

CASE 5667: BELCO PET. CORP. FOR
APPROVAL OF AN UNORTHODOX GAS WELL
LOCATION, LEA COUNTY, NEW MEXICO

CASE NO.

5667

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 14, 1976

EXAMINER HEARING

IN THE MATTER OF:)

Application of Belco Petroleum)
Corporation for approval of an)
unorthodox gas well location, Lea County))
New Mexico.)

CASE
5667

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & FOX
Attorneys at Law
500 Don Gaspar
Santa Fe, New Mexico

sid morrison reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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LEE NERING

Direct Examination by Mr. Kellahir

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EXHIBIT INDEX

Page

Belco's Exhibit No. One, Plat

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1 MR. NUTTER: We will call Case 5667.

2 MR. CARR: Case 5667, application of Belco Petroleum
3 Corporation for approval of an unorthodox gas well location,
4 Lea County, New Mexico.

5 MR. KELLAHIN: If the Examiner please, Tom Kellahin
6 of Kellahin and Fox, Santa Fe, New Mexico appearing on behalf
7 of Belco Petroleum Corporation. We request the Examiner to
8 take note that the previous witness is still under oath and
9 he intends to testify as an expert witness in this matter and
10 that he be so admitted.

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20 been marked as Exhibit Number One, identify it and state
21 briefly what the applicant is seeking?

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23 one inch equals one thousand feet for the proposed Belco
24 Wilson State No. 1 to be located in the north half of Section
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3 Well which is located five hundred feet directly east of the
4 proposed Wilson 1-A, Wilson State 1-A, a hole which Belco was
5 forced to junk and abandon at a depth of fifty-five, sixty-six.
6 This past month we encountered difficulties in that well, we
7 were stuck and we left a fish in the hole and we are still
8 desirous of drilling the well. The Wilson State No. 1 was a
9 very expensive location but we feel strongly enough to where we
10 are desirous of re-drilling the prospect and as such we are
11 desirous of drilling an unorthodox location five hundred feet
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14 drilling of the No. 1 Well.

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18 to the costs of entering the old well and sidetracking it?

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20 sidetracking around the fish and the result of that was because
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23 had not set a proper protection string up shallow, the
24 difficulties would far exceed the costs of drilling a new hole,
25 so, as a result we felt that a brand new hole some five

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7 direction and supervision?

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REPORTER'S CERTIFICATE

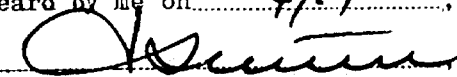
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I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said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



Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5667
heard by me on 4/14, 1976.

 Examiner
New Mexico Oil Conservation Commission

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BEFORE THE
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Santa Fe, New Mexico
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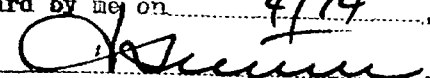
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, Examiner
New Mexico Oil Conservation Commission

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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. 5667
Order No. R-5210

APPLICATION OF BELCO PETROLEUM
CORPORATION FOR AN UNORTHODOX GAS
WELL LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 14, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of April, 1976, 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, Belco Petroleum Corporation, seeks approval of an unorthodox gas well location 660 feet from the North line and 1480 feet from the West line of Section 19, Township 21 South, Range 35 East, NMPM, to test the Morrow formation, Osudo-Morrow Gas Pool, Lea County, New Mexico.
- (3) That the N/2 of said Section 19 is to be dedicated to the well.
- (4) That said unorthodox location is necessary to avoid drilling into applicant's Wilson-State Well No. 1, a junked and abandoned well previously drilled at a standard location.
- (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 its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

-2-

Case No. 5667
Order No. R-5210

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 660 feet from the North line and 1480 feet from the West line of Section 19, Township 21 South, Range 35 East, NMPM, Osudo-Morrow Gas Pool, Lea County, New Mexico.

(2) That the N/2 of said Section 19 shall be dedicated to the above-described 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



Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

dr/

Dockets Nos. 13-76 and 14-76 are tentatively set for hearing on April 28 and May 12, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 14, 1976

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

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

ALLOWABLE: (1) Consideration of the allowable production of gas for May, 1976, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

(2) Consideration of the allowable production of gas for May, 1976, from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5663: Application of Anne Burnett Tandy dba Windfohr Oil Company for 12 unorthodox oil well locations and an administrative procedure, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of 12 oil wells to be drilled to the San Andres formation at the following locations in the Grayburg-Jackson Unit, Township 17 South, Range 30 East, Eddy County, New Mexico:

in Section 13: extreme SE/corner of Units E and O, the extreme SW/corner of Unit N, the extreme NE/corner of Units J and K, and the extreme NW/corner of Units M, N, O, and P;

in Section 14: the extreme SE of Unit H;

in Section 24: the extreme SW/corner of Unit C and extreme NW/corner of Unit D.

Applicant further seeks the establishment of an administrative procedure whereby the above wells could be relocated and other similar unorthodox locations approved without notice and hearing.

CASE 5664: Application of Mesa 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 Nash Unit Well No. 2, located in Unit F of Section 18, Township 23 South, Range 30 East, Eddy County, New Mexico, to produce gas from the Atoka and Morrow formations through parallel strings of tubing.

CASE 5665: Application of Howard Boatwright Company, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation through the open-hole interval from 2979 to 3180 feet in its State CS Well No. 1 located in Unit L of Section 17, Township 21 South, Range 27 East, Burton Flats Field, Eddy County, New Mexico.

CASE 5666: Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in and below the Pennsylvanian formation underlying the E/2 of Section 7, Township 22 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled 2410 feet from the North line and 560 feet from the East line of said Section 7. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5667: Application of Belco Petroleum Corporation for approval of an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the North line and 1480 feet from the West line of Section 19, Township 21 South, Range 35 East, Osudo-Morrow Gas Pool, Lea County, New Mexico, the N/2 of said Section 19 to be dedicated to the well.

CASE 5443: (Reopened)

In the matter of Case 5443 being reopened pursuant to the provisions of Order No. R-4994, which order established special rules and regulations for the East Lusk-Bone Spring Oil Pool, Lea County, New Mexico, including a provision for 160-acre spacing and proration units. All interested parties may appear and show cause why said pool should not be developed on less than 150-acre spacing units.

CASE 5446: (Reopened)

In the matter of Case 5446 being reopened pursuant to the provisions of Order No. R-4992, which order established special rules and regulations for the Casey-Strawn Pool, Lea County, New Mexico, including a provision for 80-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

R 34 E

R 35 E

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TEXACO
State - I

TD 12,500'
MORROW

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State

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STANLIND
1-Wilson

TD 4020

1480'

660'

BELCO
Wilson - State - I

J & A

TD 5566

PROPOSED
BELCO
Wilson State 1-A

Wilson Oil

SAN SIMON, N.
YATES

35.82

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35.86

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LEONARD
Wilson State - I

BONE SPRINGS

TD 11,610
MORROW

35.90

4

SAN SIMON, N
YATES

State

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

Belco EXHIBIT NO. 1

CASE NO. 5667

BELCO PETROLEUM CORP.

OSUDO MORROW POOL
Lea Co, New Mexico

PROPOSED
Unorthodox Location
12,800' Morrow Test
Wilson State 1-A

SCALE: 1" = 1000'

R 34 E

R 35 E

35.71

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TEXACO
State - I



TD 12,500'
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35.75

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STANOLIND
I-Wilson

TD 4020

0.50'

BELCO
Wilson - State - I

J & A

TD 5566

Wilson Oil

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1480'

PROPOSED

BELCO
Wilson State I-A

SAN SIMON, N.
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Wilson State - I

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BEFORE EXAMINER NUTTER

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660'

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1480'

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BEFOPE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Belco EXHIBIT NO. 1
CASE NO. 5667

BELCO PETROLEUM CORP.
OSUDO MORROW POOL
Lea Co, New Mexico
PROPOSED
Unorthodox Location
12,800' Morrow Test
Wilson State I-A
SCALE: 1" = 1000'

Case 5667

MAR 23 1976

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1789
SANTA FE, NEW MEXICO 87501

CONSERVATION COMM
Santa Fe

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

TELEPHONE 982-4315
AREA CODE 505

March 22, 1976

WTK
3-23-76

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

Re: Belco Petroleum Corporation

Dear Bill:

On March 16, 1976 I mailed you an application on behalf of Belco Petroleum Corporation for an unorthodox well location in the Osudo-Morrow Gas Pool, Lea County, New Mexico.

Please amend that application to the following location: 1480 feet from the West line and 660 feet from the North line of Section 19, T21S, R35E, N.M.P.M.

We still desire this matter to be heard on April 14, 1976.

Very truly yours,

W. Thomas Kellahin
W. Thomas Kellahin

CC: Mr. Lee Nering

WTK:kjf

Case 5667

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

TELEPHONE 982-4315
AREA CODE 505

March 16, 1976

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

Re: Belco

Dear Bill:

Please find enclosed for filing on behalf of Belco Petroleum Corporation an application for approval of an unorthodox well location, Lea County, New Mexico.

We would appreciate this case being set for hearing on the examiner's docket for April 14, 1976.

Very truly yours,


W. Thomas Kellahin

CC: Mr. Lee Nering

WTK:kjf

Enclosure

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF BELCO PETROLEUM CORPORATION
FOR APPROVAL OF AN UNORTHODOX WELL
LOCATION, OSUDO-MORROW GAS POOL,
LEA COUNTY, NEW MEXICO

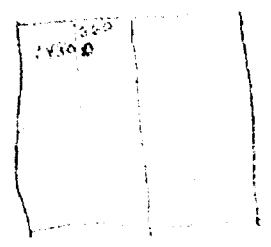
A P P L I C A T I O N

COMES NOW BELCO PETROLEUM CORPORATION by and through its attorneys, KELLAHIN & FOX, and applies to the Oil Conservation Commission of New Mexico for approval of an unorthodox well location in the Osudo-Morrow Gas Pool, Lea County, New Mexico and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill and develop the oil and gas minerals in the area involved in this application.

2. Applicant proposes to drill a well to test the Morrow formation at a depth of approximately 12,800 feet, at a location ¹⁴⁸⁰ ~~1320~~ feet from the West line and 660 feet from the North line of Section 19, Township 21 South, Range 35 East, N.M.P.M., Osudo-Morrow Gas Pool, Lea County, New Mexico. The subject well will be called the Wilson State 1-A well.

3. The requested unorthodox well location is needed to replace an offsetting well called the Wilson State #1 located 1980 feet from the West line and 660 feet from the North line of Section 19. The requested well will be sufficiently removed from the problem well to avoid the caving conditions



and the stuck well collars being experienced therein.

4. A well located as proposed will recover gas that would not otherwise be recovered, is in the interests of conservation, and will not impair the correlative rights of others.

WHEREFORE, applicant prays that this application be set for hearing before the Commission's duly appointed examiner and that after notice and hearing as required by law the Commission enter its order approving the location as prayed for.

Respectfully submitted,

BELCO PETROLEUM CORPORATION

BY



KELLAHIN & FOX

P. O. Box 1769

Santa Fe, New Mexico 87501

Attorneys for Applicant

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF BELCO PETROLEUM CORPORATION
FOR APPROVAL OF AN UNORTHODOX WELL
LOCATION, OSUDO-MORROW GAS POOL,
LEA COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES NOW BELCO PETROLEUM CORPORATION by and through its attorneys, KELLAHIN & FOX, and applies to the Oil Conservation Commission of New Mexico for approval of an unorthodox well location in the Osudo-Morrow Gas Pool, Lea County, New Mexico and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill and develop the oil and gas minerals in the area involved in this application.
2. Applicant proposes to drill a well to test the Morrow formation at a depth of approximately 12,800 feet, at a location ¹⁴⁸⁰1320 feet from the West line and 660 feet from the North line of Section 19, Township 21 South, Range 35 East, N.M.P.M., Osudo-Morrow Gas Pool, Lea County, New Mexico. The subject well will be called the Wilson State 1-A well.
3. The requested unorthodox well location is needed to replace an offsetting well called the Wilson State #1 located 1980 feet from the West line and 660 feet from the North line of Section 19. The requested well will be sufficiently removed from the problem well to avoid the caving conditions

and the stuck well collars being experienced therein.

4. A well located as proposed will recover gas that would not otherwise be recovered, is in the interests of conservation, and will not impair the correlative rights of others.

WHEREFORE, applicant prays that this application be set for hearing before the Commission's duly appointed examiner and that after notice and hearing as required by law the Commission enter its order approving the location as prayed for.

Respectfully submitted,

BELCO PETROLEUM CORPORATION

By _____

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P. O. Box 1769

Santa Fe, New Mexico 87501

Attorneys for Applicant

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OIL CONSERVATION COMMISSION OF NEW MEXICO

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*Called in
by
Tom Kellahin
3/19/76*

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BELCO PETROLEUM CORPORATION

By _____

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P. O. Box 1769

Santa Fe, New Mexico 87501

Attorneys for Applicant

dr/

in

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. 5667

Order No. R- 5210

APPLICATION OF BELCO Petroleum Corporation
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

JSP

Don

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 14, 1976,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of April, 1976, 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, Belco Petroleum Corporation, seeks
approval of an unorthodox gas well location 660 feet from the North
line and 1480 feet from the West line of Section 19, Township
21 South, Range 35 East, NMPM, to test the
Morrow formation, Osuda-Morrow Gas Pool,
Lea County, New Mexico.

(3) That the N/2 of said Section 19 is to be dedicated to the
well.

(4) That ~~a well at said unorthodox location will better enable~~ *is necessary to avoid*
~~applicant to produce the gas underlying the proration unit.~~ *drilling into applicant's Wilson-Statz Well No. 1, a junked and*
~~abandoned well previously drilled at a standard location.~~ *abandoned well previously drilled at a standard location.*

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

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Case No. _____
Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 660 feet from the North line and 1480 feet from the West line of Section 19, Township 21 South, Range 35 East NMPM, Osudo-Morrow Gas Pool, Lea County, New Mexico.

(2) That the N/2 of said Section 19 shall be dedicated to the above-described 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.