

CASE 6305: FLAG-REDFERN OIL CO. FOR TWO
UNORTHODOX LOCATIONS AND TWO NON-STANDARD
OIL PRORATION UNITS, ROOSEVELT COUNTY

CASE NO.

6305

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
30 August 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Flag-Redfern Oil Company
for two unorthodox locations and two
non-standard oil proration units,
Roosevelt County, New Mexico.

CASE
6305

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Tom Kellahin, Esq.
KELLAHIN & FOX
500 Don Gaspar
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 838-3404
Santa Fe, New Mexico 87501

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I N D E X

STEVE ROSSLER

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1 MR. NUTTER: Call Case Number 6305.

2 MS. TESCHENDORF: Case 6305. Application of
3 Flag-Redfern Oil Company for two unorthodox locations and
4 two non-standard oil proration units, Roosevelt County,
5 New Mexico.

6 MR. KELLAHIN: Tom Kellahin of Kellahin and Fox,
7 Santa Fe, appearing on behalf of the Applicant and I have
8 one witness.

9 (Witness sworn.)

10
11 STEVE ROSSLER
12 being called as a witness and having been duly sworn upon
13 his oath, testified as follows, to-wit:

14
15 DIRECT EXAMINATION

16 BY MR. KELLAHIN:

17 Q Would you please state your name, by whom you
18 are employed, and in what capacity?

19 A I'm Steve Rossler. I'm employed as a petroleum
20 engineer with Flag-Redfern Oil Company of Midland, Texas.

21 Q Mr. Rossler, have you previously testified
22 before the Oil Conservation Division and had your qualifi-
23 cations as an expert petroleum engineer accepted and made
24 a matter of record?

25 A Yes, sir, I have.

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1 Q Have you made a study of and are you familiar
2 with the facts surrounding this particular application?

3 A Yes, sir.

4 MR. KELLAHIN: We tender Mr. Rossler as an ex-
5 pert.

6 MR. NUTTER: Yes, he is.

7 Q (Mr. Kellahin continuing.) Would you please
8 refer to what I've marked as Exhibit Number One, identify
9 it, and summarize for the Examiner what Flag-Redfern is
10 seeking?

11 A Flag-Redfern is seeking to drill the Citgo State
12 No. 2 on Lot 3. It is an irregular lot in Section 16,
13 Township 8 South, Range 38 East, Roosevelt County. We de-
14 sire to drill the well at the specified dimensions as on
15 our Exhibit Number One there, and desire to include 61.14
16 acres for our proration unit.

17 Q Please identify Exhibit Number Two and explain
18 what you're seeking there.

19 A Exhibit Number Two is our application for the
20 Citgo State Well No. 3. It's somewhat similar to the No.
21 2 in the fact there that the only acreage we're dedicating
22 to this will be 60.43 acres. It is also on a irregular lot
23 there.

24 Q Let's turn to Exhibit Number Three and have you
25 explain the locations again in relation to the offsetting

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1 wells, please.

2 A. We have picked these two locations there to
3 prevent drainage from our lease. The Well No. 2 that we're
4 applying for is 1210 foot from the center line of Section
5 16. Now, the well offsetting us to the north, which is
6 Layton's Land State No. 1, is only 507 foot from that line
7 and they were granted --

8 MR. NUTTER: Are you talking about a north/south
9 line on the middle of the section?

10 A. No, sir, I'm sorry, I'm talking about an east/
11 west line of Section 16 there, the half section line.

12 MR. NUTTER: Their well is 507, according to
13 this exhibit.

14 A. Yes, sir, from the half section line there.

15 MR. NUTTER: And yours is how many, 510?

16 A. 510 foot there.

17 MR. NUTTER: Okay.

18 A. Our Well No. 2 is also 467 foot west of the
19 Texas-New Mexico state line, which is more than our north
20 offset operator but yet 467, that is legal minimum spacing
21 in Texas, so I figured with a lease that distance away
22 from the line there they wouldn't have any trouble.

23 MR. NUTTER: But they got theirs 408 from you,
24 though, didn't they?

25 A. Well, yes, sir. They're closer due to the fact

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1 that their --- their lease is bounded, of course, by the
2 state line, and also, another --- this Block Y of the PSL
3 survey line --- in other words, they don't have --- they've
4 got a long, narrow lease there and that is the only way
5 they could be permitted there.

6 MR. NUTTER: Are they in the center of the lease
7 east/west?

8 A. Yes, sir, they are.

9 MR. NUTTER: Okay.

10 Q. (Mr. Kellahin continuing.) Let me ask you
11 about the Layton No. 1 Well. That is at an unorthodox
12 location, is it not?

13 A. Yes, sir, that's correct.

14 Q. And did Layton obtain permission from the Com-
15 mission to drill that well at a non-standard location?

16 A. Yes, sir, they did; also their No. 2, which
17 is located on the same plat there.

18 Q. The No. 2 Well is located where?

19 A. No. 2 Well is located to the north of the No. 1
20 on the same Exhibit Three.

21 Q. Both of the Layton Wells then are at unorthodox
22 locations?

23 A. That's correct.

24 Q. What is the current status of the Layton No. 1
25 Well?

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1 A. The Layton No. 1 is a pumping oil well from the
2 San Andres formation and it potentialled for 167 barrels of
3 oil and 7 barrels of water per day.

4 Q. When was that taken?

5 A. This was taken in July of this year.

6 Q. What's the current status of the Amoco No. 6
7 Well to the east?

8 A. Amoco No. 6 Well, I'm not exactly sure on the
9 status of it. The well has been drilled but I'm not sure
10 of a completion on it.

11 The status of the No. 5-A, which is the well
12 directly to the south on the same Amoco Landrith lease, it
13 has been drilled and completed but I do not have the potential
14 results on it.

15 Q. But as to your No. 2 Well in the northeast
16 quarter of this quarter section, you are in each instance
17 farther away from the lease line than the offset operator?

18 A. That is correct.

19 Q. Okay. Let's refer to your Well No. 3. Please
20 refer to Well No. 3 and describe the footage locations to
21 the lease line.

22 A. Okay. Well No. 3, it is also 467 foot to the
23 west of the state line and also from the south line of the
24 Section 16 it's 810 foot, while at the same time being 510
25 foot south of the north line of Unit "O".

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1 Q The Amoco Well No. 5-A is what footage distant
2 from the New Mexico-Texas line?

3 A The Amoco 5-A is 431 foot to the east of the
4 state line.

5 Q Okay. That well is not yet completed?

6 A That well is completed, the No. 5-A there.

7 Q And it has been potentialied?

8 A It has been potentialied but I do not have the
9 results of that test.

10 Q Okay. What's your ---

11 MR. NUTTER: Did they lose the No. 5 and then
12 drill the 5-A?

13 A Yes, sir, they had a fish in the hole that they
14 couldn't recover and went ahead and got application to skid
15 over.

16 MR. NUTTER: Okay.

17 Q What's your purpose in drilling at these two
18 proposed unorthodox locations?

19 A The purpose, Flag-Redfern desires to drill these
20 two wells in those specific locations is to prevent drainage
21 from our lease to the offset operator. Also we feel that
22 this area of our lease is a better, more probable location
23 there for a greater quantity commercial San Andres oil well,
24 due to the fact that our No. 1 Well on this lease is now
25 currently pumping 3.4 barrels of oil a day and 5.3 of water.

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1 Q. What is --- where is that well?

2 A. Well No. 1 is located in Section 16, Unit "M"
3 and it is --- it is 660 from the south line and 660 from the
4 west line.

5 Q. And it's currently producing how many barrels
6 a day?

7 A. It's currently producing 3.4 oil and 5.3 water.

8 Q. What's the proration unit assigned to that well?

9 A. That's 80 acres to our Well No. 1.

10 MR. NUTTER: Which 80, Mr. Rossler?

11 A. 80 acres consist of Unit "M" and "L". Now, to
12 clarify the "L", that is also a location of our Citgo --
13 I'm sorry, of our Citgo State CO Well No. 1, which is an
14 unproductive well and it is being held for waterflood pur-
15 poses.

16 Q. By creating these two non-standard proration
17 units you will be committing acreage to those units that
18 might not otherwise be committed to a drilling unit?

19 A. That's correct.

20 Q. In your opinion, Mr. Rossler, will approval of
21 this application be in the best interests of conservation,
22 the prevention of waste, and the protection of correlative
23 rights?

24 A. Yes, sir.

25 Q. And were Exhibits One through Three prepared by

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1 you directly or under your direction and supervision?

2 A. Yes, sir, they were.

3 MR. KELLAHIN: We tender Exhibits One through
4 Three.

5 MR. NUTTER: Applicant's Exhibits One through
6 Three will be admitted in evidence.

7

8 CROSS EXAMINATION

9 BY MR. NUTTER:

10 Q And then, Mr. Rossler, what you would do, you
11 would dedicate to the northernmost well, your No. 2, you
12 would dedicate Unit "K" and partial "J"?

13 A. Yes, sir, that's correct.

14 Q And you have a 61.14 acre unit.

15 A. Yes, sir, that's correct.

16 Q And then to the southernmost well, the No. 3,
17 you'd dedicate Unit "M" and partial Unit "O" and have a
18 60.43 acre unit.

19 A. Yes, sir that's correct.

20 Q Okay.

21 MR. NUTTER: Are there any further questions for
22 Mr. Rossler? He may be excused.

23 Do you anything further, Mr. Kellahin?

24 MR. KELLAHIN: No, sir.

25 MR. NUTTER: Does anyone have anything they

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Santa Fe, New Mexico 87501

1 wish to offer in Case Number 6305?

2 We'll take the case under advisement.

3 (Hearing concluded.)

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730 Bishop's Lodge Road • Phone (505) 188-3404
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

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I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill from my notes taken at the time of the hearing.

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CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 888-3404
Santa Fe, New Mexico 87501

Sally Walton Boyd CSR

Sally Walton Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6305 heard by me on 8/30 1978.

[Signature], Examiner
Oil Conservation Division



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

September 8, 1978

POST OFFICE BOX 2008
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

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

Re: CASE NO. 6305
ORDER NO. R-5798

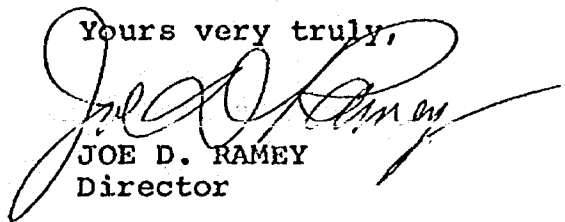
Applicant:

Flag-Redfern Oil Company

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC _____

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6305
Order No. R-5798

APPLICATION OF FLAG-REDFERN OIL
COMPANY FOR TWO UNORTHODOX LOCATIONS
AND TWO NON-STANDARD OIL PRORATION
UNITS, ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 30, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of September, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Flag-Redfern Oil Company, seeks approval of a 61.14-acre non-standard proration unit comprising Unit K and Lot 3 of Section 16, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, to be dedicated to a well to be drilled 2130 feet from the South line and 467 feet from the East line of said Section 16; and a 60.43-acre non-standard proration unit comprising Unit N and Lot 4 of said Section 16 to be dedicated to a well to be drilled 810 feet from the South line and 467 feet from the East line of the section.

(3) That wells at said unorthodox locations will better enable applicant to produce the oil underlying each of the above-described proration units.

-2-

Case No. 6305
Order No. R-5798

(4) That no offset operator objected to the proposed unorthodox locations nor to the proposed proration units.

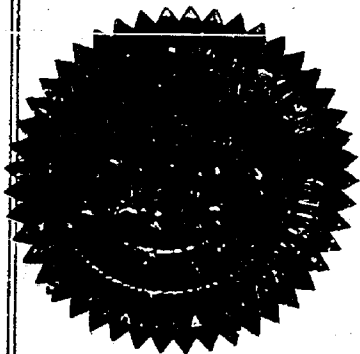
(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive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

IT IS THEREFORE ORDERED:

(1) That a 61.14-acre non-standard proration unit comprising Unit K and Lot 3 of Section 16, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, is hereby approved to be dedicated to a well to be drilled at an unorthodox location 2130 feet from the South line and 467 feet from the East line of said Section 16; and a 60.43-acre non-standard proration unit comprising Unit N and Lot 4 of said Section 16 is hereby approved to be dedicated to a well to be drilled at an unorthodox location 810 feet from the South line and 467 feet from the East line of the section.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

dr/



Flag-Redfern Oil Company

1200 WALL TOWERS WEST • MIDLAND TEXAS 79701 • PHONE (915) 683-5184

Mailing address:
P. O. Box 23
Midland, Texas 79702

August 10, 1978

File:

New Mexico Oil Conservation Commission
State Land Office Bldg.
Box 2088
Sante Fe, New Mexico 87501

Attn: Mr. D. S. Nutter - Chief Engineer

Request for Hearing
Irregular Locations
Citgo State Wells #2 & #3
Unit Letters J & O, Section 16, T-8-S,
R-38-E, Roosevelt County, New Mexico

Dear Mr. Nutter,

Flag-Redfern Oil Company hereby requests a hearing for the permitting of the above captioned wells.

We desire to drill the Citgo State Well #2 at a location 2130' FSL and 2873' FWL of Section 16. This location is also 510' FNL and 233' FWL of Unit Letter J. The location is 467' from the New Mexico - Texas state line. The dedicated acreage will be 61.14 acres and will comprise of all of Lot 3 (an irregular 21.14 acre Unit) and all of Unit Letter K (a standard 40 acre Unit).

We desire to drill the Citgo State Well #3 at a location 810' FSL and 2850' FWL of Section 16. This location is also 510' FNL and 210' FWL of Unit Letter O. The location is 467' from the New Mexico - Texas state line. The dedicated acreage will be 60.43 acres and will comprise of all of Lot 4 (an irregular 20.43 acre Unit) and all of Unit Letter N (a standard 40 acre Unit).

Sincerely,

Steve Rossler
Petroleum Engineer

SR/dp

Ex. ?

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

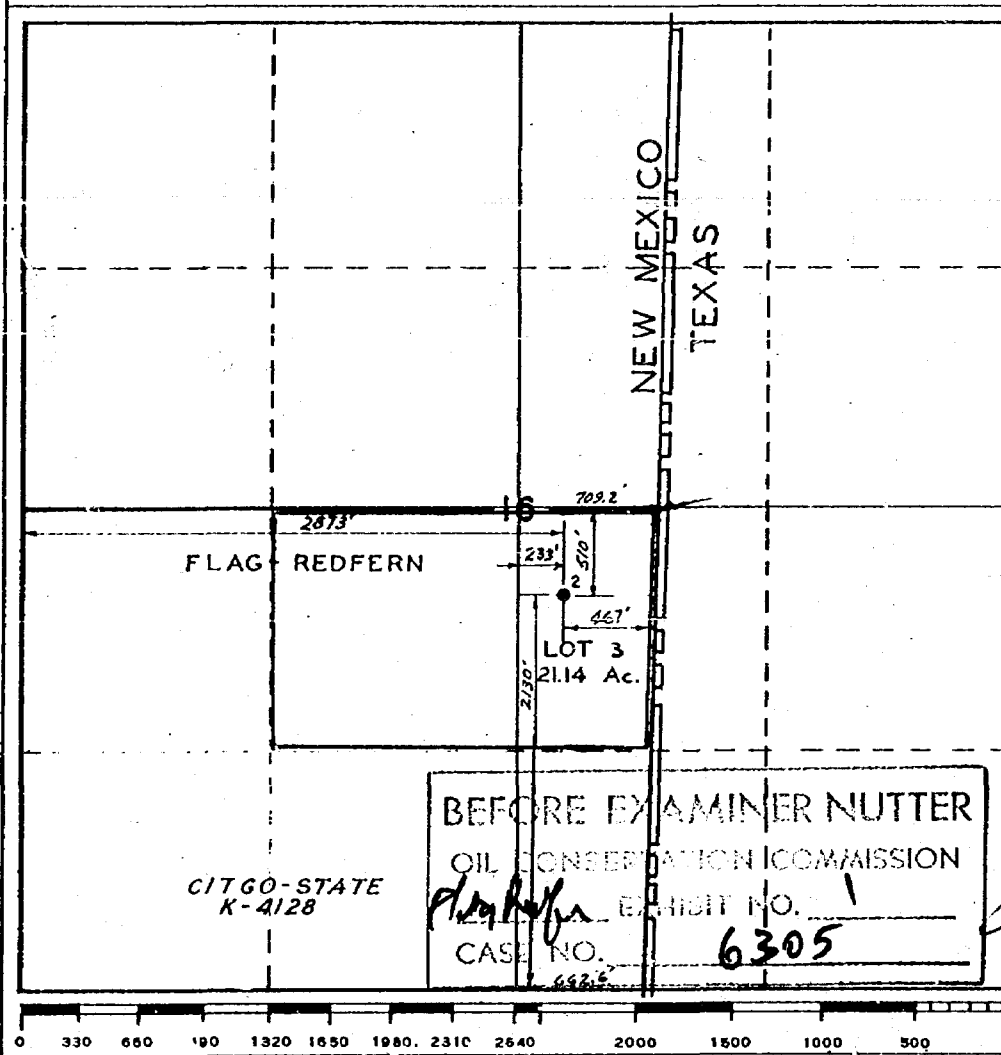
Operator Flag-Redfern Oil Company			Lease Citgo State		Well No. 2
Unit Letter J	Section 16	Township 8-S	Range 38-E	County Roosevelt	
Actual Footage Location of Well:					
2130' feet from the South line and		2873 feet from the West line			
Ground Level Elev: 3982	Producing Formation San Andres	Pool Bluitt (San Andres)	Dedicated Acreage: 61.14 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.

Steve Rossler
Name

Steve Rossler
Position

Petroleum Engineer
Company

Flag-Redfern Oil Company
Date

8-19-78

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.

Aug. 17, 1978
Date Surveyed
[Signature]
Registered Professional Engineer
and/or Land Surveyor

Certificate No. **754**

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PL...

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

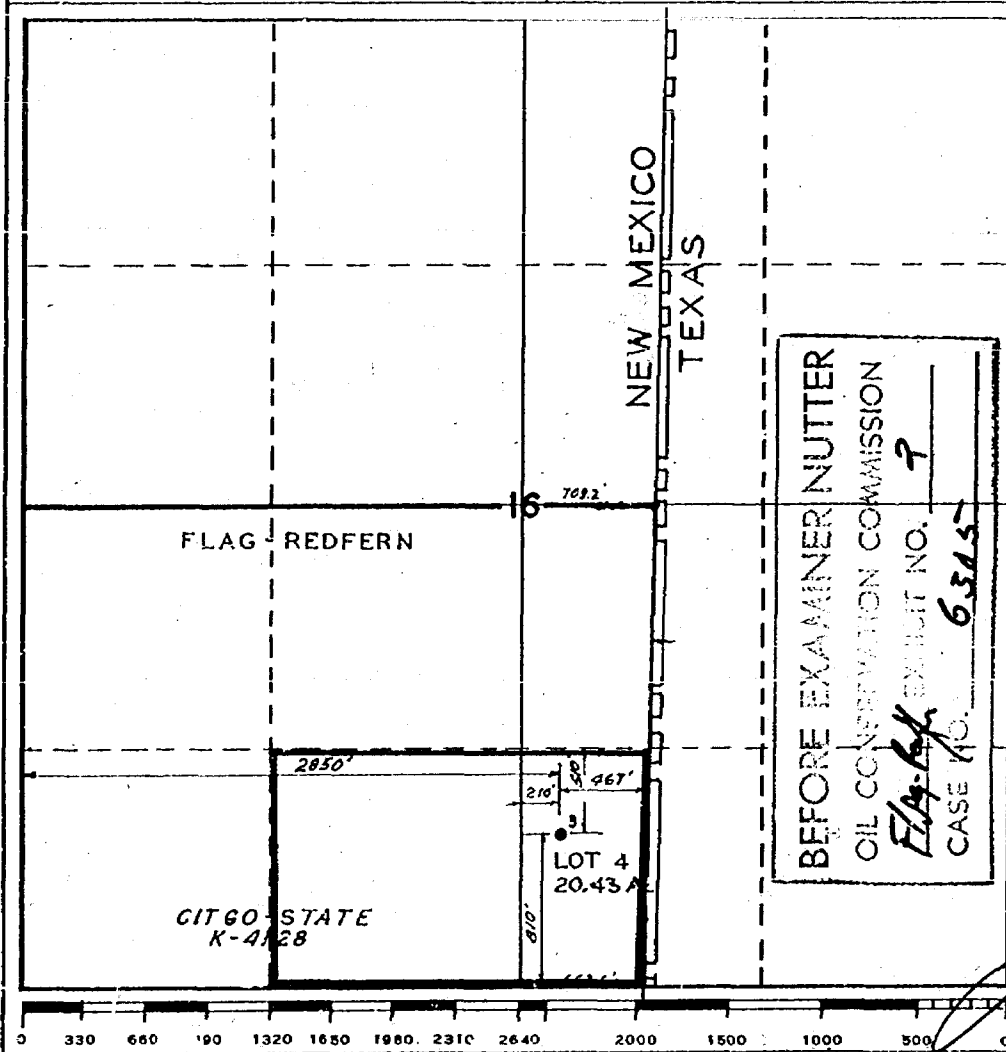
Operator Flag-Redfern Oil Company			Lease Citgo State		Well No. 3
Unit Letter 0	Section 16	Township 8-S	Range 38-E	County Roosevelt	
Actual Footage Location of Well:					
810' feet from the South line and		2850' feet from the West line			
Ground Level Elev. 3977	Producing Formation San Andres	Pool Bluitt (San Andres)		Dedicated Acreage: 60.43 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.

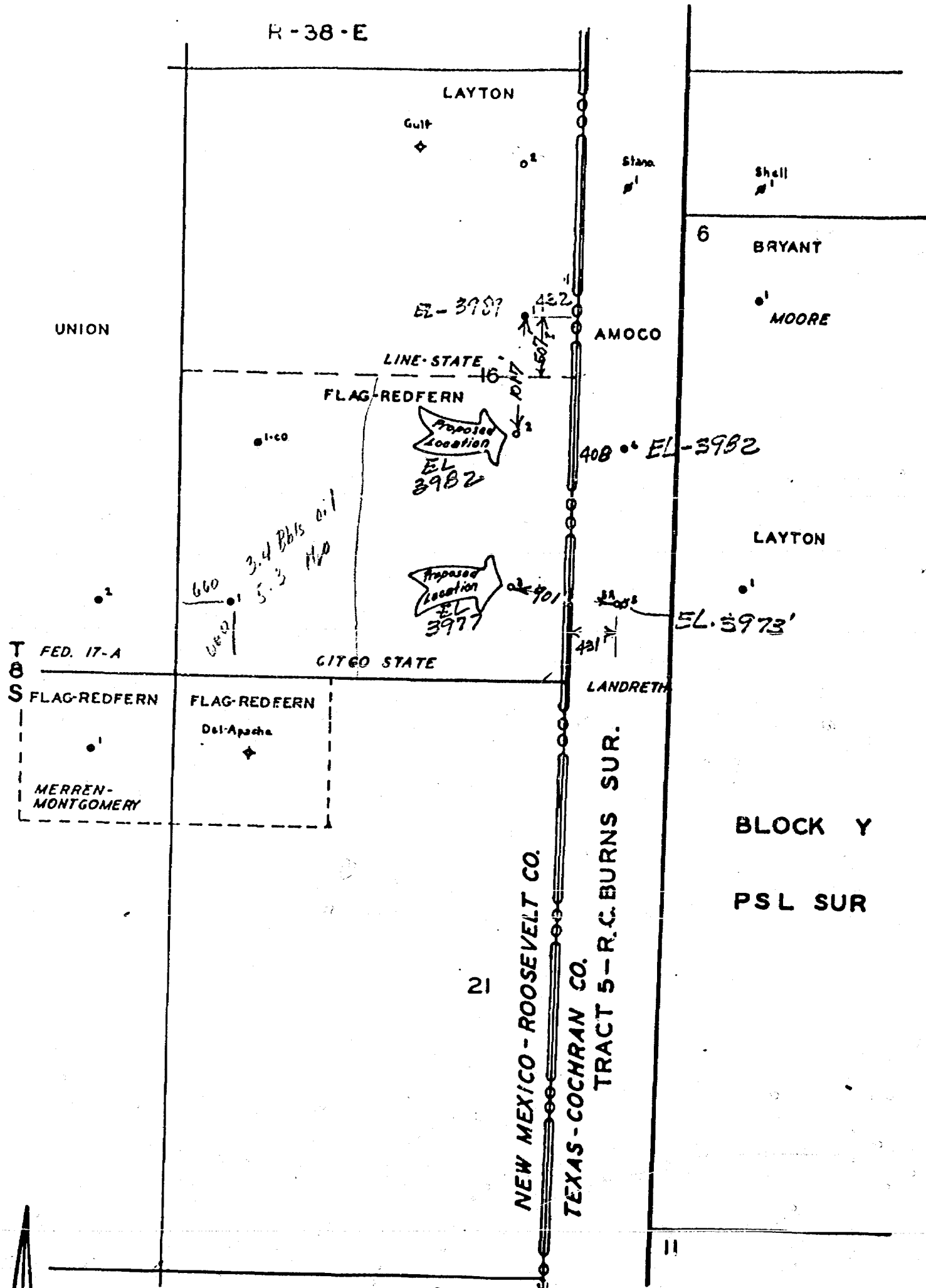
Steve Rossler

Name
Steve Rossler
Position
Petroleum Engineer
Company
Flag-Redfern Oil Company
Date
8-19-78

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
Aug. 17, 1978
Registered Professional Engineer and/or Land Surveyor
[Signature]
Certificate No.
754

R-38-E



BEFORE EXAMINER MUTTER
 OIL CONSERVATION COMMISSION
 Flag-Redfern EXHIBIT NO. 3
 CASE NO. 6305

Flag-Redfern Oil Company
 BLUITT SAN ANDRES AREA
 ROOSEVELT CO., NEW MEXICO - COCHRAN CO., TEXAS

SCALE: 1"=1000'

Dockets Nos. 29-78 and 30-78 are tentatively set for hearing on September 13 and 27, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 30, 1978

9 A.M. - OIL CONSERVATION DIVISION 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:

- CASE 6298: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 1105 of the Division Rules and Regulations to require the filing of two copies of all well logs instead of one.
- CASE 6312: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Order No. R-1670-T, Rule 2(A), Blanco Mesaverde Pool, San Juan and Rio Arriba Counties, New Mexico, to provide that the initial well drilled on a proration unit shall be located not closer than 790 feet to any outer boundary of the quarter section on which the well is located, and not closer than 130 feet to any quarter-quarter section or subdivision inner boundary.
- CASE 6299: Application of Wm. G. Ross for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause seeks approval for its South Lea Unit Area comprising 1,753 acres, more or less, of state land in Township 21 South, Range 34 East, Lea County, New Mexico.
- CASE 6300: Application of The Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Atoka and Morrow production in the wellbore of its Parkway West Unit Well No. 1, located in Unit C of Section 28, Township 19 South, Range 29 East, Parkway West (Atoka) Field, Eddy County, New Mexico.
- CASE 6301: Application of The Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Strawn and Morrow production in the wellbore of its Superior Federal Well No. 4, located in Unit I of Section 5, Township 20 South, Range 29 East, East Burton Plat Field, Eddy County, New Mexico.
- CASE 6302: Application of Amoco Production 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 N/2 of Section 25, Township 23 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 6303: Application of Texas Oil & Gas Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Indian Hills State Com. Well No. 2 to be drilled 660 feet from the South line and 660 feet from the East line of Section 36, Township 20 South, Range 24 East, Eddy County, New Mexico, to test the Morrow formation, the S/2 of said Section 36 to be dedicated to the well.
- CASE 6304: Application of Doyle Hartman for compulsory pooling and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the S/2 NE/4 of Section 26, Township 24 South, Range 36 East, Lea County, New Mexico, to form an 80-acre non-standard proration unit 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 6305: Application of Flag-Redfern Oil Company for two unorthodox locations and two non-standard oil proration units, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 61.14-acre non-standard unit comprising Unit K and Lot 3 of Section 16, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, to be dedicated to a well to be drilled 2130 feet from the South line and 2873 feet from the West line of said Section 16; also a 60.43-acre unit comprising Unit N and Lot 4 of said Section 16 to be dedicated to a well to be drilled 810 feet from the South line and 2850 feet from the West line of the section.
- CASE 6306: Application of Texaco Inc. for an unorthodox location, permission to inject water, and directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Central Vacuum Unit Well No. 139 to be located 85 feet from the South line and 958 feet from the East line of Section 36, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, and directionally drilled to a 100' square bottom hole target location with the center of the target being 60 feet from the South line and 1310 feet from the East line of said Section 36, and approval to inject water into the San Andres formation in said well.

- CASE 6307: Application of Exxon Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Drinkard and Wantz-Kho production in the wellbore of its F. F. Hardison B Well No. 10, located in Unit A of Section 34, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 6308: Application of Petroleum Corporation of Texas for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 8, Township 8 South, Range 37 East, Roosevelt 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 6309: Application of Southland Royalty Company for an exception to Rule 2(A) of Order No. R-1670, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(A) of Order No. R-1670, as amended, for the Blanco Mesaverde Pool to approve the unorthodox locations of its Jicarilla 468 Well No. 1, located in the NW/4 of Section 32, Township 28 North, Range 3 West and its Jicarilla 446 Well No. 1, located in the SE/4 of Section 8, Township 27 North, Range 3 West, Rio Arriba County, New Mexico, as off-pattern wells in said pool.
- CASE 6310: Application of Southland Royalty Company for an exception to Rule 2(A) of Order No. R-1670, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(A) of Order No. R-1670, as amended, for the Blanco Mesaverde Pool to approve the unorthodox location of its Jicarilla 101 Well No. 7, to be located in the SE/4 SE/4 of Section 12, Township 27 North, Range 4 West, Rio Arriba County, New Mexico, as an off-pattern well in said pool.
- CASE 6311: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Rio Arriba, Sandoval, and San Juan Counties, New Mexico:

(a) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Nacimiento production and designated as the Arch-Nacimiento Pool. The discovery well is El Paso Natural Gas Company San Juan 32-9 Unit Well No. 84 located in Unit N of Section 14, Township 31 North, Range 10 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM
Section 14: SW/4

(b) EXTEND the Blanco Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM
Section 5: SE/4

(c) EXTEND the Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM
Section 35: SE/4
Section 36: S/2

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 32: NE/4 and S/2

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM
Section 30: N/2

TOWNSHIP 32 NORTH, RANGE 12 WEST, NMPM
Section 24: E/2
Section 25: S/2
Section 26: SE/4
Section 36: N/2

(d) EXTEND the South Blanco-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM
Section 3: SW/4
Section 4: S/2
Section 10: N/2
Section 11: NW/4

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
Section 2: SE/4
Section 11: NE/4

- (e) EXTEND the Cha Cha-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM
Section 25: W/2 NW/4

- (f) EXTEND the Chacon-Dakota Associated Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 3 WEST, NMPM
Section 2: W/2

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM
Section 4: NE/4
Section 27: W/2
Section 28: E/2
Section 34: NW/4 and SE/4
Section 35: SW/4

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
Section 29: SW/4
Section 30: S/2 (partial)
Section 31: NW/4 (partial)
Section 32: E/2
Section 33: W/2 and SE/4

- (g) EXTEND the Choza Mesa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM
Section 15: N/2 and SW/4
Section 22: W/2

- (h) EXTEND the Dufers Point Gallup-Dakota Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 9 WEST, NMPM
Section 12: E/2

- (i) EXTEND the South Gallegos-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 14: NE/4

- (j) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 1: N/2

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 30: SE/4
Section 32: SW/4

- (k) EXTEND the Mount Nebo-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM
Section 28: S/2
Section 33: NW/4

- (l) EXTEND the Otero-Chacra Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
Section 18: N/2

(m) EXTEND the Rusty-Chacra Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM
Section 24: SE/4
Section 27: NE/4

(n) EXTEND the Tapacito-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 2: NW/4

(o) EXTEND the Tocito Dome-Pennsylvanian D Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 18 WEST, NMPM
Section 14: SW/4
Section 23: W/2

(p) EXTEND the WAW-Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 2: NE/4
Section 4: All
Section 5: SE/4

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 27: SW/4

Docket No. 27-78

DOCKET: COMMISSION HEARING - WEDNESDAY - AUGUST 23, 1978

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6289: (Continued from August 9, 1978, Commission Hearing)

Application of Bill Taylor for enforcement and amendment of Order No. R-5332, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination of well costs, an accounting of expenditures and costs withheld from production, and the amendment of Order No. R-5332 to remove the present operator of the pooled proration unit comprising the N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, and designate another operator for said unit.

CASE 6222: (Rehearing) (Continued from August 9, 1978, Commission Hearing)

Application of Paul Hamilton for salt water disposal well shut-in, Lea County, New Mexico. Upon application of Paul Hamilton there will be a rehearing of Case No. 6222, Order No. R-5753. This case involves the application of Paul Hamilton for an order shutting down salt water disposal operations in the Texaco, Inc., New Mexico State "BO" SWD Well No. 3, located in Unit D of Section 24, Township 11 South, Range 32 East, Moore-Devonian Pool, Lea County, New Mexico. Pursuant to Commission Order No. R-5753-A, evidence at said rehearing shall be limited to evidence relating to data regarding water quality and water level obtained from an observation well completed next to the aforesaid SWD Well No. 3, and to other new evidence unavailable at the time of the original hearing of this case on May 31, 1978.



Flag-Redfern Oil Company

1200 WALL TOWERS WEST • MIDLAND, TEXAS 79701 • PHONE (915) 683-5184

Case 6305

Mailing address:
P. O. Box 23
Midland, Texas 79702

August 10, 1978

File:

New Mexico Oil Conservation Commission
State Land Office Bldg.
Box 2088
Sante Fe, New Mexico 87501

Attn: Mr. D. S. Nutter - Chief Engineer

AUG 14 1978

Santa Fe

Request for Hearing
Irregular Locations
Citgo State Wells #2 & #3
Unit Letters J & O, Section 16, T-8-S,
R-38-E, Roosevelt County, New Mexico

Dear Mr. Nutter,

Flag-Redfern Oil Company hereby requests a hearing for the permitting of the above captioned wells.

We desire to drill the Citgo State Well #2 at a location 2130' FSL and 2873' FWL of Section 16. This location is also 510' FNL and 233' FWL of Unit Letter J. The location is 467' from the New Mexico - Texas state line. The dedicated acreage will be 61.14 acres and will comprise of all of Lot 3 (an irregular 21.14 acre Unit) and all of Unit Letter K (a standard 40 acre Unit).

We desire to drill the Citgo State Well #3 at a location 810' FSL and 2850' FWL of Section 16. This location is also 510' FNL and 210' FWL of Unit Letter O. The location is 467' from the New Mexico - Texas state line. The dedicated acreage will be 60.43 acres and will comprise of all of Lot 4 (an irregular 20.43 acre Unit) and all of Unit Letter N (a standard 40 acre Unit).

Sincerely,

Steve Rossler
Petroleum Engineer

SR/dp

Application of Flag-Kedfern
Oil Company, for two non-standard
locations and two non-standard
oil production units, Roosevelt County,
New Mexico

Applicant, in the above-styled case,
needs approval of a 61.14-acre
non standard unit comprising Unit K
and Lot 3 ~~and 4~~ of Section 16, Township
8 South, Range 38 East, Blaine - San
Andrew Associated Pool, Roosevelt County,
New Mexico to be dedicated to a well
to be drilled 2130 feet from the south
line and 2873 feet from the west line
of said Section 16; also a 60.43-acre
unit comprising Unit N and Lot 4 of
said Section 16 to be dedicated to a well to
be drilled 810 feet from the South
line and 2850 feet from the west line
of the section.

Called in by Steve Rosler of Flag-Ked-
fern.
Tel. No. 915 683-5184

Written appl to follow.

Steve Rossler
Flag. Redfern

915 - 683 - 5184

15-8-38

2 lots

77

Application of Flag-Redfern
Oil Company

City State No. 2

510' FNL of Unit Keller J

467' FEL of

2130' FSL

Sec 16 - 85 - 38E

2873' FWL

Proceeds

Lot 3 21.14 ac.

18.86 of K

City State No 3

810' FSL

Sec 16 - 85 - 38E

2850' FWL

Unit Keller O 20.43 ac.

N 19.57

Aug 30th

102.55

D 40	C 40	2/20
E 40	F 40	G 0.450
L 40	K 40	J 21.14
M 40	N 40	20.43 0

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

RL

LS

CASE NO. 6305

Order No. R- 5798

APPLICATION OF FLAG-REDFERN OIL
COMPANY FOR TWO UNORTHODOX LOCATIONS
AND TWO NON-STANDARD OIL PRORATION
UNITS, ROOSEVELT COUNTY, NEW MEXICO.

Don

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 30, 1978,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of ~~August~~ ^{Sept.}, 1978, the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Flag-Redfern Oil Company, seeks
approval of a 61.14-acre non-standard ^{proration} unit comprising Unit K and
Lot 3 of Section 16, Township 8 South, Range 38 East, Bluitt-
San Andres Associated Pool, Roosevelt County, New Mexico, to be
dedicated to a well to be drilled 2130 feet from the South line
and ~~2073~~ ⁴⁶⁷ feet from the ~~west~~ ^{East} line of said Section 16; and a
~~nonstandard~~ ^{proration} 60.43-acre unit comprising Unit N and Lot 4 of said Section 16

to be dedicated to a well to be drilled 810 feet from the South line and ⁴⁶⁷~~2850~~ feet from the ^{East}~~West~~ line of the section.

~~(3) That the _____ of said Section _____ is to be dedicated to the wells.~~

(3) That wells at said unorthodox locations will better enable applicant to produce the oil underlying ^{each of the above-described} ~~the~~ proration units.

~~(4)~~ (4) That no offset operator objected to the proposed unorthodox locations ^{nor to the proposed proration units.}

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil 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 a 61.14-acre non-standard ^{proration} unit comprising Unit K and Lot 3 of Section 16, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, is hereby approved to be dedicated to a well to be drilled at an unorthodox location 2130 feet from the South line and ⁴⁶⁷~~2873~~ feet from the ^{East}~~West~~ line of said Section 16; and a 60.43-acre ^{nonstandard proration} unit comprising Unit N and Lot 4 of said Section 16 is hereby approved to be dedicated to a well to be drilled at an unorthodox location 810 feet from the South line and ⁴⁶⁷~~2850~~ feet from the ^{East}~~West~~ line of the section.

~~(2) That the _____ of said Section _____ shall be dedicated to the above-described wells.~~

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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