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

-4

CASE NO.

6305

APPliCation, Transcripts, Small Exhibits,

ETC.





Page <u>3</u>

MP. NUTTER: Call Case Number 6305.

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

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

(Witness sworn.)

### STEVE ROSSLER

being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

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SALLY WALTON BOY

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

A. I'm Steve Rossler. I'm employed as a petroleum engineer with Flag-Redfern Oil Company of Midland, Texas.
 Q. Mr. Rossler, have you previously testified before the Oil Conservation Division and had your qualifications as an expert petroleum engineer accepted and made a matter of record?

Yes, sir, I have.

Q Have you made a study of and are you familiar
with the facts surrounding this particular application?
A Yes, sir.

Page

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

MR. NUTTER: Yes, he is. Q. (Mr. Kellahin continuing.) Mould you please refer to what I've marked as Exhibit Number One, identify it, and summarize for the Examiner what Flag-Redfern is seeking?

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

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

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

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

SALLY WALTON BOYD CERTIFIED SHORTHAND REPORTER Shop's Lodge Road + Phone (505) 888-3 Santa Fe, New Mexico 87501

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wells, please.

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

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

A. No, sir, I'm sorry, I'm talking about an east, west line of Section 16 there, the half section line. MR. NUTTER: Their well is 507, according to

this exhibit.

A. Yes, sir, from the half section line there.
MR. NUTTER: And yours is how many, 510?
A. 510 foot there.

510 1000 010101

MR. NUTTER: Okay.

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

MR. NUTTER: But they got the irs 408 from you, though, didn't they?

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

SALLY WALTON BOYD CERTIFIED SHORTHAND REPOITTER Bishop's Lodge Road • Phone (502) 989-3404 Santa Fe, New Mexico 8750 that their --- their lease is bounded, of course, by the state line, and also, another --- this Block Y of the PSL survey line --- in other words, they don't have --- they've got a long, narrow lease there and that is the only way they could be permitted there.

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

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Page

Yes, sir, they are.

MR. NUTTER: Okay.

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

A. Yes, sir, that's correct.

And did Layton obtain permission from the Commission to drill that well at a non-standard location?
A. Yes, sir, they did; also their No. 2, which is located on the same plat there.

Q. The No. 2 Well is located where?

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

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

A. That's correct.

What is the current status of the Layton No. 1

We11?

Q.

SALLY WALTON BOYD CERTFIED SHORTHAND REPORTE CERTFIED SHORTHAND REPORTE 20 Eitshop's Lodge Road • Phone (505) % Sarta Fe, New Mexico 87501 2

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A.

7 Page The Layton No. 1 is a pumping oil well from the E. San Andres formation and it potentialed for 167 barrels of 2 3 oil and 7 barrels of water per day. 0. When was that taken? A, This was taken in July of this year. What's the current status of the Amoco No. 6 6 0, Well to the east? 7 Amoco No. 6 Well, I'm not exactly sure on the A. 8 status of it. The well has been drilled but I'm not sure 9 of a completion on it. 10 11 The status of the No. 5-A, which is the well 12 directly to the south on the same Amoco Landrith lease, it has been drilled and completed but I do not have the potential 13 results on it. 14 g 0. 15 But as to your No. 2 Well in the northeast quarter of this quarter section, you are in each instance 16 farther away from the lease line than the offset operator? 17 A. That is correct. 18 Okay. Let's refer to your Well No. 3. Please 19 0. refer to Well No. 3 and describe the footage locations to 20 the lease line. 21 A. Okay. Well No. 3, it is also 467 foot to the 22 west of the state line and also from the south line of the 23 Section 16 it's 810 foot, while at the same time being 510 24

25 foot south of the north line of Unit "O".

SALLY WALTON BOYD CERTIFIED SHORTHAND REPORTER SHORTHAND: REPOR

	Page
1	Q. The Amoco Well No. 5-A is what footage distant
	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 potentialed?
8	A. It has been potentialed but I do not have the
9 5	results of that test.
	Q. Okay. What's your
O C C C C C C C C C C C C C C C C C C C	MR. NUTTER: Did they lose the No. 5 and then
The second secon	drill the 5-A?
<b>X</b> T T T T T T T T T T T T T T T T T T T	A. Yes, sir, they had a fish in the hole that they
	couldn't recover and went ahead and got application to skid
8 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 cf water.
Welling and an article and a second	" เมษาสมสัญราสิทธิการแสด และเกมส์เห็นสามสรรรการการการและเกมส์เกมส์การสาวส์เป็นสามส์เป็นสุดไม่เห็นสุดไม่สุดไม่สุดไ 

Q What is --- where is that well?
A. Well No. 1 is located in Section 16, Unit "M"
and it is --- it is 660 from the south line and 660 from the
west line.

And it's currently producing how many barrels

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It's currently producing 3.4 oil and 5.3 water. What's the proration unit assigned to that well? That's 80 acres to our Well No. 1.

MR. NUTTER: Which 80, Mr. Rossler?

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

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

A. That's correct.

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

Yes, sir.

A.

Q

And were Exhibits One through Three prepared by

SAL V WALTON BOYD CERTIFIED SHORTHAND REPORTER shop's Lodge Road • Phone (505) 888-34 Sarta Fe, New Mexico 87501 2

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a day?

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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
a 🗳	-	8	9	BY MR. NUTTER:
		<b>EORTI:R</b> EPORTI:R 87501 87501	10	And then, Mr. Rossler, what you would do, you
in <b>e a</b> n ann ann an ann an an an an an an an an		D REPO	11	would dedicate to the northernmost well, your No. 2, you
2		ALLO ORTHAN Road - P	12	would dedicate Unit "K" and partial "J"?
	3 .*	FIED SH FIED SH s Lodge I anta Fe, 1	13	A. Yes, sir, that's correct.
	CAL	CERTI Bishop': S	14	Q. And you have a 61.14 acre unit.
		230	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.
	13		23	Do you anything further, Mr. Kellahin?
	<b>**≹**</b> -> 		24	MR. KELLAHIN: No, sir.
	( <b>)</b> .		25	MR. NUTTER: Does anyone have anything they



REPORTER'S CERTIFICATE

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.

Sally Walton Boyd CSR

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Sally Walton Boyd, C.S.R.

I do hereby certify that the foregoing As a complete record of the proceedings in the Examiner hearing of Case No. 6305 heard by me on 830 1978. Oil Conservation Division

SALLY WALTON BOY CERTIFED SHORTHAND REPORTE LISHOP 5 LODGE ROAD - Phone (500) 5 Santa Fe, New Mexico 67501

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JERRY APODACA

GOVERINOR NICK FRANKLIN

SECRETARY

# STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

September 8, 1978

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POST DIFICE BOX 2008 BTATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 875:01 (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

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Dear Sir:

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

Yours very truly, n on JOE D. RAMEY Director

### JDR/fd

Copy of order also sent to:

Hobbs OCC X Artesia OCC 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, 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 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, Bluitt-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, 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

Ex. #

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,

Fleg-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

# NEW XICO OIL CONSERVATION COMMISSION

form C+102 Supersedes C+128 Effective 1-4-65

Elag-Red Cern. 011. Company.       Citigo State       Down'y         Action Provide Control Social Control Social Control Social Control Social Control Social Control Contrel Control Control Control Control Control Control Cont	Operator					1,0050	r bounderles of	The section	****	Well No.	
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Conserved synd latter:       Producting Presentation:       Proof       Builtt (San Andres)       61.14       Accounter         31282       San Andres       Builtt (San Andres)       61.14       Accounter         1. Outline the acreage dedicated to the subject well by colored pencil or hackure marks on the plat below.       1.       1.16       Accounter         2. If more than one lease of different ownership is dedicated to the well, outline each and identify the ownership thereof (both as to worki 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		•	-			•					
3782       San Andres       Bluitt (San Andres)       61.14       As         1. Gutline the acreage dedicated to the mubject well by colored pencil or bachure marks on the plat below.       1       If more than one leave is dedicated to the well, outline each and identify the ownership thereof (both as to work interest and royalty).         3. If more than one leave of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?         [] Yew       No       If answer is "no?" list the owners and tract descriptions which have actually been consolidated. (Use reverse side this form if accessary.)         No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization forced-pooling, or atherwise) or until a non-standard unit, eliminating such interests, has been approved by the Communitization.         No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, unitization, unitization, unitization, unitization, unitization, unitization, and the communitization.         No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, uniti a uniti all interests			the second s		line and	The second s	fe	et from the	West		
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FLAGREDFERN $233'$ 2 2 467' LOT 3 321.14 Ac.I hereby certify that the well locati shown on this plat was plotted from file notes of actual surveys made by me under my supervision, and that the sort is true and correct to the best of r knowledge and belief. $c/7 GO-STATEK-4128BEFORE EXAMINER NUTTEROIL CONSEFTATION ICOMMISSIONCASE NO.CASE NO.CASE NO.CASE NO.CASE NO.CASE NO.I hereby certify that the well locatishown on this plat was plotted from filenotes of actual surveys made by meunder my supervision, and that the sortis true and correct to the best of rknowledge and belief.CITGO-STATEK-4128BEFORE EXAMINER NUTTEROIL CONSEFTATION ICOM/AISSIONCASE NO.CASE NO.CASE NO.CASE NO.I hereby certify that the well locatishown on this plat was plotted from filenotes of actual surveys made by meunder my supervision, and that the sortis true and correct to the best of rknowledge and belief.$			1		709.2					8	
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# NEW CRICO OIL CONSERVATION COMMISSION

Form C+102 Supersedes C+128, Effectivo 14-65

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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 MEARING - 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:

- <u>CASE 6298</u>: 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.
- <u>CASE 6312</u> 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.
- <u>CASE 6299:</u> Application of Wm. G. Ross for a unit agreement, Lea County, New Mexico. Applicant, in the abovestyled 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.
- <u>CASE 6300:</u> 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.
- <u>CASE 6302:</u> 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.

<u>CASE 6304:</u> 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.



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 & 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 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. Page 2 of 4

Examiner Rearing - Wednesday - August 30, 1978

Docket No. 28+78

(ASE 6307: Application of Excon Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Drinkard and Wantz-Abo production in the wellhore of its F. F. Hardison & 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.

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order CASE 6311: 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 MEST, 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, MMPM Section 3: SW/4 Section 4: s/2 N/2 Section 10: Section 11: NW/4

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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, HANGE 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 NJRTH, 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:

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TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM Section 28: 5/2 Section 33: NW/4

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

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM Section 18: N/2

#### Page 4 of 4

Examiner Hearing - Wednesday - August 30, 1978

Docket No. 28-78

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

TOWNSHIP 22 NORTH, FANGE 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-Pruitland-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

AUG 1 4 1978 Santa Fe

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 0. 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,

The Rosala

Steve Rossler Petroleum Engineer

SR/dp

application of Hag-Redform Dil Company for Juss heresthoder location and two non standard oil provation mile, poorered losenty, hew megico applicant, in the acroce - ply led Cause, neeks approval of a 61.14 acre nou standard with comprising link K and Lots 3 and O & Rection 16, Township 8 South, Range 38 East, Blitt - San Andrew associated Pord porverelt County, hur They to be dedicated for a wed to be drilled 2130 feet from the south of said Section 16; also a 60.43-acre such comprising & Clerch N and hot 4 of said & Section 16 to be bedicated to a well to Lee drieled 810 feet from the South of the section. Called in by Steve Rossler of Hagkeddern. Til. no. 915 683-5184 herien appl to Joleow.

Land Coth Steve Roopler Ilag. Redfer 915 - 683 - 5184 13 - 8 - 38 2 Rot 5 5 Č 💊 77

application of Flag-Redfera Cilgo Steer No. 2 510' FNC of daich Reller J 167' FEL & 2130' FSL Dec 16-85 38E 2873' FWL Roonerel Rof 3 21.14 a.C. 18.86 of K Citgo State no 3 810'F5C Acc 16-85-38E 2850' FWC Unit Riten O 20.43 ac. N 19.57

aug 300 102.55 0 40 C 40 2/20 A 150 F E 40 40 J K. 40 40 21.14 N 40 20.43 0 M 90 

### 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:

Al

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 \_\_\_\_\_\_ day of August, 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 proration approval of a 61.14-acre non-standard 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 #67 and 2073 feet from the west line of said Section 16 and a material purchasion 60.43-acre unit comprising Unit N and Lot 4 of said Section 16

dr/

to be dedicated to a well to be drilled 810 feet from the South 4%7 Eastline and 2650 feet from the West line of the section.

(3) That the is to be dedicated to the wells.

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

\_\_of-said-Section

proration

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

(6) 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 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, is hereby approved to be dedicated to a well to be drilled at an unorthodox location 2130 feet from the South line and  $\frac{467}{2973}$  feet *East* from the Wort line of said Section 16 and a 60.43-acre 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  $\frac{467}{2950}$  feet from the wort 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.