

CASE 5280: Application of COASTAL
STATES FOR AN UNORTHODOX LOCATION
AND AMENDMENT OF ORDER NO. R-4715.

Dismiss

CASE No.

5280

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 24, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Coastal States Gas
Producing Company for an unorthodox
location and the amendment of Order
No. R-4715, Lea County, New Mexico.

Case No.
5280

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:

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

MR. STAMETS: Call the next Case, 5280.

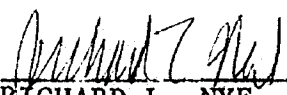
MR. CARR: Case 5280. Application of Coastal States Gas Producing Company for an unorthodox location and the amendment of Order No. R-4715, Lea County, New Mexico.

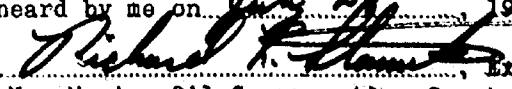
MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant, Cox & Eaton, appearing on behalf of Coastal States Gas Producing Company. We would like to move that this Case be dismissed.

MR. STAMETS: Case 5280 will be dismissed.

STATE OF NEW MEXICO)
) SS.
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. 5280 heard by me on July 24, 1974.

New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

August 13, 1974

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

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

Re: CASE NO. 5280

ORDER NO. R-4838

Applicant:

Coastal States Gas Producing

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.
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. 5280
Order No. R-4838

APPLICATION OF COASTAL STATES GAS
PRODUCING COMPANY FOR AN UNORTHODOX
LOCATION AND THE AMENDMENT OF ORDER
NO. R-4715, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 24, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of August, 1974, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

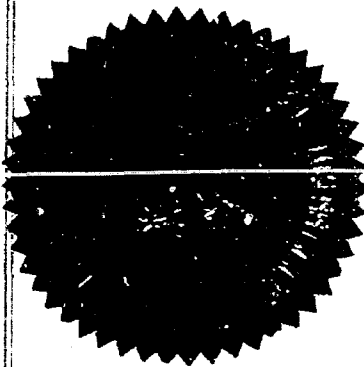
FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 5280 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

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

ALEX J. ARMIJO, Member

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

S E A L

jr/

Docket No. 21-74

Dockets Nos. 22-74 and 24-74 are tentatively set for hearing on August 7 and August 21. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 24, 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:

CASE 4954: (Reopened)

In the matter of Case 4954 being reopened pursuant to the provisions of Order No. R-4555, which order established temporary special pool rules for the South Lindrith Gallup-Dakota Oil Pool, Rio Arriba County, New Mexico, including a provision for 160-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing.

CASE 5277: Application of Pierce & Dehlinger for the amendment of Order No. R-4560, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an extension of time in which to commence the drilling of the third well covered by Order No. R-4560, to be drilled in the NE/4 of Section 24, Township 9 South, Range 33 East, Vada-Pennsylvanian Pool, Lea County, New Mexico. Applicant further seeks the establishment of an administrative procedure for additional extension of time in which to comply with the drilling schedule as set forth in the subject order. Applicant further seeks the amendment of Orders Nos. 4 and 5 of Order No. R-4560 to provide certain changes in the time schedules outlined therein for the furnishing of estimated well costs and the payment of proportionate shares of well costs by all parties.

CASE 5278: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry, Drinkard, and Tubb production in the wellbores of its A. H. Blinebry Federal Wells Nos. 23 and 26, located in Units C and B, respectively, of Section 29, and its C. H. Lockhart Federal Well No. 5, located in Unit C of Section 18, all in Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 5279: Application of Tom L. Ingram for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware Sand in the perforated interval from 5012 feet to 5033 feet in his State "O" Well No. 2 located in Unit E of Section 7, Township 24 South, Range 33 East, Triple X-Delaware Pool, Lea County, New Mexico.

CASE 5280: Application of Coastal States Gas Producing Company for an unorthodox location and the amendment of Order No. R-4715, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Order No. R-2746, approval for the unorthodox oil well location for its

(Case 5280 continued from Page 1)

McGuffin Well No. 3 to be drilled 660 feet from the North line and 1980 feet from the West line of Section 29, Township 9 South, Range 33 East, Flying "M" San Andres Pool, Lea County, New Mexico, the N/2 NW/4 of said Section 29 to be dedicated to the well. Applicant further seeks the amendment of Order No. R-4715 which dedicated the W/2 NW/4 of Section 29 to its McGuffin Well No. 2 located 1980 feet from the North line and 660 feet from the West line of said Section 29. Applicant proposes that the N/2 NW/4 of said Section 29 be dedicated jointly to said McGuffin Well No. 2 and to its McGuffin Well No. 1 located in Unit F of said Section 29.

CASE 5281: Application of Morris R. Antweil for an extension of time, Order No. R-4772, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a 90-day extension of the July 15 deadline for the commencement of drilling operations in the S/2 of Section 17, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, which lands were pooled to form a standard 320-acre gas spacing and proration unit by Order No. R-4772.

CASE 5282: Application of Union Texas Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie-Mattix production in certain of its wells in the Langlie-Jal Unit Area, currently being waterflooded under authority of Commission Order No. R-4051.

CASE 4969: (Reopened)

In the matter of Case No. 4969 being reopened pursuant to the provisions of Order No. R-4557-A, which order continued the special depth bracket allowable for the Tocito Dome-Pennsylvanian "D" Pool, San Juan County, New Mexico, for an additional six months. All interested parties may appear and show cause why said special depth bracket allowable should not be rescinded.

CASE 5283: Application of Belco Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in formations of Pennsylvanian age or older underlying the W/2 of Section 5, Township 22 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit in Unit F of said Section 5. 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 5284: Application of Champlin Petroleum Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Nix-Yates Well No. 1 located in Unit G of Section 2, Township 22 South, Range 27 East, Eddy County, New Mexico, in such a manner as to produce gas from the Morrow formation through tubing and from the Wolfcamp formation through the casing-tubing annulus.

CASE 5152: (Reopened)

In the matter of Case No. 5152 being reopened pursuant to the provisions of Order No. R-4713, which order established a special depth bracket allowable for the Media-Entrada Oil Pool, Sandoval County, New Mexico. All interested parties may appear and show cause why said special depth bracket allowable should not be rescinded.

CASE 5285: Application of Texas Pacific Oil Co. for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Phantom Draw Unit Well No. 1 to be located at a point 800 feet from the South line and 1000 feet from the West line of Section 20, Township 26 South, Range 31 East, Eddy County, New Mexico, the W/2 of said Section 20 to be dedicated to the well.

CASE 5286: Application of Texaco Inc. for a Special Allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an injection response allowable increase for its Vacuum Grayburg-San Andres Unit Pressure Maintenance Project, Lea County, New Mexico. Applicant seeks an additional 2320 barrels of oil per day to be added incrementally to the current 4640 barrel per day allowable as injection response occurs. Applicant further seeks the establishment of an allowable of up to 240 barrels per day for lease line wells which have demonstrated a substantial response to water injection.

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. O. MARTIN
PAUL J. KELLY, JR.

LAW OFFICES
HINKLE, BONDURANT, COX & EATON

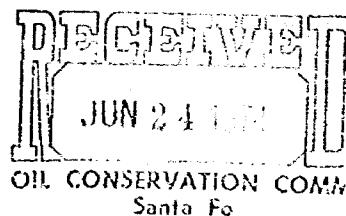
600 HINKLE BUILDING
POST OFFICE BOX 10

ROSWELL, NEW MEXICO 86201

June 21, 1974

TELEPHONE (505) 822-6510

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



Case 5280

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 oil well location in the Flying "M" San Andrés Pool.

We would appreciate your placing this matter on the examiner's docket for July 24.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By Clarence E. Hinkle
CH

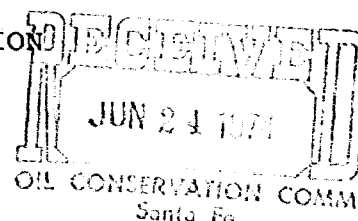
CEH:cs
Enc.
cc: Dick Morton

DOCKET MAILED

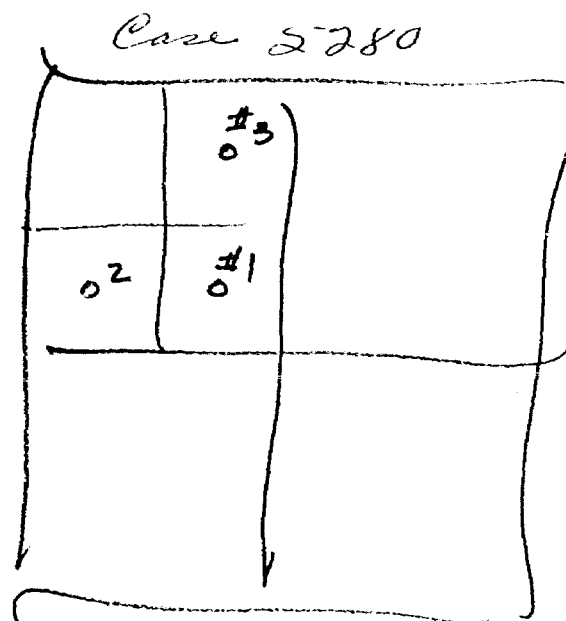
Date 7-12-74

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO



APPLICATION OF COASTAL STATES GAS PRODUCING COMPANY FOR AN UNORTHODOX OIL WELL LOCATION, LEA COUNTY, NEW MEXICO. APPLICANT SEEKS APPROVAL OF AN UNORTHODOX OIL WELL LOCATION FOR ITS COASTAL STATES MCGUFFIN NO. 3 WELL LOCATED 1980 FEET FROM THE WEST LINE AND 660 FEET FROM THE NORTH LINE OF SECTION 29, TOWNSHIP 9 SOUTH, RANGE 33 EAST, N.M.P.M. IN THE FLYING "M" SAN ANDRES POOL AND WITHIN THE FLYING "M" SAN ANDRES UNIT AREA. APPLICANT ALSO SEEKS AN AMENDMENT OF ORDER R-4715 SO THAT THE $N\frac{1}{2}NW\frac{1}{4}$ SAID SECTION 29 MAY BE DEDICATED TO SAID WELL AND SO THAT THE $S\frac{1}{2}NW\frac{1}{4}$ OF SAID SECTION MAY BE DEDICATED TO THE COASTAL STATES MCGUFFIN NOS. 1 AND 2 WELLS, WITH THE PROVISION THAT THE ALLOWABLE FOR THE SAID $S\frac{1}{2}NW\frac{1}{4}$ MAY BE PRODUCED FROM EITHER OR BOTH OF SAID WELLS IN ANY PROPORTION.



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 oil well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox oil well location for its Coastal States McGuffin No. 3 well located 1980 feet from the west line and 660 feet from the north line of Section 29, Township 9 South, Range 33 East, N.M.P.M. in the Flying "M" San Andres Pool and within the Flying "M" San Andres Unit Area. Applicant also seeks an amendment of Order R-4715 so that the $N\frac{1}{2}NW\frac{1}{4}$ said section 29 may be dedicated to said well and so that the $S\frac{1}{2}NW\frac{1}{4}$ of said section may be dedicated to the Coastal States McGuffin Nos. 1 and 2 wells, with the provision that the allowable for the said $S\frac{1}{2}NW\frac{1}{4}$ may be produced from either or both of said wells in any proportion, 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 McGuffin No. 3 well in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 29, Township 9 South, Range 33 East, together with the 80 acres which applicant seeks to have dedicated to said well, which is the N $\frac{1}{2}$ NW $\frac{1}{4}$ of said section. Said Exhibit "A" also shows the location of the McGuffin Nos. 1 and 2 wells and the 80 acres which applicant seeks to have dedicated to said wells, which is the S $\frac{1}{2}$ NW $\frac{1}{4}$ said section. Said Exhibit "A" also shows the ownership of all oil and gas leases offsetting the acreage to be dedicated to the respective wells and all wells which have been drilled thereon, as well as the outlines of the Flying "M" San Andres Unit.

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 section.

3. Under Order R-4715 issued by the Commission on January 24, 1974 the Commission approved the drilling of the McGuffin Well No. 2 at a point 1980 feet from the north line and 660 feet from the west line of Section 29 and also approved the dedication of the W $\frac{1}{2}$ NW $\frac{1}{4}$ said section to said well. The No. 2 well has been completed as a small well but it will not make the allowable and applicant desires to amend said order so that the S $\frac{1}{2}$ NW $\frac{1}{4}$ said Section 29 may be dedicated to said well and also the McGuffin No. 1 well which is located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$, with a provision that the allowable for said 80 acres may be produced from either or both of said wells in any proportion.

4. Applicant desires to dedicate the N $\frac{1}{2}$ NW $\frac{1}{4}$ Section 29 to the McGuffin No. 3 well, which applicant believes is located on a better structural position than would be the case if the well were drilled at an orthodox location under the special pool rules in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ said section 29.

5. Notice of this application will be given to all owners of offset acreage as required by applicable rules and regulations.

6. In the opinion of applicant, approval of said unorthodox location and the rededication of acreage as herein requested will be in the interest of conservation, the prevention of waste and the protection of correlative rights.

7. Applicant requests that this matter be set down for the examiner's hearing to be held on July 24, 1974.

Respectfully submitted,

COASTAL STATES GAS PRODUCING COMPANY

By


HINKLE, BONDURANT, COX & EATON

Attorneys for applicant

Box 10

Roswell, New Mexico 88201

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. 5280

Order No. R- 4838

APPLICATION OF COASTAL STATES
GAS PRODUCING COMPANY FOR AN
UNORTHODOX LOCATION AND THE
AMENDMENT OF ORDER NO. R-4715,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 24, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of July, 1974, the Commission,
a quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 5280 is hereby dismissed.

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