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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico June 10, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Mobil Oil Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico

CASE NO. 5498

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

<u>A P P E A R A N C E S</u>

For the New Mexico Oil Conservation Commission: William F. Carr, Esq. Legal Counsel for the Commission State Land Office Building Santa Fe, New Mexico 87501

For the Applicant:

J. E. Sperling, Esq. MODRALL, SPERLING, ROEHL, HARRIS & SISK 8th Floor, Public Service Bldg. Albuquerque, New Mexico

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JOHN SEEREY Direct Examination by Mr. Sperling

VICTOR INMAN Direct Examination by Mr. Sperling

<u>EXHIBITS</u>

Applicant's Exhibits Nos. 1 through 5

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sworn.

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MR. NUTTER: Case 5498.

MR. CARR: Case 5498. Application of Mobil Oil Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico.

MR. SPERLING: Mr. Examiner, J. E. Sperling of Modrall, Sperling, Roehl, Harris and Sisk, Albuquerque, appearing for the Applicant. We have two witnesses to be

(Witnesses sworn.)

MR. NUTTER: At the outset of the Hearing this morning, I would like to note that this is a long, hard docket we've got today. We want to finish in time, so we would request that the Applicants keep their testimony to the bare minimum necessary to make a good case.

Mr. Sperling?

JOHN SEEREY

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

DIRECT EXAMINATION

BY MR. SPERLING: Q Please state your name, your place of residence, your employer and your position with that employer? A My name is John Seerey. I am Associate Engineer

CASE 5498

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SEEREY-DIRECT

with Mobil Oil Corporation in the Midland Producing Area. Q Have you, on any previous occasion, testified before the Commission so that your qualifications are a matter of record?

A Yes, I have.

MR. SPERLING: Are Mr. Seerey's qualifications acceptable?

MR. NUTTER: Yes, they are.

BY MR. SPERLING:

and the second second

Q Would you please explain for the record Mobil's objective in this Application?

A Mobil is requesting approval of the Commission for an unorthodox location for the drilling of the proposed Brainard Gas Com Well No.2 to be located in Unit B 1180 feet from the north line and 1505 feet from the east line of Section 11, Township 18 South, Range 26 East, Eddy County, New Mexico. This well is proposed to be a gas well in the Atoka-Penn Gas Pool. We further request the pool will be simultaneous dedication of the standard 320-acre gas proration unit comprised of the east half of Section 11 to the proposed unorthodox well and Mobil's existing brainard Gas Com Well No. 1 located in Unit P, Section 11, Township 18 South, Range 26 East. We request authority to

SEEREY-DIRECT

produce the allowable assigned to this proration unit from either of the described wells in any proportion.

Q Would you please now refer to what has been marked as Exhibit 1 and explain the purpose of that exhibit and what is shown on it?

A Exhibit 1 is a plat showing the wells in the Atoka-Penn Gas Pool. Mobil's leases in the area are shown colored in yellow. Mobil's Brainard Gas Com Well in the east half of Section 11 is shown outlined in red. The proposed Brainard Gas Com Well No. 2 is shown marked by an arrow in Unit B of Section 11. The east half of Section 11 was communitized with the drilling of the Brainard Gas Com Well No. 1 in September of 1962.

Q Mr. Seerey, why does Mobil consider that the proposed well located in Unit B is an unorthodox location?

A The special rules for the Atoka-Penn Gas Pool state that each well completed in the pool shall be located in the northwest quarter of the southeast quarter of the Section. The proposed Well No. 2 is located in the northeast quarter. The rules further state that each well shall be located no nearer than 990 to the outer boundaries of the quarter section nor nearer than 330 to any quarter quartersection line. The proposed Well No. 2 is located closer

SEEREY-DIRECT

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to the quarter quarter line than 330.

Q Would you now refer to what has been marked for identification as Exhibit 2 and explain that exhibit?

A Yes, sir. Exhibit 2 is a diagrammatic sketch of the proposed Brainard Gas Com Well No. 2 well bore. The proposed total depth is 9200 feet, 13 and 3/8 casing will be set at 1100 feet, 8 and 5/8 casing will be set at 2000 feet, $4\frac{1}{2}$ -inch casing will be set to the TD of 9200, 2 and 3/8 tubing will be run to a packer set above the perforated interval which will be selected later.

Q Mr. Seerey, were Exhibits 1 and 2 prepared by you or under your supervision?

They were.

A

MR. SPERLING: That's all we have of this witness. We have one more witness.

MR. NUTTER: Are there any questions of this witness? He may be excused.

(Witness dismissed.)

VICTOR INMAN

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

DIRECT EXAMINATION

BY MR. SPERLING:

INMAN-DIRECT

CASE 5498 Page.......7.

Q Please state your name, your place of residence, your employer and the capacity in which you are employed?

A I am Victor Inman. I am the Senior Production Geologist with Mobil Oil Corporation in Midland, Texas. Q Mr. Inman, have you on any previous occasion testified before the Commission so that your qualifications are a matter of record?

A Yes, I have.

MR. SPERLING: Are Mr. Inman's qualifications accepted?

MR. NUTTER: Yes, they are.

BY MR. SPERLING:

1

Q Mr. Inman, you are familiar with the Application of Mobil in this case?

A Yes, I am.

Q Why does Mobil consider that it is necessary to drill the No. 2 Well at the location as described by Mr. Seerey? A The Mobil Brainard Gas Com No. 1 Well located in the southeast quarter of Section 11 has always been an extremely weak gas well. This well, as compared to the up-dip wells on the adjacent proration units, is of such poor quality that we believe that a second well is necessary in the east half of Section 11 in order to fully drain the

INMAN-DIRECT

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proration unit, fully and equitably drain it,

Q Would you now refer to what has been marked as Exhibits 3-A and 3-B for identification and explain those exhibits?

Exhibit 3-A is a graph showing the monthly pro-Δ duction rate history of three wells: The Mobil Brainard Gas Com Well No. 1, the Felmont-Aaron Com Well No. 1, which is located in the southwest quarter of Section 11, and the Felmont-Atoka Com Well, which is located in the northwest quarter of Section 12. As you can see from the graph, the production rate, the monthly production rate of the Mobil Brainard Gas Com No. 1 has been relatively a low volume well for guite a number of years, and while the Felmont-Aaron Com Well No. 1 started out as a good producing well in December of 1973 as a monthly production rate of 200-million cubic feet per month, or about 7-million cubic feet per day. In contrast, the Felmont-Atoka Well, or the Atoka Com Well, during its first month of production in March of 1974, produced about 24-million cubic feet of gas per day or about 800 MCF of gas per day. Pardon me. That should have been 24-million cubic feet of gas per month. The Mobil Brainard Gas Com No. 1 Well, during its first month of production in January of 1963 produced 18-million

CASE 5498 Page 9

INMAN-DIRECT

cubic feet of gas per month and about 600 MCF per day, so you can see that the Mobil Well is a relatively poor well.

Exhibit 3-A is a tabulation of the monthly production rates.

Q Excuse me. I think that is 3-B.

A Pardon me, 3-B is a tabulation of the monthly production rates that are shown on Exhibit 3-A. Another example or another comparison of the Felmont Well and the Mobil Well is the accumulative production of the two wells. The Felmont-Aaron Com Well has produced a total of 1.7 billion cubic feet of gas in its 15 months of production history, while the Mobil Brainard Gas Com Well took 12 years to produce 2.5-billion feet of gas.

The Fasken-Higgins-Cahoon Well No. 1 which is located in the southeast quarter of Section 2 and is the north offset to the well of this Application, has no production history since it has only been recently completed, I believe in May of 1975, but one of its reported flow rates of 4-million cubic feet of gas per day on a 16/64 inch choke with a flowing-tubing pressure of 2656 pounds and its calculated absolute open flow of 18.5-million cubic feet of gas indicates that it is a good well and probably should be comparable to the Felmont Aaron Com Well.

INMAN-DIRECT

Section 300

Q Would you please refer to what has been marked as Exhibit 4 and explain that exhibit and the information contained on it?

A Exhibit No. 4 is a structure map covering a portion of the Atoka-Penn Gas Pool. The Atoka-Penn Gas Wells are circled and wells outside of the pool are included in the map to provide additional structural control. The Atoka-Penn Gas Pool is primarily a stratographic trap. The productive Morrow Sands trend northeast-southwest along structural strike and pinch out at dip at approximately minus 5700-feet contour. The sands deteriorate down toward the southeast limits of the field and the local deterioration of these sands in the vicinity of the Mobil Brainard Gas Com No. 1 Well would be shown in the next exhibit.

Q Would you refer to Exhibit No. 5 now, please, and explain it?

A Exhibit No. 5 is a stratographic cross section made from porosity logs of four wells in or adjacent to the Mobil Brainard Com proration unit. The line of the cross section is shown on the structure map. I don't know if you can read the names of the wells on the top of the logs or not, but the log on the left, or the well on the left is the Felmont Aaron Com No. 1, which is located on the

INMAN-DIRECT

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southwest quarter of Section 11, and then the next well to the right is the Mobil Brainard Gas Com No. 1, and the next well is the Felmont-Aaron Com No. 1, located in the northwest quarter of Section 12. The well on the right is the Fasken-Higgins-Cahoon Well No. 1, located in the southeast quarter of Section 12.

The cross section is hung on top of a correlative limestone zone between the Atoka and Morrow formations and that limestone zone is colored blue. The bottom correlation line is what I call the Mississippian-Chester Formation and that is the formation on which the structural map was contoured.

As you can see on the cross section, the two wells on the end of the cross section are quite a bit better quality than the two wells on the center of the cross section. The two wells on the end of the cross section are up-dip wells, while the center wells are down-dip.

I didn't explain that the sands colored yellow are the sands in the Morrow Formation and that the perforations are colored in red and the depths beside each of the logs, and that the three logs to the left are the velocity porosity logs and the red shown on the velocity curve is the porosity greater then 7-percent. The log on

CASE 5498

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INMAN-DIRECT

the right is a combination neutron-density log and the separation between the two curves indicates that there is gas present in the sand.

As I said before, the wells on each end of the cross section, the up-dip wells have much better pay than the wells that are shown in the center of the cross section. Q There is additional information shown underneath

each of the logs, isn't that correct?

A Yes.

HARRIS CARACTERISTICS

Q The date of completion and other information?

A Yes, we've got date of completion and then the perforations and the absolute open flows, and then there is cumulative production and the average production during February of 1975.

The absolute open flows are a pretty good indication of the quality of the wells, the quality of the sands in the wells. The Felmont-Aaron-Com Unit on the left end of the cross section had an absolute open flow of a little over 15-million cubic feet per day from the top sand, and 11-million cubic feet a day from the bottom sand. The Fasken-Higgin's-Cahoon Well on the right end of the cross section had a calculated open flow of 8.5-million cubic feet per day.

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INMAN-DIRECT

In contrast, the two wells in the center of the cross section, the down-dip wells, the Felmont Atoka Com Well has fairly shaley sands that are indicated by the gamma-ray curve, and its potentials were a CAOF of a little less than 2-million cubic feet per day, and the thin and relatively low-porosity wells in the Mobil Brainard Gas Com Well No. 1 went on production and had a 1. flow of 498 MCF per day, and a satisfactory 4. test couldn't be taken on that well. So, you see that the Mobil Well is a relatively poor well compared to the two adjacent up-dip wells.

Q Is that all you have with reference to this a exhibit?

A Yes, it is.

Q Would you now summarize Mobil's position with reference to the procosed well location in this proration unit as such?

A Mobil is operator of the Brainard Gas Com Unit and does not believe that the present Brainard Gas Com No. 1 Well will recover the reserves in the east half of Section 11 We believe that a second well at the proposed unorthodox location is necessary to fully and equitably recover the reserves in the east half of Section 11. We request authoity to produce the allowable assigned to this proration unit to

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

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CASE 5498 Page.....14

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INMAN-DIRECT

either of the Brainard Gas Com Wells in any proportion.

Q Mr. Inman, do you feel that the granting of Mobil's Application will be in the interest of conservation and will protect correlative rights?

A Yes, I do. By drilling a well on the north end of the proration unit, it will recover gas in the proration unit that will not be recovered by the present well in the southeast quarter of the proration unit.

Q Were Exhibits 3-A and B through 5 prepared by you or under your supervision?

A Yes, they were.

MR. SPERLING: We will offer Exhibits 1 through 5, Mr. Examiner, at this time.

MR. NUTTER: Exhibits 1 through 5 will be admitted in evidence. I am not sure about 5. It is Eddy County, Texas, it says.

MR. SPERLING: It sure does. Could we suggest an amendment?

> MR. NUTTER: Do you want me to amend that? MR. SPERLING: Yes. Why don't we just put "N.M."

on there?

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(Whereupon, Applicant's Exhibits Nos. 1 through 5 were marked for identification, and were offered and admitted into evidence.) THE NYE REPORTING SERVICE

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

CASE 5498

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MR. SPERLING: That's all we have, Mr. Examiner, thank you.

MR. NUTTER: Does anyone have any questions of Mr. Inman? He may be excused.

(Witness dismissed.)

MR. NUTTER: Do you have anything further,

Mr. Sperling?

MR. SPERLING: No, sir.

MR. NUTTER: Does anyone have anything they wish

to offer in Case 5498?

We will take the case under advisement.

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

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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.

COURT REPORTER

New Mexico Oil Conservation Commission

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. 5498 Order No. R-5043

APPLICATION OF MOBIL OIL CORPORATION FOR AN UNORTHODOX GAS WELL LOCATION AND SIMULTANEOUS DEDICATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 10, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>17th</u> day of June, 1975, 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, Mobil Oil Corporation, seeks approval for the unorthodox location of its Brainard Gas Com Well No. 2, to be located 1180 feet from the North line and 1505 feet from the East line of Section 11, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That the applicant further seeks approval for the E/2 of said Section 11 to be simultaneously dedicated to said well and to applicant's Brainard Gas Com Well No. 1, located in Unit P of said Section 11.

(4) That approval of the application will better enable the applicant to produce the gas under Section 11 and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Mobil Oil Corporation, is hereby given approval for the unorthodox location of its Brainard Gas Com Well No. 2, to be located 1180 feet from the North line and 1505 feet from the East line of Section 11, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, -2-Case No. 5498 Order No. R-5043

New Mexico, the E/2 of said Section 11 to be simultaneously dedicated to said well and to applicant's Brainard Gas Com Well No. 1, located in Unit P of said Section 11.

(2) 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 CIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

Lucero 1 PHIL R. LUCERO, Member

JOE D. RAMEY, Member & Secretary

dr/

SEAL



OIL CONSERVATION COMMISSION

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

June 17, 1975

I. R. TRUJILLO CHAIRMAN

LAND COMMISSIONER PHIL R. LUCERO MEMBER

STATE GEÓLOGIST A. L. PORTER, JR. SECRETARY – DIRECTOR

Re: Mr. James E. Sperling Modrall, Sperling, Roehl, Harris & Sisk Attorneys at Law Post Office Box 2168 Albuquerque, New Mexico 87103

CASE NO. 5498 ORDER NO. R-5043

Applicant:

Mobil Oil Corporation

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Dear Sir:

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

Yours very truly, JOE D. RAMEY Secretary-Director

JDR/fd

in An A Copy of order also sent to:

Hobbs OCC	X		
Artesia OCC	 X	2	
Aztec OCC	 	11	
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GAS PRODUCTION MCF/MO 100,000 10,00 1,000
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 1 BEFORE EXAMINER NUTTER YEARS CIL CONSERVATION COMMISSION CASE NO. 5498 ÷ Mobil Oil Corporation 18 F4 31 GAS PRODUCTION CERTAIN WELLS IN ATOXA PENN. (GAS) POOL Ĩ JARON EDDY COUNTY, NM diand, Texas 19.28 COM WELL Skyles Į I UNS

MOBIL OIL CORPORATION ATOKA PENN. (GAS) POOL GAS PRODUCTION

	Mobil Brainard Ga		Felm Naron	nont Com. #1	Felm Felmont Atc	ont: ka_Com. #1
		Average MCF/Mo.	MCF/Yr.	MCF/Mo.	MCF/Yr.	MCF/Mo.
1963	176,168	17,617	~			
1964 1965	253,440 244,845	21,120 20,404	t .			n en
1965	222,926	18,577				
1967	211,044 214,109	17,587 17,842				
1968 1969	205,130	17,094			· · · · · · · · · · · · · · · · · · ·	•
1970	191,876	15,990		· · ·		1
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10/74		12,776		52,945		26,763
11/74 12/74		11,372		36,602	239,299	25,371
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MOBIL OIL CORPORATION ATOKA PENN. (GAS) POOL GAS PRODUCTION

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	1967	211,044	17,587				
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	4/74		14,605		96,731		
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	6/74		14,424		28,592		25,608
	7/74		13,263		156,985	<u>N 1</u>	24,463
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Mobil Oil Corporation

P.O. BOX 633 MIDLAND, TEXAS 79701

OIL CONSERVATION COMM. May 23, 1975

File 59.98 Care 59.98

New Mexico Oil Conservation Commission (2) P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. D. S. Nutter

MOBIL OIL CORPORATION'S APPLICATION FOR AN UNORTHODOX GAS WELL LOCATION FOR THE PROPOSED BRAINARD GAS COM WELL NO. 2 AND SIMULTANEOUS DEDICATION OF THE E/2 SEC. 11, T18S, R26E, EDDY COUNTY, NEW MEXICO ATOKA PENN. GAS POOL

Gentlemen:

1180 FNL

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Mobil Oil Corporation respectfully requests that the Commission set for hearing, on the June 11, 1975 docket, our application for approval of an unorthodox location for the drilling of the proposed Brainard Gas Com. Well No. 2, to be located in Unit B, 118% feet from the north line and 1505 feet from the east line of Section 11, T18S, R26E, Eddy County, New Mexico. This well is proposed to be a gas well in the Atoka Penn. Gas Pool.

Our application further requests approval of the simultaneous dedication of a standard 320-acre gas proration unit comprised of the E/2 of Section 11, T18S, R26E, to the proposed Brainard Gas Com. Well No. 2, located in Unit B of Section 11 and the existing Brainard Gas Com. Well No. 1, located in Unit P, 990 feet from the south line and 990 feet from the east line of Section 11. The E/2 of Section 11 was communitized for the drilling of the Brainard Gas Com Well No. 1 in September 1962. We request authority to produce the allowable assigned to the above proration unit from either of the described wells in any proportion.

New Mexico Oil Conservation Commission May 23, 1975 Page 2 BRAINARD GAS COM WELL NO. 2

A plat showing the wells in the Atoka Penn. Gas Pool is attached for your reference. If there are any further questions, please advise.

Yours very truly,

1 L. A. Davis

Area Operations Engineer

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JHSeerey/gb attach.

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cc: NMOCC Dist. 2 James E. Sperling

Mobil Oil Corporation



May 23, 1975

New Mexico Oil Conservation Commission (2) P. O. Box 2088 Santa Fe, New Mexico 87501

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Attention: Mr. D. S. Nutter

 \mathbf{S}_{i}

MOBIL OIL CORPORATION'S APPLICATION FOR AN UNORTHODOX GAS WELL LOCATION FOR THE PROPOSED URAINARD GAS CON WELL NO. 2 AND SIMULTANEOUS DEDICATION OF THE E/2 SEC. EL, TISS, E26E, EDDY COUNTY, NEW MEXICO ATOKA PENN, GAS POOL

Gentlemen:

Nobil Oil Corporation respectfully requests that the Commission set for hearing, on the June 11, 1975 docket, our application for approval of an unorthedex loca-tion for the drilling of the proposed Brainard Gas Com. Well No. 2, to be located in Unit B, 4105 feet from the north line and 1505 feet from the east line of Section 11, T185, R26E, Eddy County, New Mexico. This well is proposed to be a gas well in the Atoka Penn. Gas Pool.

Our application further requests approval of the simultaneous dedication of a standard 320-acre gas provation unit comprised of the S/2 of Section 11, T180, R26E, to the proposed Brainard Gas Com. Well No. 2, located in Unit B of Section acon, to the proposes brainers one con. Well NO. 2, located in Unit P, 990 feet 11 and the existing Brainard Gas Com. Well No. 1, located in Unit P, 990 feet from the Bouth line and 990 feet from the east line of Section 11. The E/2 of Section 11 was communitized for the drilling of the Brainard Gas Com Well No. 1 in September 1962. We request authority to produce the allowable assigned to the above provation unit from either of the described wells in any proportion.

BRAINARD GAS COM WELL NO. 2

New Mexico Oil Conservation Commission May 23, 1975 Page 2

A plat showing the wells in the Atoka Penn. Gas Pool is attached for your reference. If there are any further questions, please advise.

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Yours very truly,

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L. A. Davis Area Operations Engineer

JESecrey/8b attach.

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cc: NHOCG Dist. 2 James E. Sperling

DRAFT



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. 5498

Order No. R- 5043

APPLICATION OF MOBIL OIL CORPORATION FOR AN UNORTHODOX GAS WELL LOCATION AND SIMULTANEOUS DEDICATION, EDDY COUNTY, NEW MEXICO.

yu/ ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on <u>June 10</u>, 1975 at Santa Fe, New Mexico, before Examiner <u>Daniel S. Nutter</u>.

NOW, on this <u>day of June</u>, 1975, the Commission, a guorum 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, Mobil Oil Corporation, seeks approval for the unorthodox location of its Brainard Gas Com Well No. 2, to be located 1180 feet from the North line and 1505 feet from the East line of Section 11, Township 18 South, Range 26 East, Atoka-

Pennsylvanian Gas Pool, Eddy County, New Mexico.

-2--Case No. 5498 Order No. R-

(3) That the applicant further seeks approval for the E/2 of said Section 11 to be simultaneously dedicated to said well and to applicant's Brainard Well No. 1, located in Unit P of said Section 11.

(4) That approval of the application will better enable the applicant to produce the gas under Section 11 and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Mobil Oil Corporation, is hereby given approval for the unorthodox location of its Brainard Gas Com Well No. 2, to be located 1.80 feet from the North line and 1505 feet from the East line of Section 11, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, the E/2 of said Section 11 to be simultaneously dedicated GasCom to said well and to applicant's Brainard Well No. 1, located in Munit P of said Section 11.

(2) 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.

mahil Oil Corp. morthodox gas weel Bramard gas Com # 2 990 FNL 1650 FEL 11-185-26E E/2 Ataka Penn Eddylo. simultaneous ded Brainard gas Com # 1 990 F5L & FEL John Deerey