

CASE 7000: CAVALCADE OIL CORPORATION FOR *Lee*
AN UNORTHODOX OIL WELL LOCATION, EDDY,
COUNTY, NEW MEXICO *2*

CASE NO.

7000

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 September 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Cavalcade Oil Cor-
poration for an unorthodox oil well
location, Eddy County, New Mexico.

CASE
7000

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:

William F. Carr, Esq.
CAMPBELL & BLACK P. A.
Jefferson Place
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.

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Phone (505) 455-7409

I N D E X

MICHAEL LEVENSON

Direct Examination by Mr. Carr 3

Cross Examination by Mr. Nutter 8

E X H I B I T S

Applicant Exhibit One, Survey 5

Applicant Exhibit Two, Survey 6

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Phone (505) 455-7409

1 MR. NUTTER: Call Case Number 7000.

2 MR. PADILLA: Application of Cavalcade
3 Oil Corporation for an unorthodox oil well location, Eddy
4 County, New Mexico.

5 MR. CARR: May it please the Examiner, I
6 am William F. Carr, Campbell and Black P.A., Santa Fe, ap-
7 pearing on behalf of the applicant. I have one witness who
8 needs to be sworn.

9
10 (Witness sworn.)

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

15
16 DIRECT EXAMINATION

17 BY MR. CARR:

18 Q Will you state your name and place of
19 residence?

20 A Michael Levenson, Carlsbad, New Mexico.

21 Q By whom are you employed and in what
22 capacity?

23 A I'm the President of Cavalcade Oil Cor-
24 poration in Carlsbad.

25 Q Mr. Levenson, have you previously testified

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1 before this Commission, had your credentials accepted and made
2 a matter of record?

3 A No, I have not.

4 Q Will you briefly summarize your educational
5 background and work experience for the Examiner?

6 A Yes. Four years at Texas Tech University,
7 majoring in finance and banking; eight years at the Carlsbad
8 National Bank in Carlsbad, New Mexico; four years of the eight
9 as president of that bank; and two years actively engaged in
10 the oil business.

11 Q Are you familiar with the application
12 filed in this case?

13 A Yes, I am.

14 Q Are you familiar with the subject area?

15 A Yes, I am.

16 Q Is Cavalcade Oil Corporation the operator
17 of the subject well?

18 A Yes, sir.

19 MR. CARR: Are the witness' qualifications
20 acceptable?

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23 MR. CARR: He will -- we're qualifying
24 Mr. Levenson as a practical oil man. He's going to basically
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1 hearing today.

2 MR. NUTTER: There's not any geological
3 or engineering data?

4 MR. CARR: No, there isn't any geological
5 testimony.

6 MR. NUTTER: He's qualified to testify
7 in that vein.

8 Q When did Cavalcade Oil Corporation become
9 the operator of the subject well?

10 A September 1st, 1980.

11 Q Has Cavalcade filed the appropriate C-104
12 with the Oil Conservation Commission?

13 A Yes, yes, we have.

14 Q Is H&S Oil Company aware of the change
15 in operators?

16 A Yes, sir, they are.

17 Q Will you please refer to what has been
18 marked for identification as Cavalcade Exhibit Number One and
19 identify this for the Examiner?

20 A Yes. Exhibit Number One is a survey that
21 was filed by H&S Oil Company in September, 1979, for the
22 McClay 11 Well that's in question today, marked 1730 feet
23 from the west, 2260 feet from the south, in Section 33 of
24 Township 18 South, Range 30 East, Eddy County.

25 Q Mr. Levenson, will you now refer to what

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1 has been marked for identification as Applicant's Exhibit
2 Number Two?

3 A. Exhibit Number Two is a survey that was
4 hired by Cavalcade Oil Corporation, done by Herschel Jones,
5 showing the actual wellsite being 1834 feet from the west,
6 2385 feet from the south in Section 33, Township 18 South, 30
7 East, Eddy County.

8 Q. Will you briefly summarize for Mr. Nutter
9 the events which resulted in this hearing?

10 A. Yes. In September, 1979, H&S Oil Company
11 of Artesia farmed out to Cavalcade Oil Corporation this
12 acreage. A well was drilled in September. At the same time
13 an operating agreement was signed with H&S Oil Company by
14 Cavalcade with H&S being the operator, who was charged with
15 the responsibility of drilling the well and operating the well
16 after it was drilled.

17 The well was drilled September and suc-
18 cessfully completed as a producer in 1979.

19 A second well, the 12, McClay 12, located
20 in the 40 acres due west was scheduled to be drilled in early
21 1980, and at that time -- this is, indidentally, on Federal --
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23 their archeological study, and when they when they were doing
24 that, they determined that the operator, H&S Oil Company, on
25 the first well, the No. 11, had disturbed some Indian ruins

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1 when they made the drilling pad, and in their investigation
2 the BLM measured and surveyed unofficially the actual wellsite.

3 The No. 12 was drilled and successfully
4 completed in May, 1980. At this time Cavalcade Oil Corpora-
5 tion verbally notified H&S Oil that we wanted to become the
6 operator of the wells, and when we went to the Bureau of Land
7 Management to get a list of their regulations, they informed
8 us that there was a problem on the McClay No. 11; that problem
9 being the disturbance of the Indian ruins; in addition, the
10 location of the actual wellhead being different from what was
11 originally platted and filed by H&S Oil Company.

12 So, we engaged Mr. Herschel Jones, the
13 surveyor from Lovington, to verify this and this is what led
14 us up to today.

15 We have become the operator of the well
16 and we want the location that the actual wellhead is on to
17 be approved.

18 Q Mr. Levenson, what formation is this well
19 producing from?

20 A It's a Queen-Grayburg.

21 Q Are there other Queen-Grayburg wells in
22 the immediate area?

23 A There is a well in the 40 acres due north.

24 Q And who is the operator of that well?

25 A LaRue and Muncy.

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1 Q And is that well currently producing?

2 A No, sir.

3 Q Would you review for the Examiner the
4 other offsetting operators?

5 A H&S Oil Company is to the south and LaRue
6 and Muncy is to the east, and LaRue and Muncy would be to the
7 north with the well that I just mentioned, and Cavalcade Oil
8 Corporation is to the west.

9 Q Mr. Levenson, in your opinion will granting
10 this application be in the interests of conservation, the
11 prevention of waste, and the protection of correlative rights?

12 A Yes, it will.

13 MR. CARR: At this time, Mr. Examiner, we
14 would offer into evidence Applicant's Exhibits One and Two.

15 MR. NUTTER: Applicant's Exhibits One and
16 Two will be admitted in evidence.

17 MR. CARR: We have nothing further on
18 direct.

19
20 CROSS EXAMINATION

21 BY MR. NUTTER:

22 Q Well now, Mr. Levenson, you stated that
23 there is a well directly north of No. 11?

24 A In the 40 acres directly north there is
25 a well in the most northeast part of that 40.

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1 Q But it's not producing.

2 A No, the history of the well, it was
3 drilled in about 1972 and has cumulative production of 6500
4 barrels, and in 1979 it produced 350 barrels and was making
5 about a barrel a day, and according to the latest information
6 I had, it hasn't produced since April.

7 Q I see. And now your well is -- was staked
8 at what was thought was a standard location but then it turns
9 out on the re-survey that it's 2385 from the south line, and
10 the maximum would be 2310.

11 A That's right.

12 Q According to the rules, is that it?

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14 Q So it's 75 feet too far north.

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16 Q Now if the Division forgives you for
17 having the well at the wrong location, will the BLM forgive
18 you for drilling through those Indian ruins?

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20 between H&S Oil Company and the Bureau of Land Management,
21 and I understand that there is action in that case that cur-
22 rently is being negotiated for settlement between BLM and
23 H&S.

24 Q I see.

25 MR. CARR: The Losee firm is representing

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2 Rupert Heinsch has been hospitalized for
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6 of Mr. Levenson? He may be excused.

7 Do you have anything further, Mr. Carr?

8 MR. CARR: Nothing further, Mr. Nutter.

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11 We'll take the case under advisement.

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13 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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 and correct transcript of the hearing in
the Examiner's hearing of case No. 7000
heard by me on 9/3 1980.

[Signature], Examiner
Oil Conservation Division

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11 We'll take the case under advisement.

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13 (Hearing concluded.)
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SALLY W. BOYD, C.S.R.

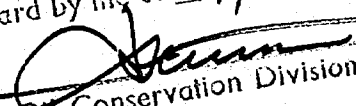
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.
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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of case No. 7000
heard by me on 9/3 1980.


Oil Conservation Division, Examiner



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

September 12, 1980

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

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

Re: CASE NO. 7000
ORDER NO. R-6470

Applicant:

Cavalcade Oil Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD 1

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. 7000
Order No. R-6470

APPLICATION OF CAVALCADE OIL
CORPORATION FOR AN UNORTHODOX
OIL WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 3, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of September, 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, Cavaloade Oil Corporation, seeks approval of an unorthodox oil well location of its McClay Well No. 11 located 2385 feet from the South line and 1834 feet from the West line of Section 33, Township 18 South, Range 30 East, NMPM, Benson Queen-Grayburg Pool, Eddy County, New Mexico.
- (3) That the NE/4 SW/4 of said Section 33 is to be dedicated to the well.
- (4) That said well was drilled at what was thought to be an orthodox location but which was discovered to be 75 feet too far north following a resurvey after the well was drilled.
- (5) That no offset operator objected to the proposed unorthodox location.

-2-

Case No. 7000
Order No. R-6470

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil 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 oil well location is hereby approved for the Cavalcade Oil Corporation McClay Well No. 11 located at a point 2385 feet from the South line and 1834 feet from the West line of Section 33, Township 18 South, Range 30 East, NMPM, Benson Queen-Grayburg Pool, Eddy County, New Mexico.

(2) That the NE/4 SW/4 of said Section 33 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.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
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STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
20 August 1980

EXAMINER HEARING

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CASE
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BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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For the Applicant:

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1 MR. STAMETS: We'll call next Case 7000.

2 MR. PADILLA: Application of Cavalcade
3 Oil Corporation for an unorthodox oil well location, Eddy
4 County, New Mexico.

5 MR. STAMETS: At the request of the Appli-
6 cant this case will be continued to the September 3rd Examiner
7 Hearing.

8
9 (Hearing concluded.)
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SALLY W. BOYD, C.S.R.

Rt. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete report of the proceedings in the Examiner hearing of Case No. 7000, heard by me on 8-5 1980.

Richard L. [Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
20 August 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Cavalcade Oil Corpor-
ation for an unorthodox oil well
location, Eddy County, New Mexico.

CASE
7000

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

For the Applicant:

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

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MR. STAMETS: We'll call next Case 7000.

MR. PADILLA: Application of Cavalcade
Oil Corporation for an unorthodox oil well location, Eddy
County, New Mexico.

MR. STAMETS: At the request of the Appli-
cant this case will be continued to the September 3rd Examiner
Hearing.

(Hearing concluded.)

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Santa Fe, New Mexico 87501
Phone (505) 455-7409

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

Docket No. 27-80

Dockets Nos. 29-80 and 30-80 are tentatively set for September 17 and October 1, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 3, 1980

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

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

- CASE 7015:** Application of Tenneco Oil 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 S/2 of Section 36, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7016:** Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Mississippian formations underlying the E/2 of Section 18, Township 15 South, Range 27 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7006:** (Continued from August 20, 1980, Examiner Hearing)
Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Northwest Gladiola Unit Area, comprising 1,280 acres, more or less, of State and fee lands in Townships 11 and 12 South, Range 37 East.
- CASE 7007:** (Continued from August 20, 1980, Examiner Hearing)
Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Morrow and Atoka production in the wellbore of its North Travis 12 Deep Well No. 1 located in Unit O of Section 12, Township 18 South, Range 28 East.
- CASE 7017:** Application of Bas Enterprises Production Company for pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Bone Spring gas pool for its Big Eddy Unit Well No. 60 located in Unit J of Section 20, Township 21 South, Range 28 East, with classification of wells with a GOR of 20,000 or more as gas wells.
- CASE 7018:** Application of Shell Oil Company for an exception to Division Rule No. 202(B), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a one year extension to the exception to Rule 202(B) previously approved by Order No. R-5655 for certain of its Carson Unit wells in the Bisti Pool. Applicant further requests an administrative procedure for any future extensions.
- CASE 7019:** Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 30, Township 23 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6991:** (Continued from August 6, 1980, Examiner Hearing)
Application of Amoco Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in a 100 foot perforated interval between 4400 feet and 4800 feet in its South Hobbs Unit Well No. 103 in Unit B of Section 15, Township 19 South, Range 38 East, Hobbs Grayburg-San Andres Pool.
- CASE 7000:** (Continued from August 20, 1980, Examiner Hearing)
Application of Cavalcade Oil Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McClay Well No. 11 2385 feet from the South line and 1834 feet from the West line of Section 33, Township 18 South, Range 30 East, the NE/4 SW/4 of said Section 33 to be dedicated to the well.

CASE 7020: Application of Mesa Petroleum Co. for pool creation, special pool rules and an oil discovery allowable, Rio Arriba and San Juan Counties, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Gallup oil pool for its South Blanco Federal Well No. 1-6 located in Unit A of Section 6, Township 23 North, Range 7 West, and special rules therefor, including a provision for 80-acre spacing units. Applicant further seeks a discovery allowable for the aforesaid well.

CASE 6822: (Reopened and Readvertised)

In the matter of Case 6822 being reopened pursuant to the provisions of Order No. R-6293 which order created the West Double X-Wolfcamp Gas Pool as a retrograde gas condensate pool and set special production limitations therein. Operator(s) may appear and present evidence to establish the true nature of the reservoir and proper rates of withdrawal therefrom.

CASE 6996: (Continued from August 20, 1980, Examiner Hearing)

Application of John E. Schalk for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blanco Mesaverde Pool underlying the NE/4 of Section 8, Township 25 North, Range 3 West, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

Docket No. 28-80

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 4, 1980

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

CASE 6889: (DE NOVO)

Application of Belco Petroleum Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 1980 feet from the North line and 920 feet from the West line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom it at an unorthodox location within 100 feet of a point 1320 feet from the North line and 2640 feet from the West line of said Section 36 in the Morrow formation, the N/2 of said Section 36 to be dedicated to the well.

Upon application of Duval Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

Evidence and testimony or arguments in this hearing shall be limited to the issue of whether Duval Corporation has standing to object to the application of Belco Petroleum Corporation.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-126
Supersedes O-126
Effective 1-1-75

All distances must be from the outer boundaries of the Section

H & S COMPANY		McClay Federal		11	
K	33	18 South	30 East	Eddy	
2260	feet from the	South	1730	feet from the	West
3468.0	Producing Point	North	BENSON QUEEN NORTH 68	40	
in Grayburg					

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated, name each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No

If answer is "no," type of consolidation

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

R. L. Skinsch

Partner

H & S OIL COMPANY

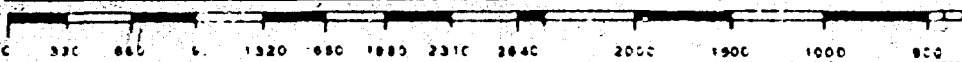
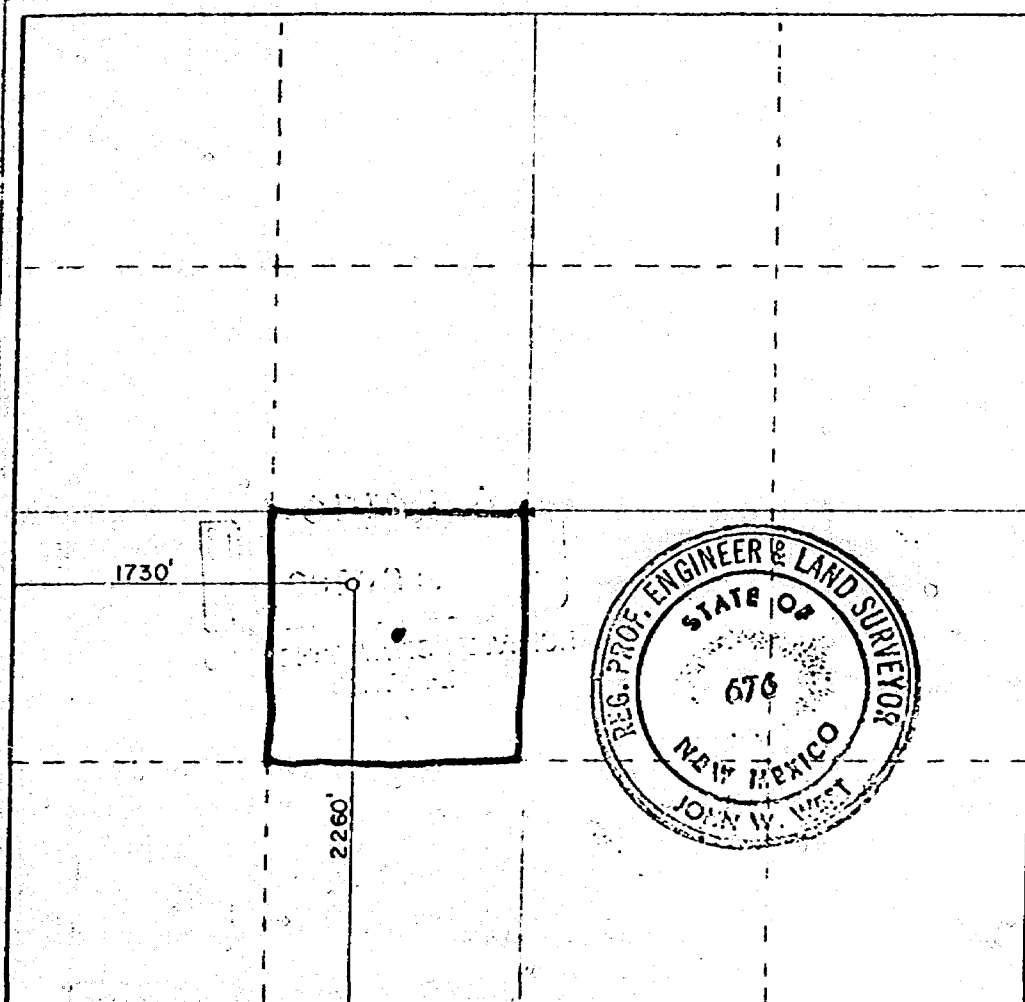
Sept. 10, 1979

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

July 27, 1979

John W. West

John W. West 676
Ronald J. Edison 3239



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All distances must be from the outer boundaries of the Section

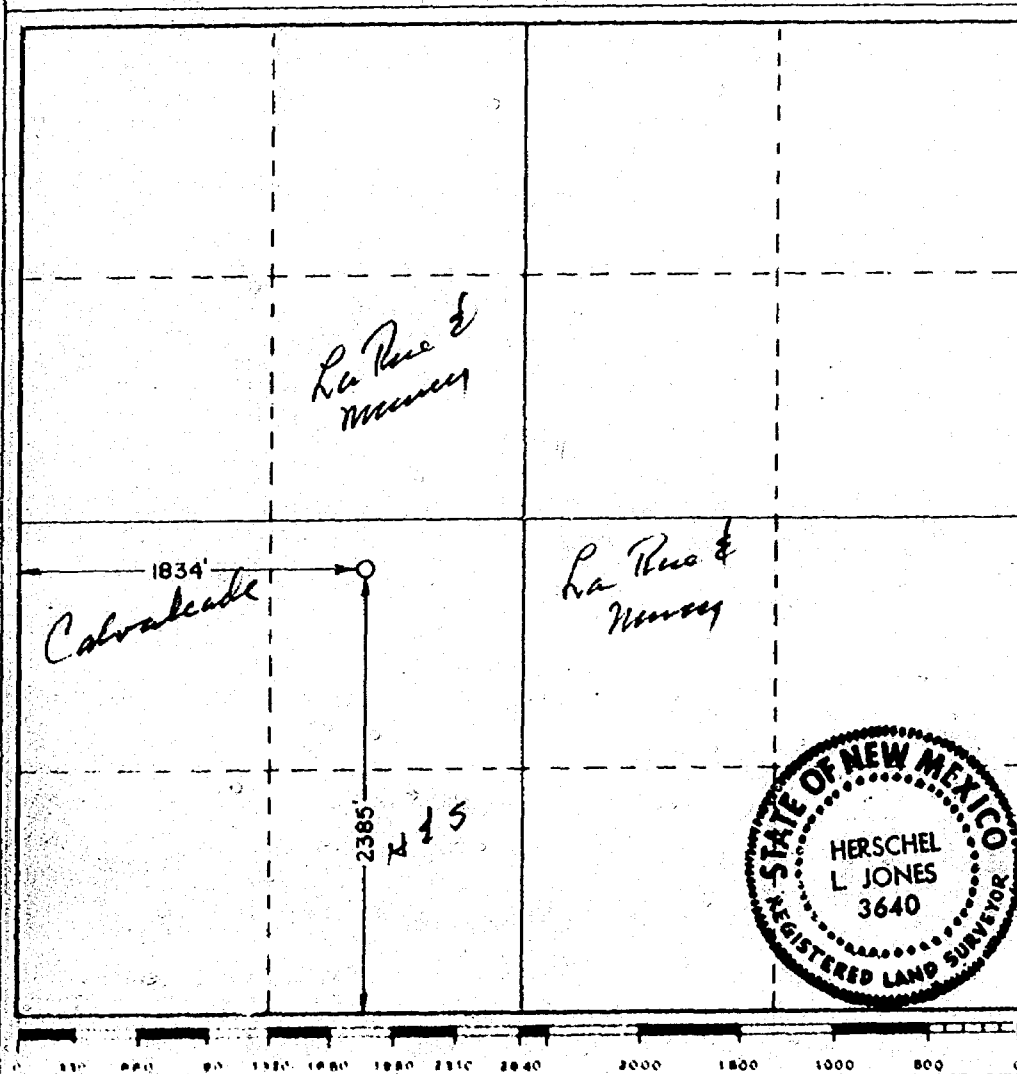
Operator H & S OIL COMPANY		Lease McClay		Well No. 11
Unit Letter K	Section 33	Township 18 South	Range 30 East	County Eddy
Actual Footage Location of Well: 2385 feet from the South line and 1834 feet from the West line				
Ground Level Elev. 3468	Producing Formation Queen-Grayburg	Pool	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Position

Company

Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

July 29, 1980

Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones
Certificate No.

3640

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-1
Supersedes O-128
Effective 1-1-77

All distances must be from the outer boundaries of the Section

H & S COMPANY		McClay Federal		11	
K	33	18 South	30 East	Eddy	
2260	feet from the	South	line and	1730	feet from the
3468.0	Producing Elevation	Grayburg	North	BENSON QUEEN NORTH GB	Estimated Acreage
					40

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated, name each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

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OCT 2 1979
O. C. C.
ARTESIA OFFICE

RECEIVED
SEP 10 1979
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

☐ Yes ☐ No If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

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CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

R. L. Heinsch

Partner

H & S OIL COMPANY

Sept. 10, 1979

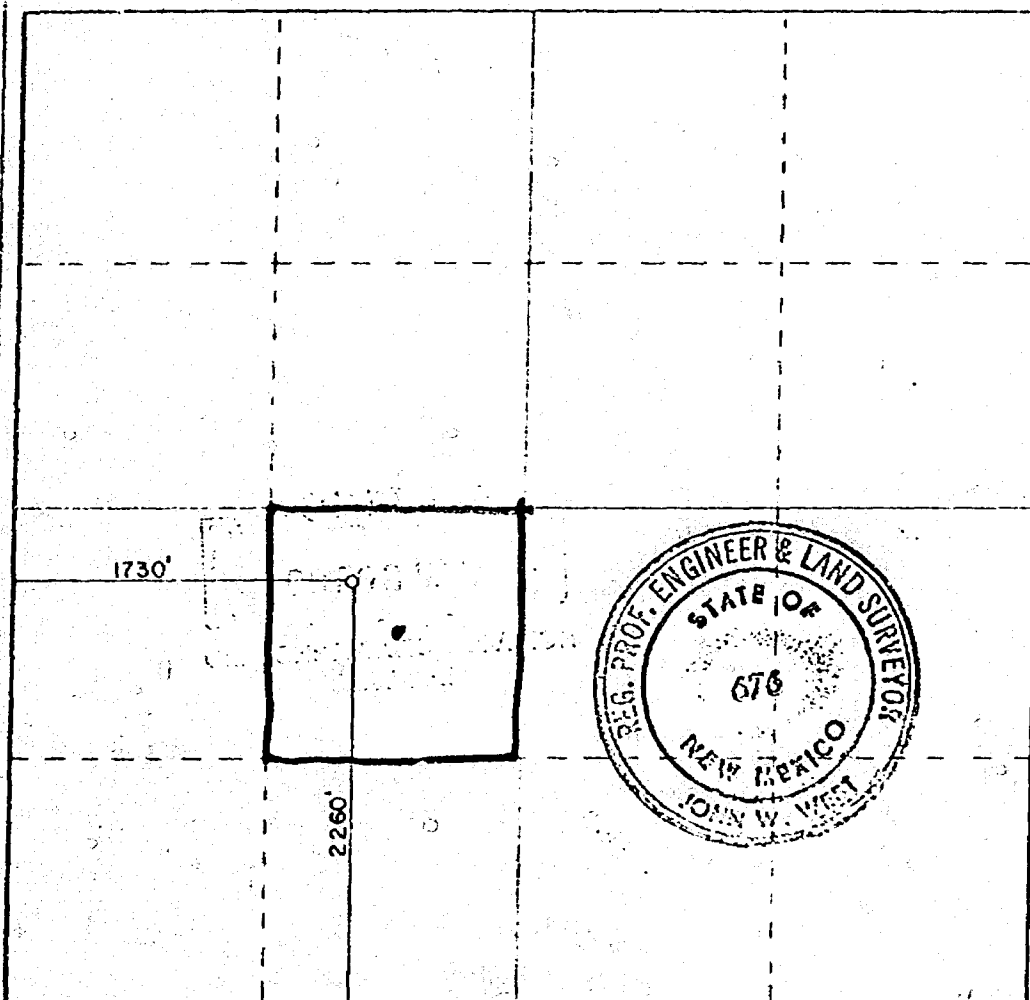
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief

July 27, 1979

John W. West

John W. West 676

Ronald J. Edison 3239



Scale: 0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600 6930 7260 7590 7920 8250 8580 8910 9240 9570 9900

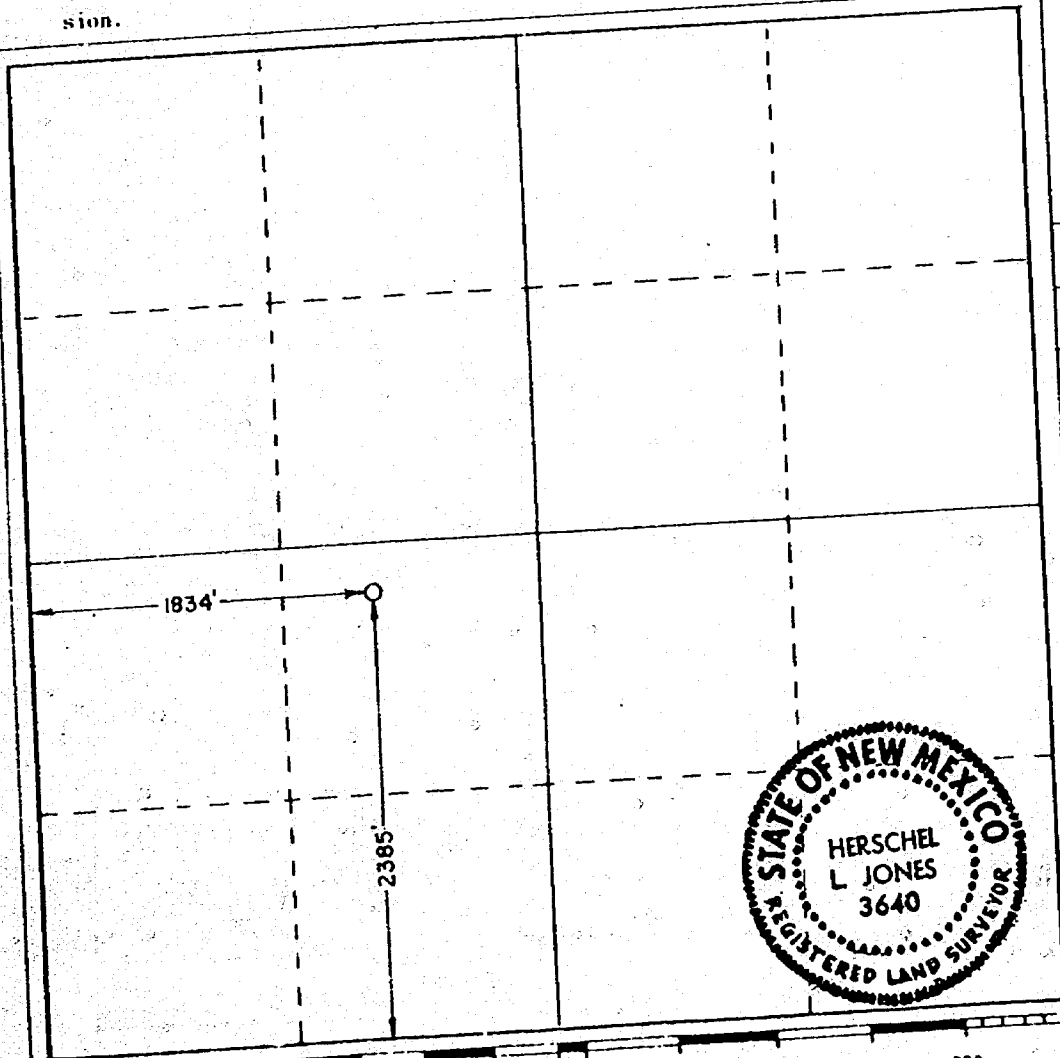
NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-107
Supersedes O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Owner H & S OIL COMPANY		Lease McClay		Well No. 11
Section 33	Township 18 South	Range 30 East	County Eddy	
Actual Footage Location of Well: feet from the South line and 1834 feet from the West line 2385 Ground Level Elev. 3468 Producing Formation Queen-Grayburg Pool 40 Acres				

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
☐ Yes ☐ No If answer is "yes," type of consolidation _____
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
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CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name _____

Position _____

Company _____

Date _____

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____

July 29, 1980

Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones
Certificate No. **3640**

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-1
Superseded 4-1-78
Effective 1-1-78

All distances must be from the outer boundaries of the Section

H & S COMPANY		McCloy <i>Federal</i>		11	
K	33	1d South	30 East	Eddy	
2260		1730		West	
3468.0		North		40	
in Grayburg		BENSON QUEEN NORTH 68			

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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R. L. Skinsch

Partner

H & S OIL COMPANY

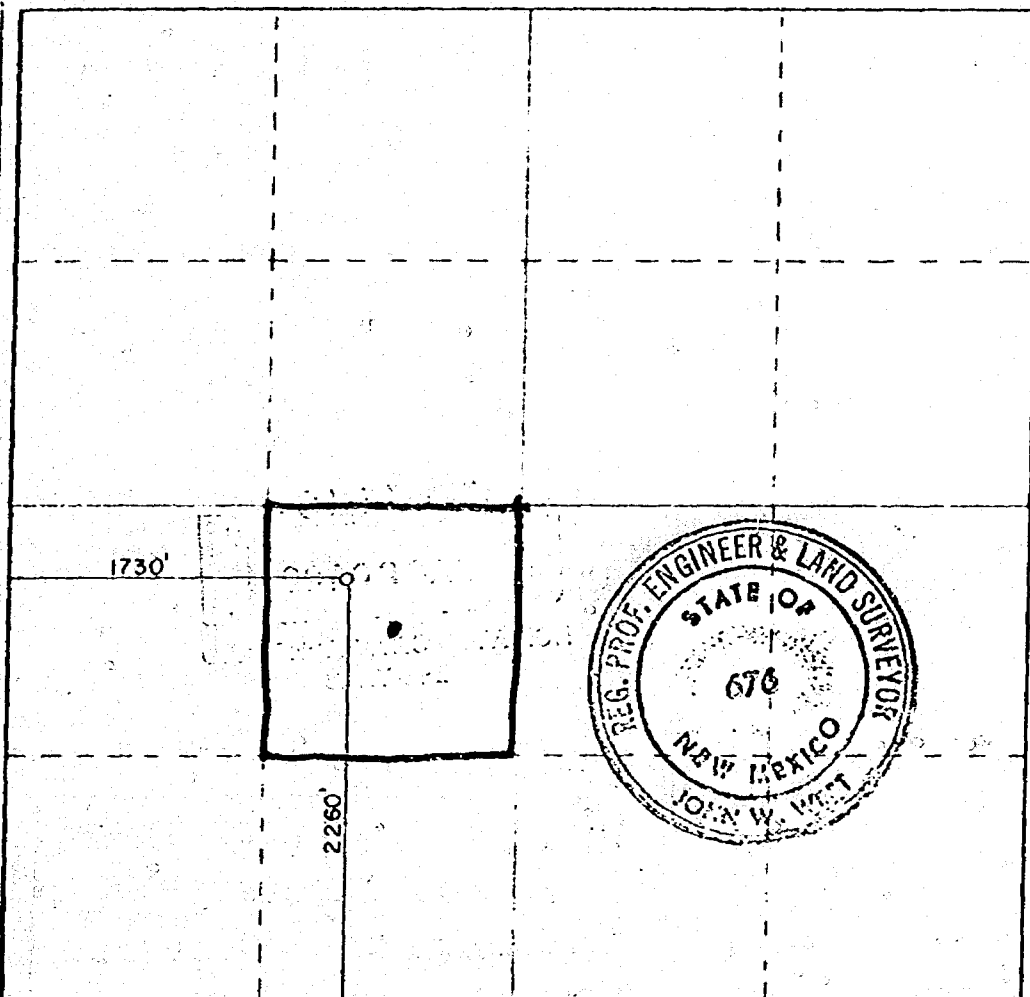
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July 27, 1979

John W. West

John W. West 676
Ronald J. Eason 3239



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All distances must be from the outer boundaries of the Section

Operator H & S OIL COMPANY		Lease McClay		Well No. 11
Unit Letter K	Section 33	Township 18 South	Range 30 East	County Eddy
Actual Footage Location of Well:				
2385 feet from the South line and		1834 feet from the West line		
Ground Level Elev. 3468	Producing Formation Queen-Grayburg	Pool	Dedicated Acreage: 40 Acres	

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Name _____

Position _____

Company _____

Date _____

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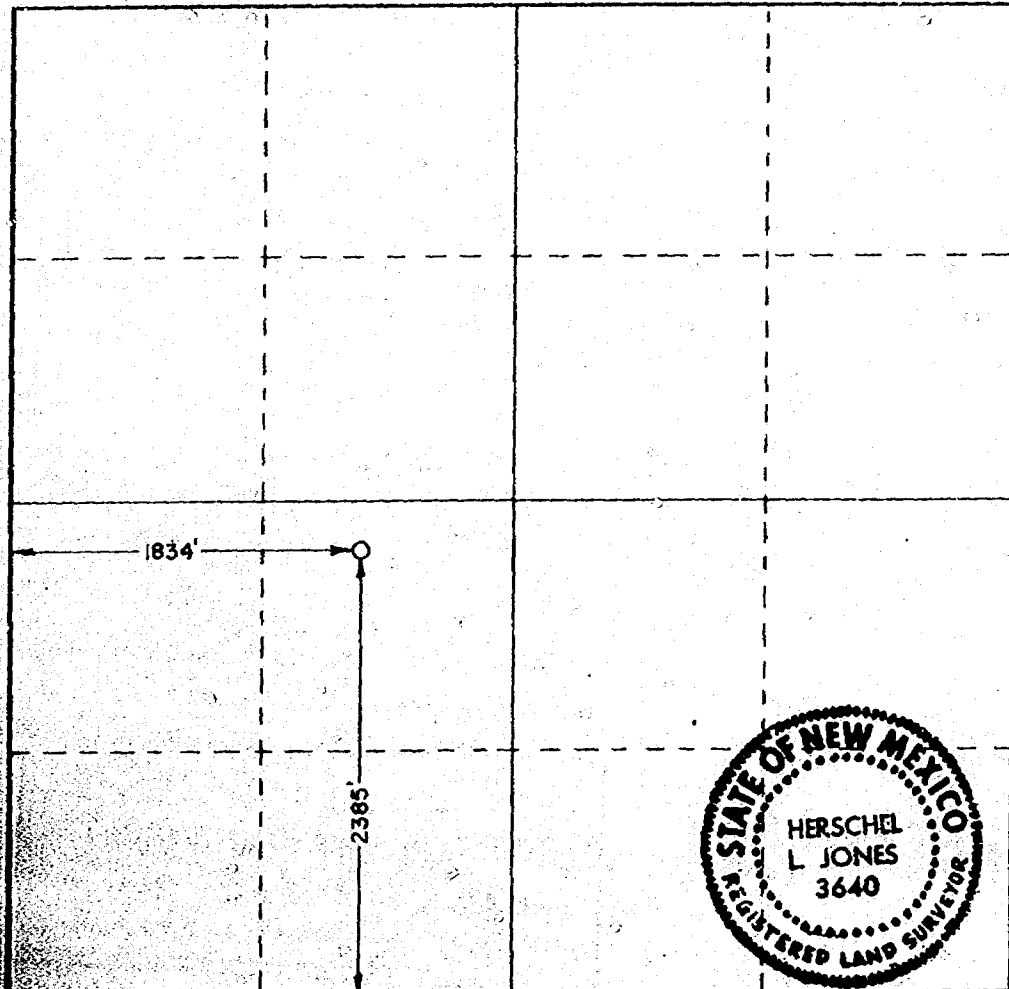
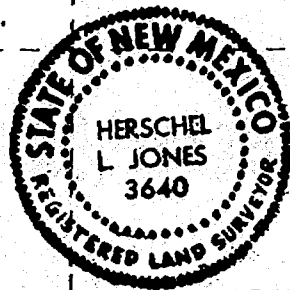
Date Surveyed _____

July 29, 1980

Registered Professional Engineer
and/or Land Surveyor

Certificate No. _____

3640



320 640 960 1280 1600 1920 2240 2560 2880 3200 3520 3840 4160 4480 4800 5120 5440 5760 6080 6400

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

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Docket No. 28-80

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 4, 1980

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

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Application of Belco Petroleum Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 1980 feet from the North line and 920 feet from the West line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom it at an unorthodox location within 100 feet of a point 1320 feet from the North line and 2640 feet from the West line of said Section 36 in the Morrow formation, the N/2 of said Section 36 to be dedicated to the well.

Upon application of Duval Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

Evidence and testimony or arguments in this hearing shall be limited to the issue of whether Duval Corporation has standing to object to the application of Belco Petroleum Corporation.

CAMPBELL AND BLACK, P.A.

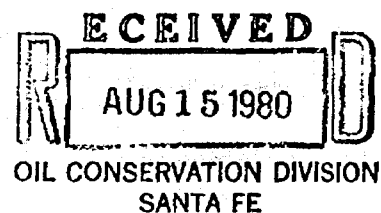
LAWYERS

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

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

August 13, 1980

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



Re: Application of Cavalcade Oil Corporation for an
Unorthodox Well Location, Eddy County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is an Amended Application of
Cavalcade Oil Corporation in the above-referenced
matter.

Very truly yours,

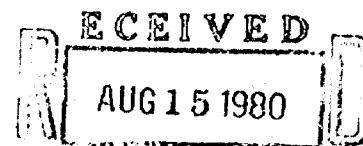
A handwritten signature in cursive script, appearing to read "William F. Carr".

William F. Carr

WFC:lr

Enclosure

cc: Mr. Michael Levenson



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

IN THE MATTER OF THE APPLICATION
OF CAVALCADE OIL CORPORATION FOR
AN UNORTHODOX WELL LOCATION, EDDY
COUNTY, NEW MEXICO.

Case 2000

AMENDED APPLICATION

Comes now CAVALCADE OIL CORPORATION, by its undersigned attorneys and hereby makes application to the Oil Conservation Division for an unorthodox well location and in support thereof, respectfully states:

1. In September of 1979, H & S Oil Company drilled the McClay No. 11 Well in Unit K of Section 33, Township 18 South, Range 30 East, Eddy County, New Mexico, in the Queen-Grayburg Formation to which was dedicated the NE/4 SW/4 of said Section 33.
2. In July of 1980, it was discovered that said McClay No. 11 Well had been drilled at an unorthodox location 2,385 feet from the South line and 1,834 feet from the West line of said Section 33 instead of at the approved location 2,260 feet from the South line and 1,730 feet from the West line of said Section.
3. Pursuant to the terms of an Operating Agreement dated September 1, 1979, as amended on September 21, 1979, between H & S Oil Company and Cavalcade Oil Corporation, Cavalcade has made demand on H & S Oil Company to resign as operator of said McClay No. 11 Well and

Cavalcade Oil Corporation will become operator of said well on or before September 1, 1980.

4. Cavalcade Oil Corporation seeks an order granting an exception to the well location requirements of Rule 104 (B) I (b) of the Oil Conservation Division and approving the unorthodox location of the McClay No. 11 Well at a point 2,385 feet from the South line and 1,834 feet from the West line of said Section 33 in the Queen-Grayburg formation.

5. A standard 40 acre oil proration unit comprising the NE/4 SW/4 of said Section 33 should be dedicated to such well.

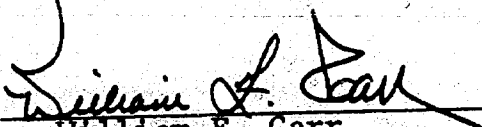
6. Approval of this application will afford applicant the opportunity to produce its just and equitable share of the hydrocarbons in the Queen-Grayburg formation and will protect correlative rights.

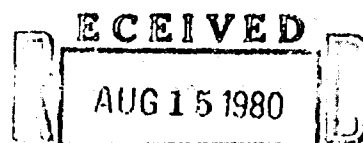
WHEREFORE, Cavalcade Oil Corporation requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division, that notice be given as required by law and the rules of the Division, and that the Division enter its order granting the applicant an exception to the provisions of Rule 104 (B) I (b) for its McClay No. 11 Well and dedicating the NE/4 SW/4 of said Section 33 to said well.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant



BEFORE THE

OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION
SANTA FE

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF CAVALCADE OIL CORPORATION FOR
AN UNORTHODOX WELL LOCATION, EDDY
COUNTY, NEW MEXICO.

Case 7000

AMENDED APPLICATION

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1. In September of 1979, H & S Oil Company drilled the McClay No. 11 Well in Unit K of Section 33, Township 18 South, Range 30 East, Eddy County, New Mexico, in the Queen-Grayburg Formation to which was dedicated the NE/4 SW/4 of said Section 33.
2. In July of 1980, it was discovered that said McClay No. 11 Well had been drilled at an unorthodox location 2,385 feet from the South line and 1,834 feet from the West line of said Section 33 instead of at the approved location 2,260 feet from the South line and 1,730 feet from the West line of said Section.
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Cavalcade Oil Corporation will become operator of said well on or before September 1, 1980.

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5. A standard 40 acre oil proration unit comprising the NE/4 SW/4 of said Section 33 should be dedicated to such well.

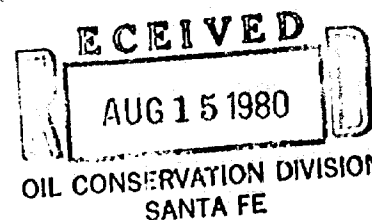
6. Approval of this application will afford applicant the opportunity to produce its just and equitable share of the hydrocarbons in the Queen-Grayburg formation and will protect correlative rights.

WHEREFORE, Cavalcade Oil Corporation requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division, that notice be given as required by law and the rules of the Division, and that the Division enter its order granting the applicant an exception to the provisions of Rule 104 (B) I (b) for its McClay No. 11 Well and dedicating the NE/4 SW/4 of said Section 33 to said well.

Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant



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

IN THE MATTER OF THE APPLICATION
OF CAVALCADE OIL CORPORATION FOR
AN UNORTHODOX WELL LOCATION, EDDY
COUNTY, NEW MEXICO.

Case 7000

AMENDED APPLICATION

Comes now CAVALCADE OIL CORPORATION, by its undersigned attorneys and hereby makes application to the Oil Conservation Division for an unorthodox well location and in support thereof, respectfully states:

1. In September of 1979, H & S Oil Company drilled the McClay No. 11 Well in Unit K of Section 33, Township 18 South, Range 30 East, Eddy County, New Mexico, in the Queen-Grayburg Formation to which was dedicated the NE/4 SW/4 of said Section 33.
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Cavalcade Oil Corporation will become operator of said well on or before September 1, 1980.

4. Cavalcade Oil Corporation seeks an order granting an exception to the well location requirements of Rule 104 (B) I (b) of the Oil Conservation Division and approving the unorthodox location of the McClay No. 11 Well at a point 2,385 feet from the South line and 1,834 feet from the West line of said Section 33 in the Queen-Grayburg formation.

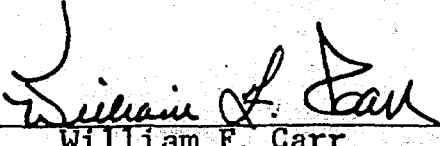
5. A standard 40 acre oil proration unit comprising the NE/4 SW/4 of said Section 33 should be dedicated to such well.

6. Approval of this application will afford applicant the opportunity to produce its just and equitable share of the hydrocarbons in the Queen-Grayburg formation and will protect correlative rights.

WHEREFORE, Cavalcade Oil Corporation requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division, that notice be given as required by law and the rules of the Division, and that the Division enter its order granting the applicant an exception to the provisions of Rule 104 (B) I (b) for its McClay No. 11 Well and dedicating the NE/4 SW/4 of said Section 33 to said well.

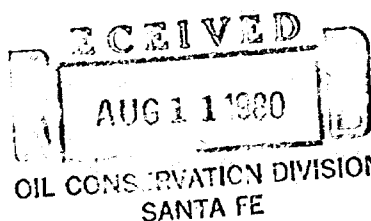
Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

CAMPBELL AND BLACK, P.A.
LAWYERS

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



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

August 11, 1980

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

HAND DELIVERED

Re: Application of Cavalcade Oil Corporation for an
Unorthodox Well Location, Eddy County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Cavalcade Oil Corporation in the above-referenced matter.

The applicant requests that this matter be included on the docket for the examiner hearing scheduled to be held on August 20, 1980.

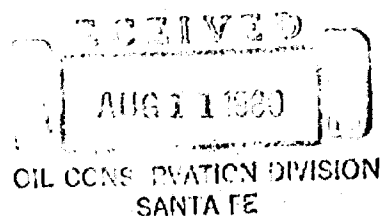
Very truly yours,

William F. Carr
William F. Carr

WFC:lr

Enclosures

cc: Mr. Michael Levenson



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

IN THE MATTER OF THE APPLICATION
OF CAVALCADE OIL CORPORATION FOR
AN UNORTHODOX WELL LOCATION, EDDY
COUNTY, NEW MEXICO.

CASE 7000

APPLICATION

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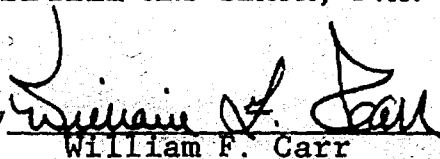
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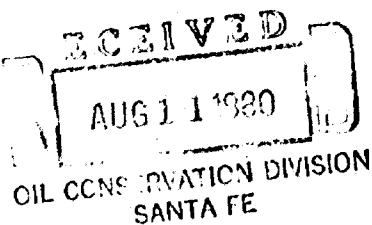
6. Approval of this application will afford applicant the opportunity to produce its just and equitable share of the hydrocarbons in the Queen-Grayburg formation and will protect correlative rights.

WHEREFORE, Cavalcade Oil Corporation requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division, that notice be given as required by law and the rules of the Division, and that the Division enter its order granting the applicant an exception to the provisions of Rule 104 (B) I (b) for its McClay No. 1 Well and dedicating the NE/4 SW/4 of said Section 33 to said well.

Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant



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

IN THE MATTER OF THE APPLICATION
OF CAVALCADE OIL CORPORATION FOR
AN UNORTHODOX WELL LOCATION, EDDY
COUNTY, NEW MEXICO.

CASE 7000

APPLICATION

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6. Approval of this application will afford applicant the opportunity to produce its just and equitable share of the hydrocarbons in the Queen-Grayburg formation and will protect correlative rights.

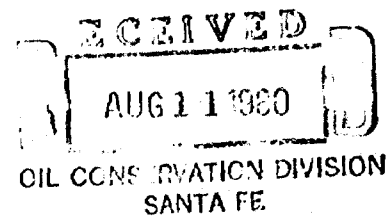
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Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By 

William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant



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

IN THE MATTER OF THE APPLICATION
OF CAVALCADE OIL CORPORATION FOR
AN UNORTHODOX WELL LOCATION, EDDY
COUNTY, NEW MEXICO.

CASE 2000

APPLICATION

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2. In July of 1979, it was discovered that said McClay No. 11 Well had been drilled at an unorthodox location 2,385 feet from the South line and 1,834 feet from the West line of said Section 33 instead of at the approved location 2,260 feet from the South line and 1,730 feet from the West line of said Section.
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5. A standard 40 acre oil proration unit comprising the NE/4 SW/4 of said Section 33 should be dedicated to such well.

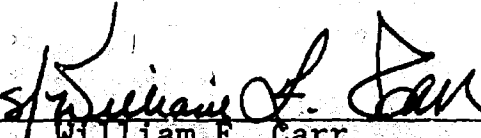
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Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

Dockets Nos. 27-80 and 28-80 are tentatively set for September 3 and 17, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 20, 1980

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:

ALLOWABLE: (1) Consideration of the allowable production of gas for September, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for September, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6998: Application of Monsanto Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Back Basin Unit Area, comprising 1,920 acres, more or less, of State and Federal lands in Township 23 South, Range 34 East.

CASE 6999: Application of Gulf Oil Corporation for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a previously approved 320-acre non-standard proration unit comprising the W/2 of Section 36, Township 21 South, Range 36 East, Eumont Gas Pool, to its Harry Leonard NCT-C Well No. 9 located in Unit B, and its No. 8, at an unorthodox location 1980 feet from the North line and 660 feet from the East line of Section 36.

CASE 7000: Application of Cavalcade Oil Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McClay Well No. 11 2385 feet from the South line and 1834 feet from the West line of Section 33, Township 18 South, Range 30 East, the NE/4 SW/4 of said Section 33 to be dedicated to the well.

CASE 7001: Application of McClellan Oil Corporation for three unorthodox oil well locations, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for three following unorthodox locations for wells to be drilled in Section 24, Township 14 South, Range 29 East, Double L Queen Associated Pool: 1155 feet from the North line and 2145 feet from the East line; 1155 feet from the North and East lines; and 1650 feet from the North line and 1155 feet from the East line; the respective 40-acre tract would be dedicated to each well.

CASE 7002: Application of Orville Slaughter for the amendment of Order No. R-5947, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5947 to provide for the commingling of Oswell-Farmington production from his Sangre de Cristo Well No. 1 with undesignated Fruitland production from Wells Nos. 2 and 2S, all in Section 34, Township 30 North, Range 11 West.

CASE 7003: Application of El Paso Natural Gas Company for directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 590 feet from the South line and 2400 feet from the East line of Section 1, Township 29 North, Range 13 West, in such a manner as to bottom it within 175 feet of a point 990 feet from the South line and 1650 feet from the West line of said Section 1.

CASE 7004: Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Morrow formations underlying the N/2 of Section 12, Township 19 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6938: (Continued from June 25, 1980, Examiner Hearing)

Application of Anadarko Production Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Dalport Federal Well No. 1 660 feet from the South and West lines of Section 20, Township 13 South, Range 31 East, Southeast Chaves Queen Gas Area, the W/2 of said Section 20 to be dedicated to the well.

CASE 6939: (Continued from June 25, 1980, Examiner Hearing)

Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests at a depth from 2400 feet to 5000 feet below the surface, Turkey Track Field, underlying the NE/4 SE/4 of Section 10, Township 19 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6940: (Continued from July 23, 1980, Examiner Hearing)

Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20 South, Range 38 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6961: (Continued from July 23, 1980, Examiner Hearing) (This case will be continued to September 17.)

Application of Conoco Inc. for a dual completion and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Meyer A-29 Well No. 11 to be drilled at an unorthodox location 970 feet from the North line and 660 feet from the East line of Section 29, Township 22 South, Range 36 East, to produce gas from the Langley-Devonian and -Ellenburger Pools thru parallel strings of tubing, the E/2 of said Section 29 to be dedicated to the well.

CASE 7005: Application of Sol West III for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for his Turkey Track-Morrow Sand Well No. 1 in Unit I of Section 26, Township 18 South, Range 28 East.

CASE 7006: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Northwest Gladiola Unit Area, comprising 1,280 acres, more or less, of State and fee lands in Townships 11 and 12 South, Range 37 East.

CASE 7007: Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Morrow and Atoka production in the wellbore of its North Travis 12 Deep Well No. 1 located in Unit O of Section 12, Township 18 South, Range 28 East.

CASE 7008: Application of Coronado Exploration Corp. for eight compulsory poolings, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying eight 40-acre proration units, being the NE/4 NE/4 of Section 4 and the NW/4 NE/4 of Section 5, both in Township 12 South, Range 28 East, and the NW/4 SE/4 of Section 6, the NE/4 NW/4 of Section 23, the NE/4 SE/4 of Section 28, the SE/4 SE/4 of Section 29, the NE/4 NW/4 of Section 32, and the SE/4 NW/4 of Section 33, all in Township 11 South, Range 28 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 6994: (Continued from August 6, 1980, Examiner Hearing)

Application of Enserch Exploration, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Siluro-Devonian formations underlying the N/2 of Section 14, Township 25 South, Range 34 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6996: (Continued from August 6, 1980, Examiner Hearing)

Application of John E. Schalk for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blanco Mesaverde Pool underlying the NE/4 of Section 8, Township 25 North, Range 3 West, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7009: Application of Amoco Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the interval from 8330 feet to 9000 feet in its State "E" Tract 18 Well No. 22 in Unit G of Section 2, Township 17 South, Range 36 East, Lovington-Abo Pool.

CASE 7010: Application of Amoco Production Company for a dual completion, unorthodox well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Myers "D" Federal Well No. 28 at an unorthodox location 330 feet from the South line and 420 feet from the West line of Section 9, Township 24 South, Range 37 East, to produce gas from the Jalnat Gas Pool and oil from the Langlie Mattix Pool, to be simultaneously dedicated in the gas zone with its No. 13 located in Unit L of Section 9.

CASE 7011: (This case will be continued to the September 17, 1980, hearing.)

Application of Amoco Production Company for downhole corringling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole corringling of Fruitland and Blanco-Pictured Cliffs production in the wellbores of the following six wells: Elliott "C" No. 1, SE/4 of Section 9, Township 30 North, Range 9 West; Elliott "B" No. 8, NE/4 of Section 10; "A" Nos. 3 and 2, NE/4 and NW/4, Section 11; "D" No. 7, SW/4 of Section 11; and "E" No. 1, NW/4 of Section 14, all in Township 29 North, Range 9 West.

CASE 6981: (Continued from July 23, 1980, Examiner Hearing)

Application of Bass Enterprises Production Company for a special gas-oil ratio limitation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 8000 to one for the Palmillo-Bone Springs Pool.

CASE 7012: Application of Amoco Production Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka formation for its Pardue Farms Gas Com Well No. 1 in Unit C of Section 26, Township 23 South, Range 28 East.

CASE 7013: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, contracting vertical limits, and extending certain pools in Chaves, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Yates production and designated as the Byers-Yates Gas Pool. The discovery well is Exxon Corporation Bowers A Federal Well No. 37 located in Unit P of Section 30, Township 18 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 30: SE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the West Jal-Atoka Gas Pool. The discovery well is Getty Oil Company West Jal B Deep Well No. 1 located in Unit H of Section 17, Township 25 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 17: E/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Saunders-Morrow Gas Pool with special vertical limits defined as being from the top of the Morrow formation at 12,150 feet to the top of the Mississippian at 12,445 feet, as found on the log of the discovery well, the Adobe Oil and Gas Corporation Gray 35 Well No. 1 located in Unit N of Section 35, Township 14 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 35: All

(d) ABOLISH the North Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, described as:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
Section 13: SE/4
Section 23: SE/4
Section 24: S/2 and NE/4
Section 25: N/2 and SE/4
Section 26: N/2

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 18: S/2
Section 19: N/2 and SE/4
Section 20: All

- (e) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
Section 12: SE/4
Section 23: SE/4
Section 24: S/2 and NE/4
Section 25: All
Section 26: N/2

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 18: S/2
Section 19: N/2 and SE/4
Section 20: All

- (f) ABOLISH the Callina-San Andres Pool in Chaves County, New Mexico, described as:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 6: NW/4

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

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 6: NW/4

- (h) ABOLISH the West Tonto-Pennsylvanian Gas Pool in Lea County, New Mexico, described as:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 12: S/2

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 7: All
Section 8: W/2
Section 18: N/2

- (i) EXTEND the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 1: S/2
Section 12: S/2

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 6: SW/4
Section 7: All
Section 8: W/2
Section 18: N/2

- (j) CONTRACT the vertical limits of the Saunders-Permian Pennsylvanian Pool with special vertical limits defined as being from the top of the Wolfcamp formation at 9,195 feet to 10,705 feet into Pennsylvanian formation, as found on log of Adobe Oil and Gas Corporation Gray 35 Well No. 1 located in Unit H of Section 35, Township 14 South, Range 33 East, NMPM, and redesignate said Saunders-Permian Pennsylvanian Pool to Saunders Permian-Upper Pennsylvanian Pool.

- (k) EXTEND the Airstrip-Upper Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 25: NE/4

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

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 18: S/2

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

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 13: SW/4

- (n) EXTEND the Custer-Devonian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 36: S/2

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 1: E/2

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

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 36: S/2

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 1: E/2

- (p) EXTEND the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 19: NE/4

- (q) EXTEND the Hardy-Blinbry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 12: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 12: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 3: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 22: SE/4
Section 27: NE/4

- (u) EXTEND the North Lusk-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 32: N/2
Section 33: W/2

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 4: W/2

- (v) EXTEND the Querecho Plains-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 35: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 6: Lots 9, 10, 15, 16, and
SE/4

- (x) EXTEND the Northwest Todd-San Andres Gas Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Section 7: NE/4

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

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 32: SE/4 SW/4

- (z) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 35: NW/4

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. 7000

ORDER NO. R- 6470

APPLICATION OF CAVALCADE OIL CORPORATION

FOR AN UNORTHODOX ^{OIL} ~~GAS~~ WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 3,
19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of September, 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, Cavalcade Oil Corporation,
of its McClay Well No. 11 located
seeks approval of an unorthodox ~~gas~~ well location/ 2385
feet from the South line and 1834 feet from the
West line of Section 33, Township 18 South,
Range 30 East, NMPM, to test the
~~formation~~, Benson Queen-Drayburg Pool, Eddy
County, New Mexico.

(3) That the NE/4 SW/4 of said Section 33 is to be
dedicated to the well.

said well was drilled at what was thought to be an orthodox location
(4) That ~~a well at said unorthodox location will better~~
but which was discovered to be 75 feet too far north following
~~enable applicant to produce the gas underlying the proration unit.~~
a reservoir after the well was drilled.

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

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Case No. _____
Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the ^{oil} ~~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 ^{oil} ~~gas~~ well location ~~the~~ the Cavalcade Oil Corporation McClay Well No. 11 located ~~formation~~ is hereby approved for ~~a well to be located~~ at a point 2385 feet from the South line and 1834 feet from the West line of Section 33, Township 18 South, Range 30 East NMPM, Benson Queen Grayburg Pool, Eddy County, New Mexico.

(2) That the NE 1/4 SW of said Section 33 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.

Called in by Bill Carr
7/31/80

Unorthodox Well Location

Cavalcade Oil Corporation

McClay Well No. 11

2385/5 and 1834/W

33-T185-R30E

NE1/4 SW1/4