

Case No.

4655

Application, Transcripts,  
Small Exhibits, Etc.



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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
February 2, 1972  
  
EXAMINER HEARING

IN THE MATTER OF:

Application of Western Oil  
Producers, Inc. for two  
nonstandard gas proration  
units, Lea County, New  
Mexico.

Case No. 4655

and

IN THE MATTER OF:

Application of Western Oil  
Producers, Inc. for an  
unorthodox gas well  
location, Lea County New  
Mexico.

Case No. 4656

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING



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1 MR. UTZ: Do you want to take these separately?

2 MR. KELLAHIN: We want to consolidate them if we may.

3 MR. UTZ: I see no reason why we don't have one when  
4 we do this. Case 4655 and 4656..

5 MR. KELLAHIN: I am Jason Kellahin appearing for the  
6 Applicant, and we have one witness I would like to have sworn.

7 MR. UTZ: Any other appearances?

8 You may proceed.

9 N. RAYMOND LAMB

10 a witness, having been first duly sworn according to law, upon  
11 his oath, testified as follows:

12 DIRECT EXAMINATION

13 BY MR. KELLAHIN

14 Q Would you state your name, please?

15 A N. Raymond Lamb.

16 Q What business are you engaged in?

17 A I am in the petroleum engineering and geological business.

18 Q Have you testified before the Oil Conservation Commission  
19 and made your qualifications a matter of record?

20 A Yes.

21 Q Are the witness' qualifications acceptable?

22 MR. UTZ: Yes, they are.

23 Q (By Mr. Kellahin) In connection with your business as an  
24 engineer have you had anything to do with the two cases  
25 filed by Western Oil Producers as Case 4655 and 4656?



1 A Yes, I have been in direct contact with this operation from  
2 its inception.  
3 Q Briefly, what is proposed by the Applicant in these two  
4 cases?  
5 A Well, the application in the first two non-standard  
6 proration units actually is to clarify and continue with an  
7 established proration unit by the Oil Conservation Commission  
8 consisting of the southeast quarter of 31 southwest quarter  
9 of 32, upon which British American drilled a discovery  
10 Morrow gas well.

11 This proration unit was established by the Commission.  
12 Q That was also established at the request of the State Land  
13 Commissioner, was it not?

14 A As I understand it, yes.

15 Q Now, since this proration unit was established, Gulf Oil  
16 Corporation drilled a well identified as North Wilson No. 4  
17 in the southwest of the northwest of 32, with the plan that  
18 it would have a non-standard gas proration unit consisting  
19 of the northeast of 31 and the northwest of 32 of 20-36.

20 Western Oil Producers, Inc. from Roswell has re-entered  
21 the Gulf North Wilson 4 and identified it as the State M No.  
22 1 and have completed it as a Devonian discovery, so to  
23 continue with the non-standard proration units we propose  
24 to establish this northeast of 31 and the northwest of 32 as  
25 the proration unit for the State M, and to carry forward the

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- 1 non-standard proration unit previously established for the  
 2 Marrow and drill a well 660 from the west of 32 and 1,650  
 3 from the south of 32, which will be a standard location if  
 4 the unit is approved as a non-standard.
- 5 Q Now, referring to what has been marked as Exhibit No. 1,  
 6 would you identify that exhibit, please?
- 7 A Exhibit No. 1 is a survey plat. Actually it is a re-survey  
 8 plat of the location of the State M No. 1, establishing the  
 9 footage of the well, which was a re-entry, and completed as  
 10 as a two-discovery.
- 11 Q That complies with the rules of the Commission as to the  
 12 location?
- 13 A Yes, provided the non-standard unit is approved.
- 14 Q Now, referring to what has been marked as Exhibit No. 2,  
 15 would you identify that exhibit?
- 16 A It is a location established on the now present Marrow  
 17 proration unit of 320 acres, which Western Oil Producers,  
 18 Inc. produced to drill a Devonian producer, the location to  
 19 be 660 from the west and 1,650 from the south.
- 20 This will be a continuation of the Marrow non-standard  
 21 proration unit to extend down to the Devonian.
- 22 Q That is already dedicated for the Marrow production in that  
 23 fourth?
- 24 A Yes.
- 25 Q Now, referring to Exhibit No. 3, would you discuss that



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1 exhibit, please?

2 A Exhibit No. 3 is a lease holder plat identifying all three  
3 of the tracts covered by these two cases.

4 The yellow one identifies the Devonian discovery well  
5 which is now the State No. 1.

6 The blue designated area is the proration unit  
7 previously established for the Marrow by British American  
8 Gulf and proposed to be extended to the Devonian at the  
9 location identified with a blue circle.

10 Then the pink area in the south half of 29 is the  
11 proposed standard proration unit with an unorthodox  
12 location.

13 By continuing with the British American non-standard  
14 unit and unit proposed for the State M No. 1 will put the  
15 schedule back on a standard half section proration unit for  
16 the area.

17 The west half of 31 has been designated as a proration  
18 unit by Texaco.

19 This then will give the east half of 32 to be a  
20 proration unit, so by establishing these two for the  
21 Devonian we can get back to a standard proration unit.

22 Q No operator would be denied the right to dedicate his  
23 acreage to a standard unit?

24 A That is right.

25 Q Is that correct?



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1 A That is correct.

2 Q Now, referring to what has been marked as Exhibit No. 4,  
 3 would you identify that exhibit, please?

4 A Exhibit No. 4 is a Marrow contour map of the general area  
 5 in which these three cases are located.

6 The map was prepared in August of 1971 prior to the  
 7 re-entry of the State M No. 1, and gives a review of the  
 8 Marrow structure interpretation which has by far more  
 9 control points than any other deep horizon in the area.

10 Q Was it on the basis of this interpretation you re-entered  
 11 the old Gulf well?

12 A Yes.

13 Q Did the Gulf well substantiate your interpretation?

14 A Yes.

15 Q Referring to Exhibit No. 5, would you identify that  
 16 exhibit?

17 A Exhibit No. 5 is a Devonian contour map on 50 foot intervals,  
 18 and it is a map developed from the, basically the Morrow,  
 19 with the interpretation for the Devonian, and identifies  
 20 the structure generally where the Marrow map does, but you  
 21 will note that there are steeper depths established in the  
 22 Devonian than there were in the Marrow.

23 It gives the closure of the Devonian in the west half  
 24 of the southwest of 29-20-36.

25 Q Now, this also reflects a well in the southeast quarter of



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1 Section 31. What is the situation with that well?

2 A That is now Gulf North Wilson 1 Morrow well. Which has a  
 3 Marrow point identified as minus 7527 and has a green  
 4 marking underneath it.

5 It also has a Devonian structure point of minus 9015,  
 6 and then to the northeast is the State M No. 1, which is the  
 7 only other well in the area that has penetrated the Devonian  
 8 or encountered the Devonian, and the Devonian point there  
 9 is a minus 8825, and the Morrow point is a minus 7415.

10 Q So it is a steeply dipping formation at that point?

11 A Yes. The Devonian has a steeper dip than the Marrow at  
 12 these locations.

13 Q The well southeast of 31, is it the east Morrow?

14 A British American drilled the No. 1 North Wilson and drilled  
 15 it into the Devonian at a total depth of 12,725 feet, and  
 16 tested, in my opinion, a greater thickness of Devonian than  
 17 it should have. This is hindsight, and it is my firm  
 18 belief that if the well had been stopped shallower in the  
 19 Devonian that it could have been a marginal Devonian  
 20 producer within the producing area of this contour.

21 Q Then would that be approximately close to the gas water  
 22 contact, Mr. Lamb?

23 A The gas water contact is probably slightly above the 12,725  
 24 feet of this well.

25 Q Now, in your opinion, is all of the acreage proposed to be



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1 dedicated to your new well in the southern unit productive  
 2 of gas from the Devonian?

3 A In my opinion, it will all be productive of gas.

4 Q You show the 9,004 contour as cutting through a portion of  
 5 the south half of Section 29.

6 Does that indicate that that acreage may not be  
 7 productive of gas, or in your opinion is it?

8 A In my opinion, all of the south half of 29 will produce  
 9 Devonian gas. It will have a marginal point in the extreme  
 10 eastern portion of the area.

11 Q Now, referring to what has been marked Exhibit No. 6, would  
 12 you identify that exhibit, please?

13 A Exhibit No. 6 is a lined cross-section covering just the  
 14 two wells which have penetrated the Devonian.

15 To give the Examiner an idea as to the change in the  
 16 dip between the Marrow and the Devonian on the two wells on  
 17 which we have control points--you can see that the Devonian,  
 18 identified with the pink color, has by far a steeper dip  
 19 than the Marrow marker at the upper part, identified by a  
 20 green line.

21 So, with this control, I did prepare the Devonian  
 22 contour map by subjecting the Morrow map to this change of  
 23 dips.

24 Q Now, by the same interpretation you would expect a similar  
 25 type dip to the east in the south half of Section 29, would



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- 1 you not?
- 2 A That is correct, because we have that information
- 3 established from the Marrow control.
- 4 Q What is your reason then for wanting a well located at an
- 5 unorthodox location in the south half of 29?
- 6 A It is a matter of protection of the correlative rights for
- 7 the operator and gives him the opportunity to recover the
- 8 gas that is located reasonably underneath his tract, and
- 9 also to develop for the State significant amount of gas
- 10 reserve.
- 11 Q Now, would a well at an orthodox location in your opinion
- 12 recover all of the gas under the south half of 29?
- 13 A The furthest you would remove the location, the more gas
- 14 you are going to leave underproduced underneath this tract.
- 15 Q Why do you say that?
- 16 A Well, the gas well at the crest of your structure is the
- 17 optimum location for the production of gas.
- 18 Q Do you have a water drive?
- 19 A Very active water drive in this reservoir.
- 20 Q Would a well at a lower location water out sooner?
- 21 A That is right, and it would not be in the best interest of
- 22 the operator or the State, either way.
- 23 Q Would the location as you proposed give an unfair advantage
- 24 to Western Oil as against offset to the west?
- 25 A No, you will note that we have selected a location



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1 immediately east of the crest in our opinion which will give  
 2 Western their rights to recover the oil which is the gas  
 3 which is under their property, and will not be an unfair  
 4 advantage to the operator to the west or to the north.

5 Q Is it your opinion that gas would not migrate across the  
 6 crest if their production is to the west of you?

7 A The only way in which gas might migrate across the crest of  
 8 the structure from the west would be in the event Union  
 9 failed to develop the acreage at all, which is something  
 10 that Western has no control over.

11 Q But if they do develop then, their correlative rights would  
 12 be protected?

13 A That is right.

14 Q Now, referring to what has been marked as Exhibit No. 7,  
 15 would you identify that exhibit, please?

16 A In support of my opinion that the British American well in  
 17 the southwest of the southeast of 32 was at or near the gas  
 18 water contact, the Johnson tester report is submitted as  
 19 evidence showing that on a drill stem test they recovered  
 20 the water cushion of 7.99 barrels. It is in the left  
 21 portion of the page, about two-thirds of the way up.

22 Salt water cut with mud, 7.99 barrels; muddy salt water,  
 23 slight traces of oil and gas, 7.4 barrels; salt water cut  
 24 with traces of oil at .7 barrels, which indicates there was  
 25 both oil, gas, and water recovered from this drill stem test.



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1 Q Does this substantiate your opinion that they drilled the  
 2 well too deep into the Formation?

3 A That is correct.

4 Q Now, referring to Exhibit No. 8, would you identify that  
 5 exhibit?

6 A Exhibit No. 8 is a page from a report prepared by the  
 7 Geological Engineering Services, and I believe their  
 8 address is Midland, Texas.

9 The report covers all oil and gas, shows what is  
 10 encountered during the drilling of the British American  
 11 North Wilson Unit No. 1, and this report is a determination  
 12 of the same people in which they felt were encountered the  
 13 latter item which was drill stem tested from 12-6-74 to  
 14 12,725, and may I read this into the record? "Is described  
 15 as clear to white medium-crystalline dolomite with bright  
 16 blue-white fluorescence, good vuggy porosity and fair to  
 17 good cuts. Also some tan, fine-crystalline limestone with  
 18 yellow-white fluorescence, good cuts and evidence of vuggy  
 19 and solution porosity. Traces of black stain within vugs  
 20 becoming more prevalent with depth, which gives, in my  
 21 opinion, an indication of gas in the upper part of this  
 22 section and definitely water in the lower.

23 Q Were you present when these samples were taken?

24 A I was on the well myself when the section was drilled. I  
 25 was in the trailer when these people described the samples,



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1 and my description coincides with this interpretation, so  
2 I would not object to taking it as my own.  
3 Q Mr. Lamb, were Exhibits 1 through 8 prepared by you or  
4 under your supervision?  
5 A These were.  
6 Q At this time I would like to offer in evidence Exhibits 1  
7 through 8 inclusive.  
8 MR. UTZ: Without objection, Exhibit 1, 2, -- through  
9 8 will be entered into the record.  
10 Q (By Mr. Kellahin) You already had a well northwest quarter  
11 section of 32; is that correct?  
12 A Yes, that well is identified as a State M and as Devonian  
13 discovery.  
14 Q You are proposing to drill in the southwest quarter of 32?  
15 A That is right.  
16 Q Is there any urgency in getting an order in connection with  
17 this case?  
18 A Yes, the operators of this unit have obtained from Gulf the  
19 right to drill at this location there on a time requirement  
20 and they would appreciate expedience as the Commission sees  
21 fit.  
22 MR. UTZ: Both of these wells just mentioned are  
23 standard locations providing the unit is approved?  
24 A That is correct.  
25 MR. UTZ: Are you through?



MR. KELLAHIN: Yes. That is all. Thank you.

CROSS-EXAMINATION

BY MR. UTZ

Q The non-standard location that you are requesting in Case 4656--

A Yes.

Q Would be the well in the southwest quarter of Section 29?

A Correct.

Q That is a Devonian, that is projected for a Devonian test?

A Yes. By the way, the well identified as the State M No. 1 was in the Morrow.

Q What is the foot location from the section line on the Wilson line on the southwest of 29?

A It is 990 from the west line and at a legal location from the sidelines, and that, of course, would be 660 from the north line or 660 from the south line, or somewhere in between.

Q Is it 1,980 from the south line of the section?

A Yes. We would like to hold that definition of distance and take advantage of the geological formation we developed from the drilling of the wells to the south.

Q These foot locations that I just asked about, are they the same as that created in your Application?

A Yes. It says 660 from the side boundary of the proration unit, south half of 21.

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1 The only exception to the distance is the 990 from the  
 2 west line, a legal location on that tract would be 1,980  
 3 from the west and 660 from the north of the south line, or  
 4 somewhere in between.

5 Q Now, you mentioned that someone, I think you did, anyway,  
 6 was a little busy---anyway--I was a little busy listening  
 7 and looking--on the east half of section 32 had a standard  
 8 unit that could be standard unit if these two non-standards  
 9 were approved, but it isn't now?

10 A There is no deep production over there. There is the Wolf  
 11 camp well in the southwest of the southeast, which has a  
 12 point of abandonment, the Morrow was tested in that well,  
 13 but was not productive.

14 Q Now, on the west half of Section 31, has that already been  
 15 dedicated?

16 A It is dedicated to the Texas CU, what they call the Texas  
 17 New Mexico State Gas communique situation. It is, best as  
 18 we are able to find out, since Texaco has not released the  
 19 logs on this well, probably the producing horizon is the  
 20 Dakota.

21 MR. UTZ: Any other questions?

22 MR. HATCH: Do you happen to have the order number that  
 23 authorized the original non-standard?

24 THE WITNESS: George, I looked for it, and I haven't  
 25 located it.



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1 I think the date is somewhere around June.  
2 MR. HATCH: That was after a hearing?  
3 THE WITNESS: Yes, they had to have a hearing. The  
4 well was originally completed as a bone springs well dual  
5 completion in the bone springs. Then after depleting the  
6 reservoir in about 90 days they went to the Marrow and completed  
7 the well there. And Texaco's acreage in the west half of 31  
8 was not a part of the North Wilson deep unit for reasons of  
9 Texaco's only, so this gave Gulf and British American the only  
10 choice of selecting those two 164's at a proration unit.  
11 MR. UTZ: Any other questions?  
12 The witness may be excused.  
13 Any statements in the case?  
14 No statements, the hearing will be--the case will be taken  
15 under advisement and the hearing is adjourned.  
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STATE OF NEW MEXICO )  
 ) ss.  
 COUNTY OF BERNALILLO)

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

*Richard Sturges*  
 CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examinar hearing of Case No. 4655 heard by me on Feb 2 1972  
*Richard Sturges*  
 Examiner  
 New Mexico Oil Conservation Commission

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15	<u>E X H I B I T S</u>		
16	<u>APPLICANT'S</u>	<u>ADMITTED</u>	<u>OFFERED</u>
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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. ARMIJO  
MEMBER**

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

February 8, 1972

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

Re: Case No. 4655

Order No. R-4257

**Applicant:**

**WESTERN OIL PRODUCERS, INC.**

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC **X**

Artesia OCC

Aztec OCC

Other \_\_\_\_\_



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 4655  
Order No. R-4257

APPLICATION OF WESTERN OIL  
PRODUCERS, INC. FOR TWO NON-  
STANDARD GAS PRORATION UNITS,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 2, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of February, 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, Western Oil Producers, Inc., seeks approval of two 320-acre non-standard gas proration units in an undesignated Devonian gas pool; one unit comprising the NE/4 of Section 31 and the NW/4 of Section 32 and the other unit comprising the SE/4 of Section 31 and the SW/4 of Section 32, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the non-standard unit comprising the NE/4 of Section 31 and the NW/4 of Section 32 would be dedicated to applicant's State M Well No. 1, located 1980 feet from the North line and 660 feet from the West line of said Section 32.



-2-

CASE NO. 4655

Order No. R-4257

(4) That the non-standard unit comprising the SE/4 of Section 31 and the SW/4 of Section 32 would be dedicated to a well to be drilled 1650 feet from the South line and 660 feet from the West line of said Section 32.

(5) That Order No. R-2907, dated May 10, 1965, established a non-standard gas spacing unit for the Morrow formation comprising the SE/4 of said Section 31 and the SW/4 of said Section 32.

(6) That establishment of the above-described non-standard gas spacing units as requested would continue the spacing pattern established by said Order No. R-2907.

(7) That the proposed non-standard gas proration units can be efficiently and economically drained and developed by the subject wells.

(8) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the undesignated Devonian gas 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 a 320-acre non-standard gas proration unit comprising the NE/4 of Section 31 and the NW/4 of Section 32, Township 20 South, Range 36 East, NMPM, undesignated Devonian gas pool, Lea County, New Mexico, is hereby established and dedicated to applicant's State M Well No. 1, located 1980 feet from the North line and 660 feet from the West line of said Section 32.

(2) That a 320-acre non-standard gas proration unit comprising the SE/4 of Section 31 and the SW/4 of Section 32, Township 20 South, Range 36 East, NMPM, undesignated Devonian gas pool, Lea County, New Mexico, is hereby established and dedicated to a well to be drilled 1650 feet from the South line and 660 feet from the West line of said Section 32.



-3-

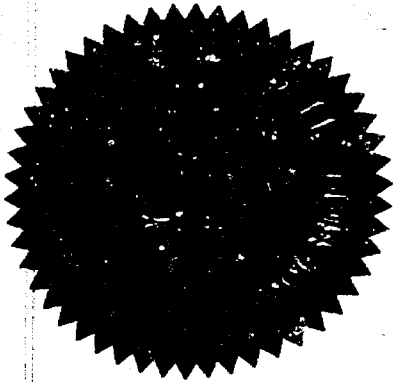
CASE NO. 4655

Order No. R-4257

(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. Armijo*  
ALEX J. ARMISO, Member

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

S E A L

dr/



4655

Revised 2-72

Rec. 2-72

Grant Western Oil Producers  
request for a NSP, for Devonian  
production.

1. Unit well is Western Oil Producers  
State 17-#1, 1933/N, 660/W

lines of sec. 32-205-36E

Unit to be NW/4 sec. 32 & NE/4

sec. 31 ~~sec~~ 205-36E.

2. Unit to consist of the SE/4 sec.  
31 & SW/4 sec. 32-205-36E. Unit

well to be located <sup>1650</sup>~~4980~~/S & 660/W

lines of sec. 32, a std. location.

*Thos B. Mc*

BEST AVAILABLE COPY



DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 2, 1972

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

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

CASE 4497 (Reopened):

In the matter of Case 4497 being reopened pursuant to the provisions of Order No. R-4102, which order established special rules and regulations for the Twin Lakes-San Andres Pool, Chaves County, New Mexico, including provisions for the classification of oil and gas wells and the establishment of a gas-oil ratio limitation of 4,000 cubic feet of gas for each barrel of oil. All interested persons may appear and show cause why the gas-oil ratio limitation should not be reduced and why the special rules and regulations should not be discontinued.

CASE 4652: Application of Gulf Oil Corporation for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Central Drinkard Unit Area Waterflood Project, Drinkard Pool, by the injection of water through 15 additional wells in Sections 28, 29, 31, 32, and 33 of Township 21 South Range 37 East, Lea County, New Mexico.

CASE 4653: Application of Odessa Natural Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Dakota formation underlying the E/2 of Section 36, Township 26 North, Range 11 West, Basin-Dakota Pool, San Juan County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Dakota formation at a location 1600 feet from the North line and 1,000 feet from the East line of said Section 36. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for the supervision of said well.

CASE 4654: Application of Midwest Oil Corporation for two-nonstandard gas spacing units and well locations, Eddy County New Mexico. Applicant, in the above-styled cause, seeks approval for two 299-acre gas spacing units comprising the N/2 and the S/2 of Section 6, Township 18 South, Range 29 East, undesignated Morrow gas pool, Eddy County, New Mexico. Said N/2 to be dedicated to a well located at an unorthodox location 1830 feet from the North line and 1639



feet from the West line. Said S/2 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the South and West lines.

CASE 4655: Application of Western Oil Producers, Inc. for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 320-acre non-standard gas proration units in an undesignated Devonian gas pool, the first comprising the NE/4 of Section 31 and the NW/4 of Section 32, Township 20 South, Range 36 East, Lea County, New Mexico, to be dedicated to applicant's State M Well No. 1 located 1980 feet from the North line and 660 feet from the West line of said Section 32. The second unit would comprise the SE/4 of Section 31 and the SW/4 of Section 32 and would be dedicated to a well to be drilled 1650 feet from the South line and 660 feet from the West line of said Section 32.

CASE 4656: Application of Western Oil Producers, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an undesignated Devonian gas well at an unorthodox location 990 feet from the West line of Section 29, Township 20 South, Range 36 East, Lea County, New Mexico, and 660 feet from the side boundary of the proration unit, which would comprise the S/2 of said Section 29.

CASE 4563: (Continued from the January 5, 1972 Examiner Hearing) Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.

CASE 4619: (Continued from the January 5, 1972, Examiner Hearing) Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 25, Township 22 South, Range 26 East, which acreage is within one mile of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to



(Case 4619 continued)

be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 25. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges of supervision of said well.

CASE 4620: (Continued from the January 5, 1972, Examiner Hearing)  
Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 24, Township 22 South, Range 26 East, which acreage is in the vicinity of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 24. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.



Western Oil & Gas Co., Inc.

Revenue Box 2055

Date 1-20-72

comp to Dev. pool.

ST M } 660' FWL

#1 } 1980' FNL 32 20 36

request NE 1/4 31  
NW 1/4 32 } 20 36

320 acre

BEST AVAILABLE COPY

propose

1650' FWL

1650' FSL 32

to Dev.

request SW 1/4 32  
SE 1/4 31

320 acre

(already dedicated in Morrow)



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

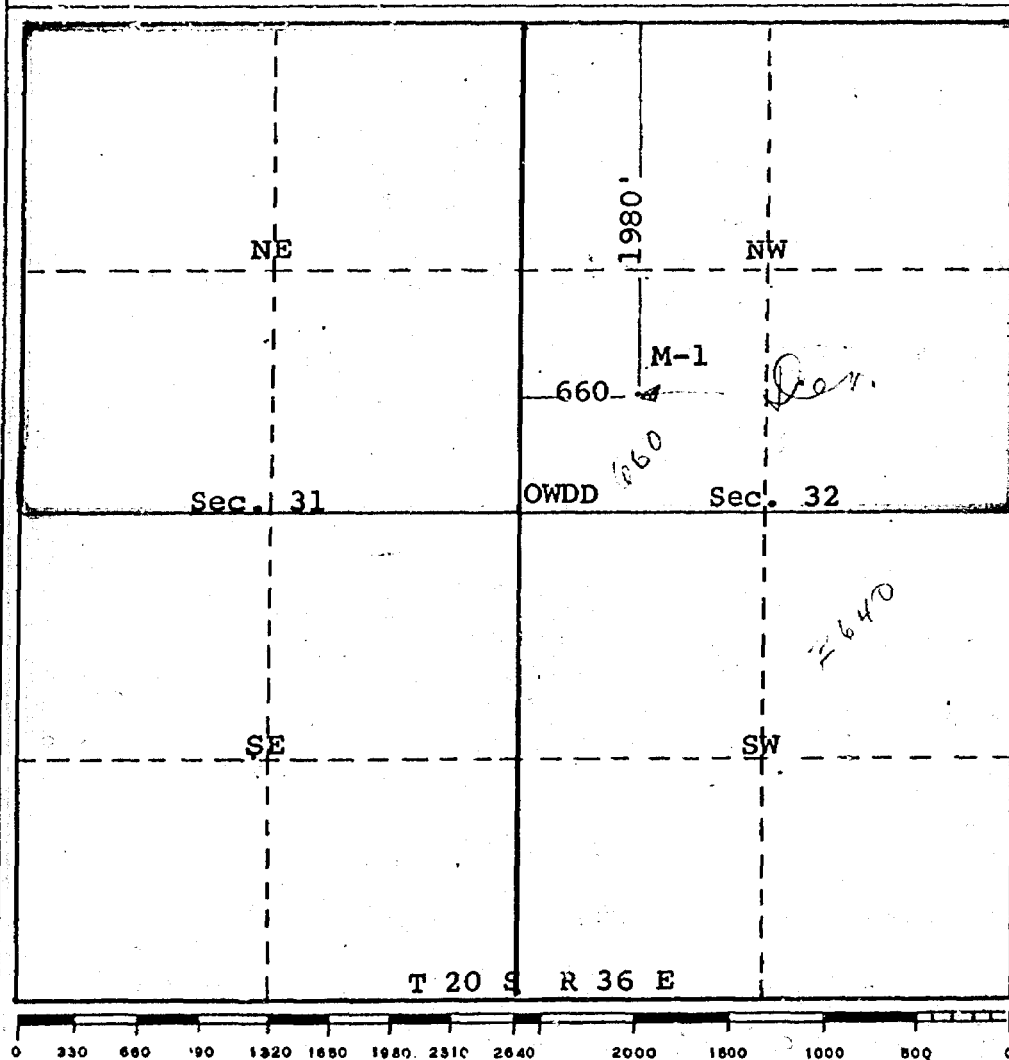
Operator <b>Western Oil Producers, Inc.</b>			Lease <b>State M</b>		Well No. <b>1</b>
Unit Letter <b>E</b>	Section <b>32</b>	Township <b>20S</b>	Range <b>36E</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>1980</b> feet from the <b>north</b> line and <b>660</b> feet from the <b>west</b> line					
Ground Level Elev. <b>3661</b>	Producing Formation <b>Devonian</b>		Pool <b>Wild cat</b>	Dedicated Acreage: Subject <b>hearing 320</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 \_\_\_\_\_

**Western Oil Producers, Inc.**

Date \_\_\_\_\_

**1-20-72**

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.

**Resurveyed OWDD**

Date Surveyed \_\_\_\_\_

**1-20-72**

Registered Professional Engineer and/or Land Surveyor

**N. Raymond Lamb**

Certificate No. \_\_\_\_\_

**929**



BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
Western Oil EXHIBIT NO. 1  
CASE NO. 4655 & 4656



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

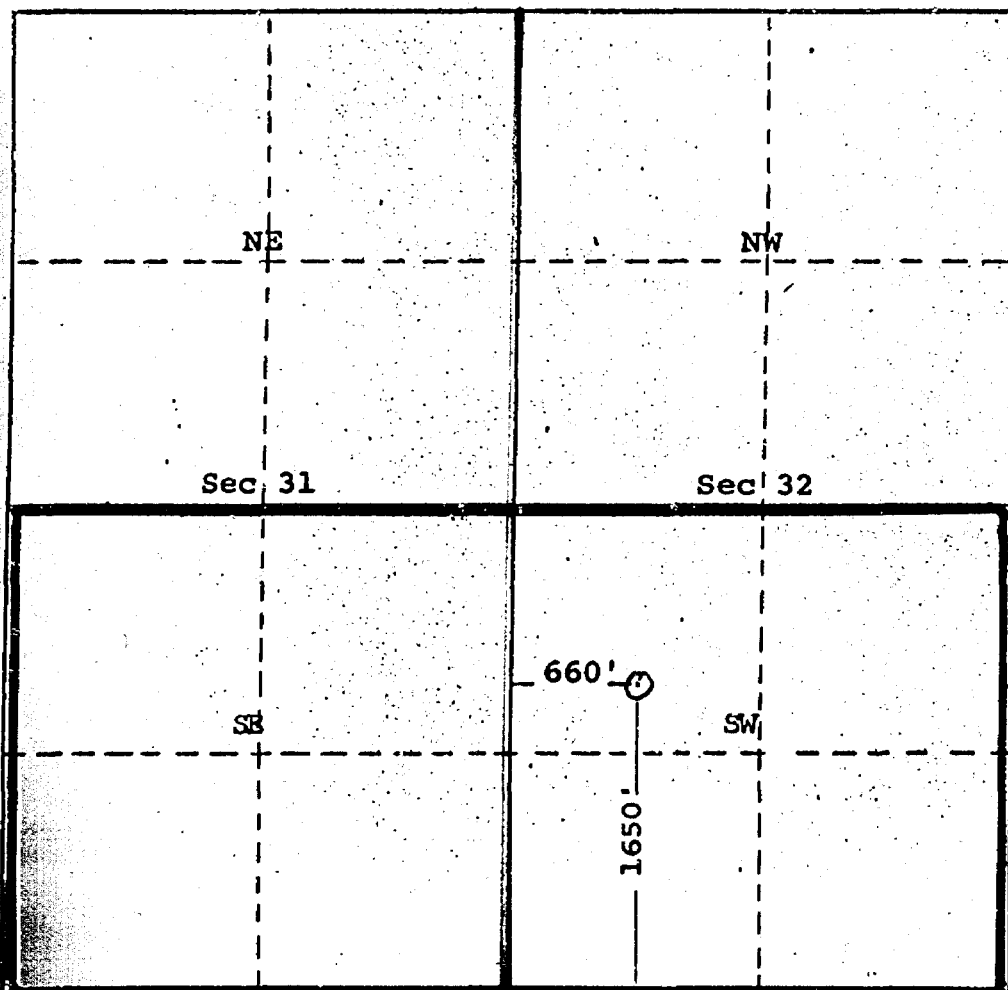
Operator <b>Western Oil Producers, Inc.</b>			Lease <b>Tanza-- State</b>		Well No. <b>1</b>
Unit Letter <b>L</b>	Section <b>32</b>	Township <b>20S</b>	Range <b>36E</b>	County <b>Lea</b>	
Actual Footage Location of Well:					
<b>660</b>		feet from the <b>west</b>		line and <b>1650</b>	
				feet from the <b>south</b>	
Ground Level Elev. <b>3662'</b>	Producing Formation <b>Devonian</b>		Pool <b>Wild cat</b>		Dedicated Acreage: <b>Subject to hearing 320</b>

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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

**Western Oil Producers, Inc**

Date

**1-20-72**

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

**1-20-72**

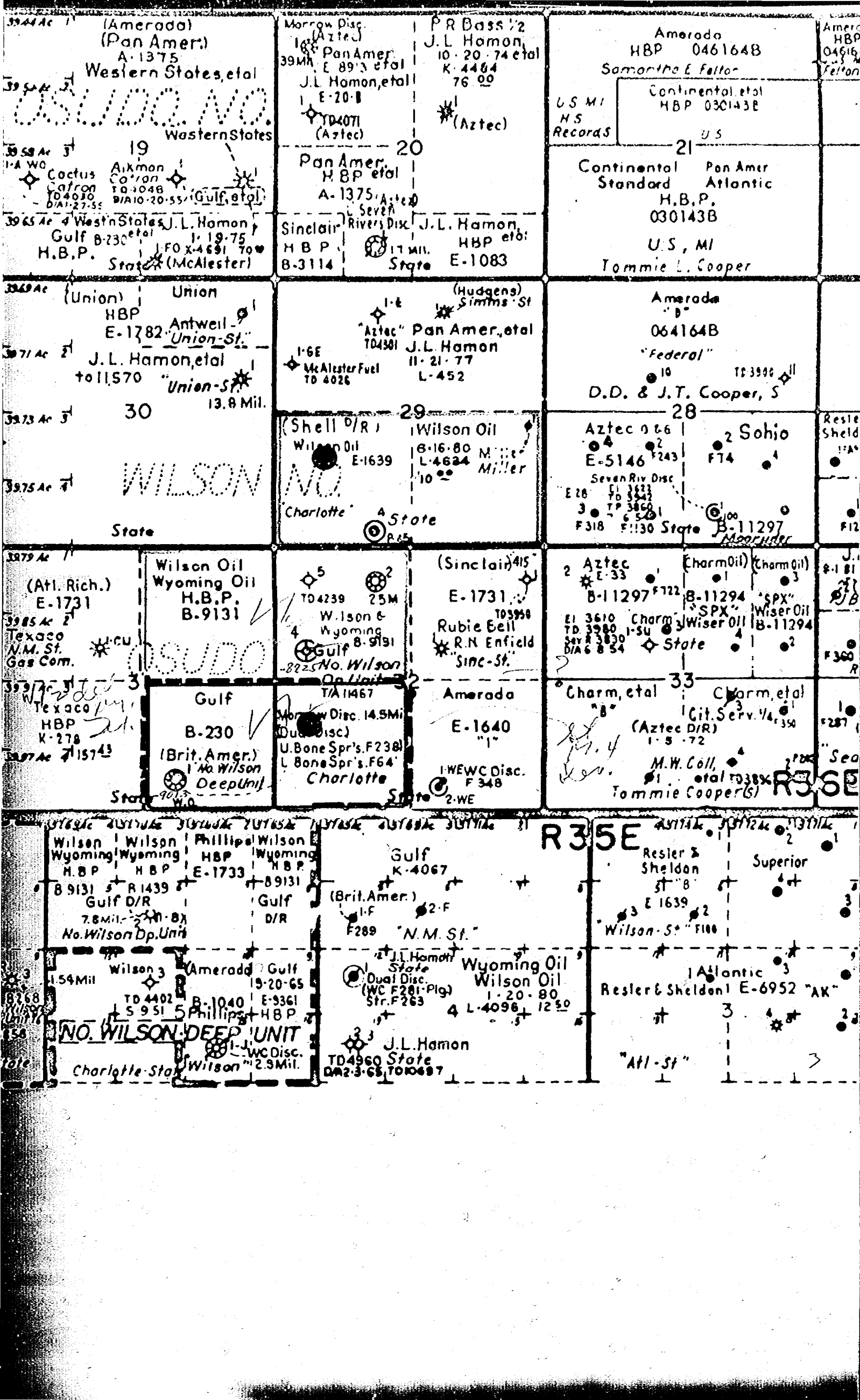
Registered Professional Engineer and/or Land Surveyor

**N. Raymond Lamb**

Certificate No.

**929**

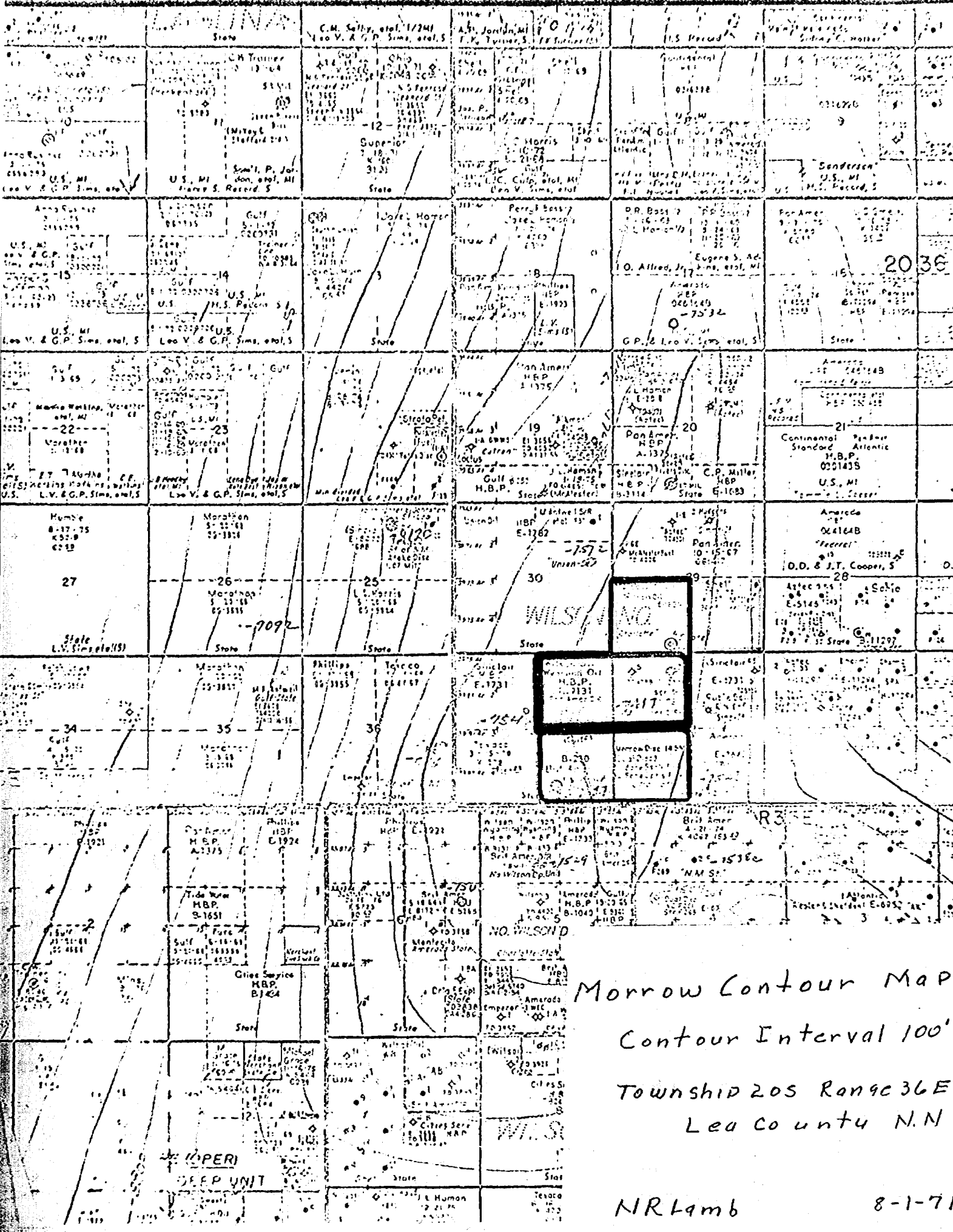






BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
Western oil EXHIBIT NO. 3  
CASE NO. 4655 and 4656





Morrow Contour Map  
Contour Interval 100'  
Township 20S Range 36E  
Lea County N.D.  
NRL 4mb 8-1-71



## SURFACE INFORMATION

Well Flowed		Amount	
NO			
Reversed Out		Amount	
SALT WATER WITH SLIGHT TRACE OF OIL AND GAS		5335' (37.80BBLs.)	
Recovered PULLED BEFORE REVERSING!		Amount	
WATER CUSHION		1080' (7.99BBLs.)	
SALT WATER CUT MUD		1080' (7.99BBLs.)	
MUDDY SALT WATER WITH SLIGHT TRACE OF OIL AND GAS		1000' (7.40BBLs.)	
SALT WATER CUT MUD WITH TRACE OF OIL (BELOW CIRCULATING SUB)		180' (.70BBLs.)	
Maximum Surface Pressure			
Description (Rate of Flow)	Time	Pressure (P.S.I.G.)	Surface Choke
Opened Tool	0903	-	-
GOOD BLOW			
CLOSED FOR INITIAL SHUT-IN	0905	-	-
RE-OPENED TOOL	0935	-	-
GOOD BLOW THROUGHOUT TEST			
CLOSED FOR FINAL SHUT-IN	1205		
EQUALIZED MUD	1305		
PULLED PACKER LOOSE	1315		
Remarks: RESISTIVITY OF TEST SAMPLE=1.11 AT 80°F.			
RESISTIVITY OF PIT SAMPLE=1.62 AT 84°F.			
SAMPLE	CHLORIDE CONTENT		
TOP	17,500PPM		
MIDDLE	40,000PPM		
BOTTOM (REVERSED)	40,000PPM		
PIT MUD	3,200PPM		
LOCATION: 660FSL 1980FEL SEC. 31 T20S R36E			

## TOOL, HOLE &amp; MUD DATA

Type Test		DUAL PACKER	
Formation Tested		DEVONIAN	
Elevation		3653 K.B.	
All Depths Measured From		KELLY BUSHING	
TOOL SEQUENCE			
Tool	Size/Type	Depth/Length/ ID.	
DRILL PIPE	3 1/2" IF	10922' / 2.7"	
CIRCULATING BOB	3 1/2" BLEEVE		
DRILL PIPE	3 1/2" IF	1060' / 2.7"	
DRILL COLLAR	2 7/8" IF	480' / 2"	
CIRCULATING BOB	2 7/8" BO		
DRILL COLLAR	2 7/8" IF	180' / 2"	
4-STAGE BHUT-IN	3 1/2"		
HYDRAULIC TOOL	3 1/2" CO		
JAR	3 1/2" HB-1		
BOB-TAIL PACKER	5"	12668'	
BOB-TAIL PACKER	5"	12674'	
PERF. ANCHOR	4 1/2" HVY	8'	
DRILL COLLAR	4 1/2" IF	29' / 2"	
PERF. ANCHOR	4 1/2" HVY	2'	
RECORDER CARRIER	4 7/8" T	6'	
RECORDER CARRIER	4 7/8" T	6'	
Total Depth		12725 Ft.	
Main Hole Size		5 7/8" Rot Hole Size -	
Casing Size		7" Liner Size -	
Bottom Choke Size		5/8" Mud Type FRESH WATER	
Mud Wt.		9.0 Mud Viscosity 58	
Water Loss		4. C.C.	
Cushion Type	Amount	Pressure	
WATER	1500'	-	
TIME DATA			
Initial Flow	- Hrs.	2	Mins.
Initial Shut-in	- Hrs.	30	Mins.
Final Flow	2 Hrs.	30	Mins.
Final Shut-in	1 Hrs.	-	Mins.

Customer SAME AS BELOW ATTN: PRODUCTION DEPT.

Company THE BRITISH AMERICAN PRODUCING COMPANY; BOX 474; MIDLAND, TEXAS Date 4-23-64

Well NORTH WILSON DEEP UNIT #1 Field WILD CAT Location SEE REMARKS

Test Interval 12,674' to 12,725' Formation Test # 6 Casing Test # -

County LEA State NEW MEXICO Field Report No. 12243 A

Tester KIRKMAN (HOBBS) Test Approved By MR. M. C. STEINDORF, JR. No. DST Reports Requested 11 (6 x's)



BRITISH AMERICAN OIL PRODUCING CO.  
NORTH WILSON DEEP UNIT NO. 1  
LEA COUNTY, NEW MEXICO

OIL AND GAS SHOWS: Cont.)

- |                    |   |
|--------------------|---|
| 10,982' - 10,984'  | Trace dull yellow fluorescence in a gray-tan, fine-crystalline limestone with fair cuts, no visible stain or porosity.  |
| 10,998' - 11,004'  | Brown, oolitic limestone with bright yellow-gold fluorescence, poor cuts, no visible stain and a trace of pin-point porosity.   |
| 11,038' - 11,044'  | Gray, sandy limestone with traces bright yellow-gold fluorescence, poor cuts, no visible stain and a trace of pin-point porosity.   |
| 11,300' - 11,316'  | Gray-brown, medium to coarse-crystalline, pyritic limestone with trace bright yellow fluorescence, fair cuts, possible fracture porosity, trace black visible stain.  |
| 11,332' - 11,336'  | Few pieces of a gray-white limestone with bright yellow fluorescence, poor cuts, trace light stain.   |
| 11,372' - 11,382'  | Brown, fine-grained, poorly cemented, well sorted sand with trace dull gold fluorescence, trace dry cuts and no gas increase.   |
| 12,386' - 12,396'  | Brown, micro-crystalline to dense, siliceous limestone and white, medium-crystalline, calcitic limestone with traces bright white fluorescence, trace wet cuts and fair dry cuts.   |
| *12,674' - 12,725' | Clear to white, medium-crystalline dolomite with bright blue-white fluorescence, good vuggy porosity and fair to good cuts. Also some tan, fine-crystalline limestone with yellow-white fluorescence, good cuts and evidence of vuggy and solution porosity. Traces of black stain with in vugs becoming more prevalent with depth. |

\* Denotes zones drill stem tested



DRAFT

GMH/dr

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 4655

Order No. R-4257

APPLICATION OF WESTERN OIL  
PRODUCERS, INC. FOR TWO NON-  
STANDARD GAS PRORATION UNITS,  
LEA COUNTY, NEW MEXICO.

*JSU* *at D*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 2, 1972,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this        day of February, 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, Western Oil Producers, Inc., seeks  
approval of two 320-acre non-standard gas proration units in an  
undesignated Devonian gas pool; one unit comprising the NE/4 of  
Section 31 and the NW/4 of Section 32 and the other unit comprising  
the SE/4 of Section 31 and the SW/4 of Section 32, Township 20  
South, Range 36 East, NMPM, Lea County, New Mexico.



(3) That the non-standard unit comprising the NE/4 of Section 31 and the NW/4 of Section 32 would be dedicated to applicant's State M Well No. 1, located 1980 feet from the North line and 660 feet from the West line of said Section 32.

(4) That the non-standard unit comprising the SE/4 of Section 31 and the SW/4 of Section 32 would be dedicated to a well to be drilled 1650 feet from the South line and 660 feet from the West line of said Section 32.

(5) That Order No. R-2907, dated May 10, 1965, established a non-standard gas spacing unit for the Morrow formation comprising the SE/4 of said Section 31 and the SW/4 of said Section 32.

(6) That establishment of the above-described non-standard gas spacing units as requested would continue the spacing pattern established by said Order No. R-2907.

(7) That the proposed non-standard gas proration units can be efficiently and economically drained and developed by the subject wells.

(8) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the undesignated Devonian gas 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 a 320-acre non-standard gas proration unit comprising the NE/4 of Section 31 and the NW/4 of Section 32, Township 20 South, Range 36 East, NMPM, undesignated Devonian gas pool, Lea County, New Mexico, is hereby established and dedicated to applicant's State M Well No. 1, located 1980 feet from the North line and 660 feet from the West line of said Section 32.

(2) That a 320-acre non-standard gas proration unit comprising the SE/4 of Section 31 and the SW/4 of Section 32, Township 20 South, Range 36 East, NMPM, undesignated Devonian gas pool, Lea County, New Mexico, is hereby established and dedicated to a well to be drilled 1650 feet from the South line and 660 feet from the West line of said Section 32.

(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.



~~RECEIVED~~  
Date 1-20-72



CASE 4655: Application of WESTERN  
OIL PRODUCERS FOR 2 NON-STANDARD  
GAS PRORATION UNITS, LEA COUNTY.