

CASE 6711: SUN OIL COMPANY OF DELAWARE ,
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

Case Number

6711

Application

Transcripts.

Small Exhibits

ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2008
STATE LAND OFFICE BUILDING
BANTA FE, NEW MEXICO 87501
(505) 827-2434

November 15, 1979

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

Re: CASE NO. 6711
ORDER NO. R-6176

Applicant:

Sun Oil Company of Delaware

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. 6711
Order No. R-6176

APPLICATION OF SUN OIL COMPANY
OF DELAWARE FOR AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 31, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th 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, Sun Oil Company of Delaware, originally requested approval of an unorthodox gas well location 660 feet from the North line and 660 feet from the East line of Section 27, Township 14 South, Range 37 East, NMPM, to test the Mississippian formation, Lea County, New Mexico.

(3) That to avoid interference with agricultural operations, the applicant seeks the amendment of the application to provide for a location 1101 feet from the North line and 660 feet from the East line of said Section 27.

(4) That the proposed amendment will result in a location which is less unorthodox than that originally sought in this case and should be approved.

(5) That the E/2 of said Section 27 is to be dedicated to the well.

-2-

Case No. 6711
Order No. R-6176

(6) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

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

(8) 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.

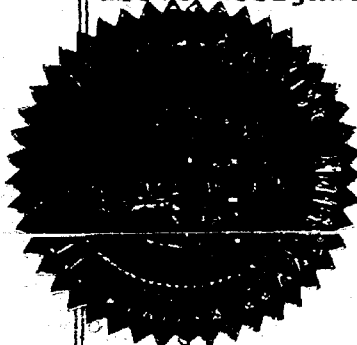
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Mississippian formation is hereby approved for a well to be located at a point 1101 feet from the North line and 660 feet from the East line of Section 27, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That the E/2 of said Section 27 shall be dedicated to the above-described well.

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

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico
31 October 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Sun Oil Company of) CASE
Delaware for an unorthodox gas well) 6711
location, Lea County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

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I N D E X

JAMES W. ADAMS

Direct Examination by Mr. Coffield 4
Cross Examination by Mr. Stamets 12

E X H I B I T S

Applicant Exhibit One, Plat 6
Applicant Exhibit Two, Contour Map 7
Applicant Exhibit Three, Isopach 9
Applicant Exhibit Four, Cross Section 10

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Page _____ 3 _____

1 MR. STAMETS: We'll call next Case 6711.

2 MR. PADILLA: Application of Sun Oil Com-
3 pany of Delaware for an unorthodox gas well location, Lea
4 County, New Mexico.

5 MR. COFFIELD: Conrad Coffield with the
6 Hinkle Law Firm of Midland, Texas, appearing on behalf of
7 the applicant, and Mr. Examiner, before we get started, I
8 would like to draw the Examiner's attention to the fact that
9 after this application was filed Sun Oil Company discovered
10 that the unorthodox location sought in the application was
11 seriously incompatible with irrigation equipment and facili-
12 ties located on the surface, and therefore selected a loca-
13 tion which instead of being 660 feet from the north line
14 and 660 feet from the east line, is 1101 feet from the north
15 line and 660 feet from the east line, thus making it closer
16 to a normal location, and we would respectfully request
17 permission to amend our application in that regard.

18 MR. STAMETS: Did you say 1100 feet from
19 the north?

20 MR. COFFIELD: 1101.

21 MR. STAMETS: 1101.

22 MR. COFFIELD: Yes, sir.

23 MR. STAMETS: Is there any objection to
24 amending the location?

25 That location is less unorthodox --

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MR. COFFIELD: Yes, sir.

MR. STAMETS: -- than that proposed and
in the absence of objection we will permit the application
to be amended at this time.

MR. COFFIELD: I have one witness to be
sworn.

(Witness sworn.)

JAMES W. ADAMS
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. Adams, would you please state your
name, address, occupation, and employer?

A James W. Adams, Dallas, Texas, Consulting
Geologist under contract to Sun Mark Exploration Company,
a Division of Sun Oil Company of Delaware.

Q Mr. Adams, have you previously testified
before the Division as a geologist?

A No, I have not.

Q And would you please give a resume of
your educational background?

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1 A. I have a Bachelor's degree and Master's
2 degree in geology from the University of Missouri; employed
3 as a petroleum geologist with Pureoil Company at Tulsa, Okla-
4 homa for six years. I was similarly employed as a petroleum
5 geologist with Sinclair Oil and Gas Company at Roswell, New
6 Mexico, and Midland, Texas, for six years; employed by the
7 Murphy Oil Corporation at Eldorado, Arkansas, as an explora-
8 tion geologist for eight years; as a consulting geologist,
9 Dallas, Texas, for three years; and three years with Sun
10 Mark Exploration Company.

11 Q And, Mr. Adams, are you familiar with the
12 application of Sun in this particular case?

13 A. Yes, I am.

14 Q And are you familiar with the property
15 and the proposed well location?

16 A. Yes, I am.

17 MR. COFFIELD: Is the witness considered
18 qualified?

19 MR. STAMETS: He is.

20 Q Mr. Adams, would you please briefly state
21 what it is that Sun seeks by this application?

22 A. We propose to drill an unorthodox location
23 as a Mississippian gas well, the proration unit being the
24 east half of Section 27 of Township 14 South, Range 37 East,
25 Lea County, New Mexico. The proposed location will be 1101

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1 feet from the north line and 660 feet from the east line of
2 Section 27.

3 Q Mr. Adams, on what general basis does Sun
4 believe that this proposed location is more desirable than
5 the standard location?

6 A We believe on the basis of our geologic
7 data that we can more effectively test the Mississippian
8 formation at this location, plus we believe that we will be
9 compatible with the irrigation, surface irrigation project.

10 Q All right, Mr. Adams, would you refer to
11 what we've marked as Exhibit One and please identify that
12 for the Examiner?

13 A Yes. This is a land plat depicting the
14 leasehold ownership, showing Section 27, the proposed unit
15 outline, and the area surrounding the proposed unit. It
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17 west half and the west half of the east half, the east half
18 of the east half of 27, leasehold owned by Mobil Oil Corpor-
19 ation, which has agreed to give Sun a leasehold interest by
20 the drilling of this proposed test.

21 Sun owns a leasehold adjoining to the
22 north. The leasehold to the northeast is owned by the Shell
23 Oil Company, to the east by the Shell Oil Company and the
24 Mobil Oil Company, to the southeast by the Mobil Oil Company,
25 and to the south one tract by Phillips Oil Company and the

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Page 7

1 remaining acreage is open.

2 Q Is it proposed that Sun be the operator on
3 this well?

4 A Yes, it is proposed that Sun be the operator.

5 Q Where would a standard location well be
6 located?

7 A Well, a standard location would be 1980
8 from the north line and 660 from the east line.

9 Q So you're the same distance from the east
10 line, is that correct?

11 A Yes, as we would be required for a standard
12 location.

13 Q But further to the north?

14 A But further to the north.

15 Q Will you please refer to what we've marked
16 as Exhibit Two and identify that for the Examiner?

17 A Okay. Exhibit Two is a structural contour
18 map on the top of the Mississippian formation at a scale of
19 1 inch equal 1000 feet. This depicts the north end of the
20 Denton Field at the Mississippian level, and I'd like to
21 point out that the Denton Field is not productive now, nor
22 never has been productive of gas from the Mississippian
23 formation.

24 The wells are indicated on here by color.
25 The wells colored yellow have penetrated only the Wolfcamp

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1 formation. Wells colored dark green have penetrated the
2 Devonian formation, and therefore have penetrated also the
3 Mississippian formation.

4 On this map I have indicated what we con-
5 sider to be up-dip porosity limit. It's indicated by a
6 dashed, dark dashed line with an orange boundary. Based on
7 the well information we have, drill stem test information,
8 this, to the best of my knowledge, would indicate the limits
9 of our porosity in the Mississippian formation.

10 What we are proposing is to offset as close
11 as possible the Mobil No. 7 Maxwell Well. This is a well
12 that was drilled 330 from the east line and 990 from the
13 north line of Section 27; a well which is presently producing
14 from the Denton North Wolfcamp Unit. This well was one of
15 the latter wells drilled to the Devonian in the Denton Field.
16 It was drilled in 1955.

17 During the drilling of this well, gas shows
18 were encountered in the Mississippian. Two drill stem tests
19 were taken in this well, one of which flowed 8.3 million
20 cubic feet of gas per day; another which flowed 5.4 million
21 cubic feet of gas a day from the Mississippian formation.

22 The well was then drilled on to the Devonian
23 formation, completed in the Devonian formation, and produced
24 to depletion from the Devonian until 1968.

25 At that time the well was plugged back and

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1 completion was attempted in the Mississippian formation. The
2 completion was unsuccessful due to what we believe, formation
3 damage. At that date the well was then recompleted in the
4 Wolfcamp formation.

5 It is our proposal, then, at this location
6 to evaluate the Mississippian at a position that we feel will
7 be structurally compatible with the original test.

8 Q And in brief summary, Mr. Adams, how would
9 you describe the problems which, in your opinion, would arise
10 if you drilled the well at an orthodox location?

11 A Well, at an orthodox location I feel it's
12 questionable that we would have porosity, and naturally, it's
13 our desire to stay as close to the known gas shows as possible,
14 since this is basically a wildcat well for the Mississippian
15 formation.

16 Secondly, the surface location at an ortho-
17 dox location would give us problems with the surface owner
18 and his irrigation system.

19 Q Now let's go on to Exhibit Three, Mr.
20 Adams, and explain this to the Examiner.

21 A Okay, Exhibit Three is an Isopach map of
22 the Mississippian, or thickness map of the Mississippian.
23 It shows the same up-dip porosity pinchout limit as indicated
24 on the structural map. It shows the same well code and the
25 geologic history of the Mississippian in here has been one of

1 erosion at the top of the Mississippian during the history
2 of the formation of the Denton structure.

3 It appears that the erosion or the thinner
4 Mississippian does tend to enhance the porosity and I'm
5 proposing to show by this map that -- that the Mississippian
6 does thin as you proceed to the northeast corner of Section
7 27; therefore, at the proposed location we feel we would have
8 a better chance at developing porosity than we would at an
9 orthodox location.

10 Q Now, let's go on next to Exhibit Four and
11 please explain that to the Examiner.

12 A Exhibit Four is a west-east cross section,
13 the index map at the bottom indicates the line of cross
14 section, and I would ask that you disregard the contours on
15 the index map as being incorrect, but just use the index
16 map to indicate the location of the cross section.

17 The cross section proceeds from the Texas
18 Crude 127 Shell Maxwell to the Mobil Petroleum No. 7 Maxwell.
19 The blue on the cross section indicates the zone of the Mis-
20 sissippian that we are interested in. The drill stem tests
21 which recovered gas are indicated on the cross section. Then
22 the structural relationships of the north end of the Denton
23 Field are indicated as the cross section goes to the east
24 side of the field.

25 Basically, at our proposed location we would

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1 nearly twin the section, as indicated in the Mobil Petroleum
2 No. 7 map.

3 Q Mr. Adams, are you offering this exhibit
4 basically to again confirm the data reflected on the Isopach
5 map as to the thickness of the pay?

6 A Right, and the structural map, also. The
7 Mississippian, the thickening and thinning is indicated on
8 the cross section.

9 Q Mr. Adams, were these Exhibits One through
10 Four prepared by you or under your --

11 A Yes, they were.

12 Q Mr. Adams, is it -- do you have -- does
13 Sun have a problem with rig availability in connection with
14 this particular well?

15 A Not to my knowledge.

16 Q Are you aware?

17 A I am not aware of any problem.

18 MR. COFFIELD: Mr. Examiner, if I may
19 interject here, I have been advised that there is such a
20 problem and we would therefore respectfully request the ex-
21 pedition of this order.

22 Q Mr. Adams, in your opinion is the granting
23 of this application in the interest of conservation, the
24 prevention of waste, and the protection of correlative
25 rights?

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1 A Yes, it is.

2 MR. COFFIELD: Mr. Examiner, I move the
3 admission of Exhibits One through Four.

4 MR. STAMETS: These exhibits will be ad-
5 mitted.

6 MR. COFFIELD: I have no further questions
7 of the witness.

8
9 CROSS EXAMINATION

10 BY MR. STAMETS:

11 Q Mr. Adams, we had another few people in
12 here a few weeks ago who had a similar situation and they
13 brought up the point that, perhaps, this was not Mississippian
14 but actually it was Lower Pennsylvanian.

15 Do you have any thoughts on that matter?

16 A On -- on the basis of my original correla-
17 tion work, I feel that this is -- these are Mississippian
18 rocks of Chester age. I certainly cannot conclusively prove
19 that.

20 MR. STAMETS: Any other questions of the
21 witness? He may be excused.

22 Anything further in this case?

23 Take the case under advisement.

24
25 (Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, Certified Shorthand 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 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. 6711,
heard by me on 10-31 1979.

Richard L. Plummer, Examiner
Oil Conservation Division

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Page 1

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico
31 October 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Sun Oil Company of
Delaware for an unorthodox gas well
location, Lea County, New Mexico.

CASE
6711

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

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

For the Applicant:

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I N D E X

JAMES W. ADAMS

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E X H I B I T S

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Applicant Exhibit Two, Contour Map 7

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Applicant Exhibit Four, Cross Section 10

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8 (Witness sworn.)
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11 being called as a witness and having been duly sworn upon
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13

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15 BY MR. COFFIELD:

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18

19 A James W. Adams, Dallas, Texas, Consulting
20 Geologist under contract to Sun Mark Exploration Company,
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22 Q Mr. Adams, have you previously testified
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24 A No, I have not.

25 Q And would you please give a resume of
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1 A I have a Bachelor's degree and Master's
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1 remaining acreage is open.

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3 this well?

4 A Yes, it is proposed that Sun be the operator.

5 Q Where would a standard location well be
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24 The wells are indicated on here by color.
25 The wells colored yellow have penetrated only the Wolfcamp

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1 formation. Wells colored dark green have penetrated the
2 Devonian formation, and therefore have penetrated also the
3 Mississippian formation.

4 On this map I have indicated what we con-
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15 the latter wells drilled to the Devonian in the Denton Field.
16 It was drilled in 1955.

17 During the drilling of this well, gas shows
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19 were taken in this well, one of which flowed 8.3 million
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23 formation, completed in the Devonian formation, and produced
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25 At that time the well was plugged back and

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1 completion was attempted in the Mississippian formation. The
2 completion was unsuccessful due to what we believe, formation
3 damage. At that date the well was then recompleted in the
4 Wolfcamp formation.

5 It is our proposal, then, at this location
6 to evaluate the Mississippian at a position that we feel will
7 be structurally compatible with the original test.

8 Q And in brief summary, Mr. Adams, how would
9 you describe the problems which, in your opinion, would arise
10 if you drilled the well at an orthodox location?

11 A Well, at an orthodox location I feel it's
12 questionable that we would have porosity, and naturally, it's
13 our desire to stay as close to the known gas shows as possible,
14 since this is basically a wildcat well for the Mississippian
15 formation.

16 Secondly, the surface location at an ortho-
17 dox location would give us problems with the surface owner
18 and his irrigation system.

19 Q Now let's go on to Exhibit Three, Mr.
20 Adams, and explain this to the Examiner.

21 A Okay, Exhibit Three is an Isopach map of
22 the Mississippian, or thickness map of the Mississippian.
23 It shows the same up-dip porosity pinchout limit as indicated
24 on the structural map. It shows the same well code and the
25 geologic history of the Mississippian in here has been one of

1 erosion at the top of the Mississippian during the history
2 of the formation of the Denton structure.

3 It appears that the erosion or the thinner
4 Mississippian does tend to enhance the porosity and I'm
5 proposing to show by this map that -- that the Mississippian
6 does thin as you proceed to the northeast corner of Section
7 27; therefore, at the proposed location we feel we would have
8 a better chance at developing porosity than we would at an
9 orthodox location.

10 Q Now, let's go on next to Exhibit Four and
11 please explain that to the Examiner.

12 A Exhibit Four is a west-east cross section,
13 the index map at the bottom indicates the line of cross
14 section, and I would ask that you disregard the contours on
15 the index map as being incorrect, but just use the index
16 map to indicate the location of the cross section.

17 The cross section proceeds from the Texas
18 Crude 127 Shell Maxwell to the Mobil Petroleum No. 7 Maxwell.
19 The blue on the cross section indicates the zone of the Mis-
20 sissippian that we are interested in. The drill stem tests
21 which recovered gas are indicated on the cross section. Then
22 the structural relationships of the north end of the Denton
23 Field are indicated as the cross section goes to the east
24 side of the field.

25 Basically, at our proposed location we would

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1 nearly twin the section, as indicated in the Mobil Petroleum
2 No. 7 map.

3 Q Mr. Adams, are you offering this exhibit
4 basically to again confirm the data reflected on the Isopach
5 map as to the thickness of the pay?

6 A Right, and the structural map, also. The
7 Mississippian, the thickening and thinning is indicated on
8 the cross section.

9 Q Mr. Adams, were these Exhibits One through
10 Four prepared by you or under your --

11 A Yes, they were.

12 Q Mr. Adams, is it -- do you have -- does
13 Sun have a problem with rig availability in connection with
14 this particular well?

15 A Not to my knowledge.

16 Q Are you aware?

17 A I am not aware of any problem.

18 MR. COFFIELD: Mr. Examiner, if I may
19 interject here, I have been advised that there is such a
20 problem and we would therefore respectfully request the ex-
21 pedition of this order.

22 Q Mr. Adams, in your opinion is the granting
23 of this application in the interest of conservation, the
24 prevention of waste, and the protection of correlative
25 rights?

1 A Yes, it is.

2 MR. COFFIELD: Mr. Examiner, I move the
3 admission of Exhibits One through Four.

4 MR. STAMETS: These exhibits will be ad-
5 mitted.

6 MR. COFFIELD: I have no further questions
7 of the witness.

8
9 CROSS EXAMINATION

10 BY MR. STAMETS:

11 Q Mr. Adams, we had another few people in
12 here a few weeks ago who had a similar situation and they
13 brought up the point that, perhaps, this was not Mississippian
14 but actually it was Lower Pennsylvanian.

15 Do you have any thoughts on that matter?

16 A On -- on the basis of my original correla-
17 tion work, I feel that this is -- these are Mississippian
18 rocks of Chester age. I certainly cannot conclusively prove
19 that.

20 MR. STAMETS: Any other questions of the
21 witness? He may be excused.

22 Anything further in this case?

23 Take the case under advisement.

24
25 (Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, Certified Shorthand 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.

I do hereby certify that the foregoing is
a correct copy of the proceedings in
the Examiner's hearing of Case No. _____,
heard by me on _____, 19____.

_____, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (606) 471-4463
Santa Fe, New Mexico 87501

SUNMARK EXPLORATION COMPANY

PRAIRIEVIEW PROSPECT
LEA COUNTY, NEW MEXICO

EXHIBITS

1. Land Plat
2. Structure Map on Top of the Chester Series
3. Isopach Map of the Chester Series
4. E/W Structural Cross Section

Proposed Total Depth:

11,700'

Primary Objective:

Chester limestone of
Mississippian at 11,250'

Proposed Location:

1101' FNL & 660' FEL
Section 27, T14S, R37E,
Lea County, New Mexico

Prospect Basis:

Prospect is based on Chester, Mississippian gas shows encountered in the Magnolia #7 Maxwell well located 990' FNL & 330' FEL, Section 27, T14S, R37E, Lea County, New Mexico. A Chester test well at the proposed location should encounter Chester porosity at a favorable structural position.

SUNMARK EXPLORATION COMPANY

PRAIRIEVIEW PROSPECT
LEA COUNTY, NEW MEXICO

EXHIBITS

1. Land Plat
2. Structure Map on Top of the Chester Series
3. Isopach Map of the Chester Series
4. E/W Structural Cross Section

Proposed Total Depth: 11,700'

Primary Objective: Chester limestone of
Mississippian at 11,250'

Proposed Location: 1101' FNL & 660' FEL
Section 27, T14S, R37E,
Lea County, New Mexico

Prospect Basis: Prospect is based on Chester,
Mississippian gas shows en-
countered in the Magnolia #7
Maxwell well located 990' FNL
& 330' FEL, Section 27, T14S,
R37E, Lea County, New Mexico.
A Chester test well at the
proposed location should en-
counter Chester porosity at a
favorable structural position.

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

APPLICATION OF SUN OIL COMPANY)
OF DELAWARE FOR AN UNORTHODOX)
WELL LOCATION, LEA COUNTY,)
NEW MEXICO)

AMENDED APPLICATION

Sun Oil Company of Delaware hereby makes application for approval of an unorthodox gas well location and states:

1. Applicant seeks approval of an unorthodox gas well location for a gas well to be drilled ¹¹⁰¹~~1100~~ feet from the North line and 660 feet from the East line of Section 27, Township 14 South, Range 37 East, N.M.P.M., Lea County, New Mexico, to test the Mississippian formation at a proposed depth of approximately 11,700 feet.
2. That the E $\frac{1}{2}$ of Section 27 is to be dedicated to the well.
3. Approval of the unorthodox location will be in the interest of conservation, prevention of waste and protection of correlative rights.
4. Applicant requests that this matter be heard at the October 31, 1979 Examiner's hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 

Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Sun Oil
Company of Delaware

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

APPLICATION OF SUN OIL COMPANY)
OF DELAWARE FOR AN UNORTHODOX)
WELL LOCATION, LEA COUNTY,)
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2. That the E $\frac{1}{2}$ of Section 27 is to be dedicated to the well.
3. Approval of the unorthodox location will be in the interest of conservation, prevention of waste and protection of correlative rights.
4. Applicant requests that this matter be heard at the October 31, 1979 Examiner's hearing.

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Company of Delaware

BEFORE THE OIL CONSERVATION DIVISION OF
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WELL LOCATION, LEA COUNTY,)
NEW MEXICO)

AMENDED APPLICATION

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2. That the E $\frac{1}{4}$ of Section 27 is to be dedicated to the well.

3. Approval of the unorthodox location will be in the interest of conservation, prevention of waste and protection of correlative rights.

4. Applicant requests that this matter be heard at the October 31, 1979 Examiner's hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 

Conrad E. Coffield
Post Office Box 3580
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Attorneys for Sun Oil
Company of Delaware

Docket No. 41-79

Dockets Nos. 42-79 and 43-79 are tentatively set for November 14 and 28, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 31, 1979

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 6706: Application of Consolidated Oil & Gas, Inc. for alternate filing requirements under the Natural Gas Policy Act of 1978, San Juan, Rio Arriba, and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks an order adopting alternate filing requirements under the Natural Gas Policy Act of 1978 whereby infill wells drilled in the Blanco Mesaverde and Basin-Dakota Pools pursuant to the pool-wide infill drilling findings and rules promulgated for said pools by Division Orders Nos. R-1670-T and R-1670-V, respectively, would qualify as new onshore production wells.
- CASE 6707: Application of Gulf Oil Corporation for a unit agreement, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Southeast Bisti Unit Area, comprising 7,048 acres, more or less, of State and Federal lands in Townships 24 and 25 North, Range 10 West.
- CASE 6708: Application of Doyle Hartman for an unorthodox well location, non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard 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; 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 proration unit which cannot be so drained by the existing well.
- CASE 6695: (Continued from October 17, 1979, Examiner Hearing)
- 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 be drilled at a standard location thereon.
- CASE 6709: Application of HNG Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 33, Township 16 South, Range 35 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 6710: Application of ARCO Oil and Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and Montoya production in the wellbores of the following wells on its State Y Lease: No. 3 located in Unit B, No. 6 located in Unit B, and No. 7 located in Unit A, all in Section 25, Township 25 South, Range 37 East.
- CASE 6711: Application of Sun Oil Company of Delaware for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Mississippian test well to be located 660 feet from the North and East lines of Section 27, Township 14 South, Range 37 East, the E/2 of said Section 27 to be dedicated to the well.
- CASE 6712: Application of Sun Gas Company for approval of infill drilling and simultaneous dedication, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of its N.M. Federal "N" Well No. 6-E to be located in Unit P of Section 6, Township 30 North, Range 12 West, Basin-Dakota Pool, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6713: Application of Depco Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the White Ranch Unit Area, comprising 18,962 acres, more or less, of State, Federal, and fee lands in Townships 12 and 13 South, Ranges 29 and 30 East.

CASE 6634: (Continued from October 2, 1979, Examiner Hearing)

Application of CO₂-In-Action, Inc. for creation of a new carbon dioxide gas pool and special pool rules, Harding County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the North Bueyeros-Santa Rosa CO₂ Gas Pool and the promulgation of special pool rules therefor, including a provision for 40-acre spacing and proration units. Said pool would comprise all or parts of Sections 1 thru 4, Township 20 North, Range 30 East, and Sections 8, 9, 10, 15, 16, 17, 20, 21, 22, 27, 28, 32, 33 and 34, Township 21 North, Range 30 East.

CASE 6714: Application of Jake L. Hamon for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South and West lines of Section 20, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, the S/2 of said Section 20 to be dedicated to the well.

LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
JAMES H. BOZARTH

DOUGLAS L. LUNSFORD
PAUL M. BOHANNON
J. DOUGLAS FOSTER
K. DOUGLAS PERRIN
C. RAY ALLEN
JACQUELINE W. ALLEN
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD
JOHN S. NELSON
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SANTA FE
W. E. BONDURANT, COUNTY CLERK
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600 HINKLE BUILDING
(505) 622-6510

ONLY ATTYS. COFFIELD, MARTIN, BOZARTH,
BOHANNON, FOSTER, ALLEN, ALLEN & BURFORD
LICENSED IN TEXAS

October 10, 1979

Case 6711

Mrs. Florene Davidson
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Sun Oil Company of Delaware
Application for Unorthodox
Well Location

Dear Florene:

Per our telephone conversation of this date transmitted herewith you will find triplicate executed copies of an Application for Sun Oil Company of Delaware for approval of an unorthodox gas well location in Section 27, Township 14 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

It is my understanding that the docket setting for October 31 is still available, 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 October 31 hearing. However, if anything is needed in addition, please let me know.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

Conrad E. Coffield

CEC:rh
Enclosures

xc/enc: Mr. Wally Langston
Sunmark Exploration Company
Post Office Box 30
Dallas, Texas 75221
xc/enc: Mr. Russell Click
Sunmark Exploration Company
Post Office Box 30
Dallas, Texas 75221

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

APPLICATION OF SUN OIL COMPANY
OF DELAWARE FOR AN UNORTHODOX
WELL LOCATION, LEA COUNTY,
NEW MEXICO

)
)
)
)

Case 6711

APPLICATION

Sun Oil Company of Delaware hereby makes application for approval of an unorthodox gas well location and states:

1. Applicant seeks approval of an unorthodox gas well location for a gas well to be drilled 660 feet from the North line and 660 feet from the East line of Section 27, Township 14 South, Range 37 East, N.M.P.M., Lea County, New Mexico, to test the Mississippian formation at a proposed depth of approximately 11,700 feet.
2. That the E $\frac{1}{2}$ of Section 27 is to be dedicated to the well.
3. Approval of the unorthodox location will be in the interest of conservation, prevention of waste and protection of correlative rights.
4. Applicant requests that this matter be heard at the October 31, 1979 Examiner's hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 

Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Sun Oil
Company of Delaware

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

OCT 15 1979
OIL CONSERVATION DIVISION
SANTA FE

APPLICATION OF SUN OIL COMPANY)
OF DELAWARE FOR AN UNORTHODOX)
WELL LOCATION, LEA COUNTY,)
NEW MEXICO)

Case 6711

APPLICATION

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4. Applicant requests that this matter be heard at the October 31, 1979 Examiner's hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY.

By: 

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Midland, Texas 79702
Attorneys for Sun Oil
Company of Delaware

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

APPLICATION OF SUN OIL COMPANY)
OF DELAWARE FOR AN UNORTHODOX)
WELL LOCATION, LEA COUNTY,)
NEW MEXICO)

Case 6711

APPLICATION

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4. Applicant requests that this matter be heard at the October 31, 1979 Examiner's hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 

Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Sun Oil
Company of Delaware

TV
Sun Oil Co. of Delaware
Unorthodox Location

660/N & E

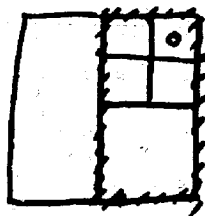
27-145-37E

Lea County

Mississippian test

11,700' ~~A/2~~ E/2

Called in by Conrad
Coffield on 10/10/79



DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6711

ORDER NO. R- 6176

APPLICATION OF SUN OIL COMPANY OF DELAWARE

FOR AN UNORTHODOX GAS WELL LOCATION,

LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 31, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this 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, Sun Oil Company of Delaware, ~~originally requested~~ ~~seeks~~ approval of an unorthodox gas well location 660 feet from the North line and 660 feet from the East line of Section 27, Township 14 South Range 37 East, NMPM, to test the Mississippian formation, Peel, Lea County, New Mexico.

(3) That to avoid interference with agricultural operations, the applicant seeks the amendment of the application to provide for a location 1101 feet from the North line and 660 feet from the East line of said Section 27.

(4) That the proposed amendment ~~will result in a~~ ~~more~~ ~~unorthodox~~ location ~~is~~ which is less unorthodox than that originally sought in this case and should be approved.

(5) That the E/2 of said Section 27 is to be dedicated to the well.

(6) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

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

-2-

Case No. _____

Order No. R- _____

(8) 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 Mississippian formation is hereby approved for a well to be located at a point 1101 feet from the North line and 660 feet from the East line of Section 27, Township 14 South, Range 37 East NMPM, Pool, Lea County, New Mexico.

(2) That the E/2 of said Section 27 shall be dedicated to the above-described well.

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

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