

CASE 5186: Application of ~~EMERGENCY~~
FEES FOR AN UNORTHODOX OIL WELL
LOCATION & 2 NON-STANDARD UNITS.

CASE No.

5/86

Application,
Transcripts,
Small Exhibits
ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 13, 1974

EXAMINER HEARING

IN THE MATTER OF:)
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)

Application of Amerada Hess Corpor-
ation for an unorthodox oil well lo-
cation and two non-standard oil
proration units, Lea County, New
Mexico.

Case No.
5186

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission

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

For the Applicant:

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

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I N D E X

PAGE

ANDREW E. SNYDER

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Stamets

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E X H I B I T S

Marked

Admitted

Applicant's Exhibits Nos.
1 and 2

9

SNYDER-DIRECT

CASE 5186

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MR. STAMETS: We call the next case, 5186.

MR. CARR: Case 5186. Application of Amerada Hess Corporation for an unorthodox oil well location and two non-standard-oil- proration units, Lea County, New Mexico.

MR. STAMETS: Call for appearances?

MR. KELLAHIN: Tom Kellahin, Kellahin & Fox, appearing on behalf of the Applicant, and I have one witness to be sworn.

(Witness sworn.)

ANDREW E. SNYDER

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, by whom you are employed and in what capacity?

A My name is Andrew E. Snyder, I'm employed by Amerada Hess Corporation in Seminole, Texas, as the Region Manager

Q Mr. Snyder, have you previously testified before this Commission?

A Yes, sir.

Q Are you familiar with the facts surrounding this particular Application?

A Yes.

MR. KELLAHIN: If the Examiner please, are the

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Witness' qualifications as an expert acceptable?

MR. STAMETS: I believe so, yes. If there is any change in my mind I will let you know at the time.

BY MR. KELLAHIN:

Q What is Amerada Hess Corporation seeking in this Application, Mr. Snyder?

A Basically we are looking at an old field, the Bagley Siluro-Devonian Field. Their proration units have been set up on 80-acre spacing with the standard location being in the northwest and the southeast quarter of each section. We are asking that they be granted an exception to this location provision by moving a location into the southwest of the southeast quarter, and drilling a new well at that point.

Q Has a similar request been made and approved by anyone else in this area?

A Yes, sir.

Q What kind of request was that?

A Texas Pacific Oil Company, in December of 1972, filed an application for a similar request, and Commission Order No. R-4460 was issued as a result of that hearing granting their exception to the location provision.

Q Please refer to what has been marked as Exhibit

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1, identify it, and explain what information it contains.

A Exhibit 1 is a plat, well location plat of Bagley Field; it shows all the wells in the Field of record. The Pennsylvanian wells have dots. Pennsylvanian produced from a number of zones from about 8800 feet down to around 10,000 feet. The Devonian wells are shown with a dot, circled and colored in red, and this is from a depth of about 11,000 feet. The outline in green shows the Texas Pacific realignment of units; the outline in red shows the proposed alignment of units for Amerada's Application at this time. The proposed drilling well in the southwest southeast of Section 35, Township 11 South, Range 33 East, Lea County, New Mexico.

Q What is the current status of the well located in the northwest of the southeast quarter?

A This well is producing. It is producing about 65 barrels of oil and 330 barrels of water a day. The Devonian reservoir is a very high water driver thus far and all of the wells in the Field now do produce water.

Q And what acreage do you propose to dedicate to that well?

A Just the 40 acres surrounding the well.

Q Please refer now to the well in the southeast of

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the southwest quarter. What is the current status of that well?

A That is also a producing well from the Devonian Formation and it makes about 32 barrels of oil and 1000 barrels of water a day.

Q I note immediately adjacent to your unorthodox well location there is what appears to be an abandoned well. Is that correct?

A Yes, sir. This is an old Pennsylvanian well that had depleted in all the Pennsylvanian Zone and has been plugged and abandoned. It was at a standard 40 acre location in the center of the 40.

Q How do you propose to allocate the production in your unit here between the existing producing well and your new proposed unorthodox well?

A The existing producing well in the unit, since it does produce so much water, would be shut in to conserve reservoir energy and the new well would be given the full 80 acre allowable.

Q Please refer to what has been marked as Exhibit No. 2, identify it, and explain what information it contains?

A Exhibit No. 2 is a structure map on the top of

the Siluro-Devonian Zone in the Bagley Field. It shows the proposed location at the structural high. Since the Field does have a strong water drive, this would be recovering oil that probably would not be recoverable in any other well.

Q Why have you chosen this particular unorthodox location?

A As best we can determine, this would be the best location remaining in the Field to actually complete the development of the Field for effective drainage of all the reserves in place.

Q Is it, then, your opinion, that the unit acreage dedicated to this particular well can economically and efficiently be drained by a well in this location?

A Yes, sir.

Q Will this impair the correlative rights of anyone else, Mr. Snyder?

A No, sir.

Q Will it be in the best interests of conservation and the prevention of waste?

A Yes, we feel it will.

Q Did you give us the total depth of the proposed well, I don't recall?

A The total depth would be about 10,800 feet.

Q I note in the advertising for this Case 5186 there is a small error with regard to the identity of this particular well. Will you explain that for us?

A Yes, sir. The well is advertised as State BTB Well No. 1. Actually it's a twin to the old well No. 1 on the State BTB Lease so it would be actually a unit well composed of the State BTB 40 acres and 40 acres from the State BTC Lease. So, it should be State BTB Unit Well No. 1.

Q Have any off-setting operators or interest holders notified you of their objection to your proposed location?

A No, sir. The only other operator in the Field is Texas Pacific. We gave them a copy of the Application at the time it was filed and we have had a telephone conversation with them and they have no opposition.

Q Were Exhibits Nos. 1 and 2 prepared by you?

A Yes, sir.

MR. KELLAHIN: We move for introduction of Exhibits Nos. 1 and 2.

MR. STAMETS: Exhibits Nos. 1 and 2 will be admitted into evidence.

(Whereupon Applicant's Exhibits Nos.
1 and 2 were admitted into evidence.)

MR. KELLAHIN: That concludes our direct
examination.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Snyder, is everything in Section 35 identified as the State BT the same basically, with the same overrides, or is there a difference between the "C" and the "D" designation?

A There is a difference in the overrides between those two, yes, sir.

Q I see. What is currently dedicated to Well No. 1 in the southeast of the southwest of 35?

A I believe the 80 acres being the east half of the southwest quarter of Section 35.

Q If this Application is granted, the northeast of the southwest, or the north 40 in this unit, will no longer be dedicated to any well in this pool?

A That's right, yes. We have filed with the State Land Office a communitization agreement between these two State leases and we have not received approval; it's in the process of being approved by the State Land Office.

Q Mr. Snyder, to your knowledge, are the royalty-interest owners, overriding-royalty-interest owners, in the northeast of the southwest of Section 35, have they been notified of this Application?

A Yes, the royalty owners are being asked for their approval on this type of unit.

Q They are being?

A Yes.

Q But they have not --

A (Interrupting) We have not received approval yet.

Q Does that include the overriding-royalty-interest owners as well?

A Yes, sir.

Q Could a royalty interest or overriding-royalty interest in the northeast of the southwest of Section 35 suffer from the approval of this Application?

A I don't believe they could because the well in the southeast of the southwest is really ready to be abandoned; it's right at the non-commercial limit. By doing this they would be participating in production of which some of it may be on their land that we would be recovering from the up-structure well; so really I think

they would benefit, if anything.

Q In other words, the entire east half of the southwest quarter has the same royalty interests?

A Yes.

Q And in actuality they would benefit by extending the life of their quarter quarter section?

A Yes.

MR. STAMETS: Are there any other questions of this Witness?

MR. KELLAHIN: No, sir.

MR. STAMETS: He may be excused. Anything further in this Case?

MR. KELLAHIN: Nothing further.

MR. STAMETS: Oh, I'm sorry, I would like to check one thing further with Mr. Snyder.

BY MR. STAMETS:

Q Mr. Snyder, are you aware of the Commission Memorandum 2-65 which concerns the naming and numbering of wells?

A No, sir.

Q If there were a problem with that Memorandum and the proposed name and number for this well, would you be willing to adopt the standard name and number that

SNYDER-CROSS

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the Commission would require?

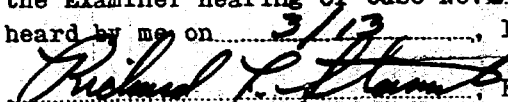
A Yes, we would. We had no particular reason for calling it this except to call it something so that we could identify it from the other No. 1 Well.

MR. STAMETS: If there is nothing further I will take this Case under advisement.

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE) SS.

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. 5186, heard by me on 3/13, 1974.
 Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMUJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

March 26, 1974

**Mr. Tom Kelliahin
Kelliahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico**

Re: CASE NO. 5186

ORDER NO. R-4757

Applicant:

Amerada Hess Corporation

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. 5186
Order No. R-4757

APPLICATION OF AMERADA HESS
CORPORATION FOR AN UNORTHODOX OIL
WELL LOCATION AND TWO NON-STANDARD
OIL PRORATION UNITS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 13, 1974,
at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 26th day of March, 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, Amerada Hess Corporation, seeks, as
an exception to the Bagley Siluro-Devonian Pool Rules, the
formation of two non-standard proration units in Section 35,
Township 11 South, Range 33 East, NMPM, Lea County, New Mexico,
the first being a 40-acre unit comprising the NW/4 SE/4 of
said Section 35, to be dedicated to applicant's State BTD
Well No. 2 located on said 40-acre tract, and the second being
an 80-acre unit comprising the SE/4 SW/4 and the SW/4 SE/4 of
said Section 35 to be dedicated to a new well proposed to be
drilled at an unorthodox location for said pool 660 feet from
the South line and 1900 feet from the East line of said Sec-
tion 35.

(3) That a well drilled at the proposed unorthodox location
should encounter the pay zone higher on the structure and should
recover more oil than would a well drilled at a standard loca-
tion.

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Case No. 5186
Order No. R-4757

(4) That approval of the subject application will prevent the drilling of unnecessary wells, will afford the applicant the opportunity to produce his just and equitable share of the oil in the Siluro-Devonian formation, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amerada Hess Corporation, is hereby granted approval of an 40-acre non-standard oil proration unit comprising the NW/4 SE/4 of Section 35 to be dedicated to applicant's State BTD Well No. 2 located on said 40-acre tract and an 80-acre non-standard oil proration unit comprising the SE/4 SW/4 and the SW/4 SE/4 of Section 35 to be dedicated to a new well proposed to be drilled at an unorthodox location 660 feet from the South line and 1900 feet from the East line of Section 35, said Section 35 being in Township 11 South, Range 33 East, NMPM, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

(2) Applicant is further authorized to drill a new well in the Bagley-Siluro-Devonian Pool at an unorthodox location 660 feet from the South line and 1900 feet from the East line of said Section 35.

(3) That the allowable for the above-described 40-acre non-standard oil proration unit shall bear the same ratio to a standard allowable as 40 bears to 80.


(4) 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, Chairman

ALEX J. ARMIJO, Member


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


S E A L

dr/

5186

Application for rededication
of acreage 2 2 NSUs OK

~~Applicant~~ applicant to drill new
well in SW SE Sec 35
~~Recover~~ structurally
high, Recover more oil
than existing wells

will protect rights of
interest owners.

Good conservation

No objection

approve

Docket No. 6-74

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 13, 1974

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

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

- ALLOWABLE:**
- (1) Consideration of the allowable production of gas for April, 1974, from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico;
 - (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for April, 1974.

CASE 5179: Application of HNG Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Dogie Draw Unit Area comprising 5,122 acres, more or less of State, Federal, and fee lands in Township 26 South, Range 36 East, Lea County, New Mexico.

CASE 5180: Application of Amoco Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Rock Lake Unit Area comprising 5760 acres, more or less, of State and fee lands in Township 22 South, Range 35 East, Lea County, New Mexico.

CASE 5181: Application of Amoco Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Trail Canyon Unit Area comprising 5758 acres, more or less, of State, Federal and fee lands in Township 24 South, Range 23 East, Eddy County, New Mexico.

CASE 5182: Application of Perry R. Bass for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 15, Township 21 South, Range 27 East, adjacent to the Burton Flats Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location in the W/2 of said Section 15. 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 5183: Application of Amini Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the North Vacuum Abo Pool rules, authority to drill its Pennzoil State Well No. 2 at an unorthodox location for said pool 1780 feet from the South line and 460 feet from the West line of Section 36, Township 16 South, Range 34 East, Lea County, New Mexico.
- CASE 5184: Application of Mountain States Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the Buffalo Valley-Pennsylvanian Pool rules, approval for an unorthodox gas well location for a well to be drilled at a point 990 feet from the South and West lines of Section 36, Township 14 South, Range 27 East, Chaves County, New Mexico.
- CASE 5185: Application of Rice Engineering & Operating, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the open-hole and perforated interval from 8442 feet to 9150 feet in its Abo SWD Well No. 2 located in Unit C of Section 2, Township 17 South, Range 36 East, Lovington Abo Pool, Lea County, New Mexico.
- CASE 5186: Application of Amerada Hess Corporation for an unorthodox oil well location and two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the Bagley Siluro-Devonian Pool rules, the formation of two non-standard proration units in Section 35, Township 11 South, Range 33 East, Lea County, New Mexico, the first being a 40-acre unit comprising the NW/4 SE/4 to be dedicated to applicant's State BTD Well No. 2, and the second being an 80-acre unit comprising the SE/4 SW/4 and the SW/4 SE/4 to be dedicated to applicant's State BTD Well No. 1, proposed to be drilled at an unorthodox location for said pool 660 feet from the South line and 1900 feet from the East line of said Section 35.
- CASE 5187: Application of Inexco Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying Section 17, Township 21 South, Range 26 East, Eddy County, New Mexico, adjacent to the Catclaw Draw-Morrow Gas Pool, to be dedicated to a well to be drilled at a standard location for said pool. 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 5188: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Blinbry production in the wellbore of its Lockhart B-1 Well No. 8 located in Unit H of Section 1, Township 22 South, Range 36 East, Lea County, New Mexico.
- CASE 5189: Application of Craig Polson for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well proposed to be drilled at a point 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.
- CASE 5190: Application of Union Oil Company of California for pool creation and special rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow gas pool for its Pipeline Deep Unit Well No. 1 located in Unit J of Section 17, Township 19 South, Range 34 East, Lea County, New Mexico, and for the promulgation of special rules therefor including a provision for 640-acre spacing.
- CASE 5191: Application of Murphy Minerals Corporation 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 through two wells into the Grayburg-San Andres formation on its Gissler "B" lease in Sections 11 and 12, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.
- CASE 5192: In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for the extension of the following pools in Lea County:
- Antelope Ridge-Morrow Gas Pool
 - EK Yates-Seven Rivers-Queen Pool
 - House-San Andres Pool
 - Humble City-Atoka Pool
 - North Shoe Bar-Wolfcamp Pool
 - Tres Papalotes-Pennsylvanian Pool
 - Wantz-Granite Wash Pool
- CASE 5124: (Continued from the February 13, 1974 Examiner Hearing)

Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 30, Township 20 South, Range 33 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1300 feet from the East line of said Section 30. 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 5140: (Continued from the February 13, 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) (Continued from the February 13, 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.

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. 4877
Order No. R-4460

APPLICATION OF TEXAS PACIFIC OIL
COMPANY, INC. FOR TWO NON-STANDARD
OIL PRORATION UNITS AND A NON-
STANDARD LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of January, 1973, 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, Texas Pacific Oil Company, Inc., seeks approval of an 80-acre non-standard proration unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 2 to be dedicated to its State "C" Well No. 1 located in Unit B, and a 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 2 to be dedicated to its State "C" Well No. 2 located in Unit F, and an 80-acre standard proration unit comprising the E/2 NE/4 of Section 2 to be dedicated to its State "D" Well No. 1 at an unorthodox location in Unit A, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

(3) That approval of the subject application will prevent the drilling of unnecessary wells, will afford the applicant the opportunity to produce its just and equitable share of the oil in the Siluro-Devonian formation, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texas Pacific Oil Company, Inc., is hereby authorized approval of an 80-acre non-standard proration

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Case No. 4877
Order No. R-4460

unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 2 to be dedicated to its State "C" Well No. 1 located in Unit B, and a 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 2 to be dedicated to its State "C" Well No. 2 located in Unit F, and an 80-acre standard proration unit comprising the E/2 NE/4 of Section 2 to be dedicated to its State "D" Well No. 1 at an unorthodox location in Unit A, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

(2) That the allowable for the above-described 40-acre non-standard oil proration unit shall bear the same ratio to a standard allowable as 40 bears to 80.

(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, Chairman

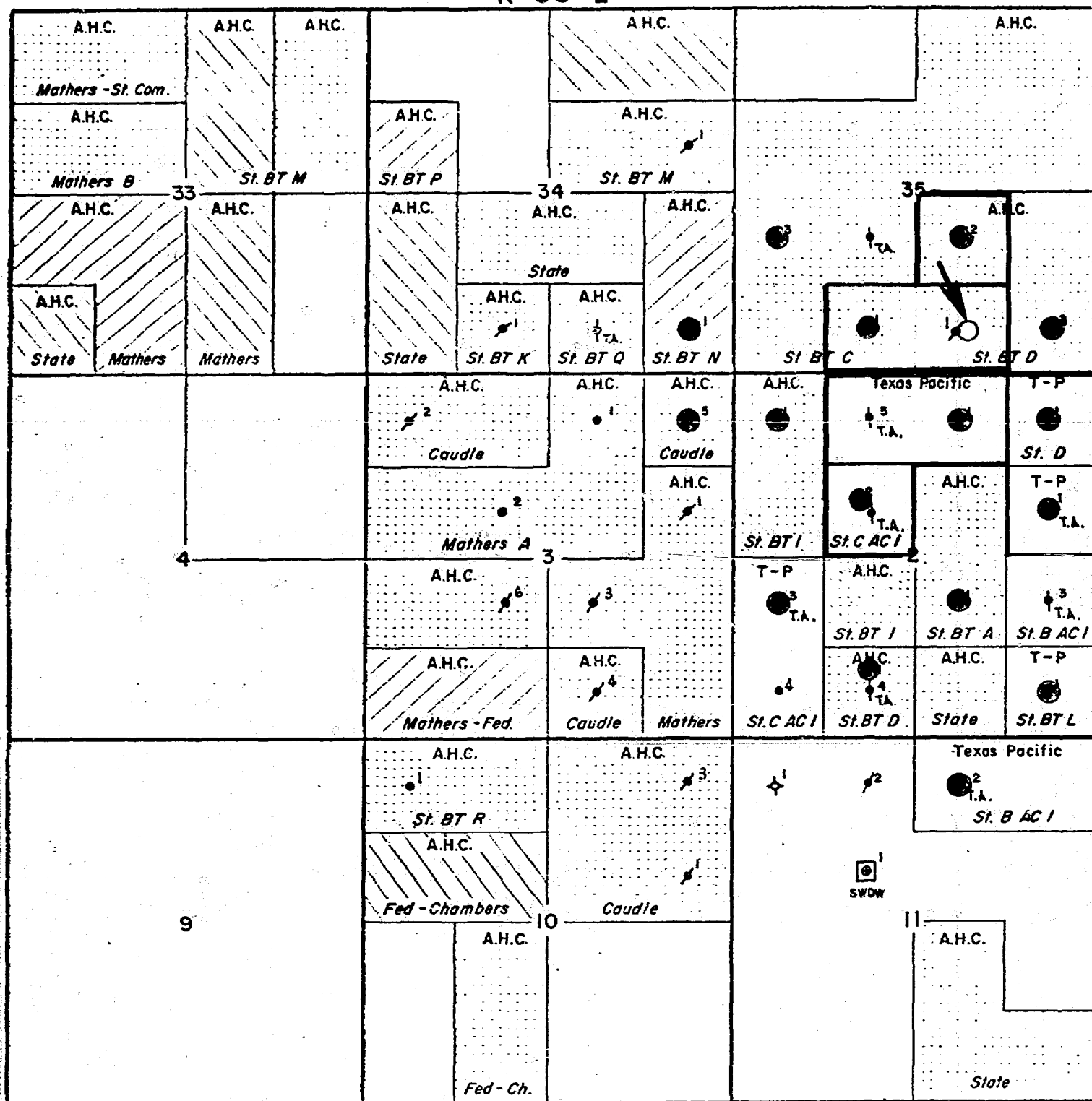
ALEX J. ARMIJO, Member

A. L. PORTER, JR., Member & Secretary

S E A L

dr/

R 33 E



- Devonian Producer
- Penn. Producer
- Devonian (Abandoned)
- Penn. (Abandoned)
- Devonian (Temp. Abn.)
- Penn. (Temp. Abn.)
- Proposed Location

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

Amerasia EXHIBIT NO. 1

CASE NO. 5186

Submitted by Snyder

Hearing Date 13 MAR 74

BAGLEY FIELD
Lea County, New Mexico

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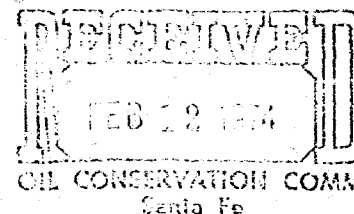
Case no. 5186

AMERADA HESS CORPORATION

February 8, 1974

DRAWER 817
SEMINOLE, TEXAS 79360
915-758-5805

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: Application of Amerada Hess Corporation for a Non-Standard Location and for Two Non-Standard Oil Proration Units in the Bagley Siluro-Devonian Field, Lea County, New Mexico

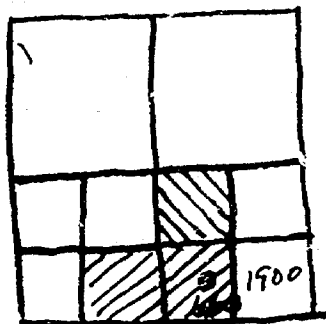
Gentlemen:

Amerada Hess Corporation is the owner and operator of the State LTD lease described as the SE/4 Sec. 35-T11S-R33E and the State BTC lease containing, among other lands, the SW/4 Sec. 35-T11S-R33E, all being in the Bagley Siluro-Devonian Field, Lea County, New Mexico. On each of these quarter sections, there are two wells producing from standard Siluro-Devonian locations in the NW/4 and SE/4 and on standard 80 acre oil proration units consisting of the E/2 and W/2. In order to prevent waste and to protect correlative rights, Amerada Hess Corporation makes application to do the following:

- a) drill a Siluro-Devonian well named the State LTD Unit No. 1 at a non-standard location 660' FSL and 1900' FSL of Section 35-T11S-R33E
- b) create an 80 acre non-standard proration unit for the above well, consisting of the SE/4 SW/4 and SW/4 SE/4 and create a 40 acre non-standard proration unit comprised of NW/4 SE/4 and dedicated to the State LTD No. 2, all being in section 35-T11S-R33E, Lea County, New Mexico.

A plat showing the proposed location and outlining the non-standard proration units is attached.

It is requested that this matter be set for hearing before an examiner on Wednesday, March 13, 1974.



DOCKET MAILED

Date 3-1-74

Case No. 5186

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Texas Pacific Oil Company is the only other operator in the Bagley Siluro-Devonian Field and they are being furnished a copy of this application.

Respectfully,

A E Snyder

A. E. Snyder
Manager Technical Services

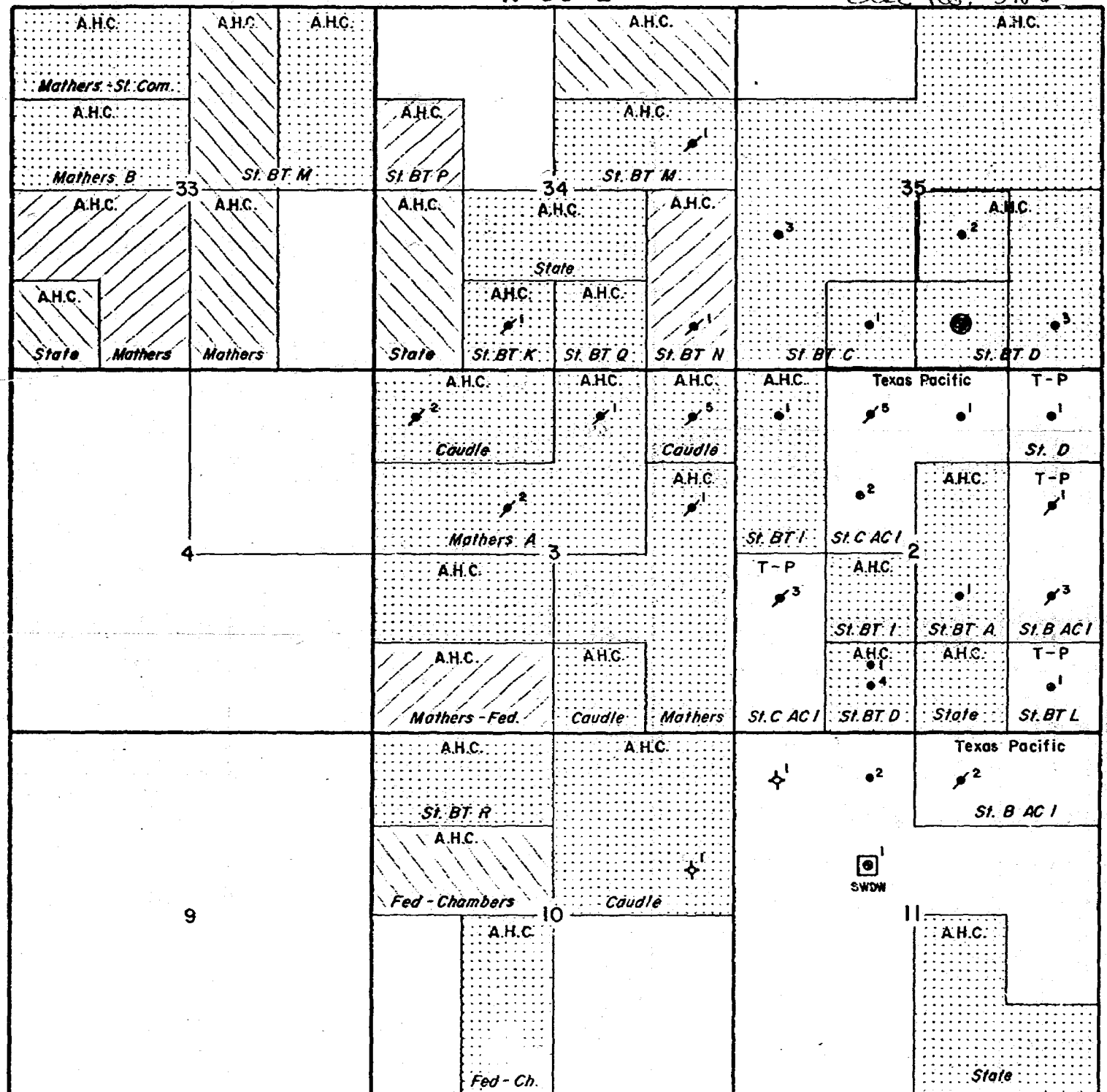
AES/ap

attachment

cc: Texas Pacific Oil Company
P. O. Box 4067
1509 W. Wall
Midland, Texas 79701

R 33 E

Case No. 5186



- ✕ Abandoned
- Producer
- ⊙ Proposed Location

BAGLEY FIELD
Lea County, New Mexico

DRAFT

jr/

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. 5186

Order No. R-4757

APPLICATION OF AMERADA HESS
CORPORATION FOR AN UNORTHODOX
OIL WELL LOCATION AND TWO NON-
STANDARD OIL PRORATION UNITS,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 13, 1974
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of March, 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, Amerada Hess Corporation, seeks, as
an exception to the Bagley Siluro-Devonian Pool rules, the formation
of two non-standard proration units in Section 35, Township 11 South,
Range 33 East, NMPM, Lea County, New Mexico, the first being a
40-acre unit comprising the NW/4 SE/4 ^{of said Section 35,} to be dedicated to applicant's
^{located on said 40-acre tract,} State LTD Well No. 2, and the second being an 80-acre unit compri-
^{of said Section 35} sing the SE/4 SW/4 and the SW/4 SE/4 to be dedicated to applicant's
^{a new well} ~~State LTD Well No. 1~~, proposed to be drilled at an unorthodox
location for said pool 660 feet from the South line and 1900 feet
from the East line of said Section 35.

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CASE NO. 5186
Order No. R-

(3) That a well drilled at the proposed unorthodox location should encounter the pay zone higher on the structure and should recover more oil than would a well drilled at a standard location.

(4) That approval of the subject application will prevent the drilling of unnecessary wells, will afford the applicant the opportunity to produce his just and equitable share of the oil in the Siluro-Devonian formation, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amerada Hess Corporation, is hereby granted approval of an 40-acre non-standard oil proration unit comprising the NW/4 SE/4 of Section 35 to be dedicated to applicant's State BTD Well No. 2_A ^{located on said 40-acre tract} and an 80-acre non-standard oil proration unit comprising the SE/4 SW/4 and the SW/4 SE/4 of Section 35 to be dedicated to ^{a new well} ~~applicant's State BTD Well No. 1~~, proposed to be drilled at an unorthodox location 660 feet from the South line and 1900 feet from the East line of Section 35, said Section 35 being in Township 11 South, Range 33 East, NMPM, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

(2) Applicant is further authorized to drill ^{a new well} ~~its State BTD~~ ^{in the Bagley Siluro-Devonian Pool} ~~Well No. 1~~ at an unorthodox location 660 feet from the South line and 1900 feet from the East line of said Section 35.

(3) That the allowable for the above-described 40-acre non-standard oil proration unit shall bear the same ratio to a standard allowable as 40 bears to 80.

(4) 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.

Application of Amerada Hess Corporation
for an unorthodox oil well location
and two non-standard oil production
units, Lea County, New Mexico

Case 5786

March 13, 1974 - RLS

FINDS

(1) Jurisdiction

(2) That the applicant, Amerada Hess Corporation, seeks ~~approval of~~ as an exception to the Bagley & Silvers - Devonian Pool rules, the formation of two non-standard production units in Section 35, Township 11 South, Range 33 East, ^{NMPM} Lea County, New Mexico, the first being a 40-acre unit comprising the NW 1/4 SE 1/4 to be dedicated to applicant's State BTD well No. 2, and the second being an ~~at~~ 80-acre unit comprising the SE 1/4 SW 1/4 and the SW 1/4 SE 1/4 to be dedicated to applicant's State BTD well No. 1, proposed to be drilled at an unorthodox location for said pool 660 feet from the South line and 1900 feet from the East line of said Sec. 35.

(3) That a well drilled at the proposed unorthodox location should encounter the pay zone higher on the structure and should ~~also~~ recover more oil than would a well drilled at a standard location.

(4) That approval of the subject application ~~will~~ ^{will} prevent the drilling of unnecessary wells, will afford the applicant the opportunity to produce.

his just and equitable share of the oil in the Siluro-Devonian formation, and will otherwise prevent waste and protect correlative rights.

ORDERED

(1) That the applicant, Amerada Hess Corporation is hereby granted approval of an ^{oil} 40-acre non-standard proration unit comprising the NW 1/4 SE 1/4 of Section 35 to be dedicated to applicant's State BTD Well No. 2, and ~~the~~ an 80-acre non-standard oil proration unit comprising the ~~SE 1/4 SW 1/4~~ SE 1/4 SW 1/4 and the SW 1/4 SE 1/4 of Section 35 to be dedicated to applicant's State BTD Well No. 1, proposed to be drilled at an unorthodox location 660 feet from the South line and 1400 feet from the East line of Section 35, Township 11 South, Range 33 East, NMPM, ~~Section 35~~ Bagely-Siluro-Devonian Pool, Lea County, New Mexico.

Said Section 35 being in

(2) Applicant is further authorized to drill its State BTD Well No. 1 at an unorthodox location 660 feet from the South line and 1400 feet from the East line of said Section 35.

(3) That the allowable for the above-described 40-acre non-standard oil proration unit shall bear the same ratio to a standard allowable as 40 bears to 80.

(4) Jurisdiction

DONE