

CASE 6725: THERMOCO OIL COMPANY FOR
THREE NON-STANDARD GAS PRODUCTION UNITS,
SAN JUAN COUNTY, NEW MEXICO

Cont to 11/28

CASE Number

6725

Application

Transcripts.

Small Exhibits

ETC.

STATE OF NEW MEXICO
 ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 STATE LAND OFFICE BLDG.
 SANTA FE, NEW MEXICO
 12 December 1979

EXAMINER HEARING

 IN THE MATTER OF:)

Application of Tenneco Oil Company for)
 three non-standard gas proration units,) CASE
 San Juan County, New Mexico.) 6725
)

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 to the Division
 State Land Office Bldg.
 Santa Fe, New Mexico 87501

For the Applicant:

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

I N D E X

DENNIS STORHAUG

Direct Examination by Mr. Kellahin

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E X H I B I T S

Applicant Exhibit One, Plat

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Applicant Exhibit Two, Plat

7

Applicant Exhibit Three, Plat

7

Applicant Exhibit Four, Plat

8

Applicant Exhibit Five, Plat

8

MR. NUTTER: Call Case Number 6725.

MR. PADILLA: Application of Tenneco Oil Company for three non-standard gas proration units, San Juan County, New Mexico.

MR. KELLAHIN: I'm Tom Kellahin, appearing on behalf of the applicant, and I have one witness.

(Witness sworn.)

DENNIS STORHAUG

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name, by whom you're employed, and in what capacity?

A My name is Dennis Storhaug. I'm employed by Tenneco Oil Company as a geological engineer, Rocky Mountain Division, Denver, Colorado.

MR. NUTTER: Will you spell your name for me, please?

A The last name is S-T-O-R-H-A-U-G.

MR. NUTTER: And the first name was Dennis?

A. That's correct.

MR. NUTTER: Thank you.

Q. Mr. Storhaug, have you previously testified before the Oil Conservation Division?

A. No, sir.

Q. Would you indicate to the Examiner when and where you obtained your degree in engineering?

A. Yes, sir. I obtained my Bachelor of Science in geological engineering in 1977 at the University of North Dakota.

Q. And subsequent to graduation where have you been employed as a petroleum engineer?

A. I've been employed with Tenneco Oil Company in their Rocky Mountain Division, Denver, Colorado, since 1977.

Q. And pursuant to that employment have you made a study of the facts surrounding this particular application?

A. Yes, sir.

MR. KELLAHIN: We tender Mr. Storhaug as an expert petroleum engineer.

MR. NUTTER: The witness is qualified.

Q. Would you please refer to what we've marked as Applicant Exhibit Number One and identify that for us, please?

A Yes, sir. This Exhibit Number one illustrates a problem along the western edge of Township 29 North, Range 8 West, in that due to irregularities and variations in the U. S. Public Lands Surveys legal subdivisions have arisen along that western edge, which have insufficient acreage with which to form standard Basin Dakota proration units.

Q Mr. Storhaug, would you describe for the Examiner what the Commission has done in the past with regards to the irregular sections created by the surveying of these townships?

A Yes, sir. In Order R-1814, November of 1960, and Order 2046, August of 1961, the Oil Conservation Division has seen fit to establish non-standard Basin Dakota proration units in situations similar to the one that we have presented here.

MR. NUTTER: What was the first order you mentioned?

A R-1814,

MR. NUTTER: And the date on it?

A November 4th, 1960.

MR. NUTTER: Thank you.

A In addition, in particular in this township, 29 North, 8 West, Order R-4863, October 9th, 1974,

a non-standard spacing unit in the Basin -- excuse me, proration unit in the Basin Dakota Pool was established for the southwest quarter of Section 7 and the west half of Section 18.

Q That's the Lively Exploration proration unit outlined on that exhibit?

A Yes, sir, it's outlined with a dotted line.

Q Okay. And what do you seek now by your application?

A We seek the establishment of the three non-standard spacing units in the Basin Dakota Pool outlined by a dashed line as shown on Exhibit One.

Q What is the footage location for location of wells within this pool?

A In accordance with Order R-1670B, the initial well shall be located not closer than 790 feet to the outer boundary of the quarter section and not closer than 130 feet to the quarter quarter section boundary.

Q Does that rule allow you an opportunity to locate a well within each of these non-standard proration units without seeking an unorthodox location?

A Yes, sir, it would allow for the location of the initial well in the lower two cases and the upper case. It might present a problem in the upper spacing

unit for a second one.

Q All right. Let's turn to Exhibit Number Two and have you identify that.

A Exhibit Number Two is also a plat of the same region, which shows existing Dakota producing wells with the gas symbol star. The legend offset from the well indicates the initial potential of that well in millions of cubic feet; completion month and year; the 1978 production if it had produced in 1978, as taken from State records; and the cumulative production of that particular well in millions of cubic feet of gas, again taken from State records.

In particular, this exhibit, I think, demonstrates the -- that it is a reasonable assumption that the Dakota is productive throughout the area in which we are requesting the formation of non-standard proration units in the Basin Dakota Pool.

Q A standard proration unit for the Basin Dakota Pool is 320 acres?

A That's correct, sir.

Q Would you refer to Exhibit Number Three and identify that?

A Exhibit Number Three is a detail plat citing the legal description of the affected acreage in

the proration units which we are proposing. Indicated in the plat is the lot number and the acreage within each lot for all the irregular subdivisions.

Q This proration unit will consist of how many acres?

A 291.23 acres.

Q All right, and Exhibit Number Four?

A Exhibit Number Four illustrates the same thing in detail. Where the acreage is not indicated it is in conformance with the standard legal subdivision acreage.

Q And how many acres would be dedicated to this non-standard proration unit?

A 347.66 acres.

Q All right, and Exhibit Number Five?

A Exhibit Number Five indicates the same thing for the southernmost proposed proration unit, and is the same as the previous two exhibits.

Q And what would be the acreage dedication to this unit?

A 375.09 acres.

Q Were Exhibits One through Five prepared by you or compiled under your direction and supervision?

A Yes, sir.

Q And in your opinion will approval of this application be in the best interests of conservation, the

prevention of waste and the protection of correlative rights?

A. Yes, sir.

MR. KELLAHIN: We move the introduction of Exhibits One through Five.

MR. NUTTER: Applicant's Exhibits One through Five will be admitted in evidence.

Are there any questions of the witness?

He may be excused.

Do you have anything further, Mr.

Kellahin?

MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case 6725?

We'll take the case under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a 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.

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. 6725
heard by me on 12/12 1929.

Chas. H. Smith, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
12 December 1979

EXAMINER HEARING

IN THE MATTER OF:)

Application of Tenneco Oil Company for)
three non-standard gas proration units,)
San Juan County, New Mexico.)

CASE
6725

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

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Division:

Ernest L. Padilla, Esq.
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500 Don Gaspar
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I N D E X

DENNIS STORHAUG

Direct Examination by Mr. Kellahin

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Q And in your opinion will approval of this application be in the best interests of conservation, the

prevention of waste and the protection of correlative rights?

A Yes, sir.

MR. KELLAHIN: We move the introduction of Exhibits One through Five.

MR. NUTTER: Applicant's Exhibits One through Five will be admitted in evidence.

Are there any questions of the witness? He may be excused.

Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case 6725?

We'll take the case under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a 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.

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. 6725,
heard by me on 12/12/1979.

[Signature], Examiner
Oil Conservation Division



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

January 10, 1980

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

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

Re: CASE NO. 6725
ORDER NO. R-6226

Applicant:

Tenneco Oil Company

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 X
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. 6725
Order No. R-6226

APPLICATION OF TENNECO OIL COMPANY
FOR THREE NON-STANDARD GAS PRORATION
UNITS, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 12, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of January, 1980, 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, Tenneco Oil Company, seeks approval of a 291.23-acre non-standard gas proration unit comprising the W/2 of Section 6 and the NW/4 of Section 7, a 347.66-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.09-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, NMPM, Basin-Dakota Pool, San Juan County, New Mexico, each unit to be dedicated to a well to be drilled at a standard location thereon.

(3) That the non-standard proration units may reasonably be presumed productive of gas from the Basin-Dakota Pool and that the non-standard gas proration units can be efficiently and economically drained and developed by the aforesaid wells.

(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 Basin-Dakota 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

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Case No. 6725
Order No. R-6226

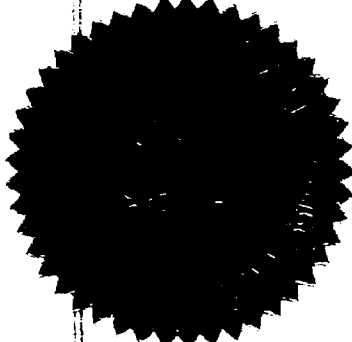
protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 291.23-acre non-standard gas proration unit in the Basin-Dakota Pool comprising the W/2 of Section 6 and the NW/4 of Section 7, a 347.66-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.09-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico, each unit to be dedicated to a well to be drilled at a standard location thereon.

(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
JOE D. RAMEY
Director

fd/

Exhibits

New Mexico Oil Conservation Division

Case 6725

December 12, 1979

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
28 November 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company
for three non-standard gas pro-
ration units, San Juan County, New
Mexico.

CASE
6725

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 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (605) 471-2462
Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next Case 6725.

2 MR. PADILLA: Application of Tenneco Oil
3 Company for three non-standard gas proration units, San Juan
4 County, New Mexico.

5 MR. STAMETS: The applicant in this case
6 has requested the case be continued until the December 12th
7 Examiner Hearing, and it will be so continued.

8
9 (Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (505) 471-2493
Santa Fe, New Mexico 87501

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a 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 WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (S.B.) 471-3462
Santa Fe, New Mexico 87101

I do hereby certify that the foregoing is
a complete record of the proceedings in
the oral hearing of Case No. 6725
heard by me on 11-28 19 77.
Richard P. Stambaugh, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
28 November 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company
for three non-standard gas pro-
ration units, San Juan County, New
Mexico.

CASE
6725

BEFORE: Richard L. Stanets

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 87501

SALLY WALTON BOYD
CERTIFIED REPORTER
2020 Plaza Blanca (SSE) 411-2482
Santa Fe, New Mexico 87501

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MR. STANLEY: Call next Case 6725.

MR. PADILLA: Application of Tenneco Oil
Company for three non-standard gas proration units, San Juan
County, New Mexico.

MR. STANLEY: The applicant in this case
has requested the case be continued until the December 12th
Examiner Hearing, and it will be so continued.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (996) 471-2402
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,
DO HEREBY CERTIFY that the foregoing and attached Transcript
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by me; that the said transcript is a full, true, and correct
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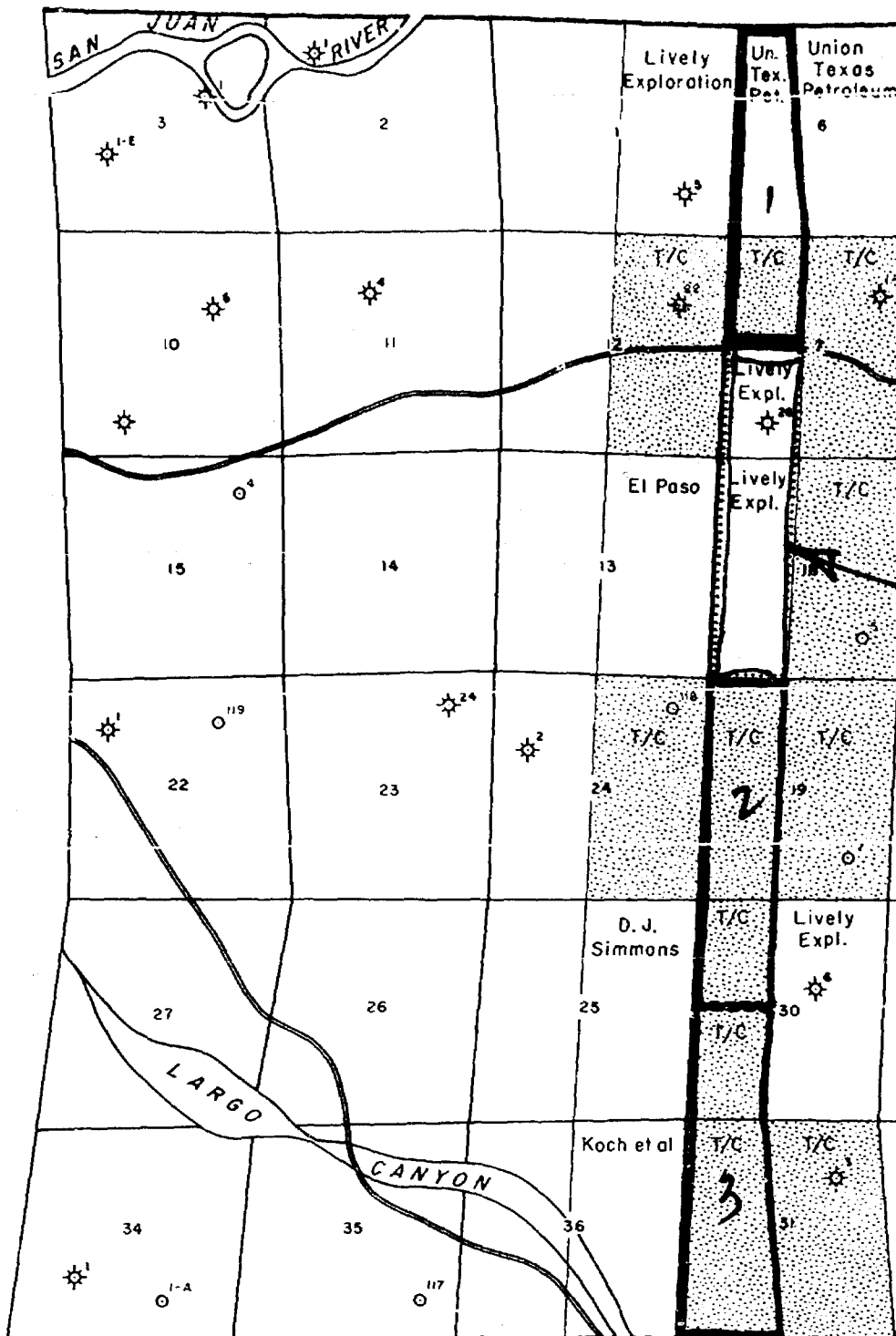
SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-3462
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
a complete and true transcript of the proceedings in
the examination hearing of Case No. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

R 9 W

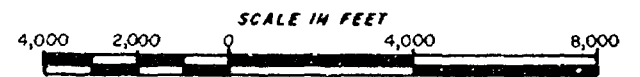
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BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISIONTenneco EXHIBIT NO. 1
CASE NO. 6225

L E G E N D

- T/C Tenneco and Conoco acreage.
- Existing non-standard spacing unit.
- Proposed non-standard spacing units.
- ★ Existing Dakota wells.
- Dakota locations.

EXHIBIT "1" NMOCC CASE #6725

TENNECO OIL COMPANY
SUBSIDIARY OF TENNECO INC.FOUR TOWNSHIP AREA
SAN JUAN COUNTY, NEW MEXICO

D. G. S.

DENVER, COLORADO

Nov. 1979

R 9 W

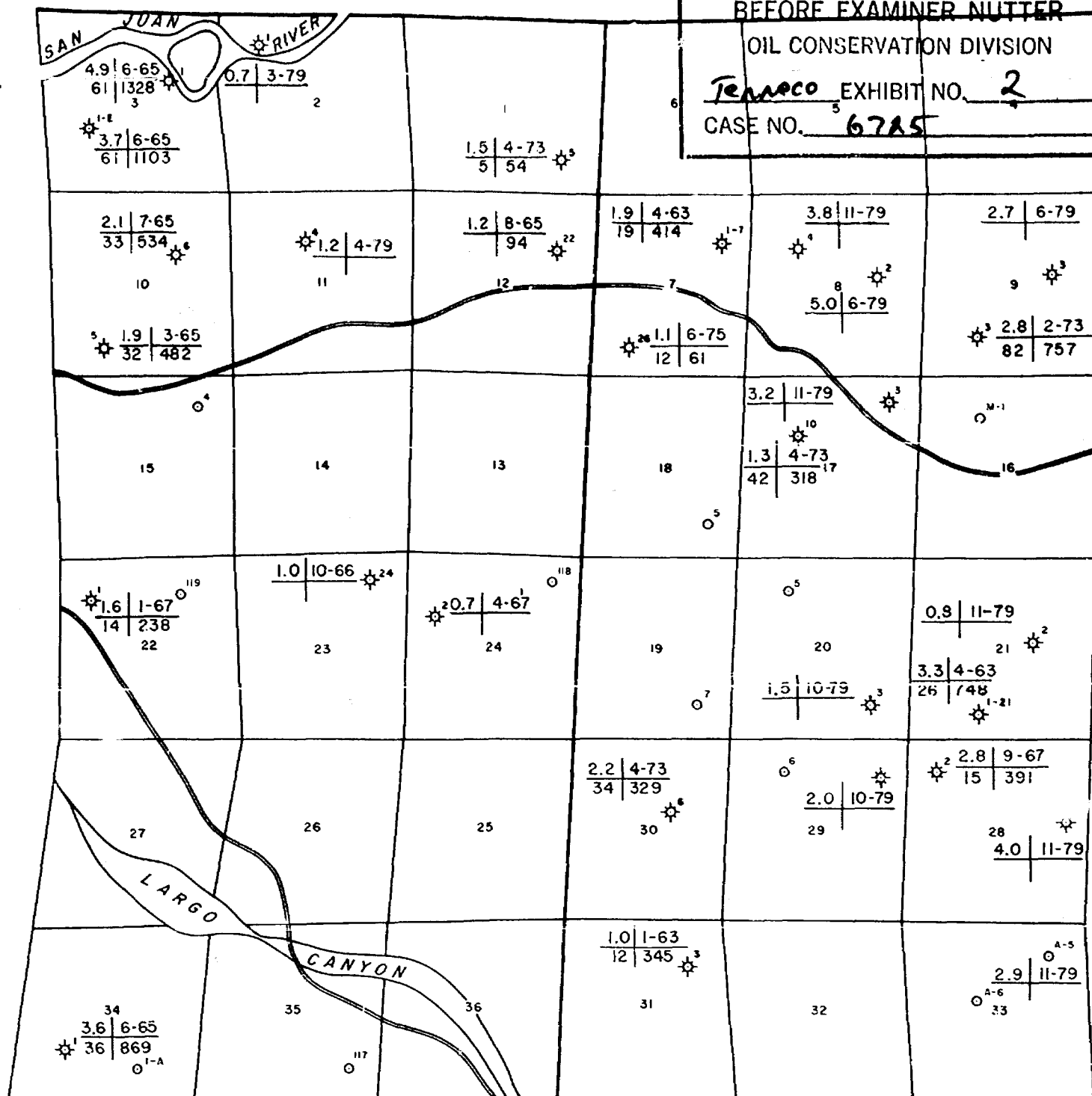
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BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

Tenneco EXHIBIT NO. 2

CASE NO. 6725

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29
N

LEGEND

INITIAL POTENTIAL (MMCF)	COMPLETION MONTH-YEAR
1978 PRODUCTION (MMCF)	CUMULATIVE PRODUCTION TO 1-1-79 (MMCF)

★ EXISTING DAKOTA WELLS
○ DAKOTA LOCATIONS

EXHIBIT "2" NMOCC CASE #6725



TENNECO OIL COMPANY
SUBSIDIARY OF TENNECO INC.



FOUR TOWNSHIP AREA
SAN JUAN COUNTY, NEW MEXICO

SCALE IN FEET
4,000 2,000 0 4,000 8,000

D. G. S.

DENVER, COLORADO

Nov. 1979

TENNESSEE

6725

3

1,209.78'

9	8
11.45	28.64
10	11
12.68	30.77
13	12
13.99	33.71
14	15
15.33	36.39
6	5
16.18	37.76
7	8
16.51	37.83

1,847.67'

San Juan County, New Mexico

Township 29 North, Range 8 West, N.M.P.M.

Section 6: Lots 8, 9, 10, 11, 12,
13, 14 & 15

Section 7: Lots 5, 6, 7 & 8

containing 291.23 acres

(Legal descriptions and distances from
U.S. Department of the Interior GLO
Survey and OG Plat)

EXHIBIT 3

NMOCD Case No. 6725

DEFORE EXAMINER NUTTER
G.L. CONSERVATION DIVISION

Tenneco EXHIBIT NO. 4
CASE NO. 6725

1,877.70'

1	17.85	19
2	17.95	
3	18.05	
4	18.15	
1	18.00	30
2	17.66	

1,883.31'

San Juan County, New Mexico

Township 29 North, Range 8 West, N.M.P.M.

Section 19: Lots 1, 2, 3 & 4,
E/2W/2

Section 30: Lots 1 & 2, E/2NW/4

containing 347.66 acres

(Legal descriptions and distances from
U.S. Department of the Interior GLO
Survey and OG Plat)

EXHIBIT 4

NMOCD Case No. 6725

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Tenneco EXHIBIT NO. 5
CASE NO. 6725

1,883.31'		30	
3	17.20		
4	16.80		
6	16.97	5	40.78
7	18.34	8	44.40
10	19.76	9	48.02
11	21.18	12	51.64
2,546.94'		31	

San Juan County, New Mexico

Township 29 North, Range 8 West, N.M.P.M.

Section 30: Lots 3 & 4, E/2SW/4

Section 31: Lots 5, 6, 7, 8, 9,
10, 11 & 12

containing 375.09 acres

(Legal descriptions and distances
from U.S. Department of the Interior
GLO Survey and OG Plat)

EXHIBIT 5

NMOCD Case No. 6725

Exhibits

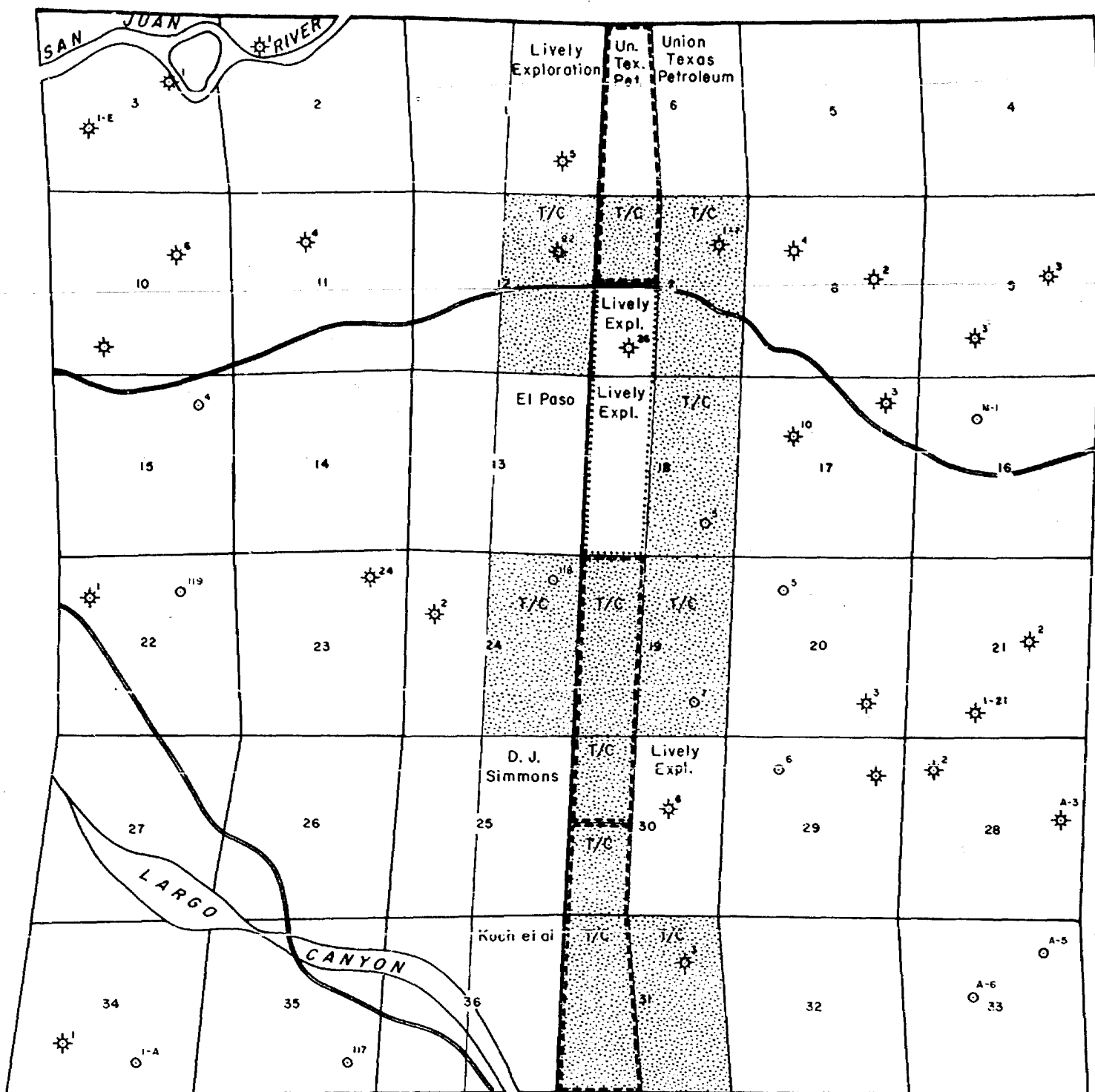
New Mexico Oil Conservation Division

Case 6725

December 12, 1979

R 9 W

R 8 W

T
29
N

LEGEND

- T/C Tenneco and Conoco acreage.
- Existing non-standard spacing unit.
- Proposed non-standard spacing units.
- ★ Existing Dakota wells.
- Dakota locations.

EXHIBIT "1" NMOCC CASE #8725



TENNECO OIL COMPANY
SUBSIDIARY OF TENNECO INC.



FOUR TOWNSHIP AREA **SAN JUAN COUNTY, NEW MEXICO**



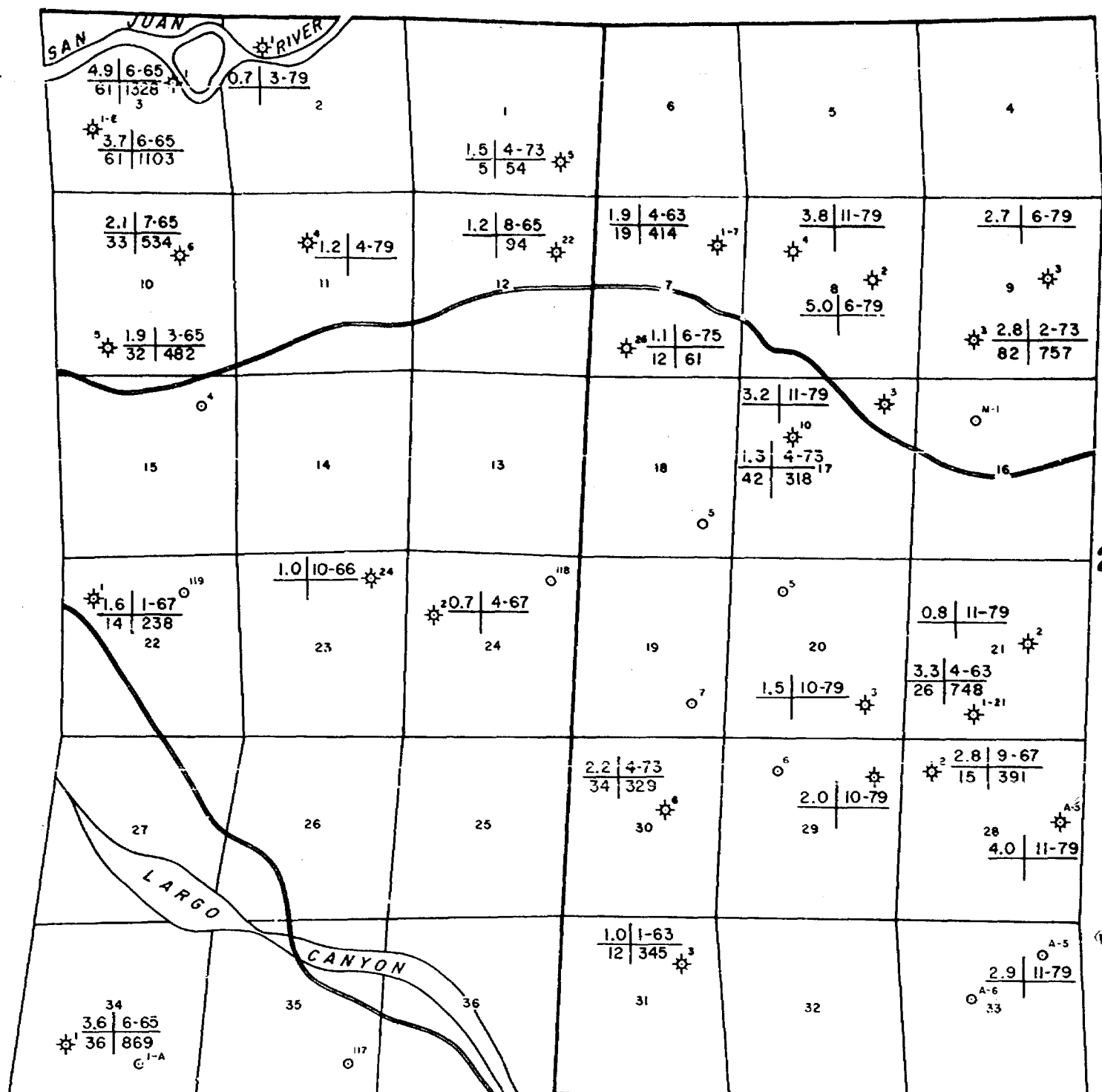
D. G. S.

DENVER, COLORADO

Nov. 1979

R 9 W

R 8 W



LEGEND

INITIAL POTENTIAL (MMCF)	COMPLETION MONTH-YEAR
1978 PRODUCTION (MMCF)	CUMULATIVE PRODUCTION TO 1-1-79 (MMCF)

- ★ EXISTING DAKOTA WELLS
- DAKOTA LOCATIONS

EXHIBIT "2" NMOCC CASE #6725



TENNECO OIL COMPANY
SUBSIDIARY OF TENNECO INC.



FOUR TOWNSHIP AREA
SAN JUAN COUNTY, NEW MEXICO



D. G. S.

DENVER, COLORADO

Nov. 1979

1,209.78'	
9	8
11.45	28.64
10	11
12.68	30.77
13	12
13.99	33.71
14	15
15.33	36.38
6	5
16.18	37.76
7	8
16.51	37.83
1,847.67'	

San Juan County, New Mexico

Township 29 North, Range 8 West, N.M.P.M.

Section 6: Lots 8, 9, 10, 11, 12,
13, 14 & 15

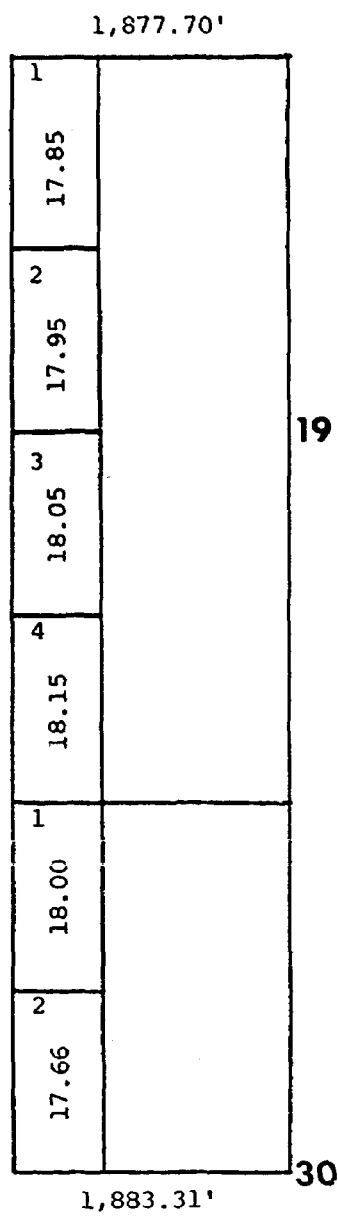
Section 7: Lots 5, 6, 7 & 8

containing 291.23 acres

(Legal descriptions and distances from
U.S. Department of the Interior GLO
Survey and OG Plat)

EXHIBIT 3

NMCCD Case No. 6725



San Juan County, New Mexico

Township 29 North, Range 8 West, N.M.P.M.

Section 19: Lots 1, 2, 3 & 4,
E/2W/2

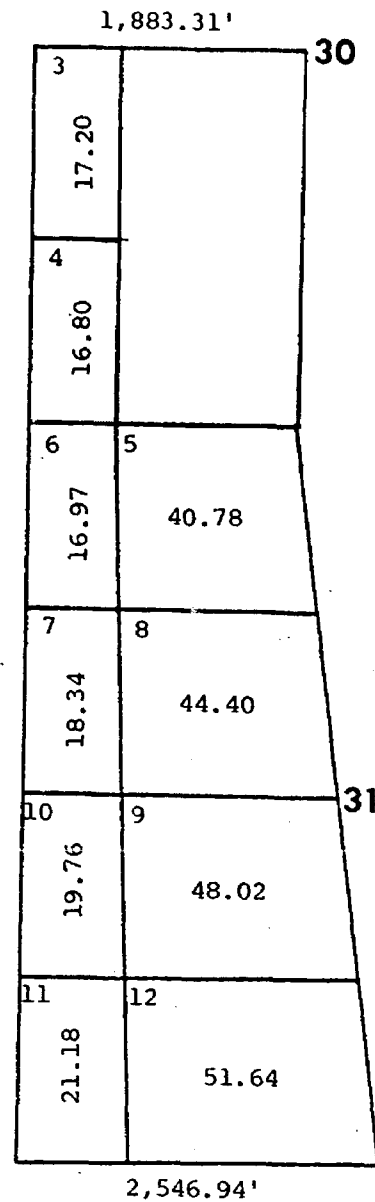
Section 30: Lots 1 & 2, E/2NW/4

containing 347.66 acres

(Legal descriptions and distances from
U.S. Department of the Interior GLO
Survey and OG Plat)

EXHIBIT 4

NMOCD Case No. 6725



San Juan County, New Mexico

Township 29 North, Range 8 West, N.M.P.M.

Section 30: Lots 3 & 4, E/2SW/4

Section 31: Lots 5, 6, 7, 8, 9,
10, 11 & 12

containing 375.09 acres

(Legal descriptions and distances
from U.S. Department of the Interior
GLO Survey and OG Plat)

EXHIBIT 5

NMOCDCase No. 6725

Exhibits

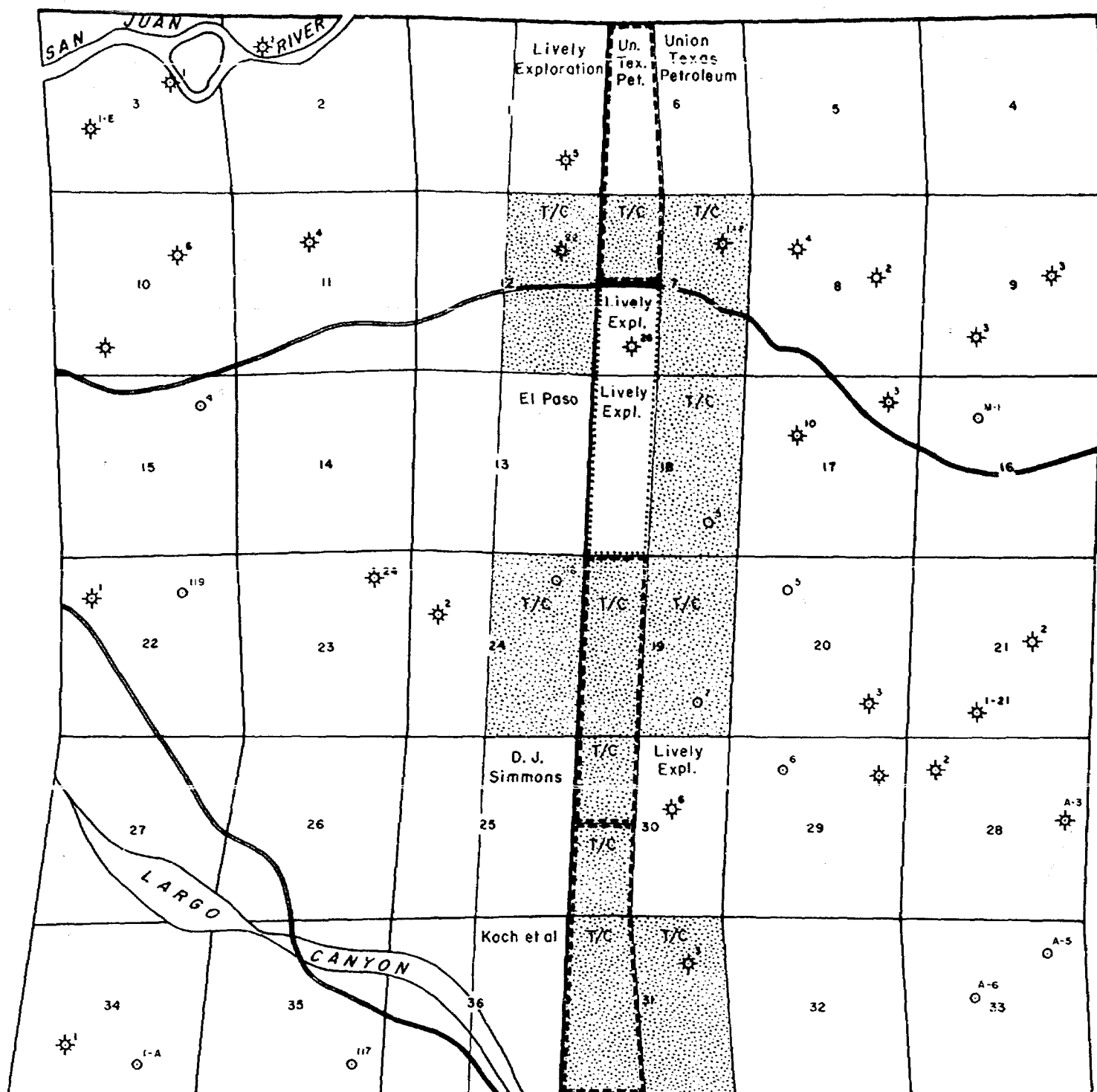
New Mexico Oil Conservation Division

Case 6725

December 12, 1979

R 9 W

R 8 W

T
29
NLEGEND

- T/C Tenneco and Conoco acreage.
- Existing non-standard spacing unit.
- Proposed non-standard spacing units.
- ★ Existing Dakota wells.
- Dakota locations.

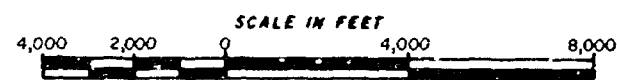
EXHIBIT "1" NMOCC CASE #6725



TENNECO OIL COMPANY
SUBSIDIARY OF TENNECO INC.



FOUR TOWNSHIP AREA
SAN JUAN COUNTY, NEW MEXICO



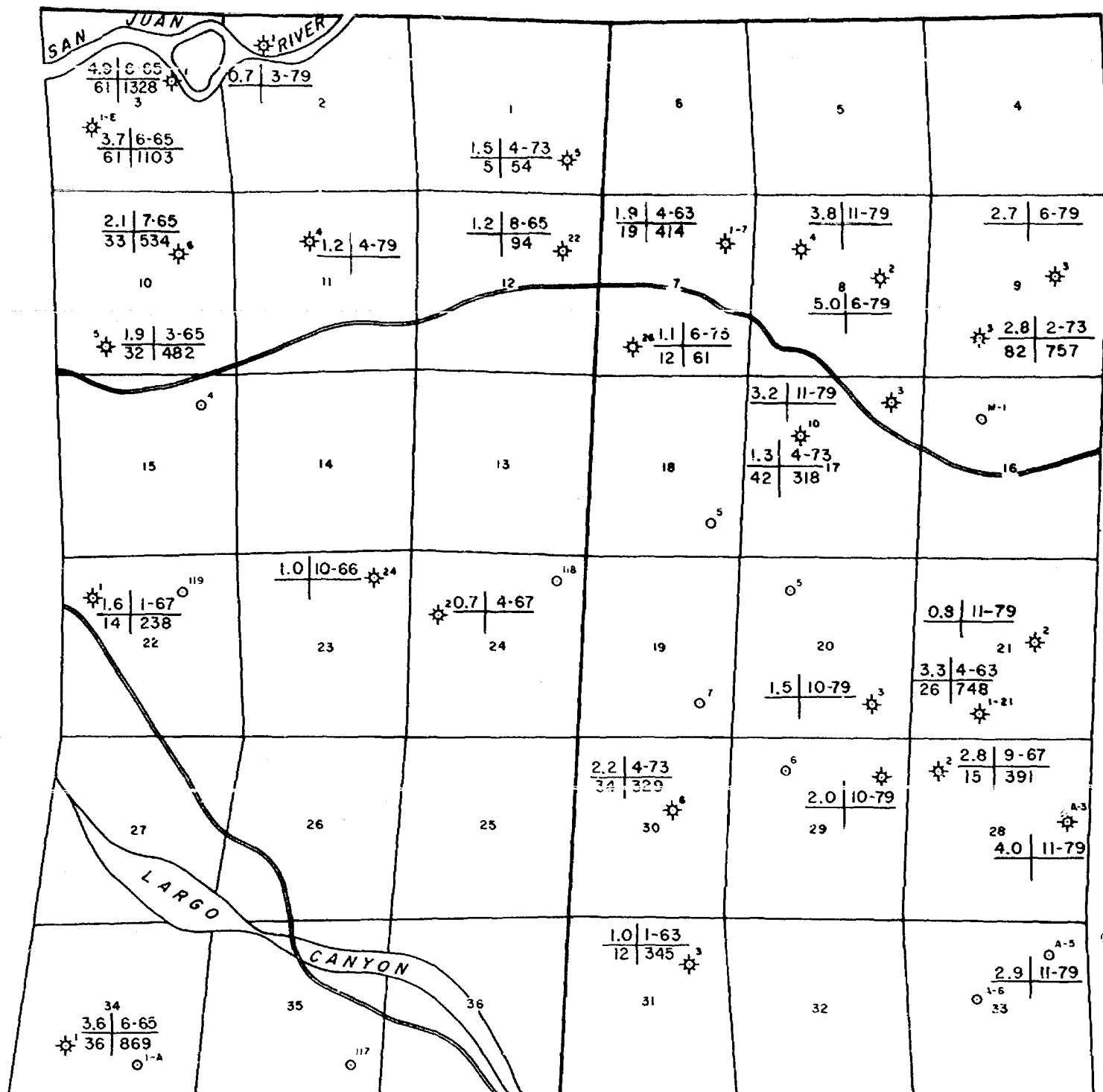
D. G. S.

DENVER, COLORADO

Nov. 1979

R 9 W

R 8 W

T
29
NLEGEND

INITIAL POTENTIAL (MMCF)	COMPLETION MONTH-YEAR
1978 PRODUCTION (MMCF)	CUMULATIVE PRODUCTION TO 1-1-79 (MMCF)

- ☼ EXISTING DAKOTA WELLS
- DAKOTA LOCATIONS

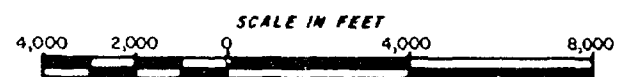
EXHIBIT "2" NMOCC CASE #6725



TENNECO OIL COMPANY
SUBSIDIARY OF TENNECO INC.



FOUR TOWNSHIP AREA
SAN JUAN COUNTY, NEW MEXICO



D. G. S.

DENVER, COLORADO

Nov. 1979

1,209.78'	
9	8
11.45	28.64
10	11
12.68	30.77
13	12
13.99	33.71
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15.33	36.38
6	5
16.18	37.76
7	8
16.51	37.83
1,847.67'	

San Juan County, New Mexico

Township 29 North, Range 8 West, N.M.P.M.

Section 6: Lots 8, 9, 10, 11, 12,
13, 14 & 15

Section 7: Lots 5, 6, 7 & 8

containing 291.23 acres

(Legal descriptions and distances from
U.S. Department of the Interior GLO
Survey and OG Plat)

EXHIBIT 3

NMOCD Case No. 6725

1,877.70'

1	17.85	19
2	17.95	
3	18.05	
4	18.15	
1	18.00	30
2	17.66	

1,883.31'

San Juan County, New Mexico

Township 29 North, Range 8 West, N.M.P.M.

Section 19: Lots 1, 2, 3 & 4,
E/2W/2

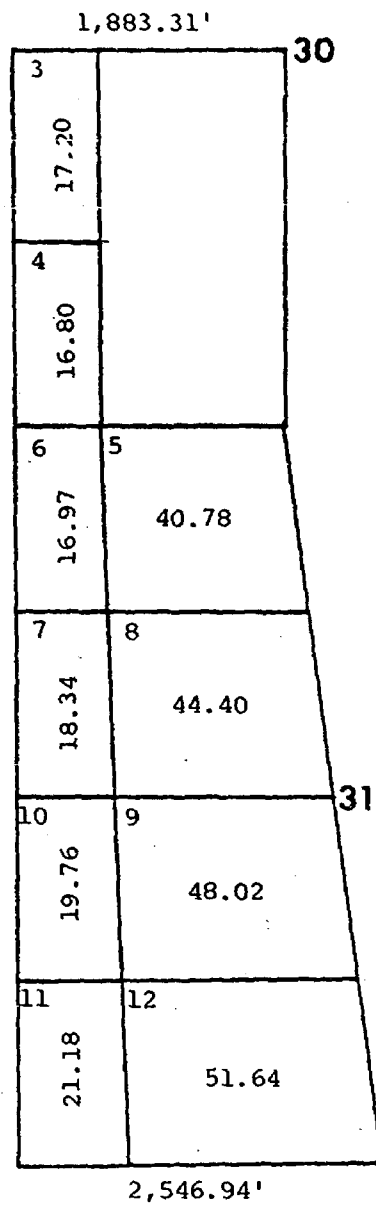
Section 30: Lots 1 & 2, E/2NW/4

containing 347.66 acres

(Legal descriptions and distances from
U.S. Department of the Interior GLO
Survey and OG Plat)

EXHIBIT 4

NMOCD Case No. 6725



San Juan County, New Mexico

Township 29 North, Range 8 West, N.M.P.M.

Section 30: Lots 3 & 4, E/2SW/4

Section 31: Lots 5, 6, 7, 8, 9,
10, 11 & 12

containing 375.09 acres

(Legal descriptions and distances
from U.S. Department of the Interior
GLO Survey and OG Plat)

EXHIBIT 5

NMOCD Case No. 6725

- CASE 6760:** Application of Sun Oil Company for an unorthodox location, non-standard gas proration unit, infill findings, and simultaneous dedication, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State "AY" Well No. 5, located in Unit E of Section 36, Township 7 South, Range 35 East, Todd-Upper San Andres Gas Pool, to be simultaneously dedicated with its State "AY" Well No. 3 in Unit F of Section 36 to a 160-acre non-standard gas proration unit comprising the NW/4 of Section 36. Also sought are findings that the proposed well is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing unit well.
- CASE 6761:** Application of Phillips Petroleum Company for an unorthodox gas well location and approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Atoka-Morrow test well to be drilled 660 feet from the North and West lines of Section 2, Township 24 South, Range 28 East; applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the proration unit, being the W/2 of said Section 2, which cannot be so drained by the existing well.
- CASE 6762:** Application of Joe Don Cook 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 into an unlined surface pit located in Section 1, Township 19 South, Range 31 East, Shugart Pool.
- CASE 6763:** Application of Adams Exploration Company for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the North Osudo-Morrow Gas Pool underlying Section 16, Township 20 South, Range 36 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and West lines of said Section 16. 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 6729:** (Continued from November 14, 1979, Examiner Hearing)
- Application of Adams Exploration 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 Section 16, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, 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 6725:** (Continued from November 28, 1979, Examiner Hearing)
- Application of Tenneco Oil Company for three non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 291.23-acre non-standard gas proration unit comprising the W/2 of Section 6 and the NW/4 of Section 7, a 347.58-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.17-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, Basin-Dakota Pool, each unit to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6751:** (Continued from November 28, 1979, Examiner Hearing)
- Application of Tenneco Oil Company for the rescission of special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of the special pool rules for the Catclaw Draw-Morrow Gas Pool to provide for 320-acre spacing rather than 640 acres. In the absence of objection, the pool rules will be rescinded and the pool placed on standard 320-acre spacing for Pennsylvanian gas pools rather than the present 640-acre spacing.
- CASE 6764:** Application of Lee Crane for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling of undesignated Ojo Alamo and Oswell-Farmington production from his Martin Wells Nos. 1 and 3 located in Section 34, Township 30 North, Range 11 West.
- CASE 6765:** Application of Mesa Petroleum Company for an exception to Order No. R-111-A and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order No. R-111-A to complete its Bass Federal Well No. 2 to be drilled at an unorthodox location 1450 feet from the North line and 1850 feet from the West line and its Bass Federal Well No. 3 to be drilled in Unit D, both in Section 6, Township 20 South, Range 31 East, by setting surface casing in the "Red Bed" section of the basal Rustler formation and production casing at total depth. Both casing strings would have cement circulated to the surface.

- CASE 6745: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the W/2 of Section 28, Township 23 South, Range 24 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 6746: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, 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 31, Township 18 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1100 feet from the West line of said Section 31. 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 6747: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, 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 23, Township 18 South, Range 25 East, to be dedicated to a well to be drilled at an unorthodox location in the center of Unit P of said Section 23. 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 6748: 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 its Rio Pecos "MH" Fed. Well No. 1, a Morrow test to be drilled 1980 feet from the South line and 1100 feet from the East line of Section 29, Township 18 South, Range 27 East, the S/2 of said Section 29 to be dedicated to the well.
- CASE 6749: Application of Petro-Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Penrose Skelly, Blinebry, and Drinkard production in the wellbore of its Warlick Well No. 3 located in Unit P of Section 18, Township 21 South, Range 37 East.
- CASE 6750: 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 comprising all or parts of Sections 1, 2, 3, 10, 11, and 12, Township 20 North, Range 30 East and Sections 20 thru 23 and 26 thru 35, Township 21 North, Range 30 East, and the promulgation of special rules therefor including a provision for 160-acre spacing units with the option to drill on 40 acres, and with well locations as close as 330 feet to the unit boundary.
- CASE 6725: (Continued from November 14, 1979, Examiner Hearing)
- Application of Tenneco Oil Company for three non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 291.23-acre non-standard gas proration unit comprising the W/2 of Section 6 and the NW/4 of Section 7, a 347.58-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.17-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, Basin-Dakota Pool, each unit to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6751: Application of Tenneco Oil Company for the rescission of special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of the special pool rules for the Catclaw Draw-Morrow Gas Pool to provide for 320-acre spacing rather than 640 acres. In the absence of objection, the pool rules will be rescinded and the pool placed on standard 320-acre spacing for Pennsylvanian gas pools rather than the present 640-acre spacing.
- CASE 6357: (Reopened and Readvertised)

In the matter of Case 6357 being reopened pursuant to the provisions of Order No. R-5853 which order established temporary special rules and regulations for the South Peterson-Pennsylvanian Pool, with provisions for 80-acre spacing. All interested parties may appear and show cause why the South Peterson-Pennsylvanian Pool should not be developed on 40-acre spacing units.

- CASE 6721: Application of Aminoff USA, Inc. 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 N/2 of Section 10, Township 24 South, Range 28 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 6684: (Continued from October 31, 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 6722: Application of Lloyd Davidson for an unorthodox oil well location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Santa Fe Pacific Well No. 1, a Gallup-Entrada-Dakota test 960 feet from the South line and 1230 feet from the East line of Section 29, Township 16 North, Range 6 West, the SE/4 SE/4 of said Section 29 to be dedicated to the well.
- CASE 6723: Application of Merrion & Bayless for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SW/4 of Section 27, Township 24 North, Range 2 West, South Blanco-Pictured Cliffs Pool, 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 6713: (Continued from October 31, 1979, Examiner Hearing)
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 6724: Application of Coquina Oil Corporation for a non-standard gas proration unit and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South line and 1650 feet from the East line of Section 7, Township 19 South, Range 32 East, Lusk-Morrow Gas Pool, the S/2 of said Section 7 to be dedicated to the well as a non-standard 320-acre proration unit.
- CASE 6725: Application of Tenneco Oil Company for three non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 291.23-acre non-standard gas proration unit comprising the W/2 of Section 6 and the NW/4 of Section 7, a 347.58-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.17-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, Basin-Dakota Pool, each unit to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6726: Application of Tesoro Petroleum Corporation for a waterflood project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the South Hospah-Upper Sand Oil Pool by the injection of water into the Upper Hospah Sands through three wells located in Units E and M of Section 5 and Unit I of Section 8, Township 17 North, Range 8 West. Applicant further seeks an administrative procedure for expansion of said project.
- CASE 6727: Application of Conoco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in its Anderson Ranch Unit Well No. 8 located in Unit I of Section 11, Township 16 South, Range 32 East, Anderson Ranch Field. Applicant would dispose into the Wolfcamp, Mississippian, and Devonian formations in the overall interval from 9775 feet to 13,620 feet through selective perforations.
- CASE 6728: Application of Conoco Inc. for pressure maintenance expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of its Scarborough Eaves PM Project by the conversion of its Eaves "A" Well No. 7 located in Unit J of Section 19, Township 26 South, Range 37 East, to water injection in the Yates-Seven Rivers formations.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
November 14, 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company for
three non-standard gas proration units,
San Juan County, New Mexico.

CASE
6725

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

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

1 MR. NUTTER: Call next Case Number 6725.

2 MR. PADILLA: Application of Tenneco Oil
3 Company for three non-standard gas proration units, San Juan
4 County, New Mexico.

5 MR. NUTTER: Applicant in this case has
6 requested continuance.

7 Case Number 6725 will be continued to the
8 Examiner Hearing scheduled to be held at this same place at
9 9:00 o'clock a. m., November 28th, 1979.

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11 (Hearing continued.)
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-3462
Santa Fe, New Mexico 87501

REPORTER CERTIFICATE

I, SALLY W. BOYD, a 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. 6725,
heard by me on 11/14 1979.
[Signature], Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (666) 471-5463
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
November 14, 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company for) CASE
three non-standard gas proration units,) 5725
San Juan 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	Ernest L. Padilla, Esq.
Division:	Legal Counsel for the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2026 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

1 MR. NUTTER: Call next Case Number 6725.

2 MR. PADILLA: Application of Tenneco Oil
3 Company for three non-standard gas proration units, San Juan
4 County, New Mexico.

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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (666) 471-4402
Santa Fe, New Mexico 87501

REPORTER CERTIFICATE

I, SALLY W. BOYD, a 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 complete record of the proceedings in
the Examiner hearing of Case No. 6725
heard by me on 11/14 1977.

 Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2030 Plaza Blanca (SOS) 411-2463
Santa Fe, New Mexico 87501

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

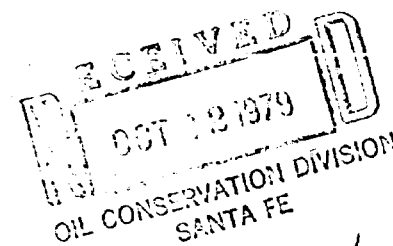
KELLAHIN and KELLAHIN
Attorneys at Law
500 Don Gaspar Avenue
Post Office Box 1769
Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

October 26, 1979

Mr. Joe Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Tenneco Oil Company
Non-Standard Proration Unit
Basin Dakota Pool



Case 6725

Dear Joe:

Please set this Application for hearing on November 14th, 1979, for approval of a non-standard proration unit for W/2 Sec. 31 and SW/4 Sec. 30, T29N, R8W, San Juan County, New Mexico.

Very truly yours,

W. Thomas Kellahin

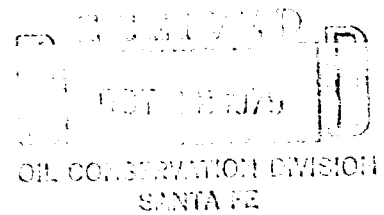
W. Thomas Kellahin

WTK:eps
Enclosure

cc: Mr. Millard Carr

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

IN THE MATTER OF
THE APPLICATION OF
TENNECO OIL COMPANY
FOR APPROVAL OF A
NON-STANDARD PRORATION UNIT,
BASIN DAKOTA POOL,
SAN JUAN COUNTY, NEW MEXICO



APPLICATION

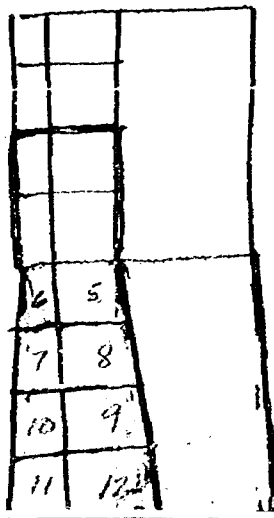
Case 6725

COMES NOW Tenneco Oil Company by and through its attorneys, Kellahin & Kellahin, and requests approval of a 375.17-acre non-standard gas proration unit in the Basin Dakota Pool, San Juan County, New Mexico, and in support thereof would show:

1. Applicant is the operator of the W/2 Sec. 31, and SW/4 Section 30, T29N, R8W, San Juan County, New Mexico.
2. Applicant proposes to drill its Pritchard "Com" #7 well in this non-standard proration unit which consists of 375.17 acres described as follows:

Township 29 North, Range 8 West

Section 30:	Lot 3	17.28 acres
	Lot 4	16.80 acres
	E/2 SW/4	80.00 acres
		114.08 acres
Section 31:	Lot 5	40.78 acres
	Lot 6	16.97 acres
	Lot 7	18.34 acres
	Lot 8	44.40 acres
	Lot 9	48.02 acres
	Lot 10	19.72 acres
	Lot 11	21.18 acres
	Lot 12	51.64 acres
		261.09 acres



3. That the granting of this application will result in the prevention of waste and will not impair correlative rights.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing before the Division's Examiner and that after notice and hearing the application be granted as requested.

Respectfully submitted,

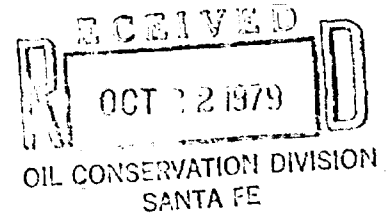
TENNECO OIL COMPANY

By: W. Thomas Kellahin *mf*
W. Thomas Kellahin
KELLAHIN & KELLAHIN
P. O. Box 1769
Santa Fe, New Mexico 87501
Phone: (505) 982-4285
ATTORNEYS FOR APPLICANT

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

IN THE MATTER OF
THE APPLICATION OF
TENNECO OIL COMPANY
FOR APPROVAL OF A
NON-STANDARD PRORATION UNIT,
BASIN DAKOTA POOL,
SAN JUAN COUNTY, NEW MEXICO

Case 6725



APPLICATION

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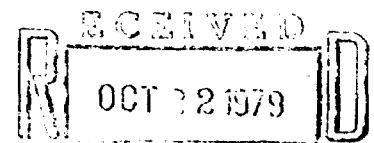
Respectfully submitted,
TENNECO OIL COMPANY

By: W. Thomas Kellahin
W. Thomas Kellahin
KELLAHIN & KELLAHIN
P. O. Box 1769
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KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gaspar Avenue

Post Office Box 1769

Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

October 26, 1979

Mr. Joe Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Tenneco Oil Company
Non-Standard Proration Unit
Basin Dakota Pool

Dear Joe:

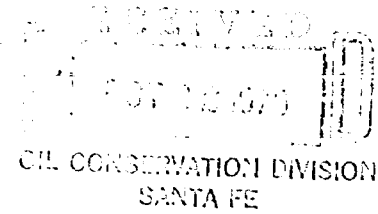
Please set this Application for hearing on November 14th, 1979 for approval of a non-standard proration unit for the W/2 Sec. 19 and NW/4 Sec. 30, T29N, R30W, San Juan County, New Mexico.

Very truly yours,

W. Thomas Kellahin/mf
W. Thomas Kellahin

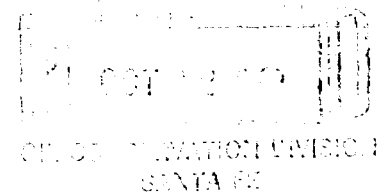
WTK:eps
Enclosure

cc: Mr. Millard Carr



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

IN THE MATTER OF THE APPLICATION
OF TENNECO OIL COMPANY FOR
APPROVAL OF A NON-STANDARD
PRORATION UNIT, BASIN DAKOTA
POOL, SAN JUAN COUNTY, NEW MEXICO.



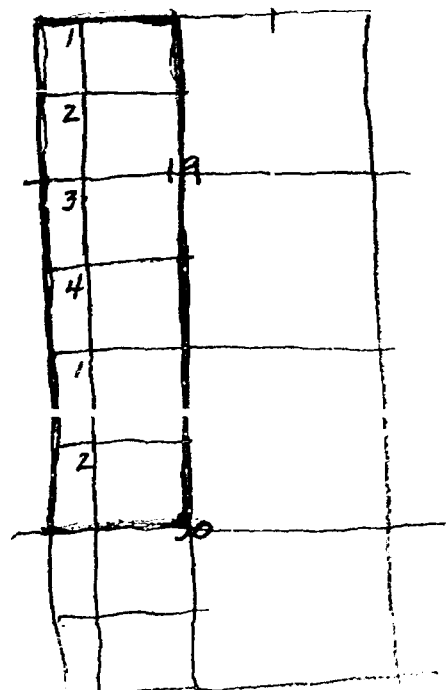
Case 6725

A P P L I C A T I O N

COMES NOW Tenneco Oil Company by and through its attorneys, Kellahin & Kellahin, and requests approval of a 347.58 acre non-standard gas proration unit in the Basin Dakota Pool, San Juan County, New Mexico, and in support thereof would show:

1. Applicant is the operator and co-owner with Conoco of the W/2 Sec. 19 and NW/4 Sec. 30, T29N, R8W, San Juan County, New Mexico.

2. That applicant proposes to drill a well in this non-standard proration unit which consists of 347.58 acres described as follows:



Township 29 North, Range 8 West

Sec. 19:	Lot 1	17.85 acres
	Lot 2	17.93
	Lot 3	18.05
	Lot 4	18.15
	E/2W/2	160.00
		231.98 acres
Sec. 30:	Lot 1	18.00 acres
	Lot 2	17.60
	E/2NW/4	80.00
		115.60 acres
TOTAL:		347.58 acres

3. That the granting of this application will result in the prevention of waste and will not impair correlative rights.

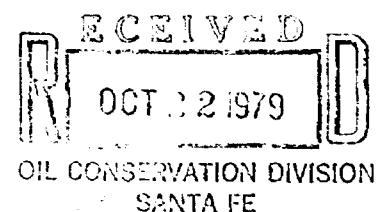
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Respectfully submitted,
TENNECO OIL COMPANY

By W. Thomas Kellahin /mf
W. Thomas Kellahin
KELLAHIN & KELLAHIN
P. O. Box 1769
Santa Fe, New Mexico 87501
ATTORNEYS FOR APPLICANT

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OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
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APPROVAL OF A NON-STANDARD
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POOL, SAN JUAN COUNTY, NEW MEXICO.



Case 6725

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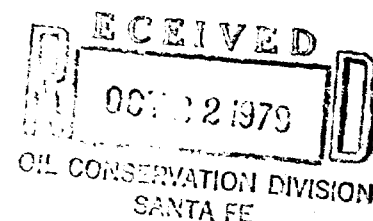
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By W. Thomas Kellahin
W. Thomas Kellahin
KELLAHIN & KELLAHIN
P. O. Box 1769
Santa Fe, New Mexico 87501
ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO
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APPROVAL OF A NON-STANDARD
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A P P L I C A T I O N

Case 6725

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By W. Thomas Kellahin
W. Thomas Kellahin

KELLAHIN & KELLAHIN
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Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

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Attorneys at Law

500 Don Gaspar Avenue

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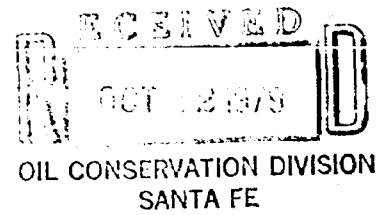
Telephone 982-4285
Area Code 505

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

October 26, 1979

Mr. Joe Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Tenneco Oil Company
Non-Standard Proration Unit
Basin Dakota Pool



Case 6725

Dear Joe:

Please set this Application for hearing on November 14th, 1979, for approval of a non-standard gas proration unit for the W/2 Sec. 8, and SW/4 of Sec. 7, T29N, R8W, San Juan County, New Mexico.

Very truly yours,

W. Thomas Kellahin/mf

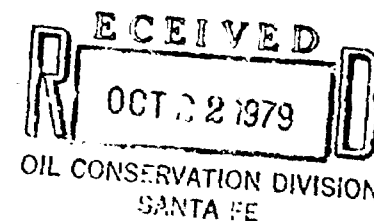
W. Thomas Kellahin

WTK:eps
Enclosure

cc: Mr. Millard Carr

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

IN THE MATTER OF THE APPLICATION
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APPROVAL OF A NON-STANDARD
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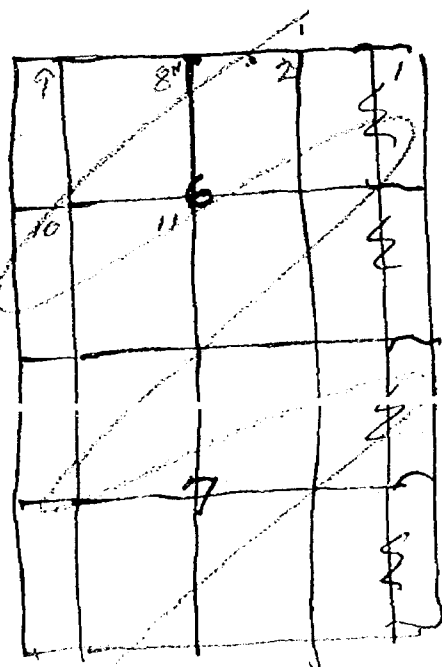
A P P L I C A T I O N

Case 6725

COMES NOW Tenneco Oil Company by and through its attorneys, Kellahin & Kellahin, and requests approval of a 291.23 acre non-standard gas proration unit in the Basin Dakota Pool, San Juan County, New Mexico, and in support thereof would show:

1. Applicant is the operator of the W/2 Sec. ⁶ and NW/4 Sec. 7, T29N, R8W, San Juan County, New Mexico.

2. That applicant proposes to drill a well in this non-standard proration unit which consists of 291.23 acres described as follows:



Township 29 North, Range 8 West

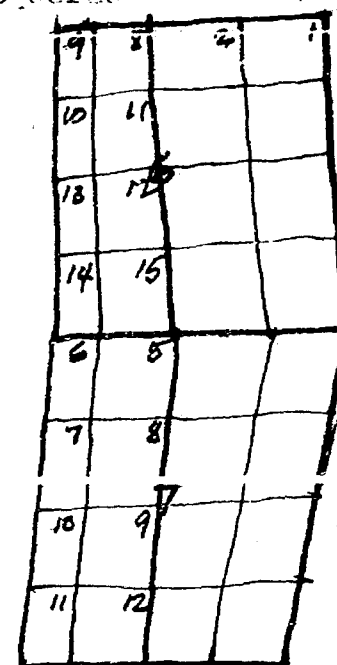
Sec. 6:	Lot 8	28.64 acres
	Lot 9	11.45
	Lot 10	12.68
	Lot 11	30.77
	Lot 12	33.71
	Lot 13	13.99
	Lot 14	15.33
	Lot 15	36.38

182.95 acres

Sec. 7:	Lot 5	37.76 acres
	Lot 6	16.18
	Lot 7	16.51
	Lot 8	37.83

108.28 acres

TOTAL: 291.23 acres



3. That the granting of this application will result in the prevention of waste and will not impair correlative rights.

WHEREFORE, applicant respectfully requests that this matter be set for hearing before the Division's Examiner and that after notice and hearing the application be granted as requested.

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TENNECO OIL COMPANY

By W. Thomas Kellahin /mf
W. Thomas Kellahin

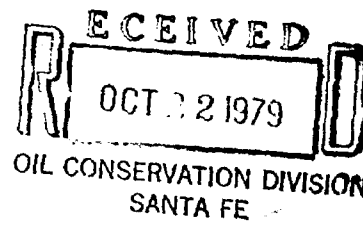
KELLAHIN & KELLAHIN
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

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

IN THE MATTER OF THE APPLICATION
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Case 6725



A P P L I C A T I O N

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By W. Thomas Kellahin

KELLAHIN & KELLAHIN

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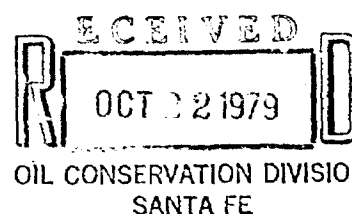
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
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Respectfully submitted,

TENNECO OIL COMPANY

By W. Thomas Kellahin

KELLAHIN & KELLAHIN

P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

dr/

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

CASE NO. 6725

Order No. R- 6226

APPLICATION OF TENNECO OIL COMPANY
THREE
FOR ~~NON-STANDARD PRORATION UNIT~~ ^{GAS} PRORATION UNITS,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 12,
19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of December, 19 79, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required by
law, the Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Tenneco Oil Company
seeks approval of a 291.23-acre non-standard gas proration unit
comprising the W/2 of Section 6/, Town-
ship, Range, NMPM, to be dedicated to
its, located in
Unit of said Section .

(3) That the ~~existing~~ non-standard proration units may reasonably
be presumed productive of gas from the Basin-Dakota
~~Gas Pool~~ and that the ~~existing~~ non-standard gas proration units can
be efficiently and economically drained and developed by the
aforesaid wells

347.66 375.09
★ Section 7, a 347.58-acre unit comprising the W/2 of Section 19 and
the NW/4 of Section 30, and a 375.17-acre unit comprising the SW/4
of Section 30 and the W/2 of Section 31, all in Township 29 North,
Range 8 West, ^{NMPM} Basin-Dakota Pool, ^{San Juan County, New Mexico} each unit to be dedicated to a
well to be drilled at a standard location thereon.

(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 Basin-Dakota ~~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 291.23 -acre non-standard gas proration unit in the Basin-Dakota ~~Gas~~ Pool comprising the W/2 of Section 6 and the NW/4 of Section 7, a 347.66-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.09-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, Basin-Dakota Pool, each unit to be dedicated to a well to be drilled at a standard location thereon.

~~San Juan County, New Mexico~~
~~Range xxxxx~~ ~~Section xxxxx~~ ~~County xxx New Mexico~~
~~is hereby vested in and dedicated to the use of the~~ ~~Basin-Dakota Pool~~ ~~each unit to be~~ ~~drilled at a standard location thereon.~~

(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.