

CASE 5136: Appli. of COASTAL  
STATES GAS PRODUCING FOR AN  
UNORTHODOX OIL WELL LOCATION.

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done  
1964

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 3, 1974

EXAMINER HEARING

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IN THE MATTER OF: )  
 )  
 )

Application of Coastal States )  
Gas Producing Company for an )  
unorthodox oil well location, )  
Lea County, New Mexico. )  
 )  
 )  
-----

Case No. 5136

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For New Mexico Oil Conservation  
Commission:

William Carr, Esq.  
Legal Counsel for the Com-  
mission  
State Land Office Bldg.  
Santa Fe, New Mexico

For the Applicant:

Clarence Hinkle, Esq.  
HINKLE, BONDURANT, COX &  
EATON  
Hinkle Building  
Roswell, New Mexico

Page..... 2.....

I N D E X

Page

GENE RIENKEMEYER

Direct Examination by Mr. Hinkle

3

E X H I B I T S

Marked    Admitted

Applicant's Exhibits Nos. 1 through 4

5

10

Applicant's Exhibit No. 5

12

12

MR. NUTTER: Call Case No. 5136.

MR. CARR: Case 5136. Application of Coastal States Gas Producing Company for an unorthodox oil well location, Lea County, New Mexico.

MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant, Cox and Eaton appearing on behalf of the Coastal States.

(Witness sworn.)

GENE RIENKEMEYER

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name and your residence and by whom you are employed.

A Gene Rienkemeyer, Midland, Texas, Coastal States Gas Producing Company.

Q You might spell that name for them.

A R-i-e-n-k-e-m-e-y-e-r.

Q What is your position with Coastal States?

A Petroleum engineer.

Q Have you previously testified before the Commission?

A No.

Q Will you state briefly your educational background and experience as a petroleum engineer?

A Yes, I graduated with a Bachelor's degree in petroleum engineering from the University of Texas in 1956, was employed subsequent to that for three-and-a-half years with Schio Petroleum Company as a training engineer, junior engineer and engineer and then went to work for Crescent Corporation which was part of the -- member of the old Deep Rock as a district engineer and subsequently the production superintendent and engineer and then went to work for Colorado Oil Company ten years ago last January 1 and was employed by them until -- and still am for that matter in a fashion -- and then employed into Coastal States Producing Company a year ago yesterday or the day before yesterday. I'm serving as an engineer with Coastal States at this time.

Q Have you made a study of the Flying "M" Field?

A Yes, I have.

Q And are familiar with the wells that have been drilled?

A Yes.

Q In that area?

A Yes, I am.

MR. HINKLE: Are the qualifications sufficient?

MR. NUTTER: Yes, sir, they are.

BY MR. HINKLE:

Q Are you familiar with the Application of Coastal States in this case?

A I am.

Q What is Coastal States seeking to accomplish?

A Coastal States is requesting permission to drill an unorthodox location in Section 29 which is within the boundaries of the Flying "M" Unit. We feel like, for several reasons, that the -- it is the unorthodox location that is very desirable over the orthodox locations and we have several Exhibits.

Q You have prepared these Exhibits?

A Yes.

Q Are these the Exhibits marked 1 through 4?

(Whereupon, Applicant's Exhibits

Nos. 1 through 4 are marked  
for identification.)

Q Referring to Exhibit 1, explain this to the Commission.

A Exhibit 1 is a plat of the area and it outlines the boundaries of the Flying "M"-San Andres Unit. It also shows the location of oil producing in the injection wells

within the area. There are two producing zones in this immediate area, only two that are known to be productive at this time, the San Andres and the Bough "C" and you will see that there is a distinction by symbols between San Andres and Bough "C" wells.

Q What acreage do you propose to dedicate to this well?

A Acreage that we propose to dedicate to this well is the 80-acre tract consisting of the west half of the Northwest quarter of Section 29.

Q Has this acreage been committed to the Flying "M" Unit agreement?

A No. You'll notice that on the two 80-acre tracts that both in the Northwest quarter of Section 29, there is a symbol in "C". This stands for non-consent. We -- every effort was made to get the royalty owners to participate in the unit, but they refused to do so that's what exists at the present time.

Q So, actually, the Northwest quarter has not been committed to the unit although Coastal States owns the lease?

A They do own the lease and, of course, they are operators of the unit.

Q Now, who are the offset owners other than Coastal

States to this proposed well?

A Saxton Oil Company is the only company that has a producing San Andres well in the immediate vicinity.

Q The Shell well has been plugged?

A The Shell well has been plugged and the other producing Shell wells are both sea wells.

Q Now, this plat also shows ownership of all of these leasehold interests in the area?

A That is correct.

Q And the location of the injection wells in connection with the water plugging project?

A That is correct.

Q Refer to Exhibit 2 and explain what this shows.

A Exhibit 2 is a structure map and drawn on the top of the Slaughter Zone which is the main producing zone or the producing zone within the San Andres formation and one of the things that the plat shows is that there really is not a tremendous amount of structural relief in the area, and also, in contrast to many producing structures, you'll notice that the dry holes are really located in the structural highs which indicates either permeability pinch out or just a pink out period.

Q I now refer to Exhibit 3 and explain what this shows.



A Exhibit No. 3 is a contour, standard contour, drawn on the current-daily-producing rate. The contour interval is 20 barrels a day and all the wells outside the 20-barrel contour produces less than 20 barrels a day and notice that there are essentially three areas of high producing rates. The highest being in Section 21 where this one well produces in -- according to the contours -- in excess of 100 barrels a day. The next highest producing rate area is in Section 29 in the vicinity of the proposed well. There are several wells in there that produce in excess of 60 barrels a day and the third highest is down in Section 31, where we do have a well that produces in excess of 40 barrels a day.

Q Now, referring to Exhibit 4, explain what this shows.

A Exhibit No. 4 is another set of contours drawn on cumulative oil production from individual wells and the contour interval is 50,000 barrels. Again, all wells outside of the 50,000 barrel line would produce less than that, and now we have two areas of high cumulative production. Up in Section 21 where we have a well that, according to the contours, it has produced in excess of 100,000 barrels of oil and then, again, in the vicinity of the proposed well in

Section 29 we have a well that has produced in excess of -- at least one well that has produced in excess of 200,000 barrels of oil. You'll notice that in Section 31, we had some high, fairly high, daily production and that's really just dropped out of the picture as far as cumulative production is concerned.

MR. NUTTER: Is that an old well?

THE WITNESS: It's a relatively new well.

MR. NUTTER: So, that's what is hurting it as far as cumulative?

THE WITNESS: Right. It's on a fairly sharp decline, too.

BY MR. HINKLE:

Q Does this indicate that the objective of locating this well is to get closest possible to your --

A (Interrupting) If you'll notice and go back and maybe look at Exhibits 3 and 4 at the same time, that a well drilled in the proposed unorthodox location is based on Exhibit 3, we would anticipate a daily average production rate of between 40 and 60 barrels a day. Whereas, if the well was drilled on the orthodox location, which would be up to the north, we would get a well that would probably produce in the range of 20 barrels of oil per day. By the same token

looking at Exhibit 4, we anticipate a well drilled in the proposed unorthodox location that would deal cumulative in a range of 70, 75,000 barrels of oil. Whereas, in the orthodox location, we could be looking at something less than 50,000 or in the range of 50,000 barrels of oil.

I would also like to back up a little bit on that, go back to Exhibit No. 2 and you notice that the higher you get structurally -- for instance, all of the dry holes located in the high areas in Sections 18 and 19 and 20, that the higher you move up structurally, the better chance you have of getting a dry hole. So, we would like to stay down in the lower structure area, if at all possible.

Q In your opinion, will approval of this Application be in the interest of conservation and prevention of waste and protect correlative rights?

A Very definitely.

MR. HINKLE: I would like to introduce Exhibits 1 through 4.

MR. NUTTER: Applicant's Exhibits 1 through 4 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1 through 4 for identification were admitted in evidence.)

MR. HINKLE: That's all we have, I believe.

MR. NUTTER: Mr. Rienkemeyer, in moving to this non-standard location, while I do realize that this is non-committed acreage and you're offsetting committed acreage, as far as companies are concerned, you're not offsetting anyone's well other than Coastal States' well, is that correct?

THE WITNESS: That's true, for immediate direct offset. Now, there is the Saxton Well that's over in Section 30.

MR. NUTTER: It's two locations away?

THE WITNESS: Two locations away. We don't have a direct offset.

MR. NUTTER: The Shell Well, which is abandoned at the present time, had it been drilled on a standard location, you would be offsetting it, but it was drilled on a non-standard location, also, wasn't it?

THE WITNESS: That's right.

MR. NUTTER: So, you're a standard location away from it?

THE WITNESS: That's right.

MR. NUTTER: I see.

BY MR. HINKLE:

Q Do you have a letter from Saxton?

A I certainly have. Saxton was kind enough to send us a letter -- well, they sent it to Mr. Hinkle and notifying that they were in receipt of the Application and that they waived any rights of objection and they were -- had no objection at all.

MR. HINKLE: We would like to file the letter.

MR. NUTTER: Okay, if we can have that. Apparently, we don't have a copy of it.

Do you want to just offer this as another Exhibit?

MR. HINKLE: Yes, you might do that and make this Exhibit No. 5.

(Whereupon, Applicant's No. 5  
was marked for identification.)

MR. NUTTER: Applicant's Exhibit No. 5 will be admitted in evidence.

(Whereupon, Applicant's Exhibit  
No. 5 for identification was  
admitted in evidence.)

MR. NUTTER: Does anyone have any questions of the witness? He may be excused.

(Witness is excused.)

MR. NUTTER: Do you have anything further, Mr.

Hinkle?

MR. HINKLE: That's all.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 5136? We will take the case under advisement and recess the Hearing until 1:30.

STATE OF NEW MEXICO )  
COUNTY OF SANTA FE )

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

*Richard L. Nye*  
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5134 heard by us on 1-3, 1974.

*Asst. Examiner*, Examiner  
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE  
STATE-WIDE DEPOSITION NOTARIES  
225 JOHNSON STREET  
SANTA FE, NEW MEXICO 87501  
TEL. (505) 982-0386

(Case 5130 continued from Page 1)

pool rules for the North Shoe Bar-Strawn Pool, Lea County, New Mexico. Applicant seeks the amendment of said rules to provide for a special gas-oil ratio limitation of 4000 to one.

CASE 5131: Application of Jake Hamon for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the perforated interval from 12,935 feet to 12,946 feet and the open-hole interval from 12,960 feet to 13,023 feet in his Getty State L-736 Well No. 1 located in Unit D of Section 32, Township 16 South, Range 36 East, East Shoe Bar-Devonian Pool, Lea County, New Mexico.

CASE 5132: Application of American Quasar Petroleum Company of New Mexico for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the White City Unit Area comprising 5,120 acres, more or less, of Federal, State and fee lands in Township 25 South, Ranges 25 and 26 East, Eddy County, New Mexico.

CASE 5133: Application of Atlantic Richfield Company for four non-standard gas proration units and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following 320-acre non-standard gas proration units in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico:

The N/2 of Section 34 to be dedicated to its Curran Jones Wells Nos. 1 and 10 located in Units A and C, respectively, of Section 34;

McDonald State Lease:

The N/2 of Section 14 to be dedicated to Wells Nos. 11 and 25 both located in Unit D of Section 14;

The E/2 of Section 26 to be dedicated to Wells Nos. 22, 9, and 8 located in Units A, G, and P, respectively, of Section 26;

The W/2 of Section 24 to be dedicated to Wells Nos. 26 and 12 located in Units D and M, respectively, of Section 24.

CASE 5134: Application of Atlantic Richfield Company for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of four wells to a standard 640-acre unit comprising all of Section 15, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, said wells being applicant's McDonald State WN Wells Nos. 23, 14, 15, and 13, located in Units C, G, L, and P, respectively, of Section 15.

CASE 5135: Application of Atlantic Richfield Company for the amendment of Order No. R-4549, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 1 of the Special Rules for the Empire-Abo Pressure Maintenance Project as promulgated by Order No. R-4549 to expand the project area as defined therein to include the



DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1974

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. Futter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5000: (Continued from the June 20, 1973, Regular Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Aztec Totah Unit Wells Nos. 17 and 18, located in Unit E of Section 20, and Unit H of Section 19, respectively, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5006: (Continued from the June 20, 1973, Regular Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Southeast Cha Cha Unit Well No. 1 located in Unit M of Section 32, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5128: Application of Gulf Oil Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28 and the NW/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its J. N. Carson Wells Nos. 4 and 9 located in Units O and K, respectively, of Section 28.

CASE 5129: Application of Dorchester Exploration Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Wilson-Pennsylvanian Pool underlying the E/2 of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location in Unit I of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5130: Application of Mesa Petroleum Company for the amendment of Order No. R-4658, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4658, which order promulgated special

(Case 5135 continued from Page 2)

SW/4 SE/4 of Section 27 and the S/2 SE/4 of Section 34, both in Township 17 South, Range 28 East, and the NW/4 NE/4 and the SE/4 SW/4 of Section 6, Township 18 South, Range 28 East, Empire-Abo Pool, Eddy County, New Mexico.

Applicant further seeks the amendment of Rules 3 and 4 of said special rules to provide that effective January 1, 1974, the maximum allowable for the project area be 33,000 barrels per day rather than 30,000 as presently provided.

CASE 5136: Application of Coastal States Gas Producing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox oil well location of its McGuffin Well No. 2 at a point 1980 feet from the North line and 660 feet from the West line of Section 29, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, Lea County, New Mexico.

CASE 5137: Application of Skelly Oil Company for two unorthodox locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill two producing wells at two unorthodox locations, one 2630 feet from the North line and 1330 feet from the West line and the other 1330 feet from the South line and 10 feet from the West line, both in Section 22, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 5138: Application of Skelly Oil Company for a waterflood project and four dual completions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Seven Rivers formation, Fren Pool, through six injection wells in its Skelly Unit Area in Sections 21, 22 and 28, Township 17 South, Range 31 East, Eddy County, New Mexico, three of which wells would be dually completed for injection into the Seven Rivers formation and the existing Grayburg-Jackson waterflood project. Applicant further seeks authority to dually complete its Skelly Unit Well No. 76 located in Unit O of said Section 21 as a dual completion to produce from the Fren Seven Rivers Pool and the Grayburg-Jackson Pool through parallel strings of tubing.

CASE 5139: Application of Skelly Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formation through three wells on its Lea "C" Lease in Section 11, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 5141: Application of David Fasken for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter an existing well, the unorthodox surface location of which is 660 feet from the South and West lines of Section 7, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico,

(Case 5141 continued from Page 3)

and to directionally drill said well in such a manner as to bottom the well in the Morrow formation at a point 915 feet from the South line and 660 feet from the West line of said Section 7.

CASE 5142: Application of Amoco Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Black River-Pennsylvanian Gas Pool, Eddy County, New Mexico, including a provision for 320-acre drilling and proration units. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Pennsylvanian gas pools rather than the present 160-acre spacing.

CASE 5140: (This case will be continued to January 16, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for compulsory pooling, Vada-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the NW/4 of Section 24, Township 9 South, Range 33 East, Lea County, New Mexico, to be dedicated to the King Resources Sheridan Well No. 1-A located in Unit C of said Section 24; Also to be considered is designation of the applicant as operator of the NW/4 of said Section 24 and the well located thereon, provision for allocation of actual operating costs and charges for supervision, and allocation of costs for reworking said well including a 200% charge attributable to any non-consenting working interest owner's pro rata share of said workover costs, for the risk involved in said workover.

CASE 4956: (Reopened) (This case will be continued to January 16, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for a determination of well costs, Lea County, New Mexico. Applicant, as operator of the Sheridan Well No. 1 located in Unit M of Section 13, Township 9 South, Range 33 East, Lea County, New Mexico, to which well is dedicated the SW/4 of said Section 13, all mineral interests in the Vada-Pennsylvanian Pool thereunder having been pooled by Commission Order No. R-4560, seeks the determination of reasonable well costs attributable to applicant and to King Resources, including, but not limited to, the costs of reworking and placing said Sheridan Well No. 1 back on production and attorneys fees in connection therewith. Applicant further seeks an order assessing, as a charge for the risk involved in the reworking of the well, 120% of the pro rata share of the reasonable well costs attributable to the working interest of King Resources.



# OIL CONSERVATION COMMISSION

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

87501

January 24, 1974

**I. R. TRUJILLO**  
**CHAIRMAN**

**LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER**

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

Re: CASE NO. 5136

ORDER NO. R-4715

**Applicant:**

## Coastal States

Mr. Clarence Hinkle  
Hinkle, Bondurant, Cox & Eaton  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico 88201

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. 5136  
Order No. R-4715

APPLICATION OF COASTAL STATES GAS  
PRODUCING COMPANY FOR AN UNORTHODOX  
OIL WELL LOCATION, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 3, 1974,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 24th day of January, 1974, 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, Coastal States Gas Producing  
Company, seeks approval for an unorthodox oil well location for  
its McGuffin Well No. 2 at a point 1980 feet from the North  
line and 660 feet from the West line of Section 29, Township 9  
South, Range 33 East, NMPM, Flying "M"-San Andres Pool, Lea  
County, New Mexico.

(3) That the W/2 NW/4 of said Section 29 is to be  
dedicated to the well.

(4) That the W/2 NW/4 of said Section 29 can be efficiently  
and economically drained and developed by said well.

(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 his just and equitable  
share of the oil in the Flying "M"-San Andres Pool, and will  
otherwise prevent economic waste and protect correlative rights.

-2-

Case No. 5136  
Order No. R-4715

IT IS THEREFORE ORDERED:

(1) That the applicant, Coastal States Gas Producing Company, is hereby authorized to drill its McGuffin Well No. 2 at an unorthodox oil well location 1980 feet from the North line and 660 feet from the West line of Section 29, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, Lea County, New Mexico.

(2) That the W/2 NW/4 of said Section 29 shall be dedicated to the well.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*I. R. Trujillo*  
I. R. TRUJILLO, Chairman

*Alex J. Armijo*  
ALEX J. ARMILLO, Member

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

S E A L

dr/

CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
STUART D. SHANOR  
C. D. MARTIN  
PAUL J. KELLY, JR.  
ANDERSON

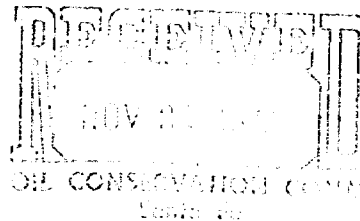
LAW OFFICES  
HINKLE, BONDURANT, COX & EATON

600 HINKLE BUILDING  
POST OFFICE BOX 10  
ROSWELL, NEW MEXICO 88201

November 19, 1973

TELEPHONE (505) 622-6510

MIDLAND, TEXAS OFFICE  
521 MIDLAND TOWER  
(915) 683-4691



Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

We enclose in triplicate application of Coastal States Gas Producing Company for an unorthodox well location in connection with its John R. McGuffin No. 2 located in the SE $\frac{1}{4}$  Section 29, Township 9 South, Range 33 East.

We would like to have this matter set down for hearing at the first examiner's hearing in January, 1974.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By 

CEH:cs  
Enc.

cc: Jack McGraw

DOCKET MAILED  
Date 12-18-73

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF COASTAL STATES GAS  
PRODUCING COMPANY FOR AN UNORTHODOX  
WELL LOCATION, LEA COUNTY. APPLICANT  
SEEKS APPROVAL OF AN UNORTHODOX OIL  
WELL LOCATION FOR ITS COASTAL STATES  
JOHN R. MCGUFFIN NO. 2 WELL TO BE  
LOCATED 660 FEET FROM THE WEST LINE  
AND 1980 FEET FROM THE NORTH LINE OF  
SECTION 29, TOWNSHIP 9 SOUTH, RANGE  
33 EAST IN THE FLYING "M"-SAN ANDRES  
POOL WITHIN THE FLYING "M"-SAN ANDRES  
UNIT AREA, WITH THE W $\frac{1}{2}$ NW $\frac{1}{4}$  SECTION 29  
TO BE DEDICATED TO SAID WELL.

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

Comes Coastal States Gas Producing Company acting by and through the undersigned attorneys and hereby makes application for an unorthodox well location, Lea County. Applicant seeks approval of an unorthodox oil well location for its Coastal States John R. McGuffin No. 2 well to be located 660 feet from the west line and 1980 feet from the north line of Section 29, Township 9 South, Range 33 East in the Flying "M"-San Andres Pool within the Flying "M"-San Andres Unit Area, with the W $\frac{1}{2}$ NW $\frac{1}{4}$  Section 29 to be dedicated to said well, and in support thereof respectfully shows:

1. There is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A", a plat showing the location of the Coastal States John R. McGuffin No. 2 well in Section 29, Township 9 South, Range 33 East, Lea County, together with the 80 acres which applicant seeks to have dedicated to said well. The plat also shows the ownership of all oil and gas leases offsetting the acreage to be dedicated to the well and all wells which have been drilled thereon and the formations from which they are producing.

2. Under the special rules and regulations adopted for the Flying "M"-San Andres Pool under Order R-2746 provision is made for 80 acre spacing and the wells are to be located in the NW $\frac{1}{4}$  or the SE $\frac{1}{4}$  of a governmental quarter section. All wells are to be located



within 200 feet of the center of a governmental quarter quarter section.

3. The proposed well is to be located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 29 instead of at an orthodox location in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 29. The unorthodox location is desired due to the fact that it is thought that a better pay section will be encountered which will afford better drainage and a greater recovery.

4. Notice of this application has been given to Saxon Oil Company, the only owner of offset acreage, as required by applicable rules and regulations.

5. Approval of said unorthodox location will be in the interest of conservation, the prevention of waste and the protection of correlative rights.

6. Applicant requests that this matter be set down for the first examiner's hearing in January, 1974.

Respectfully submitted,

COASTAL STATES GAS PRODUCING COMPANY

By

  
HINKLE, BONDURANT, COX & EATON

Box 10

Roswell, New Mexico 88201

Attorneys for Applicant

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>Coastal States Gas Producing Co.</b>		Lease <b>John R. McGuffin</b>		Well No. <b>2</b>
Unit Letter <b>E</b>	Section <b>29</b>	Township <b>9S</b>	Range <b>33E</b>	County <b>Lea</b>

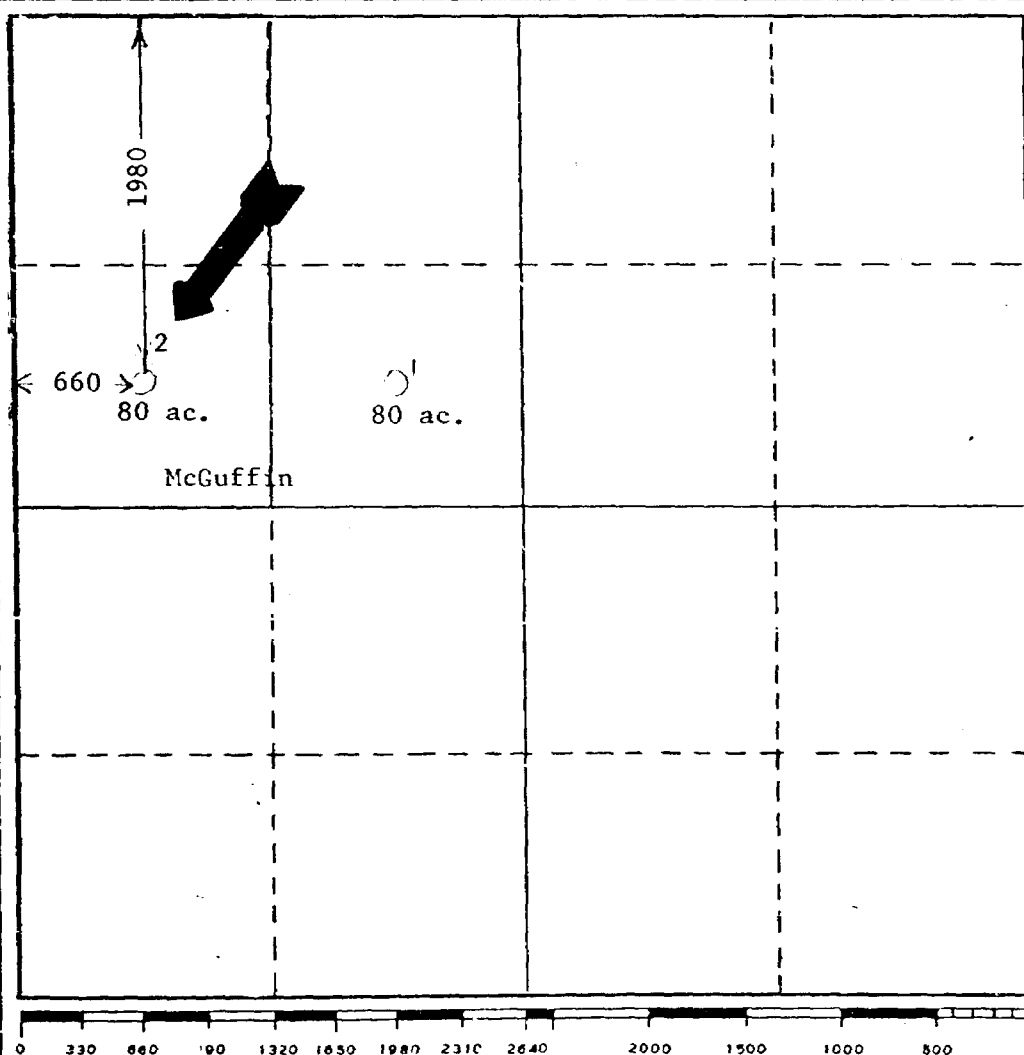
Actual Footage Location of Wells:				
<b>660</b>		feet from the <b>West</b>	line and <b>1980</b>	feet from the <b>North</b>
Ground Level Elev. <b>4355 GL</b>	Producing Formation <b>San Andres</b>	Pool <b>Flying "M" (SA)</b>	Dedicated Acreage: <b>80</b> Acres	

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  
**James B. Shepherd, Jr.**  
Position  
**Dist. Production Manager**  
Company  
**Coastal States Gas Prod. Co.**  
Date  
**November 13, 1973**

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  
  
Registered Professional Engineer  
and/or Land Surveyor

Certificate No.

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 5136

Order No. R- 4715

APPLICATION OF COASTAL STATES GAS  
PRODUCING COMPANY FOR AN UNORTHODOX  
OIL WELL LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 3, 1974,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of January, 1974, 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, Coastal States Gas Producing  
Company, seeks approval for an unorthodox oil well location for  
its McGuffin Well No. 2 at a point 1980 feet from the North line  
and 660 feet from the West line of Section 29, Township 9 South,  
Range 33 East, NMPM, Flying "M"-San Andres Pool, Lea County, New  
Mexico.

(3) That the W/2 NW/4 of said Section 29 is to be dedicated to the well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the oil in the Flying "M"-San Andres Pool, <sup>and will otherwise</sup> prevent economic waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Coastal States Gas Producing Company, <sup>authorized to drill</sup> is hereby ~~given approval for the~~ unorthodox oil well location at its McGuffin Well No. 2 at <sup>an</sup> ~~a point~~ 1980 feet from the North line and 660 feet from the West line of Section 29, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, Lea County, New Mexico.

(2) That the W/2 NW/4 of said Section 29 shall be dedicated to the well.

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

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

(4) That the W/2 NW/4 of said Section 29 can be efficiently and economically drained and developed by said well.

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