



Page 1 STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION State Land Office Building Santa Fe, New Mexico I7 October, 1979 2 3 4 EXAMINER HEARING 5 6 IN THE MATTER OF: CASE Application of Robert C. Anderson for two unorthodox gas well locations, San Juan Ccunty, New Mexico. 7 6699 8 9 BEFORE: Daniel S. Nutter SALLY WALTON BOYD CENTIPED SHORTHAND REPORTER 1020 Plana L Anca (545) 471-3-152 Banka Pa, New Mardoo 37511 10 11 TRANSCRIPT OF HEARING 12 APPEARANCES 13 For the Applicant: 14 Damon Weems, Esq., 2901 East 20th Street Farmington, New Mexico 87401 15 16 For the Oil Conservation Ernest L. Padilla, Esq. Legal Counsel for the Division: 17 Division State Land Office Building Santa Fe, New Mexico 87503 18 19 20 21 ŽŽ 23 24 25



MR. NUTTER: We'll call now Case Number 6699. 2 MR, PADILLA: Application of Robert C. 3 Anderson for two unorthodox gas well locations, San Juan 4 County, New Mexico. 5 MR. WEEMS: Mr. Examiner, I'm Damon Weems 6 of Farmington, New Mexico, on behalf of the applicant. 7 I have one witness. 8 9 (Witness sworn.) 10 11 ASHTON B. GEREN 12 being called as a witness and having been duly sworn upon 13 his oath, testified as follows, to-wit: 14 15 DIRECT EXAMINATION 16 BY MR. WEEMS: 17 Would you please state your name, address, Q. 18 and by whom you're employed? 19 Ashton B. Geren, Junior. I'm a consultant A 20 for Robert C. Anderson. 21 MR. NUTTER: How do you spell your last 22 name, please? 23 G-E-R-E-N. 24 Would you state when, where, and in what 25 Q. 

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1 discipline you received your professional degree? 2 I graduated in geology, Bachelor of Science, A. Texas A & M, in 1949. Q. Since graduation from Texas A & M in 5 geology, have you practiced as a geologist? 6 Continuously till the present date. A. How long have you been familiar with the 7 Q. San Juan Basin area of northwestern New Mexico? 8 9 I've worked in the San Juan Basin for A. 10 about, approximately, sixteen years. BOYI 11 Are you familiar with the facts surrounding Q. ALTON 12 these applications for unorthodox well locations? 13 Right. A. 14 MR. WEEMS: We tender MR. Geren as an 15 expert. 16 MR. NUTTER: Mr. Geren is qualified. 17 (Mr. Weems continuing.) In the case of Q. 18 the Robert C. Anderson Ute Mountain Ute No. 1, did you file 19 the forms with the State of New Mexico to drill that well? 20 Yes, I did. Α. 21 And at the time that you filed those forms 22 what type of well were you going to be drilling? 23 This was filed as a wildcat oil well. 24 And in the drilling of that particular Q. 25 well did you encounter gas in producing quantities?

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	2	Q. Did you encounter oil?	
	3	A. Encountered no oil.	
	4	0. In the case of the Robert C. Anderson Ute	
	Б	Mountain Ute No. 3, did you file the appropriate forms with	
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		threat of this particular quarter section, and got a dry	
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	19	A No oil.	
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	21	these applications be in the interest of conservation, the	s?
	2	these applications be and prevention of waste, and the protection of correlative right	
	2	$\mathbf{J}$ do:	
	2	MR. WEEMS: I have no further questions.	
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# CROSS EXAMINATION

BY MR. WEEMS:

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Q Mr. Geren, when the Well No. 1 was drilled was there any oil production in that vicinity?

A. Not in this particular zone. This -- this is a Dakota well, and I did the geology on the prospect and it was a very small, little structure, probably a bar, and there was no Dakota gas or oil in the immediate vicinity, and we assumed and hoped it would be an oil well because of the lack of market. We are presently building a pipeline, which is about five miles away, and so --

Q. But you were expecting that the well, if productive, would be productive of oil and located it as an oil well.

Yes, sir.

A.

17 Q. That was the No. 1. And then the No. 2
18 was drilled to the north as a gas well?

A As a gas location, after we received gas in this well, and you know, this was in the -- oh, 790 out of the north and the west corner, and this was a dry hole and low. So following my geology, I figured to get in the oil ring, and we moved over to this, I believe it's 2310 from the north and west as an oil location. And it was a gas well and structurally similar to the No. 1.

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×	1	Q. So you drilled three wells; one was a dry
	2	hole
	3	A. Right.
	4	Q. And two staked as oil well locations but
e de la companya de La companya de la comp	5	were gas productive.
	6	What do you have in the line of acreage
 	7	dedication, then, for these wells?
	8	A. These would be 160 for each well.
	9	Q. And have you obtained non-standard pro-
BOYD EPOATER 471-4465 6 87141	10	ration units for those?
<b>F</b> B	11	A. I don't understand what you mean on that.
	12	Q. Well, if they're gas wells in the Dakota
FIED BY	13	formation
SAL	14	A. Oh, yes, sir.
	15	Q and so the standard dedication
	16	A. Right.
	17	Q requirement would be 320 acres.
	18	A. This is out of the Basin Dakota area.
	19	Q Well, it's in San Juan County, New Mexico,
	20	and the rule says that the Dakota producing interval in Rio
	21	Arriba and San Juan Countles is the Basin Dakota Gas Pool.
	2	A Yes, sir, I checked with Mr. Kendrick at
	23	the time I made these gas locations and this was not con-
	24	sidered. 10 was an other tanks the state of
	25	Q But it's as as an oil field?

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Well, no, as a gas field, based on 160's 1 and that was, you know, that was approved as that. 2 I think we may have to have some unortho-Q. 3 dox -- non-standard 160-acre proration units for this. 4 And you are building a pipeline to these wells? 6 We are fighting a lease expiration within Α. 6 a short fuse, and we have three gas wells in this field, 7 and the third one is down in the southeast quarter on stand-8 ard spacing, and --9 Of the same section? 10 0. Right, and we thought we might have some-11 A. **WALJON** one come to us, but the field is defined; that's it, and so 12 we're building presently and should connect this pipeline 13 within, oh, four or five days about four or five mizes 14 15 south of us. Now what is the location of the No. 2 Well? 16 **Q**. The No. 2 is 790 out of the north and 17 A. west corner of Section 14. 18 So you will have two wells in the northwest 19 0. 20 quarter. No, it's a dry hole. 21 But I mean you have two wells there and 22 Q. one's dry and you have the No. 3. 23 As a gas well, and then we've got a water 24 Α. Æ well

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9 Paoi And then you've got the No. 1 in the southwest guarter and then you've got another gas well over 1 2 in the southeast guarter? 3 ïes, sir. A And what's the location of that? 4 It's 1850 from the south and east. Q 5 That's right there. What do you call it? Α. 6 Q. It's the No. 4 Ute Mountain Ute. 7 We did drill two other wells in the Α. 8 northeast quarter that were both dry and low in the Dakota. 9 In the northeast quarter. 10 CWALTON BOY Q. 11 Right. MR. NUTTER: Are there any further quesē Α. 12 SALLY 13 tions of Mr. Geren? He may be excused. Do you have anything further, Mr. Weems? 14 15 MR. WEEMS: No, sir. MR. NUTTER: Does anyone have anything 16 they wish to offer in Case Number 6699? 17 We'll take the case under advisement. 18 19 20 (Hearing concluded.) 21 22 23 24 25

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	1	REPORTER'S CERTIFICATE
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	3	I, SALLY W. BOYD, a Court Reporter, DO HEREBY CERTIFY
	4	that the foregoing and attached Transcript of the Hearing
a af i	5	before the Oil Conservation Division was reported by me;
	6	that said transcript is a full, true, and correct record
an tan Pang Sala an tan Indonesia an an tan Indonesia an		of the hearing, prepared by me to the best of my ability, fr
	8	my notes taken at the time of the hearing.
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<b>• • •</b>	9	Sally W. Boyd, C.S.R.
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N 2 5	14	I do hereby certify that the foregoing is a complete tecord of the proceedings in
	15	the Examiner hearing of Case No. 6699 heard by me on 1017 1979.
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	17	Oil Conservation Division
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MR. WEEMS: Mr. Examiner, I'm Damon Weems of Farmington, New Mexico, on behalf of the applicant.

I have one witness.

(Witness sworn.)

# ASHTON B. GEREN

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

# DIRECT EXAMINATION

BY MR. WEEMS:

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Q Would you please state your name, address, and by whom you're employed?

A Ashton B. Geren, Junior. I'm a consultant for Robert C. Anderson.

MR. NUTTER: Now do you spell your last

William Statistic and Statistic and Statistics and

name, please?

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G-E-R-E-N.

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A. I graduated in geology, Bachelor of Science, 3 Texas A & M, in 1949. Since graduation from Texas A & M in Q. 6 geology, have you practiced as a geologist? 6 Continuously till the present date. A. 7 How long have you been familiar with the **0** San Juan Basin area of northwestern New Mexico? 8 g I've worked in the San Juan Basin for A. 10 about, approximately, sixteen years. 11 Are you familiar with the facts surrounding Q. 12 these applications for unorthodox well locations? 13 Right. 14 MR. WEEMS: We tender MR. Geren as an 15 expert. 16 MR. NUTTER: Mr. Geren is qualified. 17 (Mr. Weems continuing.) In the case of 18 the Robert C. Anderson Ute Mountain Ute No. 1, did you file 19 the forms with the State of New Mexico to drill that well? 20 Yes, I did. 21 And at the time that you filed those forms û 22 what type of well were you going to be drilling? 23 This was filed as a wildcat oil well. 24 And in the drilling of that particular Q. well did you encounter gas in producing quantities?

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	Page5
1	A Yes, we did.
2	Q Did you encounter oil?
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5	Mountain Ute No. 3, did you file the appropriate forms with
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8	No. 2 as a gas well up in the northwest quarter, northwest
9	northwest of this particular quarter section, and got a dry
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11	dip and probably in the oil range, so I filed this as an oil
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13	Q Was this filed as a wildcat oil location?
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16	counter gas in producing quantities?
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SALLY WALTON BOYD CERTIFIED SHORTHAND REPORTER 1911 Plana Blanca (141) 411-3442 Barla Pa, New Mardion 17141

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CROSS EXAMINATION

BY MR. WEEMS:

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Yes, sir.

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Q Of the same section?

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A Right, and we thought we might have someone come to us, but the field is defined; that's it, and so we're building presently and should connect this pipeline within, oh, four or five days about four or five miles south of us.

Q Now what is the location of the No. 2 Well? A The No. 2 is 790 out of the north and west corner of Section 14.

Q So you will have two wells in the northwest quarter.

A Non it's a dry hole.

Q But I mean you have two wells there and one's dry and you have the No. 3.

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	1	Q And then you've got enother gas well over
	2	southwest quarter and then you've got another gas well over
	3	in the southeast quarter?
	4	A yeg, sir.
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	6	A. It's 1850 from the south and east.
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	9	We did drill two other wells in the Dakota.
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10 NEMO	11	Q In the northeast quarter.
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Place B	13	MR. NUTTER: Are there any further ques-
	14	tions of Mr. Geren? He may be excused.
	15	Do you have anything further, Mr. Weems?
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	18	they wish to offer in Case Number 6699?
	19	We'll take the case under advisement.
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Page 1 REPORTER'S CERTIFICATE 2 I, SALLY W. BOYD, a Court Reporter, DO HEREBY CERTIFY 3 that the foregoing and attached Transcript of the Hearing 4 before the Oil Conservation Division was reported by me; 5 that said transcript is a full, true, and correct record 6 of the hearing, prepared by me to the best of my ability, from 7 my notes taken at the time of the hearing. 8 9 Sally W. Boyd, C.S.R. 10 SALLY WALTON BOY 11 12 13 I do hereby certify that the foregoing is a complete record of the proceedings in 9 14 the Examiner hearing of Case No. 15 heard by me on (0 Examiner 16 Oil Conservation Division 17 18 19 20 21 22 23 24 26

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT **OIL CONSERVATION DIVISION** POST OFFICE BOX 2068 STATE LAND OFFICE BUILDING SAN 1A FE, NEW MEXICO 87501 (505) 827-2434 BRUCE KING LARRY KEHOE November 6, 1979 Mr. Danion Weems Re: CASE NO. 6699 Attorneysat Law ORDER NO. R-6168 2901 East 20th Farmington, New Mexico .87401 Applicant: Robert C. Anderson Dear Sir: Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case. Pours very truly, JOE D. RAMEY Director JDR/fd Copy of order also sent to: Hobbs OCD Artesia OCD X Aztec OCD x 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. 6699 Order No. R=6168

APPLICATION OF ROBERT C. ANDERSON FOR TWO UNORTHODOX GAS WELL LOCATIONS, BAN JUAN COUNTY, NEW MEXICO.

### ORDER OF THE DIVISION

### BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 17, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>2nd</u> day of November, 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, Robert C. Anderson, seeks approval of two unorthodox gas well locations, the first being 1980 feet from the South line and 660 feet from the West line of Section 14 for his Ute Mountain Ute Well No. 1, and the second being 2310 feet from the North line and 2310 feet from the West line of Section 14 for his Ute Mountain Ute Well No. 3, both in Township 31 North, Range 16 West, NMPM, Dakota formation, San Juan County, New Mexico.

(3) That said wells were projected as oil wells in the Dakota formation and their locations staked accordingly, but were productive of gas instead.

(4) That the Dakota reservoir from which the subject wells are productive is a separate and distinct reservoir from the Basin-Dakota Pool in Rio Arriba and San Juan Counties, New Mexico, lying west of the Hogback, and a new pool should be created for said wells by the Division and placed on 160-acre spacing, at least for the present. -2-Case No. 6699 Order No. R-6168

(5) That the SW/4 of said Section 14 should be dedicated to the aforesaid Well No. 1 and the NW/4 of said Section 14 should be dedicated to the aforesaid Well No. 3.

(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

# IT IS THEREFORE ORDERED:

(1) That 21 unorthodox gas well location for the Dakota formation is hereby approved for the Robert C. Anderson Ute Mountain Ute Well No. 1, located 1980 feet from the South line and 660 feet from the West line of Section 14, and the Ute Mountain Ute Well No. 3, located 2310 feet from the North line and 2310 feet from the West line of Section 14, both in Township 31 North, Range 16 West, NMPM, undesignated Dakota gas pool, San Juan County, New Mexico.

(2) That the SW/4 of said Section 14 shall be dedicated to the above-described Well No. 1 and the NW/4 of said Section 14 shall be dedicated to the above-described Well No. 3.

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

DONE at Santa Fe, New Mexico, on the day and year herein-

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

JOE D. RAMEY Director

S E A L

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Docket No. 40-79

Dockets Nos. 41-79 and 42-79 are tentatively set for October 31 and November 14, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

#### DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 17, 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:

- <u>ALLOWABLE:</u> (1) Consideration of the allowable production of gas for November, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Nexico.
  - (2) Consideration of the allowable production of gas for November, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 6693: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian test well to be located 1130 feet from the South line and 1300 feet from the East line of Section 30, Township 17 South, Range 26 East, the S/2 of said Section 30 to be dedicated to the well.
- CASE 6694: 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 Wolfcamp-Pennsylvanian formations underlying the S/2 of Section 35, Township 18 South, Range 25 East, 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 6695: Application of Millard Deck Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to is drilled at a standard location thereon.
- CASE 6696: Application of R. Q. Silverthorne for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Yates test well to be drilled 1310 feet from the South and West lines of Section 30, Township 18 South, Range 31 East, Shugart Pool.
- CASE 6597: Application of Conoco Inc. for an unorthodox location and dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Wells B-1 Well No. 5 at an unorthodox Devonian location 1650 feet from the North line and 660 feet from the East line of Section 1, Township 25 South, Range 36 East, to produce gas from the Devonian and Ellenburger formations, Custer Field, thru parallel strings of tubing, the E/2 of said Section 1 to be dedicated to the well.
- CASE 6671: (Continued from October 2, 1979, Examiner Hearing)

Application of Chapman and Schneider for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Seven Rivers Reef formation in the open-hole interval from 3422 feet to 3504 feet in its I. B. Ogg "A" Meil No. 3 located in Unit E of Section 35, Township 24 South, Range 36 East, Jalmat Pool.

CASE 6698:

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Application of Stevens 011 Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 SW/4 of Section 30, Township 8 South, Range 29 East, 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 6699: Application of Robert C. Anderson for two unorthodox gas well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Ute Mountain WT Well Mn. 1 located in the cauter of Unit L, and Well No. 3, located 2310 feet from the North and West lines, both in Section 14, Township 31 North, Range 16 West, the SW/4 of said Section 14 to be dedicated to Well No. 1 and the NW/4 to be dedicated to Well No. 3.

#### Page 2 of 6 Examiner Hearing - Wednesday - October 17, 1979

Docket No. 40-79

B

#### CASE 6680: (Continued from October 2. 1979. Examiner Hearing)

Application of Robert C. Anderson for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling of all production from his Ute Mountain Ute Lease, Wells Nos. 1, 3 and 4, located in Section 14, Township 31 North, Range 16 West.

CASE 6631: (Continued from August 22, 1979, Examiner Hearing)

Application of Reserve 011, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat gas and Langlie Mattix oil production in the wellbore of its Cooper Jal Unit Well No. 149-306 located in Unit J of Section 18, Township 24 South, Range 37 East.

CASE 6700: Application of Doyle Hartman for an unorthodox well location, a non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the NW/4 NW/4 and S/2 NW/4 of Section 29, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the North line and 330 feet from the West line of said Section 29; 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 the existing proration unit which cannot be so drained by the existing well.

CASE 6701: Application of Doyle Hartman for compulsory pooling, non-standard gas proration unit, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the abovestyled cause, seeks an order pooling all mineral interests in the Seven Rivers-Queen formations underlying the SE/4 of Section 30, Township 21 South, Range 36 East, Eumont Gas Pool, to form a 160-acre non-standard gas proration unit to be dedicated to his J. K. Rector Well No. 1 at an unorthodox location 2310 feet from the South line and 330 feet from the East line of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well. Applicant further seeks a waiver of existing well specing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

CASE 6676:. (Continued from October 2, 1979, Examiner Hearing)

Application of Doyle Hartman for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre nonstandard gas proration unit comprising the SW/4 NE/4 and SE/4 NW/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the North line and 1650 feet from the East line of said Section 36.

CASE 6664:

4: (Continued from September 19, 1979, Examiner Hearing)

Application of Doyle Martman 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-ucre 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 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 6662:

62: (Continued from September 19, 1979, Examiner Hearing)

Application of Supron Energy Corporation for a dual completion and doumhole comingling, 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 6702:

Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Blanco-Pictured Cliffs and Blanco Mesaverde production in the wellbore of its San Juan 27-5 Unit Well No. 67 located in Unit B of Section 31, Township 27 North, Range 5 West.

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#### Examiner Hearing - Wednesday - October 17, 1979

#### Docket No. 40-79

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#### CASE 6487: (Continued from July 25, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 5, Township 21 South, Range 36 Fast, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

#### CASE 6679: (Continued from October 2, 1979; Examiner Hearing)

Application of El Paso Natural Gas Company for a gas storage unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Washington Ranch Morrow Unit Area comprising the Morrow formation and the first 100 feet immediately above and below said formation underlying all or parts of Sections 21 thru 23, 26 thru 29, and 32 thru 36, Township 25 South, Range 24 East; Sections 1 thru 5 and 9 thru 14, Township 26 South, Range 24 East; and Sections 6, 7, and 18, Township 26 South, Range 25 East, Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico. Said unit area would be for the purpose of conducting a gas storage project and would comprise 12,158 acres, more or less, of State, federal and fee lands.

<u>CASE 6703</u>: Application of El Paso Natural Gas Company for underground gas storage, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas storage project in the Morrow formation underlying its Washington Ranch Morrow Unit Area in Townships 25 and 26 South, Ranges 24 and 25 East, Washington Ranch-Morrow Gas Pool. Applicant further seeks the promulgation of rules governing the drilling and completion of wells going thru the Morrow formation and the first 100 feet immediately above and below said formation underlying the unit area into deeper formations, and the establishment of an administrative procedure for the consideration of exceptions to the Division's well spacing and casing and tubing requirements for its injection and withdrawal wells.

CASE 6704: Application of ARCO 011 and Gas Company for the amendment of Order No. R-6044, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6044 which authorized the drilling of a horizontal drainhole in the Empire-Abo Pool. Applicant proposes to amend the target area prescribed by said order for the drainhole.

CASE 6705:

Page 3 of 6

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in 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 Southwest Indian Flats-Morrow Gas Pool. The discovery well is Perry R. Bass Big Eddy Unit Well No. 68 located in Unit K of Section 10, Township 22 South, Range 28 East, NMPM. Said pool would comprise:

#### TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM Section 10: W/2

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka-Morrow production and designated as the South Kemnitz Atoka-Morrow Gas Pool. The discovery well is Tenneco Oil Company Kemnitz Deep Well No. 1 located in Unit G of Section 29, Township 16 South, Range 34 East, NMPM. Said pool would comprise:

> TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM Section 29: E/2

(c) EXTEND the Anderson Ranch-Morrow Cas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM Section 3: S/2

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM Section 30: S/2

(e) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM Section 23: S/2 Page 5 of 6 Examiner Hearing - Wednesday - October 17, 1979

#### Docket No. 40-79

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(s) EXTEND the South Eunice-San Andres Pool in Lea County, New Mexico, to include therein:

#### TOWNSHIP 22 SOUTH, RANGE 37 FAST, NMPM Section 12: SW/4

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

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM Section 35: N/2 Section 36: N/2

TOWNSHIP 22 SOUTH, RANCE 34 EAST, NMPM Section 2: SW/4

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

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

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

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM Section 14: W/2

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM Section 8: SE/4 Section 9: SW/4

(x) EXTEND the Langlie-Ellenburger Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM Section 20: E/2

(y) FXTEND the Lenglie Mattix Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM Section 32: SW/4

(z) EXTEND the North Loving-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM Section 8: 5/2 Section 16: E/2

(aa) EXTEND the Penasco Draw-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM Section 21: W/2

(bb) EXTEND the Penasco Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM Section 25: 5/2 Section 36: All

(cc) EXTEND the Penasco Draw San Andres-Yeso Associated Pool in Eddy County, New Mexico, to include therein;

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM

(dd) EXTEND the South Peterson-Fusselman Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, MANGE 33 EAST, NMPM Section 30: SE/4

(ce) EXTEND the South Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANCE 33 EAST, NMPM Section 31: N/2 SE/4 and S/2 NE/4

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# SEP 1 3 1979

## Oil Conservation

6699 No. 6699

# STATE OF NEW MEXICO

# DEPARTMENT OF ENERGY AND MINERALS

# OIL CONVERSATION DIVISION

Application of ROBERT C. ANDERSON for an unorthodox well location in SECTION 14, TOWNSHIP 31 NORTH, RANGE 16 WEST, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

# APPLICATION FOR UNORTHODOX WELL LOCATION

Robert C. Anderson, by and through his attorney, respectfully requests that the Division grant an exception to gas well location requirements for the Robert C. Anderson Ute Mountain Ute Number 1, which is located one thousand nine hundred eighty feet (1,980') from the South line and six hundred sixty feet (660') from the West line of Section 14, Township 31 North, Range 16 West, N.M.P.M. San Juan County, New Mexico.

As grounds therefore Applicant states that said well was drilled into an undesignated pool as a wildcat oil well as provided in Rule 104(B)(II)(b) and in the drilling of such well Applicant encountered gas in producing quantities. Applicant would propose to dedicate the Southwest Quarter (SW%) of said Section, Township and Range consisting of one hundred sixty (160) surface contiguous acres, more or less, to such well.

A copy of form C-102 filed with the Oil Conservation Division is attached hereto as Exhibit I.

Applicant requests a hearing on this matter.

Weems ion La

Attorney for Robert C. Anderson 2901 East 20th Farmington, New Mexico 87401 327-4469



# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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EXHIBIT I

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**Oil Conservation** 

# STATE OF NEW MEXICO

## DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

Application of ROBERT C. ANDERSON for an unorthodox well location in SECTION 14, TOWNSHIP 31 NORTH, RANGE 16 WEST, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

6699 No. 6580-

### APPLICATION FOR UNORTHODOX WELL LOCATION

Robert C. Anderston, by and through his attorney respectfully requests that the Division grant an exception to gas well location requirements for the Robert C. Anderson Ute Mountain Ute Number 3, located two thousand three hundred ten feet (2,310') from the North line and two thousand three hundred ten feet (2,310') from the West line of Section 14, Township 31 North, Range 16 West, N.M.P.M., San Juan County, New Mexico.

As grounds therefore Applicant states that he drilled the well in a previously undesignated pool as a wildcat oil well as provided in Rule 104(B)(II)(b), and in the drilling of such well encountered gas in producing quantities. Applicant would propose to dedicate the Northwest Quarter (NW%) of said Section, Township and Range consisting of one hundred sixty (160) surface contiguous acres, more or less, to said well.

Form C-102 which was filed with the Oil Conservation Division is attached hereto as Exhibit I.

Applicant requests a hearing on this matter.

Damon L. Weems

Attorney for Robert C. Anderson 2901 East 20th Farmington, New Mexico 87401 327-4469 NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLA

Robert C.	inderson		must be from the outer Lou	massies of the Section.	Elleciive
Unit Letter	Section	Township	Ute Moun	tain-Ute	Well No.
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EXHIBIT I

DRAFT 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. 6699 ORDER NO. R- ( APPLICATION OF ROBERT C. ANDERSON FOR AN UNORTHODOX GAS WELL LOCATIONS, SAN JUAN COUNTY, NEW MEXICO. ORDER OF THE DIVISION BY THE DIVISION: This cause came on for hearing at 9 a.m. on October 17 19<u>79</u>, at Santa Fe, New Mexico, before Examiner  $\frac{\partial SN}{\partial N}$ day of October, 19 79, the Division NOW, on this 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, Robert C. ander st being seeks approval of an unorthodox gas well locations 1980 feet from the South 660 line and feet from the itte wee 14 line of Section West Township 31 De Range 16 Loes NMPM, formation, County, New Mexico.

3) That said were were projected as all weeks in the Dickaha formation and their locations staked accordingly, but were productive of gas instead (4) That the Dakoha reservoir from I which the subject wille are production in a superate and distinct reservoir from the Brie Dakala Poal in Ris Cerribel and San Juan Caution lanthefice, living west of the Hogback, and to see soal should be created for paid to be seen soon should see marine for and for the present.

(5) That the <u>surfit</u> of said section <u>14</u> should is to be aforessing dedicated to the Well NOI and the NWT4 of said Section 14 should be dedicated to the aforenaid Well NO. 3.

(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 Dakata the Robert C. Anderson We Mountain We well to be formation is hereby approved for a well to be located at a point 1980 feet from the <u>South</u> line and <u>660</u> feet from the <u>locst</u> and the second and <u>112 located</u> 2310 feet from the <u>locst</u> and the second and <u>112 located</u> 2310 feet from the <u>locst</u> line of Section <u>14</u> Township <u>31</u> <u>North</u>, Range <u>16</u> <u>cuest</u> NMPM, <u>undisguated</u> <del>Dakata</del> <del>gas</del> <u>pool</u>, <u>San fuecu</u> County, New Mexico.

(2) That the <u>SW14</u> of said Section <u>14</u> shall be dedicated to the above-described Well No. 1 And the NW14 of Aaid Section 14 Shall be dedicated to the above described Wile 78, 3.

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

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