

CASE NO.

7547

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



April 28, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-3434

Re: CASE NO. 7547
ORDER NO. R-6959

Applicant:

Anadarko Production Company

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

Yours very truly,

JDR/fd

Copy of order also sent to:

Hobbs OCD	x
Artesia OCD	x
Aztec OCD	

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. 7547
Order No. R-6959

APPLICATION OF ANADARKO PRODUCTION
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 April 14, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of April, 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, Anadarko Production Company, seeks approval of an unorthodox oil well location 2550 feet from the North line and 1750 feet from the West line of Section 15, Township 22 South, Range 37 East, NMPM, to test the Grayburg formation, Penrose Skelly Pool, Lea County, New Mexico.
- (3) That the SE/4 NW/4 of said Section 15 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.
- (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 share of the oil in the subject pool, will prevent the economic

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Case No. 7547

Order No. R-6959

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

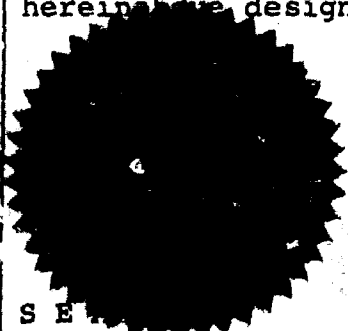
IT IS THEREFORE ORDERED:

(1) That the application of Anadarko Production Company for an unorthodox oil well location for the Grayburg formation is hereby approved for a well to be located at a point 2550 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, NMPM, Penrose Skelly Pool, Lea County, New Mexico.

(2) That the SE/4 NW/4 of said Section 15 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
JOE D. RAMEY,
Director

S E

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
14 April 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Anadarko Production
Company for an unorthodox oil well
location, Lea County, New Mexico.
and

CASE
7547

Application of Anadarko Production
Company for an unorthodox oil well
location, Lea County, New Mexico.

CASE
7517

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

MICHAEL BRIDGES

Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Stamets	8

E X H I B I T S

Applicant Exhibit One, Plat	4
Applicant Exhibit Two, Plat	6
Applicant Exhibit Three, Map	6

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2 MR. STAMETS: We'll call next Case 7547.

3 MR. PEARCE: That is the application of
4 Anadarko Production Company for an unorthodox oil well loca-
5 tion, Lea County, New Mexico.

6 MR. KELLAHIN: Mr. Examiner, for purposes
7 of the testimony we'd like to consolidate this case and the
8 next case.

9 MR. STAMETS: Okay, that second case, that
10 is Case 7517.

11 MR. PEARCE: And that is the application
12 of Anadarko Production Company for an unorthodox oil well
13 location, Lea County, New Mexico.

14 MR. KELLAHIN: If the Examiner please,
15 I'm Tom Kellahin appearing on behalf of the applicant and I
16 have one witness to be sworn.

17
18 (Witness sworn.)

19
20 MICHAEL BRIDGES

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

23
24 DIRECT EXAMINATION

25 BY MR. KELLAHIN:

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Q Mr. Bridges, would you please state your name and occupation?

A Michael Bridges, Production Engineer, Anadarko Production Company, Midland Division.

Q Mr. Bridges, would you tell the Examiner when and where you obtained your engineering degree?

A May, 1981, a BS in petroleum engineering from Texas Tech.

Q And subsequent to graduation where have you been employed?

A Anadarko Production Company.

Q Have you conducted an examination of the facts surrounding the application in these two cases for Anadarko?

A Yes, I have.

Q And pursuant to that study, Mr. Bridges, have you prepared certain exhibits?

A Yes, sir, there are three exhibits.

MR. KELLAHIN: We tender Mr. Bridges as an expert petroleum engineer.

MR. STAMETS: The witness is considered qualified.

Q Mr. Bridges, let me refer you to what has been marked as Applicant Exhibit Number One, have you identify

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2 that exhibit for me, and first of all, locate the two wells,
3 identify each of their unorthodox locations, and tell us which
4 oil proration unit is to be assigned to each.

5 A All right. This is -- the first one would
6 be the E. W. Walden No. 12. It is located 2550 feet from the
7 north line and 1350 feet from the west line of Section 15,
8 Township 22 South, Range 37 East. It would be in the south-
9 east quarter of the northwest quarter of Section 15.

10 Q And locate the second well for us.

11 A The second well is the E. W. Walden No.
12 13. It is located 1450 feet from the south line, 1400 feet
13 from the west line of Section 15, Township 22 South, Range
14 37 East, and it is located in the northeast quarter of the
15 southwest quarter of Section 15.

16 Q Would you identify some of these wells
17 located on your Exhibit Number One, Mr. Bridges, and tell us
18 a little bit about each one?

19 A In Section 15?

20 Q Yes, sir, the general wells that have
21 caused you to seek approval of the additional wells.

22 A The wells 1, 2, 3, 4, 5, and 6 were
23 drilled in 1937 to 1940, and they produced to the mid-sixties,
24 and they had cumulatives of between 50-and-70,000 barrels of
25 oil.

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2 Upon a deepening program we found that the
3 casing was collapsed and most -- in most of these wells, and
4 we twinned them and drilled to the Lower Grayburg, and these
5 wells have produced between 20-and-50,000 barrels of oil per
6 well.

7 Q Why have you sought the additional two
8 wells in this leased acreage?

9 A We feel that the present wells are draining
10 between 15-and-25 acres per well and we feel that these infill
11 producers would -- would produce some undrained acreage.

12 Q Let's turn to Exhibit Number Two and have
13 you identify for us what that exhibit is.

14 A Exhibit Number Two is the cumulative pro-
15 duction out of the Penrose-Skelly Pool in Sections 14, 15,
16 and 16, and Sections 9, 10, and 11.

17 Q Your intent is to complete these two wells
18 at unorthodox locations for the Penrose-Skelly Pool?

19 A Yes, sir.

20 Q All right. Exhibit Number Two has the
21 cumulative production figures for oil production from the
22 Penrose-Skelly Pool for these adjacent wells in terms of
23 thousands of barrels of oil?

24 A Yes, sir.

25 Q All right. Let's go to Exhibit Number

1
2 Three and have you tell us what that is.

3 A This is a drainage area now and it was
4 based upon volumetric studies done on each of the wells and
5 for the adjacent wells the combined production from each of
6 the -- the plugged and abandoned and the current producers,
7 were combined as one well to come up with the drainage area.

8 Q Did you do the volumetric calculations
9 to determine the drainage areas?

10 A Yes, sir.

11 Q And in your opinion if these two wells
12 are approved for these locations, would you recover oil from
13 the Penrose-Skelly Pool that would otherwise not be recovered?

14 A Yes, sir.

15 Q Were Exhibits One, Two, and Three prepared
16 by you, Mr. Bridges?

17 A Yes, they were.

18 Q And in your opinion, Mr. Bridges, will
19 approval of this application be in the best interests of
20 conservation, prevention of waste, and the protection of cor-
21 relative rights?

22 A Yes, sir.

23 Q The lease ownership with regards to the
24 southwest quarter and the south half of the northwest quarter,
25 is that under all one same common lease?

1
2 A Yes, it is.

3 Q All right.

4 MR. KELLAHIN: I have nothing further of
5 Mr. Bridges. We move the introduction of Exhibits One, Two,
6 and Three.

7 MR. STAMETS: These exhibits will be ad-
8 mitted.

9
10 CROSS EXAMINATION

11 BY MR. STAMETS:

12 Q Mr. Bridges, is there a waterflood in
13 operation in the area of these wells?

14 A Not in the immediate area. To the south
15 is a waterflood from the -- from a higher zone of interest.

16 Q Do you anticipate that the lease might
17 eventually be flooded?

18 A We -- we do plan to initiate a waterflood
19 study and see if it's feasible.

20 Q Would the presence of these wells facili-
21 tate such an operation?

22 A Yes, sir.

23 MR. STAMETS: Are there any other ques-
24 tions of the witness? He may be excused.

25 Anything further in this -- these cases?

If not, the case will be taken under advisement.

(Hearing concluded.)

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 Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 75478 7517 heard by me on 4-6-82 19 82.
Richard L. Ham, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

BL 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7419

Dockets No. 11-82 and 12-82 are tentatively set for April 28 and May 12, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 14, 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. Strmets, Examiner, or Daniel S. Mutter, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for May, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for May, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7536: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit A. H. Bernstein and all other interested parties to appear and show cause why the Allan Well No. 1 located in Unit F, Section 23, Township 29 North, Range 13 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7537: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit F. E. Umbarger, Trustee and all other interested parties to appear and show cause why the Davis Pooled Unit Well No. 1, located in Unit I, Section 27, Township 29 North, Range 11 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7538: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Francis L. Harvey and all other interested parties to appear and show cause why the Pinkstaff Estate Well No. 1, located in Unit A, Section 29, Township 29 North, Range 10 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7539: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit B.M.B.S. Company, American Employers Insurance and all other interested parties to appear and show cause why the following wells: Waggoner No. 1, Brown No. 2, Wyper No. 2, located in Units K, M, and O, respectively, of Section 20, Township 29 North, Range 12 West, San Juan County, should not be plugged and abandoned in accordance with Division-approved plugging programs.

CASE 7540: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Pauly-Anderson-Fritchard and all other interested parties to appear and show cause why the Maloy Well No. 1, located in Unit F, Section 16, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7541: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit E. J. Wiley and all other interested parties to appear and show cause why the Hare (Ransom) Well No. 1, located in Unit N, Section 14, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7542: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Benson-Muntin-Greer Drilling Corporation, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the following wells: Dustin No. 1, located in Unit K, Section 6, and the Gallegos Canyon Unit No. 2, located in Unit K, Section 35, both in Township 29 North, Range 12 West, and the Segal No. 1, located in Unit K, Section 10, and the Price No. 1, located in Unit N, Section 15, both in Township 31 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with Division-approved plugging programs.

CASE 7543: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Calvin Petroleum Corporation, United States Fidelity and Guaranty Co., and all other interested parties to appear and show cause why the Kampf SWD Well No. 1, located in Unit W, Section 19, Township 30 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

- CASE 7544:** Application of Dinero Operating Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the North and East lines of Section 20, Township 22 South, Range 28 East, Morrow formation, the N/2 of said Section 20, to be dedicated to the well.
- CASE 7545:** Application of Baker Engineering for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 258.16-acre non-standard gas proration unit for the Morrow formation comprising all of partial Section 32, Township 26 South, Range 30 East.
- CASE 7546:** Application of Sonoma Oil Field Services, Inc. for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at its salt water disposal site in the NW/4 NE/4 of Section 29, Township 18 South, Range 38 East.
- CASE 7547:** Application of Anadarko Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 2530 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, Penrose Skelly Pool, the SE/4 NW/4 of said Section 15 to be dedicated to the well.
- CASE 7517:** (Continued from March 31, 1982, Examiner Hearing)
Application of Anadarko Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 1450 feet from the South line and 1400 feet from the West line of Section 15, Township 22 South, Range 37 East, Penrose Skelly Pool, the NE/4 SW/4 of said Section 15 to be dedicated to the well.
- CASE 7548:** Application of Tahoe Oil & Cattle Co. for salt water disposal, Lea 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 4932 feet to 4992 feet in its Schwalbe Well No. 1, located in Unit P of Section 21, Township 9 South, Range 37 East, West Sawyer-San Andres Pool.
- CASE 7549:** Application of L. Brown for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Pennsylvanian gas well location 609 feet from the South line and 1665 feet from the East line of Section 32, Township 15 South, Range 32 East, the S/2 of said Section 32 to be dedicated to the well, an existing well which is to be deepened.
- CASE 7550:** Application of Harvey E. Yates Company for the Rescission of Order No. R-6918, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R 6918, which compulsorily pooled the Atoka-Morrow formation underlying the N/2 of Section 19, Township 8 South, Range 30 East, Chaves County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Applicant now seeks the rededication of the E/2 of said Section 19 to the aforesaid well without compulsory pooling.
- CASE 7551:** 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 in the Kulcamp through Mississippian formations underlying the E/2 of Section 21, Township 11 South, Range 31 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 7552:** Application of Merrion Oil & Gas Company for compulsory pooling, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Gallup formation underlying the S/2 SE/4 of Section 20, Township 23 North, Range 6 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7553:** Application of Fred Pool Drilling Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation, underlying the SW/4 of Section 17, Township 6 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 7520: (Continued and Readvertised)

Application of Lewis B. Burleson, Inc. for compulsory pooling and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Pool underlying a 30-acre non-standard oil proration unit comprising the N/2 of the Easternmost 60 acres of the NW/4 of Section 15, Township 24 South, Range 36 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 7554: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Drinkard formation underlying the NW/4 SW/4 of Section 5, Township 20 South, Range 38 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 7555: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Drinkard formation underlying the SW/4 NW/4 of Section 5, Township 20 South, Range 38 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 7556: 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 from the surface down through the San Andres formation underlying the NE/4 NW/4 of Section 5, 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 7557: 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 from the surface down through the Seven Rivers formation underlying the SW/4 of Section 32, 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 7558: 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 from the surface down through the Seven Rivers formation underlying the 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 7515: (Continued from March 31, 1982 Examiner Hearing)

Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying all or portions of Townships 26 and 27 North, Range 12 and 13 West, Township 28 North, Range 13 West, Township 29 North, Ranges 13 through 15 West, and Township 30 North, Ranges 14 and 15 West, containing 164,120 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.

Page 4 of 5
Examiner Hearing - WEDNESDAY - APRIL 14, 1982

CASE 7559: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Lea and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the Caudill-Mississippian Gas Pool. The discovery well is the Moran Exploration, Inc. Gann Well No. 1 located in Unit D of Section 9, Township 15 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM
Section 9: NE/4

(b) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the North Dora-Pennsylvanian Pool. The discovery well is the Enserch Exploration, Inc. Collier Well No. 1 located in Unit I of Section 29, Township 4 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM
Section 29: E/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Johnson Ranch-Morrow Gas Pool. The discovery well is the Mesa Petroleum Company Jackson Unit Well No. 1 located in Unit G of Section 22, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 22: E/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the East Triste Draw-Delaware Pool. The discovery well is the Getty Oil Company Lake 11 Federal Well No. 1 located in Unit J of Section 28, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 28: SE/4

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Triste Draw-Morrow Gas Pool. The discovery well is the Amoco Production Company State IG Com Well No. 1 located in Unit B of Section 32, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 32: N/2

(f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Vaca Draw-Wolfcamp Gas Pool. The discovery well is the HNG Oil Company Ball Lake 11 Federal Well #1 located in Unit B of Section 11, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM
Section 11: N/2

(g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the West Vacuum-Bone Spring Pool. The discovery well is the Amoco Production Company State BS Com Well No. 1 located in Unit K of Section 9, Township 18 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 9: SW/4

(h) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for Granite Wash production and designated as the South Taneyhill-Granite Wash Gas Pool. The discovery well is the Threshold Development Company Harris 14 Well No. 1 located in Unit B of Section 14, Township 6 South, Range 33 East NMPM, currently classified as producing from the Pennsylvanian formation and in the Taneyhill-Pennsylvanian Gas Pool. The well has been re-evaluated and the producing interval is more correctly defined as Granite Wash. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM
Section 14: N/2

- (i) ABOLISH the Tanneyhill-Pennsylvanian Gas Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described as:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM
Section 14: All

- (j) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 7: SE/4

- (k) EXTEND the Bilkrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 4: N/2
Section 5: NE/4

- (l) EXTEND the Blinabry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 33: NW/4

- (m) EXTEND the Bootleg Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 17: W/2

- (n) EXTEND the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 9: N/2

- (o) EXTEND the North Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM
Section 16: SE/4
Section 20: NE/4

- (p) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM
Section 14: All

- (q) EXTEND the Sowell-Morrow Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 11: NW/4

- (r) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 9: NE/4

KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gasper Avenue

Post Office Box 1769

Santa Fe, New Mexico 87501

Jason Kellahin

W. Thomas Kellahin

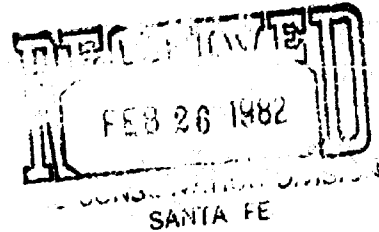
Karen Aubrey

Telephone 982-4235

Area Code 505

February 25, 1982

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



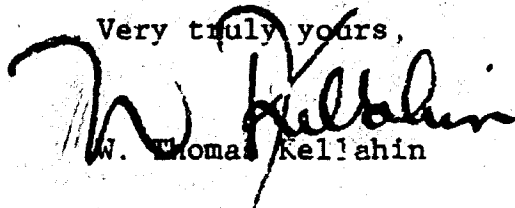
Re: Anadarko Production Company

Case 7547

Dear Mr. Ramey:

Please set the enclosed application for hearing
at the March 31, 1982 Examiner Docket

Very truly yours,


W. Thomas Kellahin

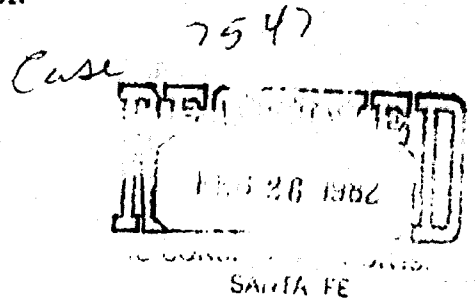
WTK:jm

Enclosure

cc: Mr. Irley Bonnette
Mr. Dan Kernaghan

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

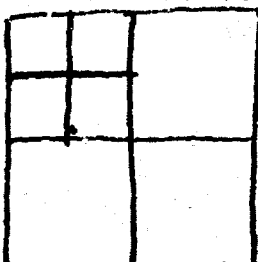
IN THE MATTER OF THE APPLICATION OF
ANADARKO PRODUCTION COMPANY FOR
APPROVAL OF AN UNORTHODOX WELL
LOCATION, LEA COUNTY, NEW MEXICO.



A P P L I C A T I O N

COMES NOW, ANADARKO PRODUCTION COMPANY, by and through its attorneys, KELLAHIN & KELLAHIN, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location for its E. W. Walden Well #12 to be located 1350 feet from the West line and 2550 feet from the North line of Section 15, T22S, R37E, NMPM, Lea County, New Mexico and in support thereof would show:

1. Applicant has the right to drill and develop the Penrose Skelly Pool underlying the SE/4NW/4 of Section 15, T22S, R37E, NMPM, Lea County New Mexico.
2. Applicant desires to drill a Penrose Skelly well at an unorthodox location 1350 feet from the West line and 2550 feet from the North line of Section 15, a location 30 feet out of the corner of the quarter-quarter section line.
3. Applicant is the operator of the adjoining, offset acreage.
4. The proposed location is the optimum geological location within the subject spacing and proration unit for his well.
5. The approval of the application will prevent waste, protect correlative rights and promote conservation.

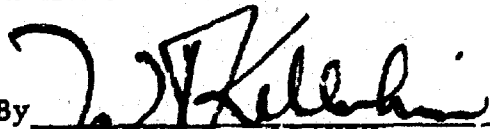


WHEREFORE, Applicant requests that this application be set for hearing before the Division's examiner and that after notice and hearing the application be granted as requested.

Respectfully submitted,

ANADARKO PRODUCTION COMPANY

By


KELLAHIN & KELLAHIN
P.O. Box 1769
Santa Fe, New Mexico 87501
(505) 982-4285

ATTORNEYS FOR APPLICANT

Handwritten:
Mexico
Order

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

Handwritten:
JHR

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

Handwritten signature

CASE NO. 7547

Order No. R-69559

Handwritten:
ms.

APPLICATION OF ANADARKO PRODUCTION
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 April 14, 1982,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of April, 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, Anadarko Production Company, seeks approval of an unorthodox oil well location 2550 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, NMPM, to test the Graybury formation, Penrose Skelly Pool, Lea County, New Mexico.

(3) That the SE/4 NW/4 of said Section 15 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.

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

IT IS THEREFORE ORDERED:

(1) That the application of Anadarko Production Company for an unorthodox oil well location for the Greyburg formation is hereby approved for a well to be located at a point 2550 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, NMPM, Penrose Skelly Pool, Lea County, New Mexico.

(2) That the SE/4 NW/4 of said Section 15 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

Continued to

~~June 4~~

~~June 21~~

July 7