

Case Number

60015

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
17 August, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield) CASE
Company for an unorthodox gas well) 6015
location, Eddy County, New Mexico.)

BEFORE: Richard L. Stamets.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: Paul Eaton, Esq.
HINKLE, COX, EATON, COFFIELD,
& HENSLEY
600 Hinkle Building
Roswell, New Mexico

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

I N D E X

The Witness, I. J. Natour

Direct Examination by Mr. Eaton

3

E X H I B I T S

Applicant's Exhibit 1, Land Map

9

Applicant's Exhibit 2, Waivers

9

Applicant's Exhibit 3, Plat

9

Applicant's Exhibit 4, Structure Map

9

Applicant's Exhibit 5, Cross Section

9

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 Phone (505) 982-9212

1 MR. STAMETS: Call now Case Number 6015,

2 MS. TESCHENDORF: Case 6015. Application of
 3 Atlantic Richfield Company for an unorthodox gas well
 4 location, Eddy County, New Mexico.

5 MR. EATON: I'm Paul Eaton with the Hinkle firm,
 6 Roswell, New Mexico, appearing for the Applicant. I have
 7 one witness.

8 MR. STAMETS: This is Mr. Natour who was sworn in
 9 the previous case and he is well qualified and he is still
 10 sworn.

11 I. J. NATOUR

12 being called as a witness and being duly sworn upon his oath,
 13 testified as follows, to-wit:
 14

15 DIRECT EXAMINATION

16 BY MR. EATON:

17 Q You are Mr. I. J. Natour who has just testified
 18 in Case 6014, are you not?
 19

20 A Yes, sir.

21 Q Mr. Natour, are you familiar with the application
 22 in Case Number 6015?

23 A Yes, sir.

24 Q Will you please state what Atlantic Richfield
 25 seeks by that application?

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1 A. Atlantic Richfield Company is seeking the approval
2 of unorthodox gas well location in Eddy County, New Mexico,
3 being 1980 feet from the south line and 660 feet from the
4 east line of Section 32, Township 20 South, Range 27 East,
5 in Avalon Morrow Gas Pool, with the south half of Section 32
6 dedicated to the well.

7 Q. Have you prepared exhibits in connection with
8 your presentation?

9 A. Yes, sir, either prepared them or they were pre-
10 pared under my supervision.

11 Q. Would you please refer to what has been marked
12 for identification as Exhibit 1 and state what this exhibit
13 reflects?

14 A. Exhibit Number 1 is a land map showing an acreage
15 position of the offset operators; at the same time showing
16 the deep and -- all wells drilled on or around our proposed
17 proration unit, which is outlined in red and our proposed
18 location, which has been -- which is that red dot.

19 Q. All right. Now, who are the offset operators?

20 A. Offset operators are Maralo, Incorporated, At-
21 lantic Richfield, Morris R. Antweil, Monsanto, Coquina,
22 and Holly Energy Corporation.

23 Q. Have you sent copies of your application to the
24 offset operators?

25 A. Yes, sir, we have.

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1 Q Have you secured waivers from all of them?

2 A We secured waivers from Coquina Oil Corporation.
3 Secured waivers from Monsanto Oil Company. Secured waivers
4 from Morris R. Antweil.

5 I have talked to Maralo.

6 Q Wait a second. Are those waivers reflected in
7 your Exhibit Number 2?

8 A Yes, sir.

9 Q All right. Now, you have not received waivers
10 from Maralo or from Holly, is that correct?

11 A Yes, that's correct.

12 Q Would you state the nature of -- or the status of
13 your request of those operators?

14 A I had -- I had called Mr. Jack Simmons with Maralo
15 on August the 8th of 1977, and he indicated to me that they
16 do not have any objection to our unorthodox location; how-
17 ever, it's their company policy not to sign waivers.

18 Q All right, and now what about --

19 A And I had called on the same date, August the 8th,
20 1977, I had called Mr. W. H. Boyles with Holly Energy and
21 he indicated that they are proposing an unorthodox location
22 in the northeast northeast of Section 32 and if we signed
23 their waiver, they would sign ours. And we had signed our
24 waiver, waiving objection to their well, about three days
25 ago but we have not received their waiver yet.

1 Q So you would anticipate receiving a waiver from
2 Holly Energy, is that correct?

3 A Based on that information that I got when I talked
4 to Mr. Boyles, yes.

5 Q Mr. Natour, please refer to what has been marked
6 as Exhibit 3 and state what that exhibit is.

7 A Exhibit 3 is New Mexico Oil Conservation Commission
8 Well Location and Dedication Plat, showing proposed pro-
9 ration unit, which is the south half of Section 32. It also
10 shows the footage and location of Holly Oil, being 1980 feet
11 from the south and 660 from the east, and in that south
12 half of the south half also shows that Gulf Oil Corporation
13 is a working interest owner in our well; also shows part
14 of the Pecos River.

15 Q The proposed well name is Pecos Federal Gas Com
16 Number 1, is that right?

17 A That's correct.

18 Q All right. Now, sir, would you please refer to
19 what has been marked as Exhibit 4, and state what that ex-
20 hibit represents?

21 A Exhibit Number 4 is a structure map contoured on
22 Morrow marker, and shows our proposed location. It also
23 shows production in the area, and if I may refer to the
24 color code, red is a Wolfcamp producer; Strawn is orange;
25 Morrow is green; and yellow is a dry hole.

1 Q Do you have anything more you wish to testify to
2 from this exhibit?

3 A I would like to come back to this exhibit when
4 we're talking about Exhibit Number 5.

5 Q All right, let me -- please refer then to Exhibit
6 Number 5 and state what this exhibit is.

7 A Exhibit Number 5 is an east-west cross section.
8 Going from the east we had the Ralph Lowe Federal Number 1,
9 and if I may direct the attention of the Commission, Mr.
10 Examiner, to the index map, Ralph Lowe is a well to the
11 left and going -- on your right, and going to your left we
12 have Arco G. Conley Federal Number 1; then our proposed
13 location, a pink dot; Monsanto Coquina Federal Number 1;
14 and John Kelly Lake McMillan Federal Number 1.

15 And if I may incorporate now Exhibit Number 4 in
16 with this Exhibit Number 5, we can see that we are going
17 from the lowest, at least on this map, structurely well up
18 there to the John Kelly Lake McMillan Number 1, which is
19 located 1980 from the south and 1980 from the east line of
20 Section 36, not shown on this structural map, but we are
21 going up-dip.

22 On the cross section it shows the porous Morrow
23 Sand colored in red; the yellow is our interpretation of the
24 Morrow Sands in this particular area; the green is the
25 perforation as to date on these producers.

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1 We can see that all of these wells with the ex-
2 ception of the John Kelly Number 1 are producing -- testing for
3 gas from the Lower Morrow Sand, which is below the Morrow
4 marker, and the Upper Morrow Sands -- I was talking with
5 Mr. Jack Simmons with Maralo, of course they operate the
6 Ralph Lowe well -- and he said there was nothing wrong with
7 the Upper Morrow Sand in their well; however, they were
8 trying to start from the bottom and go up to get all of
9 these sands and they had made a million a day of gas out of
10 the Lower Morrow Sand and they did not want to kill the well;
11 afraid of damage.

12 Our G. Conley Federal is producing from both sands,
13 the Lower and the Upper Morrow, and the Monsanto well being
14 about 250 feet up-structure from Arco G. Conley Federal
15 Number 1 had either tested the Upper Morrow Sand, tested
16 wet, or calculated around 60 or 70 percent water saturation
17 on the oil; however, this well was completed in these thin
18 zones in the Lower Morrow Sands for about a million a day
19 calculated potential.

20 We are -- we do believe that the Lower Morrow Sand
21 is productive throughout our acreage and the Upper Morrow
22 Sand, the risk of drilling the well to the east is minimized
23 at our location because I honestly don't believe that the
24 Upper Morrow Sand extends all through that acreage. We
25 could have some override through different lenses or some

1 kind of pinchout between these two lenses.

2 The log, they correlate that this seems to be
3 about the same, about 250 feet higher on the fracture that
4 Monsanto well tested water on the drill stem test and cal-
5 culated water on the log.

6 Our well is making about a million and a half,
7 two million a day, selling to Gas Company of New Mexico,
8 and most of that is produced from that Upper Morrow Sand
9 based on temperature logging.

10 Q Mr. Natour, in wanting to move the location to
11 the east, you are moving it toward your Conley Number 1 well,
12 isn't it?

13 A Yes, sir, so we are moving toward our acreage
14 dedicated to G. Conley Federal Number 1 to encounter the
15 best Morrow Sand, especially in Upper Morrow Zone.

16 Q Were these exhibits prepared by you or under your
17 supervision?

18 A Yes, sir.

19 Q In your opinion will approval of the application
20 be in the interest of conservation; will it protect corre-
21 lative rights, and will it prevent waste?

22 A Yes, sir.

23 MR. EATON: Mr. Examiner, we offer Applicant's
24 Exhibits 1 through 5 into evidence.

25 MR. STAMETS: These exhibits will be admitted.

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1 MR. EATON: We have no further questions of Mr.
2 Natour.

3 MR. STAMETS: Are there any questions of the
4 witness? He may be excused.

5 Anything further in this case?

6 MR. EATON: No, sir.

7 MR. STAMETS: Case is taken under advisement.

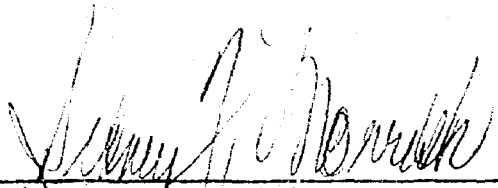
8 If there is nothing further, the hearing is adjourned.

9 (Hearing concluded.)
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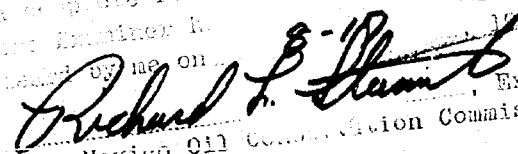
sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 942-9212

REPORTER'S CERTIFICATE

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.

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

I do hereby certify that the foregoing is
a complete and correct record of the
proceedings before me on 6-15-77

Richard L. Stearns, Examiner
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. 6015
Order No. R-5520

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 17, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of August, 1977, 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, Atlantic Richfield Company, seeks
approval of an unorthodox gas well location 1980 feet from the
South line and 660 feet from the East line of Section 32, Township
20 South, Range 27 East, NMPM, to test the Morrow formation,
Avalon-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the S/2 of said Section 32 is to be dedicated to
the well.

(4) That a well at said unorthodox location will better
enable applicant to produce the gas underlying the proration unit.

(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-

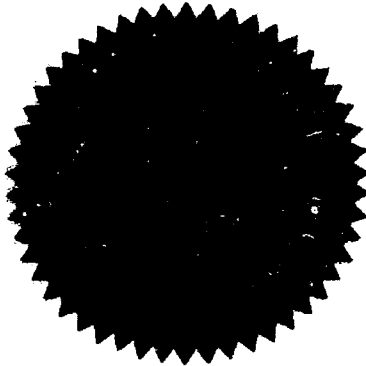
Case No. 6015
Order No. R-5520

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 1980 feet from the South line and 660 feet from the East line of Section 32, Township 20 South, Range 27 East, NMPM, Avalon-Morrow Gas Pool, Eddy County, New Mexico.
- (2) That the S/2 of said Section 32 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, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

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

S E A L

jr/

Richfield Company

Legal Division
Post Office Box 2319
Dallas, Texas 75221
Telephone 214 651 4873

Duncan W. Holt, Jr.
Senior Attorney

July 22, 1977

Mr. M. R. Antweil
P.O. Box 2010
Hobbs, New Mexico 88240

✓ CoQuina Oil Corporation
P.O. Drawer 2960
Midland, Texas 79701

Holly Energy
2001 Bryan Tower
Suite 2680
Bryan Street
Dallas, Texas 75201

Monsanto Oil Company
1330 Midland National
Bank Tower
Midland, Texas 79701

Maralo, Inc.
P.O. Box 832
Midland, Texas 79701

Gentlemen:

Attached is a copy of an application filed by Atlantic Richfield Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 1,980 feet North of the South line and 660 feet West of the East line of Section 32, Township 20 South, Range 27 East, Eddy County, New Mexico.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter, so noted, to Atlantic Richfield Company, Attention: W. T. Porter, Post Office Box 1610, Midland, Texas 79701.

Your prompt attention to this matter will be greatly appreciated.

Yours very truly,

Duncan W. Holt, Jr.
Duncan W. Holt, Jr.

DWH:pp

Attachment

Objection to the proposed
location is hereby waived.

COQUINA OIL CORPORATION

By *F. Ferrell Davis*
F. Ferrell Davis, Attorney-in-Fact

RECEIVED
AUG 01 1977
Legal Dept.



Atlantic Richfield Company

Legal Division
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4873

Duncan W. Holt, Jr.
Senior Attorney

July 22, 1977

Mr. M. R. Antweil
P.O. Box 2010
Hobbs, New Mexico 88240

CoQuina Oil Corporation
P.O. Drawer 2960
Midland, Texas 79701

Holly Energy
2001 Bryan Tower
Suite 2680
Bryan Street
Dallas, Texas 75201

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Yours very truly,

Duncan W. Holt, Jr.

Duncan W. Holt, Jr.

DWH:pp

Attachment

Objection to the proposed location is hereby waived.

MONSANTO COMPANY

By *W. T. Porter*

DATE: 8/1/77

RECEIVED

JUL 27 AM.

MIDLAND, TEXAS

✓ Monsanto Oil Company
1330 Midland National
Bank Tower
Midland, Texas 79701

Maralo, Inc.
P.O. Box 832
Midland, Texas 79701



Atlantic Richfield Company

Legal Division
Post Office Box 2819
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1330 Midland National
Bank Tower
Midland, Texas 79701

Maralo, Inc.
P.O. Box 832
Midland, Texas 79701

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If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter, so noted, to Atlantic Richfield Company, Attention: W. T. Porter, Post Office Box 1610, Midland, Texas 79701.

Your prompt attention to this matter will be greatly appreciated.

Yours very truly,

Duncan W. Holt, Jr.
Duncan W. Holt, Jr.

DWH:pp

Attachment

Objection to the proposed
location is hereby waived.

MORRIS R. ANTWEIL

By R. M. Williams

27 Jul 77



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-112
Superseded 1-1-74
Effective 1-1-75

All distances must be from the outer boundaries of the 40' zone

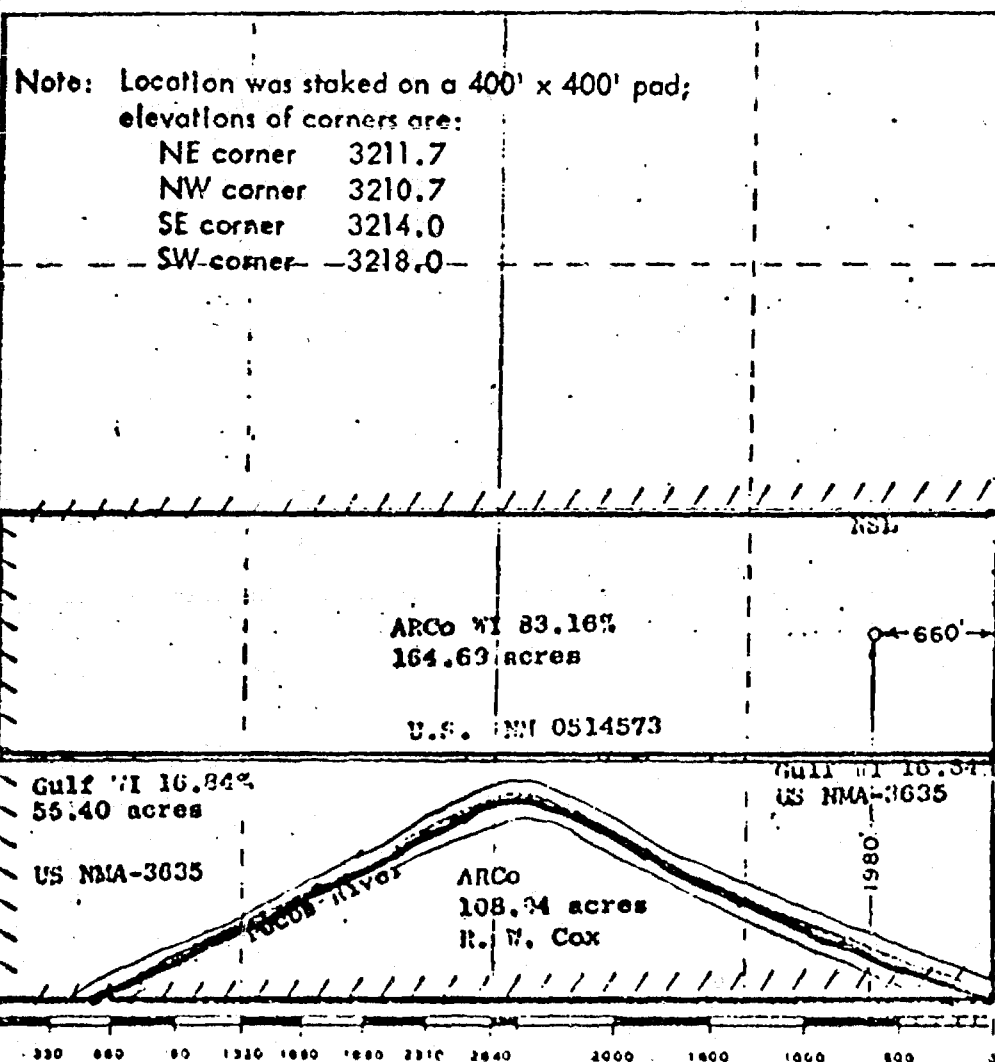
Lessor Atlantic Richfield Co.		Lessee Pecos Fed. Gas Com.		Well No. 1
Section 32	Township 20 South	Range 27 East	County Eddy	
Actual Well Location of well:				
660	feet from the East	line and 1980	feet from the South	
Ground Level Elev. 3213.7	Producing Formation Porro	Pool Avalon	329.03	Area

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty)
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☒ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

[Signature]
Dist. Mgr. Supt.

Atlantic Richfield Company

6/22/77

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief

Date Surveyed

June 10, 1977

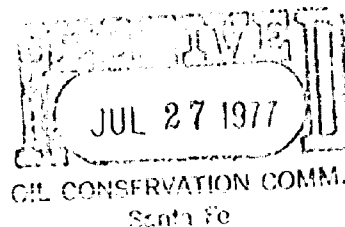
Registered Professional Engineer
and of Land Surveyors

[Signature]
676

Atlantic Richfield Company

Legal Division
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4873

Duncan W. Holt, Jr.
Senior Attorney



July 22, 1977

Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application of Atlantic Richfield Company
for an Unorthodox Well Location S/2 of
Section 32, Township 20 South, Range 27
East, Eddy County, New Mexico

Gentlemen:

Enclosed in triplicate is application of Atlantic Richfield Company in the subject matter. Approval is requested for the application.

The off-set operators are named in paragraph 6 of the application. Each has been furnished with a copy of the application.

Very truly yours,

Duncan W. Holt, Jr.
Duncan W. Holt, Jr.

DWH:pp

Enclosure

cc: Oil Conservation Commission (w/attach.)
Attention: Mr. William Gressett
Artesia, New Mexico 88210

Dockets Nos. 27-77 and 28-77 are tentatively set for hearing on August 31 and September 14, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 17, 1977

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 September, 1977, from fifteen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for September, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6001: (Continued from August 3, 1977, Examiner Hearing)

Application of Mesa Petroleum Co. for an exception to Order No. R-5459, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Order No. R-5459 to exclude its Primo Well No. 1-A located in Unit D of Section 6, Township 31 North, Range 10 West, San Juan County, New Mexico, from the vertical limits of the Blanco-Mesaverde Pool as defined by said order.

CASE 6007: Application of Gulf Energy and Minerals Company for a non-standard proration unit, simultaneous dedication and unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 600-acre non-standard proration unit comprising all of Section 4 except the NE/4 NW/4 thereof, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its J. F. Janda Wells Nos. 7 located in Unit K and Nos. 12 and 13, at unorthodox locations in Units O and P, respectively, of said Section 4.

CASE 6008: Application of Texaco Inc. for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Central Vacuum Unit Area, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, by the injection of water into the Grayburg-San Andres formation through 55 wells.

CASE 6009: Application of Morris R. Antwell for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 29, Township 18 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 5992: (Readvertised)

Application of Burleson & Huff for compulsory pooling, a non-standard unit, and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 NW/4 of Section 14, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to form a non-standard 40-acre gas proration unit to be dedicated to applicant's Cooper Well No. 1 at an unorthodox location 2310 feet from the North and West lines of said Section 14, or in the alternative to drill another well at a standard location. Also to be considered will be the cost of recompletion or of drilling and completing the unit 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 recompleting or drilling said well.

CASE 6010: Application of Manana Gas Inc. for compulsory pooling and an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 13, Township 30 North, Range 12 West, Basin-Dakota Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 840 feet from the South line and 1400 feet from the West line of said Section 13. 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 6011: Application of Tenneco Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco Mesaverde and Basin Dakota production in the wellbores of its Jicarilla "A" Well No. 1 in Unit I of Section 18, "B" Well No. 8 in Unit P of Section 15, "C" Wells Nos. 4, 5, 6, 7, and 8, located, respectively, in Units F and I of Section 24, F of Section 14, and M and E of Section 13, all in Township 26 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 6012: Application of Tenneco Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Strawn formation through the perforated interval from 11,174 feet to 11,236 feet in its Jones Federal Well No. 1, located in Unit K of Section 23, Township 19 South, Range 31 East, Eddy County, New Mexico.
- CASE 6013: Application of HNG 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 the S/2 of Section 9, Township 24 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 6014: Application of Atlantic Richfield Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1980 feet from the South line and 330 feet from the West line of Section 6, Township 21 South, Range 27 East, Burton Flat-Morrow Gas Pool, Eddy County, New Mexico, the W/2 of said Section 6 to be dedicated to the well.
- CASE 6015: Application of Atlantic Richfield Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1980 feet from the South line and 660 feet from the East line of Section 32, Township 20 South, Range 27 East, Avalon-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 32 to be dedicated to the well.

JUL 27 1977

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

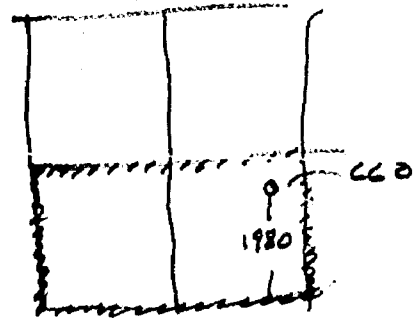
Application of Atlantic Richfield Company
for an Unorthodox Gas Well Location,
Eddy County, New Mexico. Applicant seeks
approval of an Unorthodox Gas Well Location
1,980 feet North of the South Line and 660
feet West of the East Line of Section 32,
Township 20 South, Range 27 East to Test
the Morrow Zone of Pennsylvanian age and the
Dedication to said well of the South-Half
(S/2) of said Section 32.

Case 6015

Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

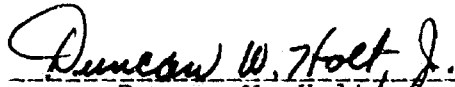
Comes Atlantic Richfield Company, acting by and
through, the undersigned attorney, and hereby makes application
for approval for an unorthodox gas well location. Said location
is 1,980 feet North of the South line and 660 feet West of the
East line of Section 32, Township 20 South, Range 27 East, Eddy
County, New Mexico, said well to be projected to approximately
11,000 feet to test the Morrow Zone of Pennsylvanian age, and
the dedication to said well of the South-Half (S/2) of said
Section 32. In support of this application, the Applicant
respectfully shows:

1. Statewide Rule 104 specifies that an orthodox
well location will be 1,980 feet from the nearest end boundary
and 660 feet from the nearest side boundary.
2. Applicant believes that the proposed unorthodox
location is the most strategic position to obtain production
from the Morrow Zone of Pennsylvanian age.
3. The South-Half (S/2) of said Section 32 is
covered by oil and gas leaseholds owned by the Applicant,
and Gulf Energy & Minerals Company-USA. The proposed well
will be designated as Pecos Federal Gas Com Well No. 1.
4. It is believed that the granting of this
application is justified in the interest of conservation,
prevention of waste and the protection of correlative rights.
5. Attached hereto is a plat showing the ownership
of all leases offsetting the spacing unit for which the
unorthodox location is sought and also all wells completed
thereon.
6. The offset operators are M. R. Antweil, whose
address is P.O. Box 2010, Hobbs, New Mexico 88240; CoQuina
Oil Corporation, whose address is P.O. Drawer 2960, Midland,
Texas 79701; Holly Energy, whose address is 2001 Bryan
Tower-Suite 2680, Bryan St., Dallas, Texas 75201; Monsanto
Oil Company, whose address is 1330 Midland National Bank
Tower, Midland, Texas 79701 and Maralo, Inc., whose address
is P.O. Box 832, Midland, Texas 79701, all of which have been
sent copies of the application.



WHEREFORE, Applicant prays that notice be issued on this application as required by law; that the application be set for hearing before an Examiner at Santa Fe, New Mexico at the earliest convenient date and after hearing, a special order be entered approving the application for said unorthodox location.

Respectfully submitted,



Duncan W. Holt, Jr.
Post Office Box 2819
Dallas, Texas 75221

214-651-4873

Clarence E. Hinkle
Hinkle, Bondurant, Cox & Eaton
Post Office Box 10
Roswell, New Mexico 88201

ATTORNEYS FOR APPLICANT
ATLANTIC RICHFIELD COMPANY

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-132
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Lessee Atlantic Richfield Co.		Lessor Pecos Fed. Gas Com.	
Unit Letter J	Section 32	Township 20 South	Range 27 East
Actual Well Location of Well: 660		County Eddy	
Ground Level Elev. 3213.7	Producing Formation Porro	Pool Avalon	Section 329.03

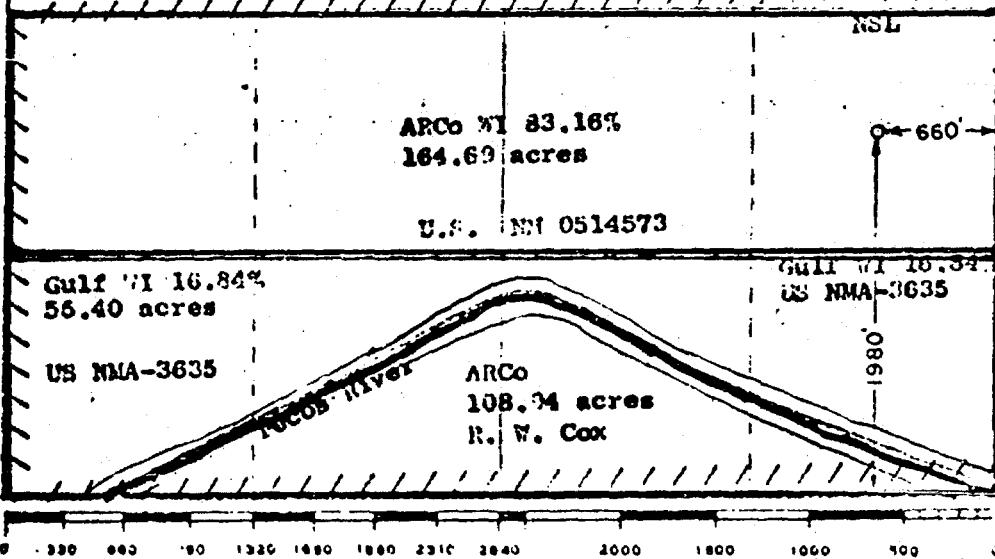
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty)
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☒ No If answer is "yes" type of consolidation _____

If answer is "yes" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

Note: Location was staked on a 400' x 400' pad;
elevations of corners are:
NE corner 3211.7
NW corner 3210.7
SE corner 3214.0
SW corner 3218.0



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Dist. Eng. Supt.

Atlantic Richfield Company

6/22/77

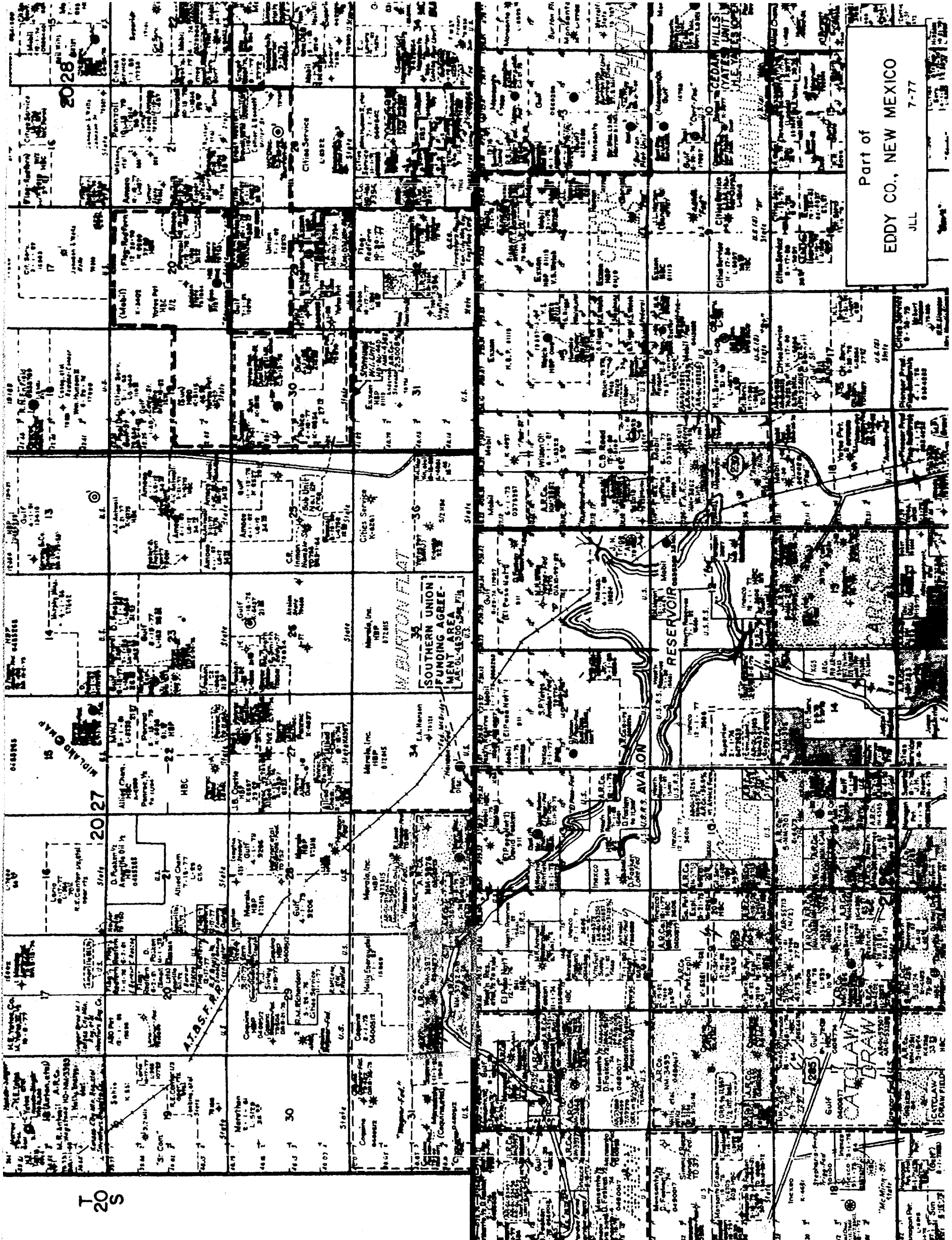
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief

Date Surveyed

June 10, 1977

Registered Professional Engineer and Land Surveyor

John W. West
676



Part of
EDDY CO., NEW MEXICO
JLL 7-77

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. 6015

Order No. R- 5520

APPLICATION OF ATLANTIC RICHFIELD COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 17, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of August, 1977, 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, Atlantic Richfield Company, seeks
approval of an unorthodox gas well location 1980 feet from the South
line and 660 feet from the East line of Section 32, Township
20 South, Range 27 East, NMPM, to test the
Morrow formation, Avalon-Morrow Gas Pool,
Eddy County, New Mexico.

(3) That the S/2 of said Section 32 is to be dedicated to the
well.

(4) That a well at said unorthodox location will better enable
applicant to produce the gas underlying the proration unit.

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

-2-

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 1980 feet from the South line and 660 feet from the East line of Section 32, Township 20 South, Range 27 East NMPM, Avalon-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 32 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.

