

CASE NO.

6494

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Morris R. Antweil for) CASE
an unorthodox gas well location and) 6494
simultaneous dedication, Eddy County,)
New Mexico.)

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 87503

For the Applicant: William F. Carr, Esq.
CAMPBELL & BLACK
Jefferson Place
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

I N D E X

R. M. WILLIAMS

Direct Examination by Mr. Carr 3

Cross Examination by Mr. Nutter 7

E X H I B I T S

Applicant Exhibit One, Plat 4

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Santa Fe, New Mexico 87501

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Santa Fe, New Mexico 87501

1 MR. NUTTER: Call next Case Number 6494.

2 MS. TESCHENDORF: Case 6494. Application
3 of Morris R. Antweil for an unorthodox gas well location
4 and simultaneous dedication, Eddy County, New Mexico.

5 MR. CARR: May it please the Examiner, I'm
6 William F. Carr, Campbell and Black, P. A., appearing on
7 behalf of the applicant. I have one witness who needs to
8 be sworn.

9
10 (Witness sworn.)

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

15
16 DIRECT EXAMINATION

17 BY MR. CARR:

18 Q Will you state your name and place of resi-
19 dence?

20 A R. M. Williams, from Hobbs, New Mexico.

21 Q Mr. Williams, by whom are you employed and
22 in what position?

23 A Employed by Morris R. Antweil as an engineer.

24 Q Have you previously testified before this
25 Commission, had your credentials accepted and made a mat-

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1 ter of record?

2 A. Yes, I have.

3 Q Are you familiar with the subject matter of
4 the application in Case Number 6494?

5 A. Yes, I am.

6 MR. CARR: Are the witness' qualifications
7 acceptable?

8 A. Yes, they are.

9 Q Mr. Williams, will you briefly state what
10 Morris R. Antweil is seeking with this application?

11 A. Yes, we seek approval of an unorthodox loca-
12 tion for our No. 1 Mesa Macho Well, located in Unit "O"
13 of Section 24, Township 20 South, Range 27 East, producing
14 from the Morrow formation, and the dedication of the east
15 half of that section 24 to be simultaneously dedicated to
16 the No. 1 Mesa Macho Well and our No. 1 Macho Norte Well,
17 located in Unit "G" of Section 24.

18 Q Mr. Williams, will you refer to what has
19 been marked for identification as Exhibit Number One and
20 explain to the Examiner what it is and what it shows?

21 A. Yes. Exhibit One is a land map of the
22 section where the subject acreage is located and the eight
23 offsetting sections to that Section 24.

24 I've designated on the map the proposed
25 proration unit, consisting of the east half of Section 24,

1 designated with the red well spots the location of our two
2 wells, the No. 1 Mesa Macho and the No. 1 Macho Norte, which
3 we request be simultaneously dedicated in this proration
4 unit.

5 Also shown on the map with the blue well
6 spots are the location of the offsetting Morrow producers.
7 These wells are in the North Burton Flat Morrow Field.

8 Q Have you discussed this proposal with the
9 State Land Office?

10 A Yes, we have. We've discussed the proposal
11 with the Land Office. All of the acreage in Section 24 is
12 State land, even though it consists of two State leases,
13 and the Land Office is agreeable with our proposal and will
14 approve the revised communitization agreement.

15 Q Have you had any problem in obtaining agree-
16 ment from other working interest owners in Section 24?

17 A No. Amoco, the lessee of record and of
18 the other State lease in the section, is agreeable, is our
19 joint interest partner in these two wells, is agreeable
20 with the proposal. Also Mesa Petroleum Corporation, Mesa
21 Petroleum Company, is a joint interest partner with Antweil
22 in our State lease, and they are agreeable with the proposal.

23 Q Have you given notice to the offsetting
24 operators of your proposal?

25 A Yes. All the offsetting operators were

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1 given notice by letter of 6th of March and a copy of the
2 Commission docket of this hearing was forwarded to them
3 and their attention was directed to Case 6494.

4 Q Mr. Williams, it's my understanding that
5 approval of this application will enable you to then drill
6 a well in the west half of Section 24, is that correct?

7 A That's correct.

8 Q And when do you propose to drill such a
9 well?

10 A As soon as approval is secured and approval
11 of an AFE can be obtained and a drilling rig secured.

12 Q Do you have production totals on the two
13 wells located in the east half of Section 24?

14 A Yes, our two wells, the Mesa Macho Well,
15 located in Unit "O" of Section 24, recent production figures
16 from February indicate the well is producing about 480 Mcf
17 per day and has accumulated approximately 1.6 billion feet
18 of gas.

19 The No. 1 Macho Norte Well, located in Unit
20 "G", is -- in February was producing approximately 450 Mcf
21 per day and has accumulated 1.3 billion feet of gas.

22 Q Do you have anything further you'd like to
23 add to your testimony?

24 A Only that the approval of the unorthodox
25 location is necessitated by our location of the No. 1 Mesa

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1 Macho Well 660 feet from the end line of the proposed unit
2 rather than the required 1980 feet.

3 Q And this was drilled in an orthodox loca-
4 tion before you proposed to change the communitization.

5 A Yes, it was orthodox under our original
6 application to drill.

7 Q Do you believe that granting this applica-
8 tion would be in the interest of conservation, the prevention
9 of waste, and the protection of correlative rights?

10 A Yes, I do.

11 Q Was Exhibit Number One prepared by you or
12 under your direction and supervision?

13 A Yes, it was.

14 MR. CARR: Mr. Examiner, at this time I
15 would offer into evidence Morris R. Antweil Exhibit Number
16 One.

17 MR. NUTTER: Applicant's Exhibit Number One
18 will be admitted in evidence.

19 MR. CARR: I have nothing further on
20 direct.

21
22 CROSS EXAMINATION

23 BY MR. NUTTER:

24 Q Mr. Williams, I presume that at the present
25 time the north of the section is dedicated to the Macho

SALLY WALTON BOYD
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1 Norte and the south half is dedicated to the Mesa Macho,
2 is that correct?

3 A. That is correct.

4 Q So you would rededicate the acreage to
5 have both wells dedicated to the east half and drill a
6 third well on the west half?

7 A. This is our intention.

8 Q And would that well be drilled at a standard
9 location?

10 A. Yes.

11 Q Have you yet picked out the 40-acre tract
12 it would be drilled on?

13 A. No, we haven't.

14 Q I see.

15 A. We'd have to discuss that with the other
16 working interest owners.

17 Q Is this North Burton Flats area a prorated
18 area?

19 A. Yes, it is.

20 Q So these two wells would be sharing a com-
21 mon proration unit. At the present time are the wells
22 classified as marginal?

23 A. Yes.

24 Q And would the combined unit with the two
25 wells still maintain a marginal status?

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Santa Fe, New Mexico 87501

1 A. I believe that is correct.

2 Q Okay, we've got one more remaining problem,
3 Mr. Williams. Since the two wells would be dedicated to
4 a single unit and they have different names, one or both
5 of the wells would have to be redesignated as far as the
6 name and number is concerned.

7 A Let's see, that could be done with a new
8 Form 101, would that be correct?

9 Q I believe a 104 would --

10 A A 104 change the name? Yes, and we'd also --
11 will have to submit a new 102.

12 Q New 102's, rededicating the acreage, and she
13 says take Macho out of the name, but I think we could --

14 A Yes, we would also have to have the new
15 communitization approved by the Land Office, and we would
16 ask that this all take effect as of the 1st of the month
17 following the necessary approvals, to make the oil and gas
18 accounting more reasonable.

19 Q Thank you, Mr. Williams.

20 Do you have anything, Ms. Teschendorf?

21 MS. TESCHENDORF: No.

22 MR. NUTTER: Do you have anything further,
23 Mr. Carr?

24 MR. CARR: Nothing further.

25 MR. NUTTER: Mr. Williams may be excused.

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Does anyone have anything to offer in Case

Number 6494?

We'll take the case under advisement.

(Hearing concluded.)


SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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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 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 hearing of Case No. 6494 heard by me on 3/14 1979.

 Examiner
Oil Conservation Division

SALLY WALTON BOYD
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

March 28, 1979

POST OFFICE BOX 2088
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SANTA FE, NEW MEXICO 07501
(505) 827-2434

Mr. William F. Carr
Campbell & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico 87501

Re: CASE NO. 6494
ORDER NO. R-5968

Applicant:

Morris R. Antweil

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. 6494
Order No. R-5968

APPLICATION OF MORRIS R. ANTWEIL
FOR AN UNORTHODOX GAS WELL LOCATION
AND SIMULTANEOUS DEDICATION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th 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, Morris R. Antweil, seeks approval of an unorthodox gas well location for his Mesa Macho Well No. 1 located in Unit O of Section 24, Township 20 South, Range 27 East, NMPM, to test the Morrow formation, Burton Flats-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the applicant proposes to rededicate the lands presently dedicated to the above-described well and applicant's Macho Norte Well No. 1 located in Unit G of said Section 24 and to simultaneously dedicate both of said wells to a new proration unit comprising the E/2 of said Section 24.

(4) That said unorthodox location results from the rededication of lands in said Section 24.

-2-

Case No. 6494
Order No. R-5968

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

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

(7) That the operator should file new Forms C-102, Acreage Dedication Plats, for each of the subject wells, and also new Forms C-104, changing the name of either or both of said wells so that they reflect a common lease name.

(8) That this order should become effective on the date of receipt of the Forms described in Finding No. (7) above.

IT IS THEREFORE ORDERED:

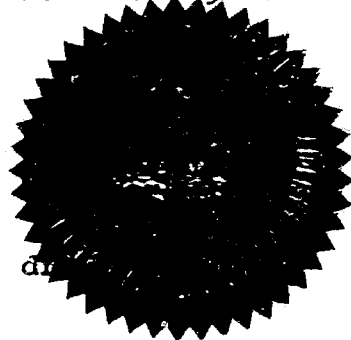
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Morris R. Antweil Mesa Macho Well No. 1 located in Unit O of Section 24, Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico, to be simultaneously dedicated to the above-described well and the Macho Norte Well No. 1 located in Unit G of said Section 24.

(2) That the E/2 of said Section 24 shall be dedicated to the above-described wells.

(3) That this order shall become effective on the date of receipt by the Artesia District Office of the Division of new Forms C-102 and C-104 for the subject wells.

(4) 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

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Morris R. Antweil for) CASE
an unorthodox gas well location and) 6494
simultaneous dedication, Eddy County,)
New Mexico.)

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.
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State Land Office Bldg.
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For the Applicant: William F. Carr, Esq.
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I N D E X

R. M. WILLIAMS

Direct Examination by Mr. Carr 3

Cross Examination by Mr. Nutter 7

E X H I B I T S

Applicant Exhibit One, Plat 4

SALLY WALTON BOYD
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Santa Fe, New Mexico 87501

MR. NUTTER: Call next Case Number 6494.

MS. TESCHENDORF: Case 6494. Application of Morris R. Antweil for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico.

MR. CARR: May it please the Examiner, I'm William F. Carr, Campbell and Black, P. A., appearing on behalf of the applicant. I have one witness who needs to be sworn.

(Witness sworn.)

R. M. WILLIAMS

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

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your name and place of residence?

A R. M. Williams, from Hobbs, New Mexico.

Q Mr. Williams, by whom are you employed and in what position?

A Employed by Morris R. Antweil as an engineer.

Q Have you previously testified before this Commission, had your credentials accepted and made a mat-

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1 ter of record?

2 A. Yes, I have.

3 Q. Are you familiar with the subject matter of
4 the application in Case Number 6494?

5 A. Yes, I am.

6 MR. CARR: Are the witness' qualifications
7 acceptable?

8 A. Yes, they are.

9 Q. Mr. Williams, will you briefly state what
10 Morris R. Antweil is seeking with this application?

11 A. Yes, we seek approval of an unorthodox loca-
12 tion for our No. 1 Mesa Macho Well, located in Unit "O"
13 of Section 24, Township 20 South, Range 27 East, producing
14 from the Morrow formation, and the dedication of the east
15 half of that section 24 to be simultaneously dedicated to
16 the No. 1 Mesa Macho Well and our No. 1 Macho Norte Well,
17 located in Unit "G" of Section 24.

18 Q. Mr. Williams, will you refer to what has
19 been marked for identification as Exhibit Number One and
20 explain to the Examiner what it is and what it shows?

21 A. Yes. Exhibit One is a land map of the
22 section where the subject acreage is located and the eight
23 offsetting sections to that Section 24.

24 I've designated on the map the proposed
25 proration unit, consisting of the east half of Section 24,

SALLY WALTON BOYD
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1 designated with the red well spots the location of our two
2 wells, the No. 1 Mesa Macho and the No. 1 Macho Norte, which
3 we request be simultaneously dedicated in this proration
4 unit.

5 Also shown on the map with the blue well
6 spots are the location of the offsetting Morrow producers.
7 These wells are in the North Burton Flat Morrow Field.

8 Q Have you discussed this proposal with the
9 State Land Office?

10 A Yes, we have. We've discussed the proposal
11 with the Land Office. All of the acreage in Section 24 is
12 State land, even though it consists of two State leases,
13 and the Land Office is agreeable with our proposal and will
14 approve the revised communitization agreement.

15 Q Have you had any problem in obtaining agree-
16 ment from other working interest owners in Section 24?

17 A No. Amoco, the lessee of record and of
18 the other State lease in the section, is agreeable, is our
19 joint interest partner in these two wells, is agreeable
20 with the proposal. Also Mesa Petroleum Corporation, Mesa
21 Petroleum Company, is a joint interest partner with Antweil
22 in our State lease, and they are agreeable with the proposal.

23 Q Have you given notice to the offsetting
24 operators of your proposal?

25 A Yes. All the offsetting operators were

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1 given notice by letter of 6th of March and a copy of the
2 Commission docket of this hearing was forwarded to them
3 and their attention was directed to Case 6494.

4 Q Mr. Williams, it's my understanding that
5 approval of this application will enable you to then drill
6 a well in the west half of Section 24, is that correct?

7 A That's correct.

8 Q And when do you propose to drill such a
9 well?

10 A As soon as approval is secured and approval
11 of an AFE can be obtained and a drilling rig secured.

12 Q Do you have production totals on the two
13 wells located in the east half of Section 24?

14 A Yes, our two wells, the Mesa Macho Well,
15 located in Unit "O" of Section 24, recent production figures
16 from February indicate the well is producing about 480 Mcf
17 per day and has accumulated approximately 1.6 billion feet
18 of gas.

19 The No. 1 Macho Norte Well, located in Unit
20 "G", is -- in February was producing approximately 450 Mcf
21 per day and has accumulated 1.3 billion feet of gas.

22 Q Do you have anything further you'd like to
23 add to your testimony?

24 A Only that the approval of the unorthodox
25 location is necessitated by our location of the No. 1 Mesa

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Santa Fe, New Mexico 87501

1 Macho Well 660 feet from the end line of the proposed unit
2 rather than the required 1980 feet.

3 Q And this was drilled an an orthodox loca-
4 tion before you proposed to change the communitization.

5 A Yes, it was orthodox under our original
6 application to drill.

7 Q Do you believe that granting this applica-
8 tion would be in the interest of conservation, the prevention
9 of waste, and the protection of correlative rights?

10 A Yes, I do.

11 Q Was Exhibit Number One prepared by you or
12 under your direction and supervision?

13 A Yes, it was.

14 MR. CARR: Mr, Examiner, at this time I
15 would offer into evidence Morris R. Antweil Exhibit Number
16 One.

17 MR. NUTTER: Applicant's Exhibit Number One
18 will be admitted in evidence,

19 MR. CARR: I have nothing further on
20 direct.

21
22 CROSS EXAMINATION

23 BY MR. NUTTER:

24 Q Mr. Williams, I presume that at the present
25 time the north of the section is dedicated to the Macho

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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1 Norte and the south half is dedicated to the Mesa Macho,
2 is that correct?

3 A. That is correct.

4 Q. So you would rededicate the acreage to
5 have both wells dedicated to the east half and drill a
6 third well on the west half?

7 A. This is our intention.

8 Q. And would that well be drilled at a standard
9 location?

10 A. Yes.

11 Q. Have you yet picked out the 40-acre tract
12 it would be drilled on?

13 A. No, we haven't.

14 Q. I see.

15 A. We'd have to discuss that with the other
16 working interest owners.

17 Q. Is this North Burton Flats area a prorated
18 area?

19 A. Yes, it is.

20 Q. So these two wells would be sharing a com-
21 mon proration unit. At the present time are the wells
22 classified as marginal?

23 A. Yes.

24 Q. And would the combined unit with the two
25 wells still maintain a marginal status?

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A. I believe that is correct.

Q. Okay, we've got one more remaining problem, Mr. Williams. Since the two wells would be dedicated to a single unit and they have different names, one or both of the wells would have to be redesignated as far as the name and number is concerned.

A. Let's see, that could be done with a new Form 101, would that be correct?

Q. I believe a 104 would --

A. A 104 change the name? Yes, and we'd also -- will have to submit a new 102.

Q. New 102's, rededicating the acreage, and she says take Macho out of the name, but I think we could --

A. Yes, we would also have to have the new communitization approved by the Land Office, and we would ask that this all take effect as of the 1st of the month following the necessary approvals, to make the oil and gas accounting more reasonable.

Q. Thank you, Mr. Williams.

Do you have anything, Ms. Teschendorf?

MS. TESCHENDORF: No.

MR. NUTTER: Do you have anything further, Mr. Carr?

MR. CARR: Nothing further.

MR. NUTTER: Mr. Williams may be excused.

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Does anyone have anything to offer in Case
Number 6494?

We'll take the case under advisement.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (606) 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 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.

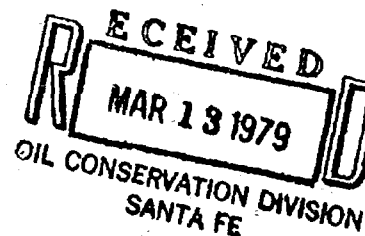
Sally W. Boyd
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6494 heard by me on 3/14 1979.
[Signature], Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (606) 471-2482
Santa Fe, New Mexico 87501



March 9, 1979



Oil Conservation Division
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. D. S. Nutter, Chief Engineer

Gentlemen:

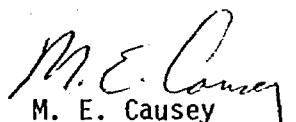
We wish to refer you to the following application:

Case #6494 - Application of Morris R. Antweil for an unorthodox location of his Mesa Macho Well No. 1, located in Unit O of Section 24, T20S, R27E, Eddy County, New Mexico in the Morrow formation and the E/2 of said Section 24 to be simultaneously dedicated to the aforesaid well and to applicant's Macho Norte Well No. 1, located in Unit G of Section 24, T20S, R27E.

Mesa Petroleum Co. has a 56.25% working interest in the Antweil Macho Norte Well No. 1 and a 46.87% working interest in the Antweil Mesa Macho Well No. 1, and we wish to advise that we support the above application for an unorthodox gas well location and simultaneous dedication.

Very truly yours,

MESA PETROLEUM CO.


M. E. Causey

MEC:ls

Dockets Nos. 11-79 and 12-79 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: COMMISSION HEARING - WEDNESDAY - MARCH 7, 1979

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

CASE 6489: Application of J. V. Fritts and Wm. B. Barnhill for review of Order No. R-4831, Eddy County, New Mexico. Applicants, in the above-styled cause, seek the review and interpretation of Order No. R-4831 to permit them the opportunity to join in the drilling of the Federal "B" Well No. 1 located in Unit P of Section 1, Township 18 South, Range 26 East, Atoka-Pennsylvanian Pool, Eddy County, New Mexico, and to determine the applicability of the 200% risk factor.

CASE 6398: (DE NOVO)

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 for the Wolfcamp and Pennsylvanian formations of its State Com Well No. 1, to be located 660 feet from the South and West lines of Section 18, Township 21 South, Range 26 East, Catclaw Draw Field, Eddy County, New Mexico, all of said Section 18 to be dedicated to the well in the Morrow formation.

Upon application of Texas Oil & Gas Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 14, 1979

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:

ALLOWABLE: (1) Consideration of the allowable production of gas for April, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for April, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6490: Application of L. C. Harris for a unit agreement, Chaves and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for his Walnut Draw Unit Area comprising 9,797 acres, more or less, of Federal, state and fee lands in Townships 15 and 16 South, Ranges 23 and 24 East, Chaves and Eddy Counties, New Mexico.

CASE 6491: Application of C & E Operators, Inc. for an unorthodox well location and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the E/2 SW/4 of Section 10, Township 30 North, Range 11 West, Aztec-Pictured Cliffs Pool, San Juan County, New Mexico, to be dedicated to a well to be located 1700 feet from the South line and 1760 feet from the West line of said Section 10.

CASE 6477: (Continued from February 28, 1979, Examiner Hearing)

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 6492: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 NW/4 of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6072: (Reopened and Readvertised)

In the matter of Case 6072 being reopened pursuant to the provisions of Order No. R-5643 which order created the Travis-Upper Pennsylvanian Pool, Eddy County, New Mexico, with provisions for 80-acre spacing. All interested parties may appear and show cause why the Travis-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

CASE 6493: Application of Merrion & Bayless for gas well commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling, prior to measurement, of Pictured Cliffs production from the Hi Roll Wells Nos. 1 and 2 located in Units O and K of Section 35, Township 27 North, Range 13 West, San Juan County, New Mexico.

CASE 6494: Application of Morris R. Antweil for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Mesa Macho Well No. 1 located in Unit O of Section 24, Township 20 South, Range 27 East, Morrow formation, Eddy County, New Mexico, the E/2 of said Section 24 to be simultaneously dedicated to the aforesaid well and to applicant's Macho Norte Well No. 1 located in Unit G of Section 24.

CASE 6495: Application of Amax Chemical Corporation for the amendment of Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to extend the boundaries of the Potash-Oil Area by the inclusion of certain lands in Sections 23 and 24, Township 19 South, Range 29 East, Sections 1, 4, 5, 6, 7, 11, 12, 13, 14, 19, 20, 23, 24, and 29, Township 19 South, Range 30 East, and Sections 7, 8, 17, 18, and 19, Township 19 South, Range 31 East, all in Eddy County, New Mexico.

CASE 6496: Application of Llano, Inc. for rescission of pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-3006, which promulgated 640-acre spacing for the Grama Ridge-Morrow Gas Pool, Lea County, New Mexico. Applicant proposes that said pool be developed and operated under 320-acre spacing and well location requirements.

CASE 6497: Application of Llano, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 1650 feet from the South line and 660 feet from the East line of Section 34, Township 21 South, Range 34 East, Grama Ridge-Morrow Gas Pool, Lea County, New Mexico, the E/2 of said Section 34 to be dedicated to the well.

CASE 6498: Application of Pogo Producing Company to limit application of pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to limit the application of the Grama Ridge-Morrow Gas Pool Rules to the horizontal limits of said pool, being all of Sections 2, 3, 4, and 10, Township 22 South, Range 34 East and Sections 33 and 34, Township 21 South, Range 34 East, Lea County, New Mexico.

CASE 6499: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending horizontal limits and contracting vertical limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Antelope Sink-Morrow Gas Pool. The discovery well is Maddox Energy Corporation State 32 Well No. 1 located in Unit I of Section 32, Township 18 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 32: E/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Baldrige Canyon-Morrow Gas Pool. The discovery well is W. A. Moncrief, Jr., Baldrige Canyon Com Well No. 1 located in Unit G of Section 13, Township 24 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 13: E/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Hurton Flat-Delaware Pool. The discovery well is Yates Petroleum Corporation Stonewall EP State Well No. 3 located in Unit N of Section 19, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 19: SW/4

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the East Crossroads-San Andres Pool. The discovery well is MGF Oil Corporation Santa Fe Railway Well No. 1 located in Unit A of Section 13, Township 10 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 36 EAST, NMPM
Section 13: NE/4

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the South Culebra Bluff-Atoka Gas Pool. The discovery well is Delta Drilling Company South Culebra Bluff Unit Well No. 1 located in Unit G of Section 23, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 14: E/2
Section 23: All
Section 26: All

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Dublin Ranch-Morrow Gas Pool. The discovery well is J. C. Barnes Oil Company Big Chief Com Well No. 1 located in Unit F of Section 22, Township 22 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 22: All
Section 27: N/2

(g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Gardner Draw-Morrow Gas Pool. The discovery well is Phoenix Resources Company Gardner Draw Unit Well No. 1 located in Unit C of Section 20, Township 19 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 21 EAST, NMPM
Section 17: W/2
Section 19: N/2
Section 20: N/2

(h) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the Jubilee-Pennsylvanian Gas Pool. The discovery well is Tom L. Ingram Jubilee Well No. 1 located in Unit E of Section 28, Township 10 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM
Section 28: W/2

(i) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the King-Mississippian Gas Pool. The discovery well is Cabot Corporation J. L. Reed Well No. 1 located in Unit H of Section 35, Township 13 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM
Section 35: NE/4

(j) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production and designated as the Lone Wolf-Atoka Gas Pool. The discovery well is Depco, Inc. Sundance A Federal Well No. 1 located in Unit J of Section 25, Township 12 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 29 EAST, NMPM
Section 25: S/2

(k) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Strawn production and designated as the Lost Lake-Strawn Gas Pool. The discovery well is Texas Oil & Gas Corporation O'Brien Well No. 1 located in Unit I of Section 11, Township 9 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM
Section 2: S/2
Section 11: All
Section 14: N/2

(l) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the West Mescalero-Morrow Gas Pool. The discovery well is Natomas North America, Inc. New Mexico State Well No. 1 located in Unit M of Section 19, Township 10 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 19: W/2

(m) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Permo-Penn production and designated as the Penasco Draw Permo-Penn Gas Pool. The discovery well is Yates Petroleum Corporation La Cama Com Well No. 1 located in Unit F of Section 20, Township 18 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 18: S/2
Section 19: All
Section 20: All
Section 21: W/2
Section 30: All
Section 31: All

(n) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Siegreist Draw-Morrow Gas Pool. The discovery well is Yates Petroleum Corporation Siegreist JS State Com Well No. 1 located in Unit C of Section 30, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 30: N/2

(o) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the North Turkey Track-Atoka Gas Pool. The discovery well is Amoco Production Company State ER Com Well No. 1 located in Unit C of Section 6, Township 19 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 6: N/2

(p) EXTEND the Angell Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 35: E/2

(q) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 17: S/2

(r) EXTEND the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 5: NW/4 SW/4

(s) EXTEND the Cedar Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 25: W/2
Section 26: E/2
Section 36: NW/4

(t) EXTEND the East Chisum-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM
Section 9: E/2 NE/4
Section 10: W/2 NW/4

(u) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 20: SW/4

- (v) EXTEND the Double L Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
Section 24: NW/4 and E/2 SW/4
Section 36: NW/4 NW/4, S/2 NW/4 and SW/4

- (w) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 18: SE/4

- (x) EXTEND the East Eagle Creek Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 7: N/2

- (y) EXTEND the Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 35: All

- (z) REDEFINE the vertical limits of the Monument Tubb-Drinkard Pool in Lea County, New Mexico, to include only the Tubb formation and redesignate said pool as the Monument-Tubb Pool.

- (aa) EXTEND the West Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 23: E/2

- (bb) EXTEND the Millman-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 12: E/2

- (cc) EXTEND the South Prairie-Wolfcamp Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 20: N/2

- (dd) EXTEND the Querecho Plains-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 34: NW/4

- (ee) EXTEND the Richard Knob Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 7: All
Section 18: N/2

- (ff) EXTEND the Round Tank-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
Section 30: NE/4

- (gg) EXTEND the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 5: Lots 11, 12, 13, 14 and SW/4

- (hh) EXTEND the North Teague-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 22: NW/4

- (ii) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 30: SW/4

(JJ) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM
Section 36: NE/4

Docket No. 12-79

DOCKET: COMMISSION HEARING - THURSDAY - MARCH 15, 1979

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

CASE 6222: (Rehearing) (Continued from March 2, 1979, 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.

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 988-4421

February 20, 1979

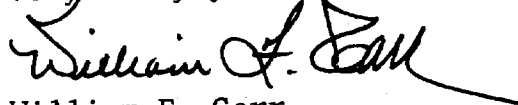
Mr. Joe D. Ramey, Division Director
Oil Conservation Division
New Mexico Energy and Minerals Department
Post Office Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed herewith, in triplicate, is the Application of
Morris R. Antweil for an unorthodox gas well location and
simultaneous dedication in Eddy County, New Mexico.

Morris R. Antweil requests that this matter be set for the
Examiner's Hearing to be held on March 14, 1979.

Very truly yours,


William F. Carr

WFC:tn

Enclosure

cc. Mr. R. M. Williams
c/o Hobbs Pipe and Supply Co.
Post Office Box 2010
Hobbs, New Mexico 88240

FEB 20 1979

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION OF
MORRIS R. ANTWEIL FOR AN UNORTHODOX
GAS WELL LOCATION AND SIMULTANEOUS
DEDICATION, EDDY COUNTY, NEW MEXICO.

CASE 6494

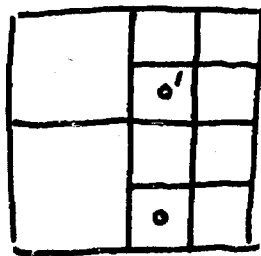
APPLICATION

Comes now Morris R. Antweil, by its undersigned attorneys,
and hereby makes application to the Oil Conservation Division for
an unorthodox gas well location and simultaneous dedication and
in support thereof, respectfully states:

1. Applicant is the operator of the Pennsylvanian Formation
underlying all of Section 24, Township 20 South, Range 27 East,
N.M.P.M., Eddy County, New Mexico, on which are drilled its No. 1
Macho Norte at a point located 1980 feet from the north and east
lines of said Section 24 and its No. 1 Mesa Macho at a point
located 660 feet from the south line and 1980 feet from the east
line of said Section 24. The North half of said Section 24 is
dedicated to the No. 1 Macho Norte and the South half of said
Section 24 is dedicated to the No. 1 Mesa Macho.

2. Applicant proposes to communitize the east half of said
Section 24 and rededicate this acreage to the No. 1 Macho Norte
Well and the No. 1 Mesa Macho Well.

3. Said rededication results in the No. 1 Macho Mesa Well
being drilled and completed at an unorthodox location in the
Morrow Formation in the Pennsylvanian system and applicant, there-
fore, seeks an exception to the well location requirements of
Oil Conservation Division Rule 104 B, I, (a) for said well.



4. That a standard 320-acre gas proration unit comprising the east half of said Section 24 should be dedicated to said wells.

5. That said unit should be simultaneously dedicated to applicant's No. 1 Macho Norte Well and No. 1 Mesa Macho Well.

6. That approval of this Application will afford applicant the opportunity to produce its just and equitable share of gas from the Morrow Formation and will protect correlative rights.

WHEREFORE, Morris R. Antweil requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division, that notice be given as required by law and the Rules of the Division, that the Division enter its order granting the applicant permission to produce No. 1 Mesa Macho Well at a point 660 feet from the South line and 1980 feet from the East line of said Section 24, in the Morrow Formation, and that the East half of said Section 24 be simultaneously dedicated to its No. 1 Mesa Macho and its No. 1 Macho Norte Wells.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.
Attorneys for Applicant
Post Office Box 2208
Santa Fe, New Mexico 87501

By 
William F. Carr

FEB 26 1979

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION OF
MORRIS R. ANTWEIL FOR AN UNORTHODOX
GAS WELL LOCATION AND SIMULTANEOUS
DEDICATION, EDDY COUNTY, NEW MEXICO.

CASE 6494

APPLICATION

Comes now Morris R. Antweil, by its undersigned attorneys, and hereby makes application to the Oil Conservation Division for an unorthodox gas well location and simultaneous dedication and in support thereof, respectfully states:

1. Applicant is the operator of the Pennsylvanian Formation underlying all of Section 24, Township 20 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, on which are drilled its No. 1 Macho Norte at a point located 1980 feet from the north and east lines of said Section 24 and its No. 1 Mesa Macho at a point located 660 feet from the south line and 1980 feet from the east line of said Section 24. The North half of said Section 24 is dedicated to the No. 1 Macho Norte and the South half of said Section 24 is dedicated to the No. 1 Mesa Macho.

2. Applicant proposes to communitize the east half of said Section 24 and rededicate this acreage to the No. 1 Macho Norte Well and the No. 1 Mesa Macho Well.

3. Said rededication results in the No. 1 Macho Mesa Well being drilled and completed at an unorthodox location in the Morrow Formation in the Pennsylvanian system and applicant, therefore, seeks an exception to the well location requirements of Oil Conservation Division Rule 104 B, I, (a) for said well.

4. That a standard 320-acre gas proration unit comprising the east half of said Section 24 should be dedicated to said wells.

5. That said unit should be simultaneously dedicated to applicant's No. 1 Macho Norte Well and No. 1 Mesa Macho Well.

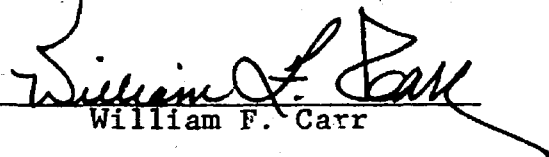
6. That approval of this Application will afford applicant the opportunity to produce its just and equitable share of gas from the Morrow Formation and will protect correlative rights.

WHEREFORE, Morris R. Antweil requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division, that notice be given as required by law and the Rules of the Division, that the Division enter its order granting the applicant permission to produce No. 1 Mesa Macho Well at a point 660 feet from the South line and 1980 feet from the East line of said Section 24, in the Morrow Formation, and that the East half of said Section 24 be simultaneously dedicated to its No. 1 Mesa Macho and its No. 1 Macho Norte Wells.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.
Attorneys for Applicant
Post Office Box 2208
Santa Fe, New Mexico 87501

By


William F. Carr

FEB 26 1979

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION OF
MORRIS R. ANTWEIL FOR AN UNORTHODOX
GAS WELL LOCATION AND SIMULTANEOUS
DEDICATION, EDDY COUNTY, NEW MEXICO.

CASE 6494

APPLICATION

Comes now Morris R. Antweil, by its undersigned attorneys,
and hereby makes application to the Oil Conservation Division for
an unorthodox gas well location and simultaneous dedication and
in support thereof, respectfully states:

1. Applicant is the operator of the Pennsylvanian Formation
underlying all of Section 24, Township 20 South, Range 27 East,
N.M.P.M., Eddy County, New Mexico, on which are drilled its No. 1
Macho Norte at a point located 1980 feet from the north and east
lines of said Section 24 and its No. 1 Mesa Macho at a point
located 660 feet from the south line and 1980 feet from the east
line of said Section 24. The North half of said Section 24 is
dedicated to the No. 1 Macho Norte and the South half of said
Section 24 is dedicated to the No. 1 Mesa Macho.

2. Applicant proposes to communitize the east half of said
Section 24 and rededicate this acreage to the No. 1 Macho Norte
Well and the No. 1 Mesa Macho Well.

3. Said rededication results in the No. 1 Macho Mesa Well
being drilled and completed at an unorthodox location in the
Morrow Formation in the Pennsylvanian system and applicant, there-
fore, seeks an exception to the well location requirements of
Oil Conservation Division Rule 104 B, I, (a) for said well.

4. That a standard 320-acre gas proration unit comprising the east half of said Section 24 should be dedicated to said wells.

5. That said unit should be simultaneously dedicated to applicant's No. 1 Macho Norte Well and No. 1 Mesa Macho Well.

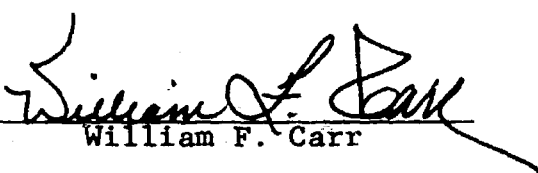
6. That approval of this Application will afford applicant the opportunity to produce its just and equitable share of gas from the Morrow Formation and will protect correlative rights.

WHEREFORE, Morris R. Antweil requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division, that notice be given as required by law and the Rules of the Division, that the Division enter its order granting the applicant permission to produce No. 1 Mesa Macho Well at a point 660 feet from the South line and 1980 feet from the East line of said Section 24, in the Morrow Formation, and that the East half of said Section 24 be simultaneously dedicated to its No. 1 Mesa Macho and its No. 1 Macho Norte Wells.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.
Attorneys for Applicant
Post Office Box 2208
Santa Fe, New Mexico 87501

By


William F. Carr

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

dr/

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

CASE NO. 6494

ORDER NO. R- 5968

APPLICATION OF MORRIS R. ANTWEIL
FOR AN UNORTHODOX GAS WELL LOCATION, AND SIMULTANEOUS DEDICATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 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, Morris R. Antweil, for his Mesa Macho Well No. 1 located in Unit O of seeks approval of an unorthodox gas well location/

feet from the line and feet from the

line of Section 24, Township 20 South

Range 27 East, NMPM, to test the Morrow

formation, Barton Hole, Eddy

County, New Mexico.

(3) That the E/2 of said Section 24 is to be

simultaneous dedicated to the above-described well and applicant's Macho Norte Well No. 1 located in Unit G of said Section 24 and to

(4) That said unorthodox location will better enable applicant to produce the gas underlying the promotion unit.

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

to the proposed dedication and simultaneous location of said well to a new promotion unit comprising the E/2 of said Section 24.

-2-

Case No. _____
Order No. R- _____

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

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow the Morris R. Antweil Mesa Macho Well No. 1 located in Unit O formation is hereby approved for a well to be located at a point feet from the ----- line and ----- feet from the ----- line of Section 24, Township 20 South, Range 27 East NMPM, _____ Pool, Eddy County, New Mexico, to be simultaneously dedicated to the above-described well and the Macho Norte Well No. 1 located in Unit G of said Section 24.

(2) That the E/2 of said Section 24 shall be dedicated to the above-described wells.

(4) 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.

> (7) That the operator should file new Form C-102, Acreage Dedication Plots, for each of the subject wells, and also new Form C-104, Changing the name of either or both of said wells so that they reflect a common lease name.

18) That this order should become effective on the date of receipt of the forms described in paragraph (7) above.

(3) That this order should become effective on the date of receipt of the forms described in paragraph (7) above. Division of New Mexico, C-102 and C-104 for the subject wells.