINGLETARY

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

15
16 DIRECT EXAMINATION

17 BY MR. KELLAHIN:

18 Q For purposes of the record, Mr. Single-
19 tary, would you state your name and occupation?

20 A Yes, my name is Bill Singletary. I'm
21 New Mexico Area Superintendent for the Wiser Oil Company.

22 Q Mr. Singletary, have you previously
23 testified before the Oil Conservation Division?

24 A Yes, I have.

25 Q And have you prepared certain exhibits

1
2 for introduction today?

3 A. Yes, I have.

4 MR. KELLAHIN: We tender Mr. Singletary
5 as an expert witness.

6 MR. STAMETS: He is considered qualified.

7 Q. Mr. Singletary, let's refer to what we've
8 marked as Exhibit Number One and have you identify that for
9 us, please.

10 A. Exhibit Number One is a C-02 filed with
11 the Oil Commission showing the dedicated acreage to this
12 unorthodox location and the location of this proposed Downs
13 A No. 5 Well.

14 Q. The No. 5 Well was spudded on what date,
15 Mr. Singletary?

16 A. No. 5 Well was spudded on January 29th,
17 '82; reached TD of 3800 February the 12th, '82.

18 Q. Was that -- why was that well commenced
19 at that particular time?

20 A. The rig that I had been waiting for to
21 drill this well was turned loose earlier than it was first
22 expected, and I called Mr. Ramey and asked him if there'd
23 be any problem if I went ahead and drilled the well, and
24 explained to him the location of the other four Penrose
25 wells and the proposed location of the fifth well. He said

1
2 he could see no problem and gave verbal approval to go ahead
3 and drill the well and bring it before the first Commission
4 hearing that we could get it scheduled.

5 Q What is the ownership with regards to
6 the Penrose-Skelly formations in the southwest quarter of
7 the section?

8 A Wiser Oil Company is sole owner of all
9 the existing wells in the 160 acres.

10 Q Are the royalty interests and working
11 interests common for the southwest quarter?

12 A Yes, they are all common.

13 Q All right, sir. Let's turn to Exhibit
14 Number Two and have you identify that for us.

15 A Exhibit Number Two is a plat of the
16 area, showing the quarter of the section that is involved.
17 It shows the four Penrose wells on standard locations, and
18 each of the 40-acre tracts and also the new proposed location
19 of the fifth well.

20 Q All right, sir. Let's turn to Exhibit
21 Number Three, then, and have you identify that.

22 A Exhibit Number Three is a graph of the
23 monthly oil production on the Downs A No. 1, which is one
24 of the Penrose-Skelly wells.

25 Q All right, which one is that, now?

1
2 A In relation to the Exhibit Number Two,
3 it would be the one, let's see, in Unit N of that quarter
4 section.

5 Q So it's in the Southeast quarter of the
6 southwest quarter?

7 A Yes, that's right.

8 Q And what does that show?

9 A That shows you that the production on
10 this well has declined to approximately average now of 60
11 barrels per month. I might add, all four of these wells
12 were drilled in the late 1930's. At that time pipe was set
13 above the Penrose-Skelly section, open hole was drilled,
14 and they were shot with nitro from 4 to 500 quarts per well.

15 The wells haven't been stimulated due
16 to the open hole conditions and to the fact that it's very
17 difficult to control stimulation in these old type wells,
18 and as the further exhibits will show, they were good wells
19 at one time but they're down to bare stripper, barely com-
20 mercial wells at this point.

21 Q In your opinion is the fifth well in
22 this 160-acre quarter section necessary in order to recover
23 the Penrose-Skelly reserves underlying that quarter section?

24 A Yes, we feel it's necessary and also
25 we feel like none of the other existing wells have ever been

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2 logged. We feel like by drilling this well we'll be able
3 to log and find out what section we have, selectively perfor-
4 ate, and treat accordingly and possibly make -- we will find
5 out whether these wells have been drained on the 40-acre
6 spacing or whether, due to the old type completion, there's
7 still a lot of recoverable oil in that 160 acres.

8 Q All right, sir, let's turn to Exhibit
9 Number Four and have you identify that.

10 A Exhibit Four is a monthly barrel pro-
11 duction on the Downs A No. 3 Well, which will be located in
12 Unit --

13 Q K, it's the northeast of the southwest --

14 A Yeah.

15 Q -- isn't it?

16 A That's right. As this shows, approxi-
17 mately 12 to 15 barrels a month is all this well is producing
18 at the present time.

19 Q All right, sir, let's turn to Exhibit
20 Number Five, then.

21 A Exhibit Number Five is a graph showing
22 the barrels per month on the No. 4 Well, which is down to
23 approximately 30, 35 barrels per month.

24 Q And this is the well in the northwest
25 of the southwest?

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A. Yes, that's true.

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Q. All right, sir, and then finally Exhibit Number Six.

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A. Exhibit Number Six shows the cumulative oil of these four wells, the No. 1 having a cumulative of 77,349 barrels; the No. 2, of 52,992 through November the 30th of '81; No. 3, at 60,161 barrels; and the No. 4 had 68,573; with a cumulative through November the 30th of 259,075 barrels of oil.

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Now on the No. 2 Well, it was last produced in September of '73. It was depleted to where it wasn't commercially -- commercial to produce it any more. It just dropped to nothing on the oil production.

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Q. It hasn't been produced since '73?

A. No, it hasn't been produced since '73,

pending further investigation of the reservoir, which we hope to do with this No. 5 Well.

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Q. All right, sir. Mr. Singletary, in your opinion will approval of this application be in the best interest of conservation, the prevention of waste, and the protection of correlative rights?

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A. Yes, it will.

Q. And were Exhibits One through Six prepared by you or compiled under your direction and supervision?

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2 A. Yes, they were.

3 MR. KELLAHIN: We move the introduction
4 of Exhibits One through Six.

5 MR. STAMETS: These exhibits will be
6 admitted.

7
8 CROSS EXAMINATION

9 BY MR. STAMETS:

10 Q Mr. Singletary, it appears that there
11 is a waterflood unit to the south.

12 A. Yes, sir.

13 Q Operated by Gulf?

14 A. Yes, sir.

15 Q I would take it from the figures that
16 you show on your monthly production reports that you've not
17 experienced any response to that?

18 A. No, we haven't. We have wells that's
19 actually in the waterflood boundaries. They've experienced
20 nothing. The flood as to date has been strictly of no value
21 as a flood due to the fact that most of the wells are old
22 wells completed in the '30ies with very little control and
23 at the present time the only water that's being put in this
24 flood is produced water, which is very small amount, and
25 there's never been any sign of any recovery from that flood.

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Q If you were to waterflood in this area, the type of well that you're drilling is the type of well that you need for effective control?

A Yes, sir, it certainly is. The cement program on it, we run 350 foot of 8-5/8ths, circulated good slurry to the surface, drilled a 7-7/8ths hole, run 5-1/2 casing to TD, circulated good cement slurry, not only to tie in the surface string, but also right on through the surface, so at a later date, should this well not make a producer, it would be possible to go in here and seek approval and make a water injection well out of this little Penrose well and possibly make a little pilot secondary recovery zone out of our existing 160 acres.

Q The well is being drilled at the present time?

A It has already been drilled. It -- and the rig has moved off. It's just sitting there pending completion, which won't be started until after approval, formal approval from the hearing.

Q Now, Mr. Kellahin indicated you'd like to allocate the production from all five wells to the unit. I don't believe that the Division has allowed that anywhere, but since the -- the interest is the same throughout this 160-acre tract, the effect would be the same as far as the --

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the interest would be --

A. Yes, sir, that's understandable. With the very minimum that these other four wells are making and the fact that we are sole owner of that 160 acres, common allowable on 160 acres we feel would be more than ample unless we got a well completely unheard of, which is not likely.

Q. Do you anticipate getting a well that would make more than 80 barrels a day?

A. No, sir, we don't. The electric logs that I run indicated a pay zone from approximately 3650, I believe, to 3700, with a porosity ranging from 11 to 17 percent, with about 30 foot of net pay, and we feel like since these other wells have been in existence since the late 30ies, that we might have suffered some drainage under this, though we don't believe that we have been drained completely, and if we could make a 15 to 20 barrel well, we'd be well satisfied with it.

Q. So if you wind up having to dedicate the southeast of the southwest of the section to this well, that's not going to --

A. No, that won't affect -- no, it won't affect anything on it.

MR. STAMETS: Any questions of this witness?

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2 MR. KELLAHIN: No, sir.

3 MR. STAMETS: He may be excused.

4 Anything further in this case?

5 The case will be taken under advisement.

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7 (Hearing concluded.)
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C E R T I F I C A T E

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

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete and correct transcript of the hearing in
the Production Hearing of Case No. 7482
heard by me on 3-17, 1982
Richard L. Stumm, Examiner
Oil Conservation Division



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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March 3, 1932

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 7482
ORDER NO. R-6202

Applicant:

Minor Oil Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/ed

Copy of order also sent to:

Hobbs OGD	X
Artesia OGD	X
Aztec OGD	

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7482
Order No. E-6909

APPLICATION OF WISER OIL COMPANY FOR
AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 17, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 2nd day of March, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Wiser Oil Company, seeks approval of an unorthodox oil well location 1295 feet from the South line and 1345 feet from the West line of Section 32, Township 21 South, Range 37 East, NMPM, Penrose-Skelly Pool, Lea County, New Mexico.

(3) That the SE/4 SW/4 of said Section 32 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to evaluate drainage and secondary recovery potential of its Downes "A" Lease in the SW/4 of said Section 32.

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

-2-

Case No. 2480

Order No. B-6089

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

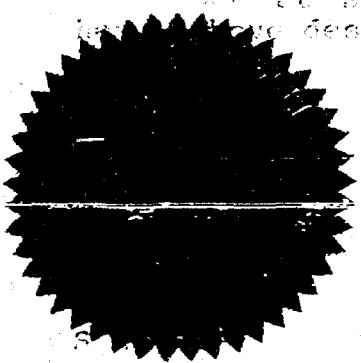
IT IS HEREBY ORDERED:

(1) That Pioneer Oil Company is hereby authorized an unconsolidated oil well location for a well to be located at a point 1295 feet from the South line and 1345 feet from the West line of Section 32, Township 21 South, Range 37 East, NMPM, Penrose-Skelly Pool, Lea County, New Mexico.

(2) That the SE/4 SW/4 of said Section 32 shall be dedicated to the above-described well.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

EXAMINER HEARING

DOWNES A NO. 5

UNORTHODOX LOCATION AND SIMULTANEOUS DEDICATION

The Wiser Oil Company seeks the approval of the Conservation Division to drill and complete in the Penrose Skelly Grayburg Pool its Downes A No. 5 well at an unorthodox location and for simultaneous dedication of an existing 40-acre proration unit.

Exhibit No. 1 is a location plat showing the proposed well to be located 1295' FSL and 1345' FWL of Section 32, T-21S, R-37E, Lea County, New Mexico. This exhibit also shows the 40-acre existing proration unit that Well No. 5 will share with existing Well No. 1. The proration unit is shown by the dashed outline, consisting of the SE/4 SW/4 of Section 32.

Exhibit No. 2 is an area ownership map showing existing wells Offset operators, and the proposed location in Unit N of Section 32.

Exhibit No.'s 3-5 are production decline curves for the existing Wells No. 1, 3, and 4. The No. 2 well last produced in September, 1973, and has been temporarily shut-in pending further reservoir analysis.

Exhibit No. 6 is the cumulative production data for the Downes A Lease through November, 1981. Cumulative production for the lease is 259,075 Barrels of oil.

JUSTIFICATION

The existing four wells on the Downes A Lease were drilled during 1937 to 1938. No Logs were run on any of these wells. It is necessary to drill the Downes A No. 5 in the proposed unorthodox location for the following reasons:

1. To obtain a modern suite of Logs.
2. To increase recoverable reserves.
3. To determine continuity of pay zones across the lease.
4. To obtain structure data.
5. To evaluate the reservoir for future secondary recovery.
6. The granting of this application should not violate the correlative rights of any party.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-112
Supersedes O-128
Effective 1-1-75

All distances must be from the outer boundaries of the Section

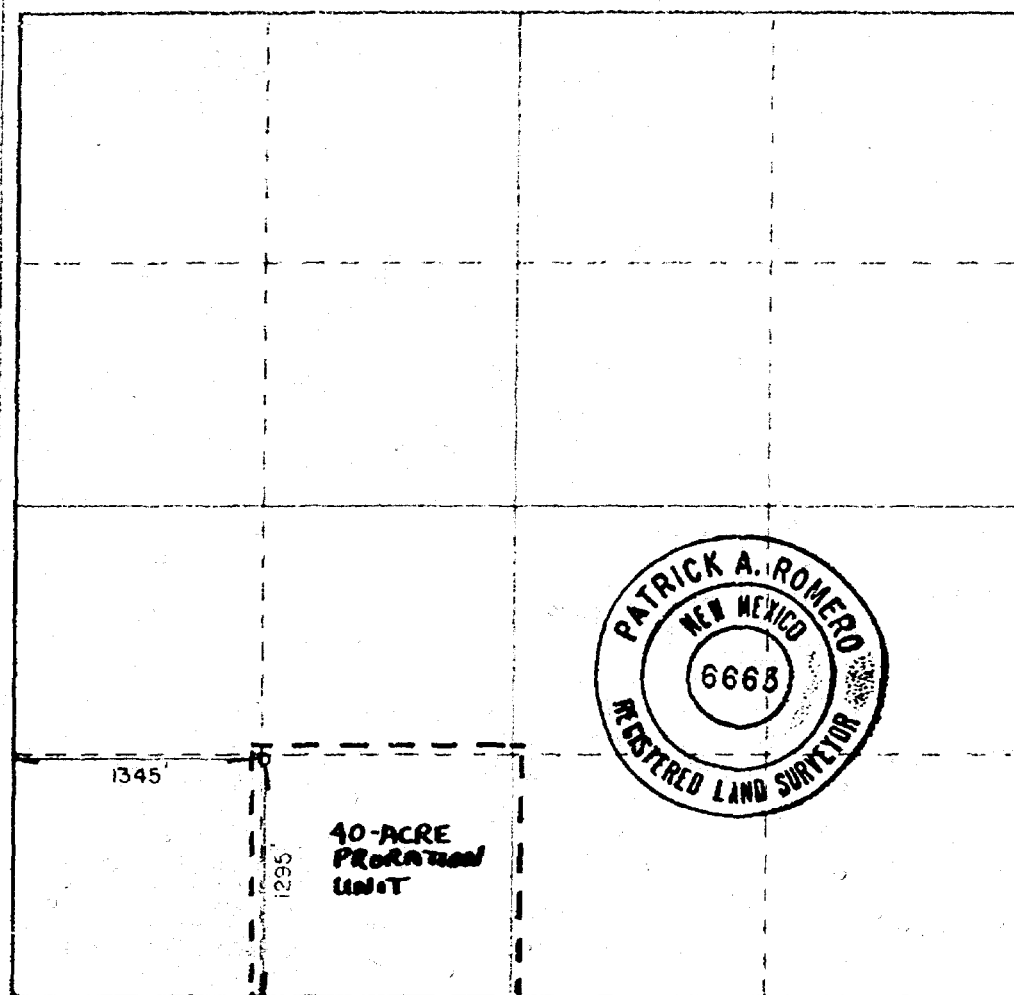
The Wiser Oil Company		Lease		Dwain "A"		Acres		5		
Section	N	Range	32	Township	21 South	Range	37 East	County		Lea
Acreage Dedication to the Well 1295 feet from the south line and 1345 feet from the west line. Section Line: 3462.3'										

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.

Name _____

Position _____

Company _____

Date _____

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.

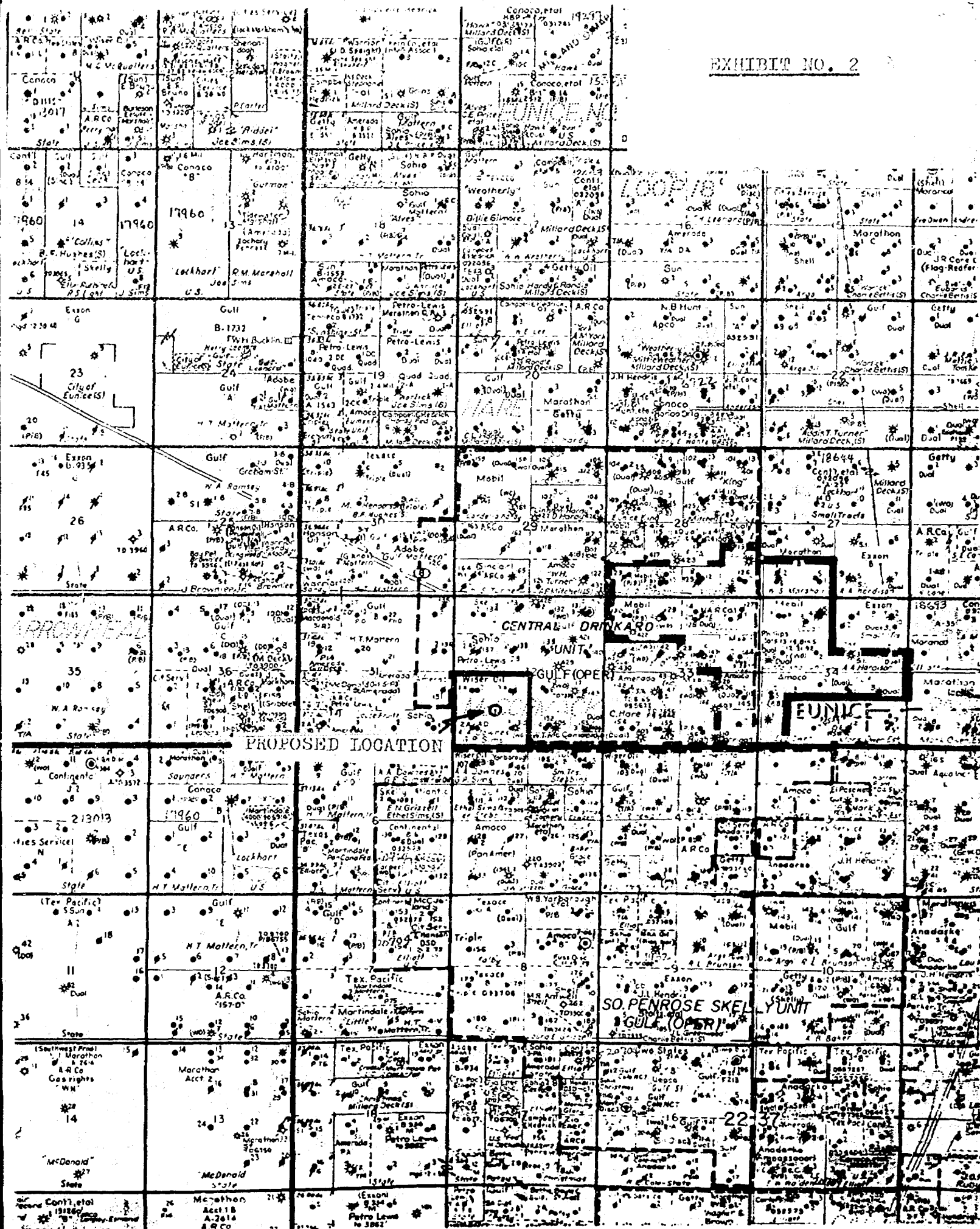
Date Surveyed

10-3-81

Registered Professional Engineer
and Land Surveyor

Patrick A. Romero

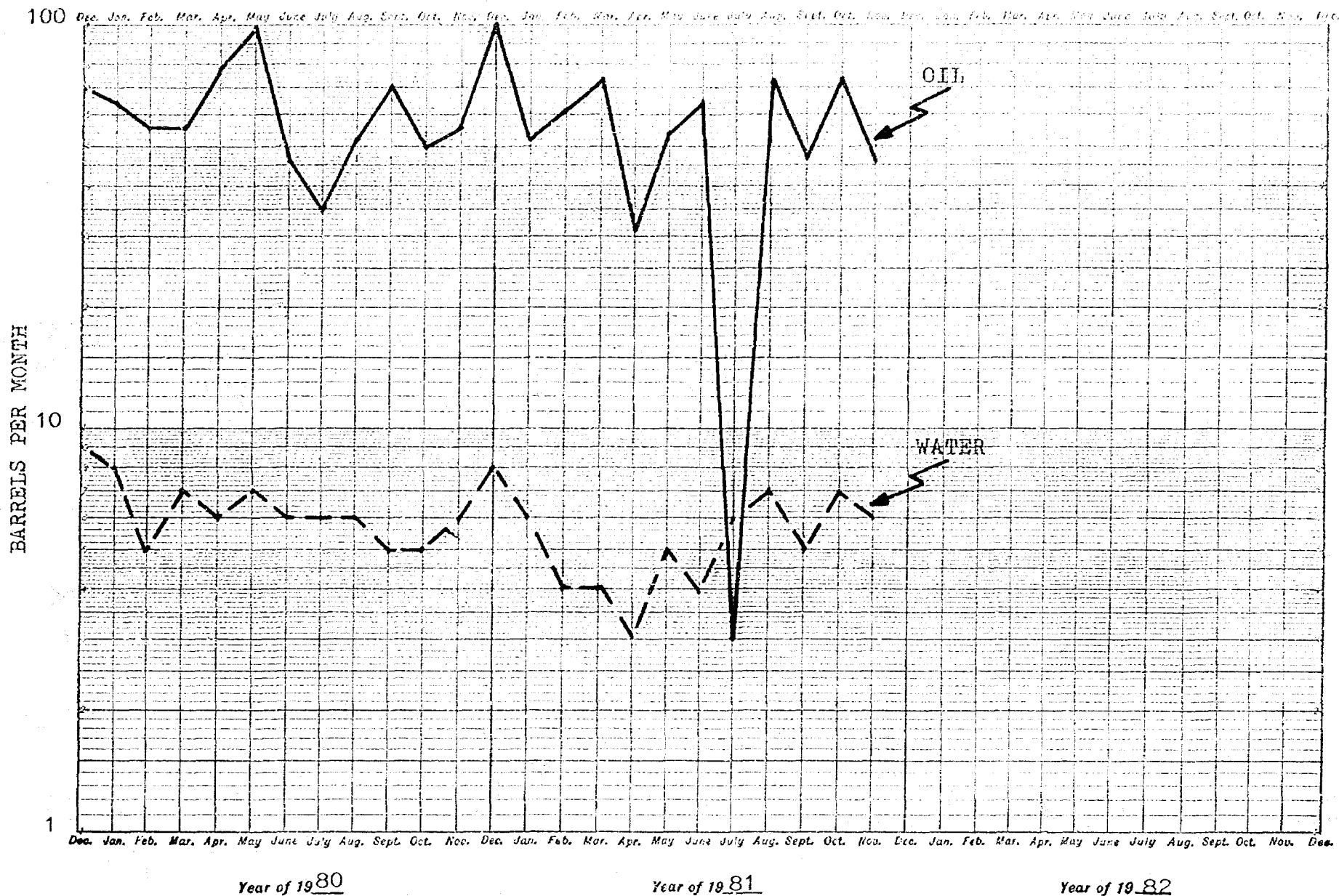
Certificate No. JOHN W. WEST 676
PATRICK A. ROMERO 6668
Ronald J. Eidson 3239



THE WISER OIL COMPANY

DOWNES A NO. 1

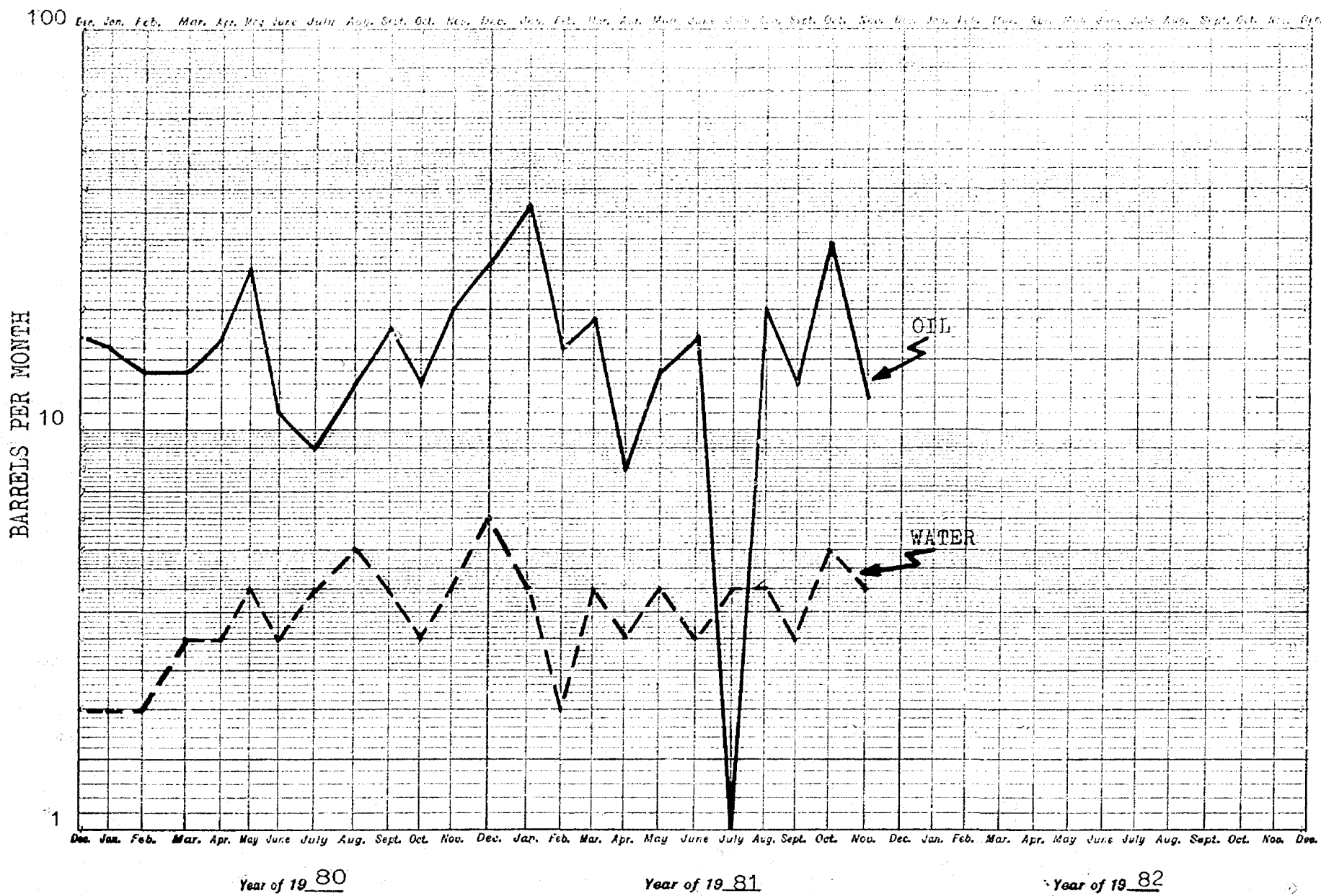
N SEC 32, T-21S, R-37E



THE WISER OIL COMPANY

DOWNES A NO. 3

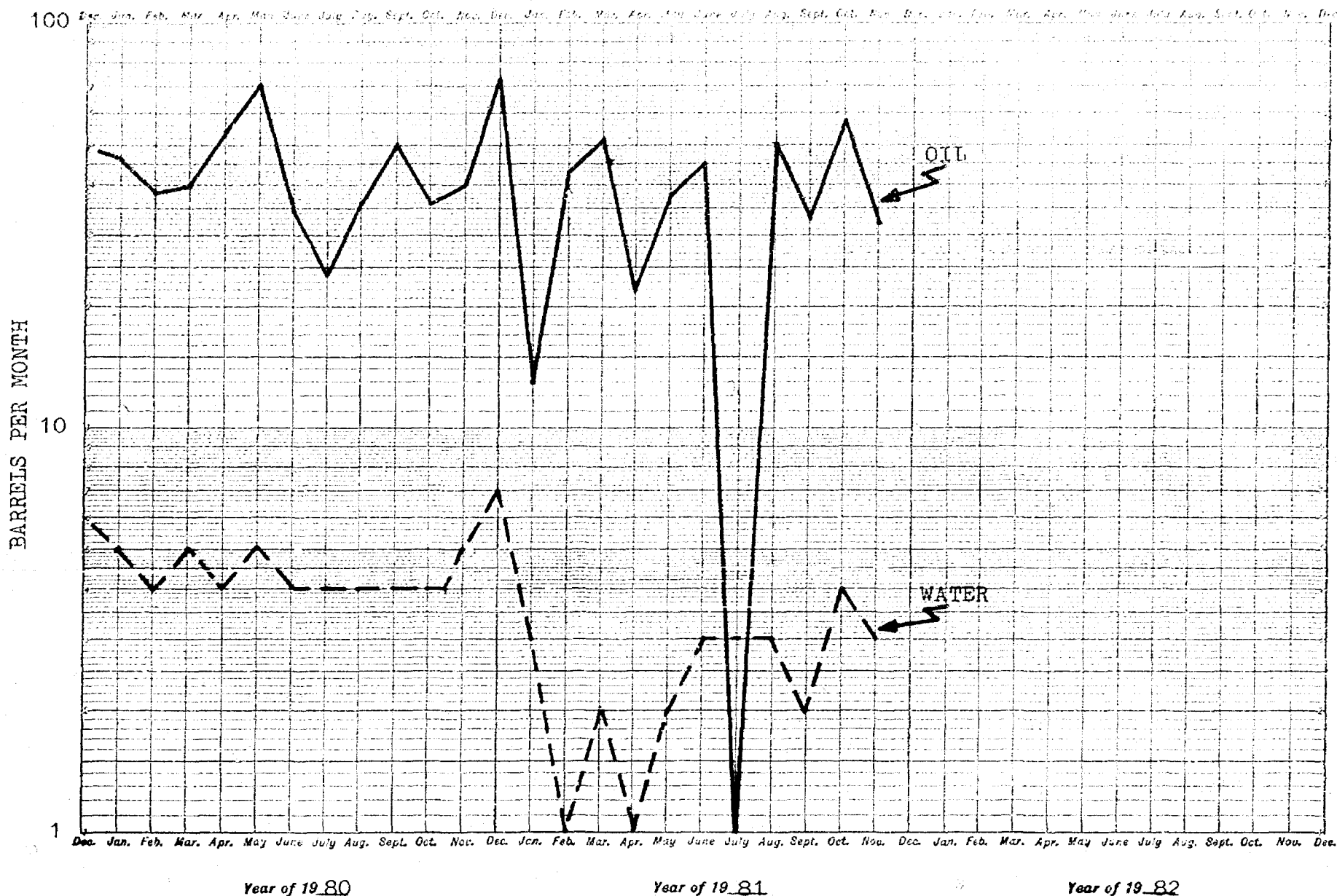
K SEC 32, T-21S, R-37E



THE WISER OIL COMPANY

DOWNES A NO. 4

L SEC 32, T-21S, R-37E



THE WISER OIL COMPANY

DOWNES A LEASE

PRODUCTION HISTORY

<u>WELL NAME</u>	<u>CUMULATIVE BBLs. OIL*</u>
DOWNES A NO. 1	77,349
DOWNES A NO. 2	52,992 **
DOWNES A NO. 3	60,161
DOWNES A NO. 4	<u>68,573</u>
TOTAL LEASE	259,075

*Through November 30, 1981

**Last Production: September, 1973

Dockets Nos. 7-82 and 8-82 are tentatively set for March 3 and March 17, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

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

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

- ALLOWABLE:**
- (1) Consideration of the allowable production of gas for March, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico
 - (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1982, for both of the above areas.

CASE 7445: (Continued from December 16, 1981, Examiner Hearing)
(THIS CASE WILL BE CONTINUED TO THE EXAMINER HEARING ON MARCH 17, 1982)

Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the San Andres formation for its Fulton Collier Well No. 1 in Unit G of Section 1, Township 18 South, Range 28 East.

CASE 7479: Application of Northwest Pipeline Corporation for amendment of Order No. R-2046, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the Amendment of Division Order No. R-2046, which authorized approval of six non-standard proration units, Basin-Dakota Gas Pool.

The amendment sought is for the creation of the following non-standard proration units to be drilled at standard locations thereon: Township 31 North, Range 6 West, Section 25: N/2 (272.16 acres) and S/2 (273.3 acres); Section 36: N/2 (272.56 acres) and S/2 (272.88 acres); Township 30 North, Range 6 West; Section 1: N/2 (272.81 acres) and S/2 (273.49 acres).

CASE 7480: Application of Arco Oil & Gas Company for pool creation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Upper Devonian gas pool for its Custer Well No. 1 located 1810 feet from the North line and 2164 feet from the West line of Section 6, Township 25 South, Range 37 East, Custer Field.

CASE 7481: Application of Arco Oil & Gas Company for amendment of Order No. R-6792, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6792, which authorized the directional drilling of applicant's Custer Wells Well No. 1 to an unorthodox location in the Devonian and Ellenburger formations and imposed a penalty in the Devonian. By stipulation applicant and the offset operator have agreed that the subject well is not affecting the offsetting property and applicant herein seeks removal of the penalty imposed for so long as the well produces only from the present perforated interval in the Upper Devonian.

CASE 7459: (Continued from January 20, 1982, Examiner Hearing)

Application of Red Mountain Associates for the Amendment of Order No. R-6538, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6538, which authorized applicant to conduct waterflood operations in the Chaco Wash-Mesa Verde Oil Pool. Applicant seeks approval for the injection of water through various other wells than those originally approved, seeks deletion of the requirement for packers in injection wells, and seeks an increase in the previously authorized 68-pound limitation on injection pressure.

CASE 7410: (Continued from January 20, 1982, Examiner Hearing)

Application of B.O.A. Oil & Gas Company for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2035 feet from the South line and 2455 feet from the East line and one to be drilled 2455 feet from the North line and 1944 feet from the East line, both in Section 31, Township 31 North, Range 15 West, Verde-Gallup Oil Pool, the NW/4 SE/4 and SW/4 NE/4, respectively, of said Section 31 to be dedicated to said wells.

EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

CASE 7457: (Continued from January 20, 1982, Examiner Hearing)

Application of E. T. Ross for nine non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for nine 40-acre non-standard gas proration units in the Bravo Dome Carbon Dioxide Area. In Township 19 North, Range 30 East: Section 12, the NW/4 NW/4 and NE/4 NW/4; Section 14, the NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4. In Township 20 North, Range 30 East: Section 11, the NE/4 SW/4, SW/4 SE/4, SE/4 SW/4, and NW/4 SE/4.

CASE 7482: Application of Wiser Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 1295 feet from the South line and 1345 feet from the West line of Section 32, Township 21 South, Range 37 East, Penrose-Skelly Pool.CASE 7483: Application of Adams Exploration Company for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4176 feet to 4293 feet in its Griffin Well No. 4 located in Unit A, of Section 10, Township 8 South, Range 32 East, Chaveroo-San Andres Pool.CASE 7462: (Continued from February 3, 1982, Examiner Hearing)

Application of Marathon Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinberry production in the wellbore of its C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East.

CASE 7474: (Continued from February 3, 1982, Examiner Hearing)

Application of Union Oil Company of California for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn, Atoka and Morrow formations underlying the E/2 of Section 25, Township 19 South, Range 33 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7484: Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Atoka and Morrow formations underlying the E/2 of Section 1, Township 19 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.CASE 7485: Application of Berge Exploration for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying two 160-acre proration units, the first being the NW/4 and the second being the SW/4 of Section 27, Township 7 South, Range 26 East, each to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.CASE 7486: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation underlying the NE/4 NE/4 of Section 6, Township 20 South, Range 39 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.CASE 7487: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation underlying the SE/4 SE/4 of Section 31, Township 19 South, Range 39 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7488: Application of Burkhart Petroleum Company for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 NW/4 of Section 13, Township 8 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7073: (Reopened and Readvertised)

In the matter of Case 7073 being reopened pursuant to the provisions of Order No. R-6558, which order promulgated special rules for the South Elkins-Fusselman Pool in Chaves County including provisions for 80-acre spacing units and a limiting gas-oil ratio of 3000 to one. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units with a limiting gas-oil ratio of 2000 to one.

CASE 7074: (Reopened and Readvertised)

In the matter of Case 7074 being reopened pursuant to the provisions of Orders Nos. R-6565 and R-6565-B, which created the South Elkins-Fusselman Gas Pool in Chaves County. All interested parties may appear and present evidence as to the exact nature of the reservoir, and more particularly, as to the proper rate of withdrawal from the reservoir if it is determined that said pool is producing from a retrograde gas condensate reservoir.

CASE 6373: (Reopened and Readvertised)

In the matter of Case 6373 being reopened pursuant to the provisions of Orders Nos. R-5875 and R-5875-A, which created the East High Hope - Abo Gas pool in Eddy County, and promulgated special rules therefor, including a provision for 320-acre spacing units. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

CASE 7489: Application of Curtis J. Little for designation of a tight formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Chacra formation underlying portions of Township 25 North, Range 6 West, containing 6,720 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

CASE 7490: Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Atoka-Morrow formation, underlying the N/2 of Section 19, Township 8 South, Range 30 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7491: Application of Harvey E. Yates Company for designation of a tight formation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Atoka formation underlying portions of Townships 12, 13, and 14 South, Ranges 35 and 36 East, containing 46,720 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705, said area being an eastward and westward extension of previously approved tight formation area.

CASE 7492: Application of Harvey E. Yates Company for designation of a tight formation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Atoka-Morrow formation underlying all or portions of Townships 7, 8, and 9 South, Ranges 29, 30, and 31 East, containing 115,200 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

CASE 7493: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Bootleg Ridge-Morrow Gas Pool. The discovery well is Getty Oil Company Getty 15 Federal Well No. 1 located in Unit J of Section 15, Township 22 South, Range 33 East, NMPM. Said Pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 15: S/2

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the North King-Devonian Pool. The discovery well is Samedan Oil Corporation Speight Well No. 1 located in Unit B of Section 3, Township 13 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM
Section 3: NE/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the North Loving-Atoka Gas Pool. The discovery well is Gulf Oil Corporation Eddy GR State Well No. 1 located in Unit E of Section 16, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 12: N/2

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 4: S/2
Section 7: All
Section 8: All
Section 9: All
Section 16: All
Section 17: All
Section 18: E/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Drinkard production and designated as the Teague-Drinkard Pool. The discovery well is Alpha Twenty-One Production Company Lea Well No. 1 located in Unit B of Section 17, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 17: NE/4

(e) EXTEND the West Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 23: All
Section 24: W/2

(f) EXTEND the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 16: W/2

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 2: Lots 1 through 8

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 5: SE/4

(i) EXTEND the BrushyDraw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 26: E/2

(j) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 23: All
Section 26: All

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EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

(k) EXTEND the Cary-Montoya Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 4: W/2 SW/4
Section 5: SE/4
Section 9: W/2 W/2

(l) EXTEND the Crow Flats-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 35: E/2
Section 36: W/2

(m) EXTEND the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 25: S/2 SW/4
Section 27: SW/4

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

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM
Section 21: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 19: S/2 SW/4

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

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 19: NE/4 NW/4

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

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 26: W/2

(r) EXTEND the West Nadine-Blaine Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 8: NW/4

(s) EXTEND the Peterson-Mississippian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM
Section 28: NW/4

(t) EXTEND the Race Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM
Section 7: S/2 SW/4
Section 18: NW/4 and N/2 SW/4 and SW/4 SW/4

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EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

(u) EXTEND the Railroad Mountain-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM
Section 2: NE/4 and E/2 NW/4

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 7: S/2
Section 8: SW/4
Section 18: E/2 NW/4

(w) EXTEND THE West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM
Section 5: SW/4

(x) EXTEND the Turkey Track-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 15: All

(y) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM
Section 13: SE/4
Section 24: NE/4

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NMPM
Section 12: S/2 NE/4

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM
Section 7: S/2
Section 8: NW/4

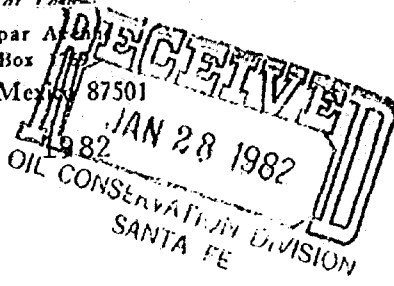
Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gaspar Avenue
Post Office Box 177
Santa Fe, New Mexico 87501

January 26, 1982



Telephone 982-4285
Area Code 505

Mr. Joe D. Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Wiser Oil Company

Case 7482

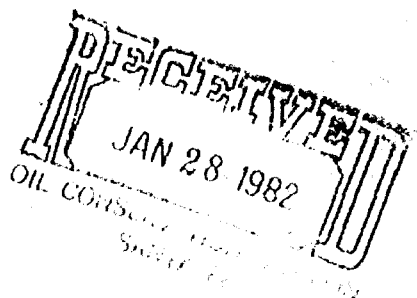
Dear Mr. Ramey:

Please set the enclosed application for hearing on
February 17, 1982.

Very truly yours,

W. Thomas Kellahin
W. Thomas Kellahin

WTK:jm
Enclosure
cc: Mr. Bill Singletary



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

IN THE MATTER OF THE APPLICATION
OF WISER OIL COMPANY FOR APPROVAL
OF AN UNORTHODOX WELL LOCATION,
PENROSE-SKELLY OIL POOL, LEA COUNTY,
NEW MEXICO.

CASE NO. 7482

A P P L I C A T I O N

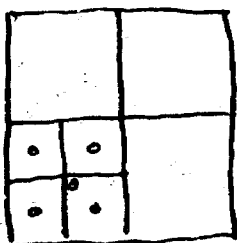
COMES NOW WISER OIL COMPANY, by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location and for the simultaneous dedication of five Penrose-Skelly wells all to be located within the SW/4 of Section 32, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico and in support thereof would show:

1. Applicant is the operator of and has the right to drill and develop the oil and gas in the Penrose-Skelly Oil Pool, Lea County, New Mexico underlying the SW/4 of Section 32, T21S, R37E, NMPM.

2. Applicant proposes to drill five Penrose-Skelly wells in the SW/4 of said Section 32, with one well to be located at an unorthodox well location 1295 feet from the South line and 1345 feet from the West line of said Section 32 and with the remaining wells to be drilled so that there is one well drilled in the approximate center of each of the four forty-acre quarter-quarter sections comprising the SW/4 of said Section 32.

3. That said acreage is all under one lease and the ownership interest between the four quarter-quarter sections is identical.

4. Applicant proposes that the allowable applicable for four Penrose-Skelly oil wells be prorated among the five subject



wells so that said allowable can be produced by any of these wells for a combination thereof.

5. Applicant proposes that this application is necessary in order to adequately drain the SW/4 of production from this pool and in order to prevent waste and protect correlative rights.

WHEREFORE applicant requests that this application be set for hearing before the Division's examiner and that after notice and hearing the application be granted as requested.

KELLAHIN & KELLAHIN

By: 

W. Thomas Kellahin
P.O. Box 1769
Santa Fe, New Mexico 87501
(505) 982-4285

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7482
Order No. R-6909

APPLICATION OF WISER OIL COMPANY FOR
AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 17, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this March day of ~~February~~, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Wiser Oil Company, seeks approval of an unorthodox oil well location 1295 feet from the South line and 1345 feet from the West line of Section 32, Township 21 South, Range 37 East, NMPM, ~~to test the formation,~~ Penrose-Skelly Pool, Lea County, New Mexico.

(3) That the SE 1/4 SW 1/4 of said Section 32 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to ~~produce the oil underlying the proration unit.~~ Drains "A" lease in the SW 1/4 of said Section 32.

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

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable

evaluate drainage
and secondary
recovery potential
of its

share of the oil in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

→ (1) That ~~an unorthodox~~ oil well location ~~for the~~ ~~formation is hereby approved~~ for a well to be located at a point 1295 feet from the South line and 1345 feet from the West line of Section 32, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That the ^{L Penrose - Skelly Pool,} ~~SE 1/4 SW 1/4~~ of said Section 32 shall be dedicated to the above-described well.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

S E A L

(1) That Wiser Oil Company is hereby
authorized an unorthodox

Diane

Please Re do your
model along these
lines

CASE 7483: ADAMS EXPLORATION COMPANY
FOR SALT WATER DISPOSAL, CHAVES COUNTY,
NEW MEXICO

DOCKET MAILED

Date 2/15/82