

CASE 6666: EXXON CORPORATION FOR A NON-
STANDARD PRORATION UNIT, EDDY COUNTY,
NEW MEXICO

CASE NO.

6666

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2068
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

October 11, 1979

Mr. Conrad Coffield
Hinkle, Cox, Eaton, Coffield
& Hensley
Attorneys at Law
P. O. Box 3580
Midland, Texas 79702

Re: CASE NO. 6666
ORDER NO. R-6135

Applicant:

Exxon Corporation

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 OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

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. 6666
Order No. R-6135

APPLICATION OF EXXON CORPORATION
FOR A NON-STANDARD PRORATION UNIT,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 19, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of October, 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, Exxon Corporation, seeks approval of a 377.57-acre non-standard gas proration unit comprising Lots 1, 2, 3, and 4 and the N/2 N/2 of Section 36, Township 26 South, Range 25 East, and Lots 3 and 4 and the N/2 NW/4 of Section 31, Township 26 South, Range 26 East, NMPM, Eddy County, New Mexico, to be dedicated to a Morrow test well to be drilled at a point 660 feet from the North line and 660 feet from the East line of said Section 36.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Morrow formation and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Morrow formation underlying said lands, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the

-2-

Case No. 6666
Order No. R-6135

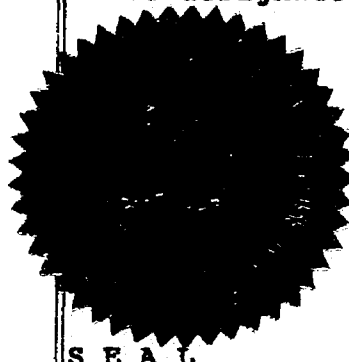
drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 377.57-acre non-standard gas proration unit comprising Lots 1, 2, 3, and 4 and the N/2 N/2 of Section 36, Township 26 South, Range 25 East and Lots 3 and 4 and the N/2 NW/4 of Section 31, Township 26 South, Range 26 East, NMPM, Eddy County, New Mexico, is hereby established and dedicated to a Morrow test well to be located in Unit A of said Section 36.

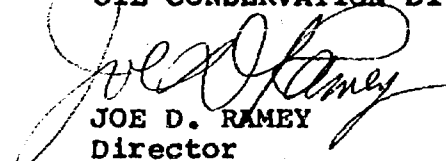
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Bldg.
Santa Fe, New Mexico
19 September 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Exxon Corporation for) CASE
a non-standard proration unit, Eddy) 6666
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:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant:

Conrad Coffield, Esq.
Hinkle Law Firm
P. O. Box 3580
Midland, Texas 79701

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I N D E X

JOHN W. IRVING

Direct Examination by Mr. Coffield 3

Cross Examination by Mr. Nutter 8

E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Structure Map 6

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1 MR. NUTTER: We'll call at this time Case
2 Number 6666.

3 MR. PADILLA: Application of Exxon Corpor-
4 ation for a non-standard proration unit, Eddy County, New
5 Mexico.

6 MR. COFFIELD: Conrad Coffield with the
7 Hinkle law firm of Midland, Texas, appearing on behalf of
8 the applicant, and I have one witness.

9
10 (Witness sworn.)

11 JOHN W. IRVING
12
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. COFFIELD:

18 Q Mr. Irving, would you state your name,
19 address, occupation and employer, please?

20 A My name is John W. Irving. I live in
21 Midland, Texas. I'm a geologist with Exxon Company, U.S.A.

22 Q Have you previously testified before the
23 Oil Conservation Division as a geologist, Mr. Irving?

24 A Yes.

25 Q And were your qualifications made a matter

1 of record and were they accepted by the Division?

2 A. Yes, sir.

3 Q. Are you familiar with the application of
4 Exxon in this case?

5 A. Yes, I am.

6 Q. Are you familiar with the property and the
7 proposed well location involved?

8 A. Yes.

9 MR. COFFIELD: Mr. Examiner, is Mr. Irving
10 considered qualified?

11 MR. NUTTER: Yes, he is.

12 Q. (Mr. Coffield continuing.) Mr. Irving,
13 please state what it is that Exxon seeks by this application.

14 A. Exxon seeks approval of a 377.57-acre
15 non-standard gas proration unit, comprising Lots 1, 2, 3,
16 and 4, and the north half of the north half of Section 36,
17 Township 26 South, Range 25 East, and Lots 3 and 4 in the
18 north half northwest quarter of Section 31, Township 26 South
19 Range 26 East, to be dedicated to a Morrow test well to be
20 located in Unit A of said Section 36.

21 Q. Mr. Irving, please refer to what we've
22 marked as Exhibit One and explain what that is and what it
23 represents.

24 A. Exhibit One is a land plat showing the
25 outline of the 5,234-acre working interest Milepost Unit.

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3026 Plaza Blanca (666) 471-2462
Santa Fe, New Mexico 87501

1 Shown within that unit outline is the pro-
2 posed non-standard proration unit, including all of the
3 irregular Section 36 and the west half of Section 31, with
4 the proposed well location 660 feet out of the northeast
5 corner of Section 36.

6 Other working interest ownership is also
7 shown on this plat.

8 Q Is Exxon the operator of this working
9 interest unit?

10 A Yes, sir, Exxon is the operator with 49.9
11 percent working interest.

12 Q And are the owners and the ownership indi-
13 cated within this 377.57-acre tract shown with this dotted
14 line, are all of those owners committed to the working interest
15 unit?

16 A Yes, sir, they are.

17 Q So you have their agreement to seek this
18 non-standard gas proration unit?

19 A Yes, sir.

20 Q Did you have anything else on this exhibit?

21 A I don't believe so.

22 Q What is the situation with respect to your
23 lease expiration?

24 A Exxon has a 40-acre lease that's expiring
25 the 1st of November, 1979, within this proposed non-standard

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1 proration unit. We plan to commence drilling on this non-
2 standard proration unit, if the Commission approves it,
3 probably by the middle of October, we would like to.

4 Q So is Exxon seeking early consideration
5 of this matter?

6 A Yes, sir.

7 Q Okay, Mr. Irving, would you please go to
8 Exhibit Two and explain what this represents?

9 A Exhibit Number Two is a plat showing
10 geologic structure on top of the Morrow. Also shown in the
11 red outline is the proposed non-standard proration unit
12 with the location of the Exxon No. 1 Milepost Com Well.

13 Q And are you offering this to demonstrate
14 your opinion that this particular well is a reasonably
15 productive of hydrocarbons from the Morrow formation?

16 A Yes, sir. We only have the one well in
17 this reservoir. It's the Exxon Scheidt Federal No. 1,
18 located -- it's the northeast offset to the proposed loca-
19 tion. That's the only well within the vicinity that pene-
20 trated the Morrow, so this will be the first offset to the
21 discovery well.

22 The dark lines on the map indicate pos-
23 sible faulting.

24 Our well location falls structurally as
25 high as the initial well and within what we think will be

1 productive limits of the reservoir.

2 Q Okay, Mr. Irving, why don't you discuss
3 the alternatives that you could conceivably have to this
4 type of configuration?

5 What else could you do?

6 A Well, first, the sections bordering the
7 Texas state line are short sections, called irregular, and
8 to obtain a 320-acre proration unit, which would be standard,
9 I believe, for this depth, it would be necessary to take
10 some of the acreage in the section to the north and combine
11 with the partial section, 36, but by doing that it would be
12 setting up a system by which most of the future proration
13 units would be non-standard.

14 By taking Section 36 and then the east
15 offset, Section 31, and 32, into consideration, which are
16 the three sections that border the unit on the south, we
17 feel that we can make two proration units out of those three
18 irregular sections. Then future development in this area
19 would be on the standard 320-acre proration units.

20 Q So accordingly this configuration chosen
21 in this particular case will provide the least disturbance
22 for the orderly spacing of the remaining acreage, is that
23 true?

24 A Yes, we think it will.

25 Q Mr. Irving, were these Exhibits One and

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Santa Fe, New Mexico 87501

1 Two prepared by you or under your supervision?

2 A. Yes, sir.

3 Q And in your opinion will the approval of
4 this application by Exxon be in the interest of conservation,
5 the prevention of waste, and protection of correlative
6 rights?

7 A. Yes.

8 MR. COFFIELD: Mr. Examiner, I move the
9 admission of Exhibits One and Two.

10 MR. NUTTER: Exxon's Exhibits One and Two
11 will be admitted in evidence.

12 MR. COFFIELD: I have no other questions
13 of the witness.

14
15 CROSS EXAMINATION

16 BY MR. NUTTER:

17 Q Mr. Irving, I presume that the south half
18 of Section 30 is presently dedicated to this Scheidt Federal
19 Well No. 1.

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

21 Q And the location is a standard location
22 insofar as the proposed acreage dedication is concerned.

23 A. Yes, sir.

24 Q All right.

25 MR. NUTTER: Are there any further ques-

1 tions of the witness? He may be excused.

2 Do you have anything further, Mr. Coffield?

3 MR. COFFIELD: Not in this case.

4 MR. NUTTER: Does anyone have anything they
5 wish to offer in Case Number 6666?

6 We'll take the case under advisement.

7
8 (Hearing concluded.)
9

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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, from my notes taken at the time of the hearing.

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Santa Fe, New Mexico 87501

Sally W. Boyd, C.S.R.
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. 6666 heard by me on 9/19 1979.

[Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Bldg.
Santa Fe, New Mexico
19 September 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Exxon Corporation for
a non-standard proration unit, Eddy
County, New Mexico.

CASE
6666

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant:

Conrad Coffield, Esq.
Hinkle Law Firm
P. O. Box 3580
Midland, Texas 79701

SALLY WAITCIN BOYD
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I N D E X

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JOHN W. IRVING

Direct Examination by Mr. Coffield	3
Cross Examination by Mr. Nutter	8

E X H I B I T S

Applicant Exhibit One, Plat	4
Applicant Exhibit Two, Structure Map	6

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MR. NUTTER: We'll call at this time Case Number 6666.

MR. PADILLA: Application of Exxon Corporation for a non-standard proration unit, Eddy County, New Mexico.

MR. COFFIELD: Conrad Coffield with the Hinkle law firm of Midland, Texas, appearing on behalf of the applicant, and I have one witness.

(Witness sworn.)

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

DIRECT EXAMINATION

BY MR. COFFIELD:

Q Mr. Irving, would you state your name, address, occupation and employer, please?

A My name is John W. Irving. I live in Midland, Texas. I'm a geologist with Exxon Company, U.S.A.

Q Have you previously testified before the Oil Conservation Division as a geologist, Mr. Irving?

A Yes.

Q And were your qualifications made a matter

1 of record and were they accepted by the Division?

2 A Yes, sir.

3 Q Are you familiar with the application of
4 Exxon in this case?

5 A Yes, I am.

6 Q Are you familiar with the property and the
7 proposed well location involved?

8 A Yes.

9 MR. COFFIELD: Mr. Examiner, is Mr. Irving
10 considered qualified?

11 MR. NUTTER: Yes, he is.

12 Q (Mr. Coffield continuing.) Mr. Irving,
13 please state what it is that Exxon seeks by this application.

14 A Exxon seeks approval of a 377.57-acre
15 non-standard gas proration unit, comprising Lots 1, 2, 3,
16 and 4, and the north half of the north half of Section 36,
17 Township 26 South, Range 25 East, and Lots 3 and 4 in the
18 north half northwest quarter of Section 31, Township 26 South,
19 Range 26 East, to be dedicated to a Morrow test well to be
20 located in Unit A of said Section 36.

21 Q Mr. Irving, please refer to what we've
22 marked as Exhibit One and explain what that is and what it
23 represents.

24 A Exhibit One is a land plat showing the
25 outline of the 5,234-acre working interest Milepost Unit.

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3030 Plaza Blanca (953) 471-5463
San Antonio, Texas 78240

1 Shown within that unit outline is the pro-
2 posed non-standard proration unit, including all of the
3 irregular Section 36 and the west half of Section 31, with
4 the proposed well location 660 feet out of the northeast
5 corner of Section 36.

6 Other working interest ownership is also
7 shown on this plat.

8 Q Is Exxon the operator of this working
9 interest unit?

10 A Yes, sir, Exxon is the operator with 49.9
11 percent working interest.

12 Q And are the owners and the ownership indi-
13 cated within this 377.57-acre tract shown with this dotted
14 line, are all of those owners committed to the working interest
15 unit?

16 A Yes, sir, they are.

17 Q So you have their agreement to seek this
18 non-standard gas proration unit?

19 A Yes, sir.

20 Q Did you have anything else on this exhibit?

21 A I don't believe so.

22 Q What is the situation with respect to your
23 lease expiration?

24 A Exxon has a 40-acre lease that's expiring
25 the 1st of November, 1979, within this proposed non-standard

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Santa Fe, New Mexico 87501

1 proration unit. We plan to commence drilling on this non-
2 standard proration unit, if the Commission approves it,
3 probably by the middle of October, we would like to.

4 Q So is Exxon seeking early consideration
5 of this matter?

6 A Yes, sir.

7 Q Okay, Mr. Irving, would you please go to
8 Exhibit Two and explain what this represents?

9 A Exhibit Number Two is a plat showing
10 geologic structure on top of the Morrow. Also shown in the
11 red outline is the proposed non-standard proration unit
12 with the location of the Exxon No. 1 Milepost Com Well.

13 Q And are you offering this to demonstrate
14 your opinion that this particular well is a reasonably
15 productive of hydrocarbons from the Morrow formation?

16 A Yes sir. We only have the one well in
17 this reservoir. It's the Exxon Scheidt Federal No. 1,
18 located -- it's the northeast offset to the proposed loca-
19 tion. That's the only well within the vicinity that pene-
20 trated the Morrow, so this will be the first offset to the
21 discovery well.

22 The dark lines on the map indicate pos-
23 sible faulting.

24 Our well location falls structurally as
25 high as the initial well and within what we think will be

1 productive limits of the reservoir.

2 Q Okay, Mr. Irving, why don't you discuss
3 the alternatives that you could conceivably have to this
4 type of configuration?

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7 Texas state line are short sections, called irregular, and
8 to obtain a 320-acre proration unit, which would be standard,
9 I believe, for this depth, it would be necessary to take
10 some of the acreage in the section to the north and combine
11 with the partial section, 36, but by doing that it would be
12 setting up a system by which most of the future proration
13 units would be non-standard.

14 By taking Section 36 and then the east
15 offset, Section 31, and 32, into consideration, which are
16 the three sections that border the unit on the south, we
17 feel that we can make two proration units out of those three
18 irregular sections. Then future development in this area
19 would be on the standard 320-acre proration units.

20 Q So accordingly this configuration chosen
21 in this particular case will provide the least disturbance
22 for the orderly spacing of the remaining acreage, is that
23 true?

24 A Yes, we think it will.

25 Q Mr. Irving, were these Exhibits One and

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1 Two prepared by you or under your supervision?

2 A Yes, sir.

3 Q And in your opinion will the approval of
4 this application by Exxon be in the interest of conservation,
5 the prevention of waste, and protection of correlative
6 rights?

7 A Yes.

8 MR. COFFIELD: Mr. Examiner, I move the
9 admission of Exhibits One and Two.

10 MR. NUTTER: Exxon's Exhibits One and Two
11 will be admitted in evidence.

12 MR. COFFIELD: I have no other questions
13 of the witness.

14
15 CROSS EXAMINATION

16 BY MR. NUTTER:

17 Q Mr. Irving, I presume that the south half
18 of Section 30 is presently dedicated to this Scheidt Federal
19 Well No. 1.

20 A Yes, sir, that's correct.

21 Q And the location is a standard location
22 insofar as the proposed acreage dedication is concerned.

23 A Yes, sir.

24 Q All right.

25 MR. NUTTER: Are there any further ques-

1 tions of the witness? He may be excused.

2 Do you have anything further, Mr. Coffield?

3 MR. COFFIELD: Not in this case.

4 MR. NUTTER: Does anyone have anything they
5 wish to offer in Case Number 6666?

6 We'll take the case under advisement.

7
8 (Hearing concluded.)
9

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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, from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6669
heard by me on 9/19 1979
[Signature], Examiner
Oil Conservation Division

- CASE 6658: Application of Texas Pacific Oil Company, Inc. 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 S/2 NE/4 and N/2 SE/4 of Section 14, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to its J. W. Cooper Well No. 8 at an unorthodox location 2010 feet from the North line and 2310 feet from the East line of said Section 14.
- CASE 6659: Application of Amoco Production Company for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine in several unlined surface pits located in Sections 27, 34 and 35, Township 18 South, Range 31 East.
- CASE 6660: Application of B. & W. Oil Reclaiming for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NE/4 NE/4 NE/4 of Section 34, Township 18 South, Range 26 East.
- CASE 6661: Application of LaRue and Muncy for an exception to R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order R-111-A to permit a well to be drilled in Unit C of Section 22, Township 18 South, Range 30 East, Leo Queen-Grayburg Pool, to be cased by setting surface casing at the top of the salt, circulating cement on the oil string, and omitting the intermediate casing required by R-111-A; applicant further requests special rules to apply to all of Sections 15 and 22 of said township to permit additional wells to be completed in the same manner.
- CASE 6662: Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla "A" Well No. 22Y located in Unit K of Section 24, Township 26 North, Range 4 West, to produce gas from the Blanco Mesaverde Pool through tubing and to commingle and produce the Wildhorse Gallup and Basin-Dakota zones through a parallel tubing string.
- CASE 6663: Application of Doyle Hartman for an unorthodox well location and 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 a well at an unorthodox location 330 feet from the South line and 2310 feet from the West line of Section 36, Township 23 South, Range 36 East, Jalmat Gas Pool, is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.
- CASE 6664: Application of Doyle Hartman for an unorthodox well location, two non-standard proration units and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 SW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 1, and also a 120-acre unit comprising the E/2 SW/4 and SW/4 SW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 330 feet from the South and West lines of the section; applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.
- CASE 6647: (Continued from September 5, 1979, Examiner Hearing)
- Application of O. H. Berry for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Seven Rivers well to be located 1650 feet from the North line and 330 feet from the East line of Section 15, Township 24 South, Range 36 East, Jalmat Gas Pool, the NE/4 of said Section 15 to be dedicated to the well.
- CASE 6665: 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 22 and 23, Township 19 South, Range 29 East, and Section 19, Township 19 South, Range 30 East.
- CASE 6666: Application of Exxon Corporation for a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 377.57-acre non-standard gas proration unit comprising Lots 1, 2, 3, and 4 and the N/2 N/2 of Section 36, Township 26 South, Range 25 East, and Lots 3 and 4 and the N/2 NW/4 of Section 31, Township 26 South, Range 26 East, to be dedicated to a Morrow test well to be located in Unit A of said Section 36.
- CASE 6667: Application of Exxon Corporation for a non-standard proration unit, an unorthodox well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a 320-acre non-standard gas proration unit comprising the W/2 of Section 10, Township 21 South, Range 36 East, Eumont Pool, to be simultaneously dedicated to its A. J. Adkins Com Well No. 1 located in Unit L, and to its Well No. 2, at an unorthodox location 1650 feet from the North and West lines of said Section 10.

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:

JOR CASE NO. 6666

Order No. R- 6135

4/8
2/2
APPLICATION OF EXXON CORPORATION
FOR A NON-STANDARD PRORATION UNIT,
EDDY COUNTY, NEW MEXICO. *De*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 19,
19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of _____, 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, Exxon Corporation
seeks approval of a ^{377.57} ~~the N/2 NW/4~~ -acre non-standard gas proration unit
comprising ~~the~~ ^{the N/2 NW/4} Lots 1, 2, 3, and 4 and/of Section 36, Town-
and Lots 3 and 4 and the N/2 NW/4 of Section 31, T-26-S, R-26-E,
ship 26 South, Range 25 East, NMPM, to be dedicated to
a Morrow test well to be drilled at a point 660 feet from the North
~~its~~ ^{located in} line and 660 feet from the East line of said Section 36.
~~Unit~~ Unit of said Section 36.

(3) That the entire non-standard proration unit may reasonably
be presumed productive of gas from the Morrow Formation
~~Gas Pool~~ and that the entire non-standard gas proration unit can
be efficiently and economically drained and developed by the
aforesaid well.

Eddy County, New Mexico

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Morrow Formation underlying said lands, ~~Gas Pool~~, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 377.57 -acre non-standard gas proration unit ~~in the~~ Gas Pool comprising ~~the~~ Lots 1, 2, 3, and 4 and the N/2 N/2 of Section 36, Township 26 South, Range 25 East and the N/2 NW/4 of Section 31, T-26-S, R-26-E, NMPM, Eddy County, New Mexico, is heraby established and dedicated to ~~tax~~ a Morrow test well to be ~~xxxxx~~ located in Unit A of said Section 36.

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

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

DAN NUTTER

26-25

26-26

			0				
	36					34	
4	3	2	1	4	3		

DAN NUTTER

Exxon Corp.

10400' Morrow East

unorthodox

660' FNL 990' FEL

36 T26S R25E

Lots 1 2 3 & 4 & N/2 N/2 ^{Sec 36}
T26S R25E

and Lots 3 & 4 & N/2 NW/4 31
T26S R26E

non std proration unit
377.57 acres

Conrad Coffield

LAW OFFICES

HINKLE, COX, EATON, COFFIELD & HENSLEY

1000 FIRST NATIONAL BANK TOWER

Post Office Box 3580

MIDLAND, TEXAS 79702

(915) 683-4691

OF COUNSEL

CLARENCE E. HINKLE

W. E. BONDURANT, JR. (914-1973)

ROSWELL, NEW MEXICO OFFICE

600 HINKLE BUILDING

(505) 622-6510

ONLY ATTYS. COFFIELD, MARTIN, BOZARTH,
BOHANNON, FOSTER, ALLEN, ALLEN & BURFORD
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WILLIAM S. BURFORD
JOHN S. NELSON
RICHARD E. OLSON

August 31, 1979

Mr. Dan Nutter
Chief Engineer
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 6666

Dear Dan:

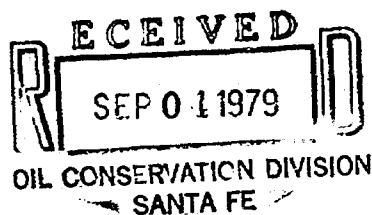
Per our telephone conversation of this morning, enclosed please find triplicate executed copies of a corrected Application for Exxon Corporation for a non-standard unit in connection with a well located 660 feet from the north line and 660 feet from the east line of Section 36, Township 26 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

Please advise if anything in additioned is need.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

Conrad E. Coffield
Conrad E. Coffield



CEC:rh
Enclosures

xc: Mr. Marvin Wigley
Exxon Corporation
Post Office Box 1600
Midland, Texas 79702
xc: Mr. Jack Dalious
Exxon Corporation
Post Office Box 1600
Midland, Texas 79702

Mr. Dan Nutter

-2-

August 31, 1979

Marvin:

I have checked with Dan Nutter and the location of 660 feet from the north line and 660 feet from the east line is an orthodox location.

CEC

RECEIVED
SEP 04 1979
OIL CONSERVATION DIVISION
SANTA FE

BEFORE THE OIL CONSERVATION DIVISION OF
THE DEPARTMENT OF ENERGY AND MINERALS
STATE OF NEW MEXICO

APPLICATION OF EXXON)
CORPORATION FOR AN EXCEPTION)
TO FIELD RULES, EDDY COUNTY,)
NEW MEXICO)

APPLICATION

Exxon Corporation hereby makes application for an exception to the field rules in connection with certain lands in Eddy County, New Mexico and states:

1. Applicant seeks approval of a non-standard unit consisting of 377.57 acres for its well located 660 feet from the North line and 660 feet from the East line of Section 36, Township 26 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

2. That the following lands are to be dedicated to this well:

Township 26 South, Range 25 East, N.M.P.M.

Section 36: Lot 1 (22.98)
Lot 2 (22.93 acres)
Lot 3 (22.87 acres)
Lot 4 (22.82 acres)
N $\frac{1}{2}$ N $\frac{1}{2}$

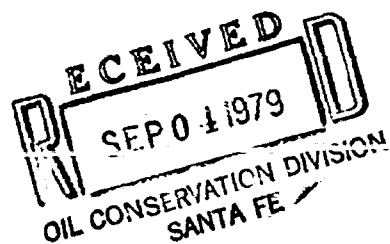
Township 26 South, Range 26 East, N.M.P.M.

Section 31: Lot 3 (22.98 acres)
Lot 4 (22.99 acres)
N $\frac{1}{2}$ NW $\frac{1}{4}$

Containing a total of 377.57 acres more or less.

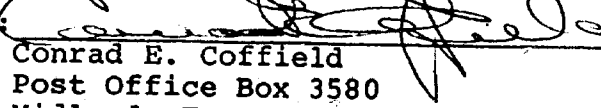
3. The producing interval is expected to be in the Morrow formation.

4. Approval of the requested non-standard 377.57 acre unit will be in the interest of conservation, prevention of waste and protection of correlative rights.



5. Applicant requests that this matter be heard at the
September 19, 1979 Examiner's hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 
Conrad E. Coffield
Post Office Box 3580
Midland, Texas, 79702
Attorneys for Exxon Corporation

RECEIVED
SEP 04 1979
OIL CONSERVATION DIVISION
SANTA FE

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THE DEPARTMENT OF ENERGY AND MINERALS
STATE OF NEW MEXICO

APPLICATION OF EXXON)
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NEW MEXICO)

APPLICATION

Exxon Corporation hereby makes application for an exception to the field rules in connection with certain lands in Eddy County, New Mexico and states:

1. Applicant seeks approval of a non-standard unit consisting of 377.57 acres for its well located 660 feet from the North line and 660 feet from the East line of Section 36, Township 26 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

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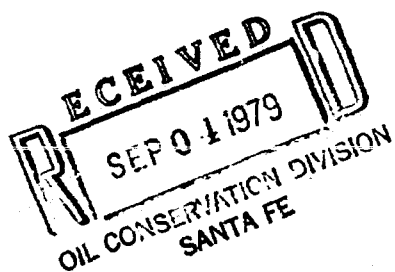
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N $\frac{1}{2}$ NW $\frac{1}{4}$

Containing a total of 377.57 acres more or less.

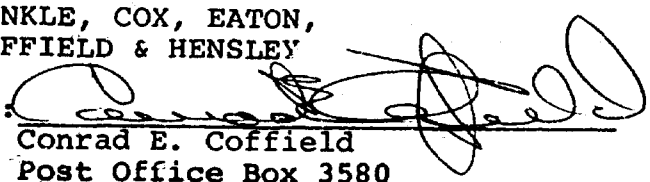
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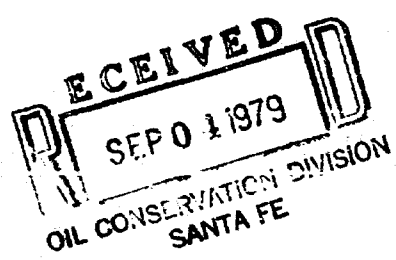
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HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 
Conrad E. Coffield
Post Office Box 3580
Midland, Texas, 79702
Attorneys for Exxon Corporation



LAW OFFICES

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WILLIAM S. BURFORD
JOHN S. NELSON
RICHARD E. GLSON

August 30, 1979

Case 6666

Mr. Dan Nutter
Chief Engineer
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Dear Dan:

Transmitted herewith you will find triplicate executed copies of an Application for Exxon Corporation for a non-standard unit in connection with a well in Section 36, Township 26 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

It is my understanding that the docket setting for September 19 is still available for this matter, and accordingly, we request that it be heard on that date.

I trust that the enclosed copies of the Application are all that is needed in order for this to be set for the September 19, 1979 hearing. However, if anything is needed in addition, please let me know.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

Conrad E. Coffield
Conrad E. Coffield



xc: Mr. Marvin Wigley
Exxon Corporation
Post Office Box 1600
Midland, Texas 79702
xc: Mr. Jack Dalious
Exxon Corporation
Post Office Box 1600
Midland, Texas 79702

BEFORE THE OIL CONSERVATION DIVISION OF
THE DEPARTMENT OF ENERGY AND MINERALS
STATE OF NEW MEXICO

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CORPORATION FOR AN EXCEPTION)
TO FIELD RULES, EDDY COUNTY,)
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APPLICATION

Exxon Corporation hereby makes application for an exception to the field rules in connection with certain lands in Eddy County, New Mexico and states:

1. Applicant seeks approval of a non-standard unit consisting of 377.57 acres for its well located 660 feet from the North line and 990 feet from the East line of Section 36, Township 26 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

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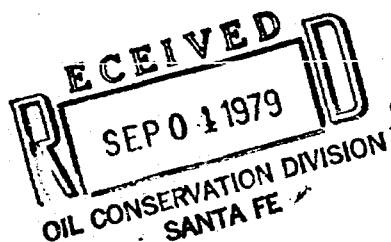
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Containing a total of 377.57 acres more or less.

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5. Applicant requests that this matter be heard at the
September 19, 1979 Examiner's hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By 

Conrad E. Coffield
Post Office Box 3580
Midland, Texas, 79702
Attorneys for Exxon Corporation

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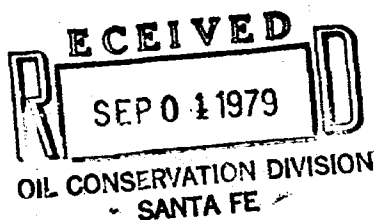
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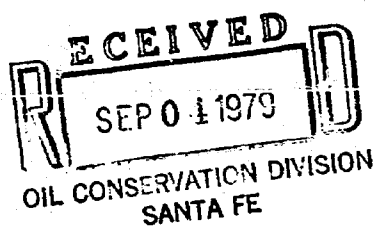
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Conrad E. Coffield
Post Office Box 3580
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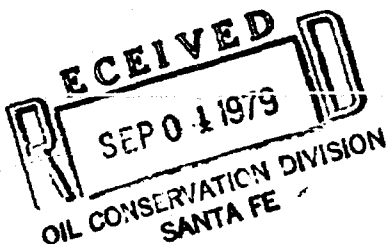
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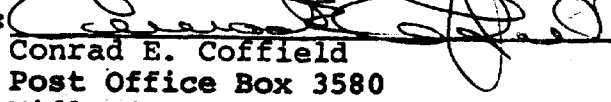
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