

CASE NO.

64/86

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

El Paso NATURAL GAS
COMPANY

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

RECEIVED
February 11, 1980
OIL CONSERVATION DIVISION
SANTA FE

*File
Case 6487*

New Mexico Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87501

Re: Case Number 6487

Gentlemen:

El Paso Natural Gas Company respectfully requests that Case No. 6487 as scheduled for the February 13, 1980 examiner hearing be continued to an examiner hearing in April 1980.

If there are any questions regarding this Case, please call.

Sincerely,

H. L. Kendrick
H. L. Kendrick

HLK/mep

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
28 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Depco, Inc. for an) CASE
unorthodox well location, Chaves) 6486
County, New Mexico.)

BEFORE: Richard L. Stamets

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: W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SSE) 471-2462
Santa Fe, New Mexico 87501

I N D E X

LARRY SERIGHT

Direct Examination by Mr. Kellahin

3

E X H I B I T S

Applicant Exhibit One, Map

4

Applicant Exhibit Two, Map

5

Applicant Exhibit Three, Cross Section

6

Exhibits admitted on

page 9.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (606) 471-2442
Santa Fe, New Mexico 87501

1 MR. STAMETS: Case 6486. Application of
2 Depco, Inc., for an unorthodox well location, Chaves County,
3 New Mexico.

4 MR. KELLAHIN: Tom Kellahin, appearing on
5 behalf of the applicant, and I have one witness to be
6 sworn.

7 (Witness sworn.)

8 MR. STAMETS: Any other appearances in this
9 case?

10 LARRY SERIGHT

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

14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you please state your name and occu-
17 pation?
18

19 A Larry Seright. I'm the District Exploration
20 Manager for Depco in Midland.

21 Q Mr. Seright, have you previously testified
22 before the Oil Conservation Division?

23 A Yes, I have.

24 Q Have you made a study of and are you fami-
25 liar with the factus surrounding this particular application?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (602) 471-2462
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3029 Plaza Blanca (S95) 471-2442
Santa Fe, New Mexico 87501

- 1 A Yes, I have.
- 2 MR. KELLAHIN: We tender Mr. Seright as an
- 3 expert.
- 4 MR. STAMETS: How do you spell your last
- 5 name?
- 6 A S-E-R-I-G-H-T.
- 7 MR. STAMETS: The witness is considered
- 8 qualified.
- 9 Q (Mr. Kellahin continuing.) Mr. Seright,
- 10 would you refer to Exhibit Number One and identify that?
- 11 A Yes. This is an Isopachous map of the
- 12 gross Morrow interval.
- 13 Q What is the unit to be assigned to the well?
- 14 A Unit, what do you mean?
- 15 Q What acreage?
- 16 A What acreage? The east half of Section 21.
- 17 Q And what is the proposed location?
- 18 A 660 from the north line and 660 from the
- 19 east line.
- 20 Q Would you describe for us what information
- 21 is contained on Exhibit Number One?
- 22 A Yes. We're showing what at our proposed
- 23 location we hope to establish gas production from a pro-
- 24 jected up dip extension of a Morrow distributary channel
- 25 penetrated in the Rodman well in Section 22, and our loca-

1 tion is -- proposed location is so located to get up dip
2 from this well and to try to stay in the channel fairway.

3 Q Are there currently any Morrow producing
4 wells in the entire area?

5 A No, sir, there is not.

6 Q Do you have anything else to add on Exhibit
7 Number One?

8 A No.

9 Q Let's go to Exhibit Number Two and have you
10 identify that, Mr. Seright.

11 A All right. Exhibit Number Two is a structure
12 map on top of the Mississippian, primarily used to show
13 the up dip position of our proposed location; the need for
14 getting up dip based on the Rodman well which penetrated
15 the channel, is to try to get away from the water that
16 was produced in that well. The well was initially tested.
17 It flowed about 4 million gas, and they only tested the top
18 part of the sand. They finished the well. They drilled
19 the Devonian and it tested water; plugged back and they
20 ran logs and saw that they had approximately 50 foot channel
21 sand. And then in their completion attempt they perforated
22 the entire sand. ON first perforating it they had good
23 flow tests. It flowed up to 5 million and then later they
24 started making water and ended up making or producing on
25 swab about 100 barrels of water per day.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (995) 471-2482
Santa Fe, New Mexico 87501

1 The well was subsequently abandoned.

2 So we are trying to get up dip from this
3 well a reasonable amount, hoping to get away from that
4 water and get away from the gas/water contact; get up dip
5 far enough to get into the gas part of the reservoir.

6 Q All right, sir. Let's go to Exhibit Number
7 Three and have you identify that.

8 A This is a stratigraphic cross section that
9 goes through the four wells in this area, and it shows
10 the key well, which is the Rodman No. 1-22 Federal in
11 Section 22, which penetrated the 50-foot channel sand,
12 and a 1000 foot east offset to it, drilled by Hanagan
13 Petroleum, that did not penetrate the channel.

14 Q The Hanagan well was at an unorthodox loca-
15 tion, was it not? It was 500 feet from the unit line.

16 A Well, right, right.

17 And it did not penetrate the channel at all
18 and, of course, this was the basis, one of the basis for
19 interpreting this as a channel sand, because normally
20 you're either in or out of the channel. There's not any
21 in between, and they obviously were not in it.

22 And we're using this as sort of a pivot point
23 to project our channel.

24 Q Let's go back to Exhibit Number Two and ask
25 you what the significance is of the shaded area.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

1 A. Okay, the dark shaded area is Depco 100
2 percent interest acreage. The lighter colored stipple is
3 farmout acreage. We're drilling the well in Section 21
4 on a farmout from El Paso Natural Gas. The west half of
5 Section 22, we have a farmout option from Cominco American
6 to drill on there after the initial well on El Paso's
7 acreage.

8 And, of course, the acreage offsetting our
9 well to the north is all Depco 100 percent.

10 Q Your proposed location does not adversely
11 affect any other offset operator.

12 A. No, sir.

13 Q Please continue with Exhibit Number Three.

14 A. Well, this is the -- this Exhibit Number
15 Three kind of tells the story on the channel. We have
16 one well penetrating it. We are attempting to get back
17 into that channel at an up dip position to, as I mentioned
18 before, to try to stay away from the water.

19 The alignment of that channel is based pri-
20 marily -- can I go back to Exhibit One -- is based primarily
21 there -- this is the reason for the Isopach -- this is
22 taken from a regional Isopach, and it indicates in this
23 area that we have an anomalous thick in the Morrow trending
24 in a northwest-southeast direction.

25 And what this is telling us, we feel, is

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (999) 471-3403
Santa Fe, New Mexico 87501

1 that this is a part of a depositional trough or a deposi-
2 tional system, and that this channel that was penetrated
3 in that well is part of this system.

4 So in trying to align ourselves the best way
5 we can with this channel, which obviously is pretty hard
6 to do, the odds are greatly against this, but this is the
7 best evidence that we have to go with, as far as the align-
8 ment is concerned. In other words, try to stay in align-
9 ment with the trough or depositional system coming through
10 here. And really at this point that's all we have to go
11 on, and of course, we establish -- are fortunate enough to
12 get back in it, then we will have -- be able to have some
13 relatively close offsets to that, because that, there
14 again, is another problem, once you're in it is trying to
15 get back into it again.

16 If you have to step out very far, why, you're
17 in trouble. So we think -- we feel that this location is
18 serving two purposes.

19 Q In your opinion, Mr. Seright, will -- is
20 the proposed location the optimum location in which to
21 develop this particular proration unit?

22 A Yes, it is.

23 Q Were Exhibits One, Two, and Three prepared
24 by you directly?

25 A Yes, they were.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
5030 Plaza Blanca (S-85) 471-2442
Santa Fe, New Mexico 87501

1 MR. KELLAHIN: We move the introduction of
2 Exhibits One, Two, and Three.

3 MR. STAMETS: These exhibits will be admitted.

4 MR. KELLAHIN: That concludes our examination.

5 MR. STAMETS: Any questions of the witness?

6 He may be excused.

7 Anything further in this case?

8 Take the case under advisement.

9 (Hearing concluded.)
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. 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 the said transcript of hearing 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 W. Boyd
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a correct and true transcript of the proceedings in
the Examination of Case No. 6486
heard on 2-28 1979.
Richard L. Stern, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (609) 471-4462
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
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28 February 1979

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

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
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3030 Plaza Blanca (606) 471-2462
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I N D E X

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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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SALLY WALTON BOYD
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3020 Plaza Blanca (SOS) 471-2452
Santa Fe, New Mexico 87501

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CERTIFIED SHORTHAND REPORTER
3029 Plaza Blanca (595) 471-2462
Santa Fe, New Mexico 87501

1 A. Yes, I have.
2 MR. KELLAHIN: We tender Mr. Seright as an
3 expert.
4 MR. STAMETS: How do you spell your last
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SALLY WALTON BOYD
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3020 Plaza Blanca (SOS) 471-9482
Santa Fe, New Mexico 87501

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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (695) 471-2462
Santa Fe, New Mexico 87501

1 A. Okay, the dark shaded area is Depco 100
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2 tional system, and that this channel that was penetrated
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4 So in trying to align ourselves the best way
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21 develop this particular proration unit?

22 A Yes, it is.

23 Q Were Exhibits One, Two, and Three prepared
24 by you directly?

25 A Yes, they were.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (S-95) 411-4463
Santa Fe, New Mexico 87501

1 MR. KELLAHIN: We move the introduction of
2 Exhibits One, Two, and Three.

3 MR. STAMETS: These exhibits will be admitted.

4 MR. KELLAHIN: That concludes our examination.

5 MR. STAMETS: Any questions of the witness?
6 He may be excused.

7 Anything further in this case?

8 Take the case under advisement.

9 (Hearing concluded.)
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3029 Plaza Blanca (SOS) 471-2463
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. 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 the said transcript of hearing 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 W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's hearing of Case No. 6486, heard by me on 2-28, 1979.

Richard L. Stum, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (666) 471-2463
Santa Fe, New Mexico 87501



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

March 20, 1979

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

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

Re: CASE NO. 6486
ORDER NO. R-5954

Applicant:

Depco Inc.

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	<u>X</u>
Artesia OCC	<u>X</u>
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. 6486
Order No. R-5954

APPLICATION OF DEPCO INC. FOR
AN UNORTHODOX WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 28, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of March, 1979, 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, Depco Inc., seeks approval of an unorthodox gas well location 660 feet from the North line and 660 feet from the East line of Section 21, Township 13 South, Range 30 East, NMPM, to test the Morrow formation, Chaves County, New Mexico.

(3) That the E/2 of said Section 21 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. 6486
Order No. R-5954

(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.

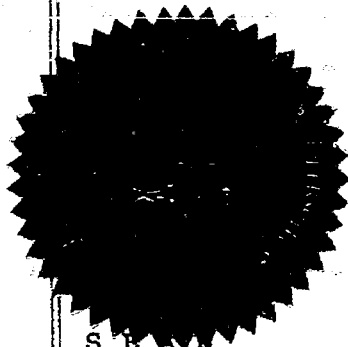
IT IS THEREFORE ORDERED:

(1) That Depco Inc. is hereby granted an unorthodox gas well location for the Morrow formation for a well to be drilled at a point 660 feet from the North line and 660 feet from the East line of Section 21, Township 13 South, Range 30 East, NMPM, Chaves County, New Mexico.

(2) That the E/2 of said Section 21 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 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

S E A L

dr/

Dockets Nos. 9-79 and 10-79 are tentatively set for hearing on March 14 and 28, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

Docket No. 7-79

DOCKET: COMMISSION HEARING - FRIDAY - FEBRUARY 23, 1979

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

CASE 6461: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Mayor Eddie Armenta, the Village of Jemez Springs, and all other interested parties to appear and show cause why the Jemez Well No. 1 located in Unit A of Section 26, Township 18 North, Range 2 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

Docket No. 8-79

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 28, 1979

9 A.M. - OIL CONSERVATION DIVISION 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:

CASE 6422: (Continued from January 31, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6434: (Continued from January 31, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "O" Well No. 5 to be located in Unit H of Section 30, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6435: (Continued from February 14, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6436: (Continued from January 31, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "U" Gas Com Well No. 2 to be located in Unit C of Section 32, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6462: Application of McClellan Oil Corporation for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marlissue State Well No. 3 to be located 1155 feet from the North line and 1485 feet from the West line of Section 24, Township 14 South, Range 29 East, Double "L" Queen Associated Pool, Chaves County, New Mexico, the NE/4 NW/4 of said Section 24 to be dedicated to the well.

CASE 6463: Application of Orville Slaughter for pool and lease commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Oswell-Farmington Pool production from his Sangre de Cristo Well No. 1 with undesigned Fruitland production from his Sangre de Cristo Well No. 2, both located in Unit D of Section 34, Township 30 North, Range 11 West, San Juan County, New Mexico.

- CASE 6464: Application of Dallas McCasland for clarification of Orders Nos. R-2789 and R-2794, Lea County, New Mexico. Applicant, in the above-styled cause, seeks clarification of Orders Nos. R-2789 and R-2794 to determine what formations have been unitized and what formations are subject to a waterflood project under the South Penrose-Skelly Unit, Sections 6 and 7, Township 22 South, Range 37 East, Lea County, New Mexico, and of the vertical limits of the Eumont and Penrose-Skelly Pools in said sections.
- CASE 6465: Application of Getty Oil Company for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 31, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its J. W. Sherrell Well No. 9 located 2250 feet from the South line and 1650 feet from the East line of said Section 31.
- CASE 6466: Application of Getty Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, to produce oil from an undesignated Wolfcamp pool and gas from the Grama Ridge-Morrow Gas Pool through parallel strings of tubing.
- CASE 6467: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Wolfcamp formation for its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing.
- CASE 6468: Application of Dome Petroleum Corporation for an exception to Order No. R-1069, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2 of Order No. R-1069, as amended, for the Bisti-Lower Gallup Oil Pool to approve the following 13 non-standard proration units: the W/2 NW/4, W/2 NE/4, E/2 SW/4, and the E/2 SE/4 of Sections 3, 4, and 9, and the W/2 NW/4 of Section 10, all in Township 26 North, Range 14 West, San Juan County, New Mexico.
- CASE 6469: Application of Continental Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Fed. 34 Well No. 1 located in Unit N of Section 34, Township 20 South, Range 26 East, Eddy County, New Mexico, to produce gas from the Springs-Upper Pennsylvanian Pool and an undesignated Morrow pool through parallel strings of tubing.
- CASE 6470: Application of Phillips Petroleum Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements to permit an infill drilling program in its East Vacuum Unit Area, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, and a finding that such infill wells are necessary to effectively and efficiently drain that portion of their proration units which is not presently being drained by any existing well. Applicant specifically seeks such waivers and findings now for ten wells, all in Township 17 South, Range 35 East, and located as follows: Unit K of Section 27; Units M and O, Section 28; Units B, I, and M of Section 32; Units C, H, and M of Section 33; and Unit C of Section 34.
- CASE 6471: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6472: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6473: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6474: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

- CASE 6475: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6476: Application of Pennzoil 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 located 660 feet from the South line and 990 feet from the West line of Section 24, Township 17 South, Range 28 East, Aid-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 24 to be dedicated to the well.
- CASE 6477: Application of Sun Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Millman Pool Unit Area by the injection of water into the Queen and Grayburg formations through eleven wells located in Sections 12 and 13 of Township 19 South, Range 28 East, East Millman Pool, Eddy County, New Mexico.
- CASE 6437: (Continued and Readvertised)
- Application of Curtis Little for compulsory pooling, approval of infill drilling, and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-4556 and approval of an order pooling all mineral interests in the Dakota formation underlying all of Section 11 and Lot 4 and the SW/4 SW/4 of Section 12, Township 28 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, to form a 344.36-acre non-standard gas proration unit to be dedicated to a well to be located 1085 feet from the South line and 285 feet from the West line of said Section 12. 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.
- Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6478: Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NW/4 SE/4 of Section 26, Township 10 South, Range 28 East, Chaves County, New Mexico, to be dedicated to a well to be located 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 6479: Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SE/4 SE/4 of Section 5, Township 10 South, Range 28 East, Chaves County, New Mexico, to be dedicated to a well to be located 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 6480: Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6481: Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Hanlad State Well No. 1 located in Unit K of Section 2, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6482: Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Mobil 27 State Well No. 1 located in Unit A of Section 27, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6483: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the S/2 of Section 8, Township 14 South, Range 36 East, Lea 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 6484: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the E/2 of Section 28, Township 16 South, Range 37 East, Lea 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 6485: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the S/2 of Section 13, Township 18 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 6486: Application of Depco Inc. for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the North and East lines of Section 21, Township 13 South, Range 30 East, undesignated Morrow pool, Chaves County, New Mexico, the E/2 of said Section 21 to be dedicated to the well.

CASE 6487: Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

FEB-9 1979

BEFORE THE
OIL CONSERVATION DIVISION, NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION
OF DEPCO, INC., FOR APPROVAL OF
A NON-STANDARD WELL LOCATION,
UNDESIGNATED MORROW POOL, CHAVES
COUNTY, NEW MEXICO

Case 6486

A P P L I C A T I O N

Comes now DEPCO, INC. and applies to the Oil Conservation Division, New Mexico Energy and Minerals Department, for approval of a non-standard well location for a Morrow test, in an undesignated Morrow Pool, Chaves County, New Mexico, and in support thereof would show the Division:

1. Applicant proposes to drill a Morrow test at a location 660 feet from the North and 660 feet from the East lines of Section 21, Township 13 South, Range 30 East, N.M.P.M., Chaves County, New Mexico.

2. The East half of Section 21 will be dedicated to the well to form a standard 320-acre unit.

3. Location of the well is necessary in order to efficiently and economically drain and develop the proration unit to be dedicated to the well.

4. Approval of the proposed location is in the interests of conservation, will prevent waste, result in the recovery of hydro-carbons that would not otherwise be recovered, and will not impair the correlative rights of other interest owners, including offset operators.

WHEREFORE Applicant prays that this application be set for hearing before the Division's duly appointed examiner, and after notice and hearing as required by law the Division enter its order approving the proposed non-standard well location.

Respectfully submitted,
DEPCO, INC.

By Jason Kellahin
Kellahin & Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

BEFORE THE
OIL CONSERVATION DIVISION, NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

FEB - 9 1979

IN THE MATTER OF THE APPLICATION
OF DEPCO, INC., FOR APPROVAL OF
A NON-STANDARD WELL LOCATION,
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1. Applicant proposes to drill a Morrow test at a location 660 feet from the North and 660 feet from the East lines of Section 21, Township 13 South, Range 30 East, N.M.P.M., Chaves County, New Mexico.

2. The East half of Section 21 will be dedicated to the well to form a standard 320-acre unit.

3. Location of the well is necessary in order to efficiently and economically drain and develop the proration unit to be dedicated to the well.

4. Approval of the proposed location is in the interests of conservation, will prevent waste, result in the recovery of hydro-carbons that would not otherwise be recovered, and will not impair the correlative rights of other interest owners, including offset operators.

WHEREFORE Applicant prays that this application be set for hearing before the Division's duly appointed examiner, and after notice and hearing as required by law the Division enter its order approving the proposed non-standard well location.

Respectfully submitted,
DEPCO, INC.

By Jason Kellahin
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P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

BEFORE THE
OIL CONSERVATION DIVISION, NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

FEB-9 1979

IN THE MATTER OF THE APPLICATION
OF DEPCO, INC., FOR APPROVAL OF
A NON-STANDARD WELL LOCATION,
UNDESIGNATED MORROW POOL, CHAVES
COUNTY, NEW MEXICO

Case 6486

A P P L I C A T I O N

Comes now DEPCO, INC. and applies to the Oil Conservation Division, New Mexico Energy and Minerals Department, for approval of a non-standard well location for a Morrow test, in an undesignated Morrow Pool, Chaves County, New Mexico, and in support thereof would show the Division:

1. Applicant proposes to drill a Morrow test at a location 660 feet from the North and 660 feet from the East lines of Section 21, Township 13 South, Range 30 East, N.M.P.M., Chaves County, New Mexico.
2. The East half of Section 21 will be dedicated to the well to form a standard 320-acre unit.
3. Location of the well is necessary in order to efficiently and economically drain and develop the proration unit to be dedicated to the well.
4. Approval of the proposed location is in the interests of conservation, will prevent waste, result in the recovery of hydro-carbons that would not otherwise be recovered, and will not impair the correlative rights of other interest owners, including offset operators.

WHEREFORE Applicant prays that this application be set for hearing before the Division's duly appointed examiner, and after notice and hearing as required by law the Division enter its order approving the proposed non-standard well location.

Respectfully submitted,
DEPCO, INC.

By Jason Kellahin
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Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

all caps
Depos one.

Jason
2-9-79

unorthodox location

660 PN & EL

21-135-30E E/2

Chaves

undering Morrow

DRAFT

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:

CASE NO. 6486

ORDER NO. R- 5954

APPLICATION OF DEPCO INC.

FOR AN UNORTHODOX ~~GAS~~ WELL LOCATION,

CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 28,
19 79, at Santa Fe, New Mexico, before Examiner Richard L. Stamets
NOW, on this day of March, 19 79, 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, Depco Inc.,
seeks approval of an unorthodox gas well location 660
feet from the North line and 660 feet from the
East line of Section 21, Township 13 South
Range 30 East, NMPM, to test the Morrow
formation, Undesignated Morrow Rm Pool, Chaves
County, New Mexico.

(3) That the E/2 of said Section 21 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: *Dipco Inc. is hereby granted*

(1) That ~~an~~ unorthodox gas well location for the Morrow formation ~~is hereby approved~~ for a well to be ^{drilled} ~~located~~ at a point 660 feet from the North line and 660 feet from the East line of Section 21, Township 13 South, Range 30 East NMPM, undesignated Morrow Pool, Chaves County, New Mexico.

(2) That the E/2 of said Section 21 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 Division may deem necessary.

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