

CASE 7002: ORVILLE SLAUGHTER FOR THE
AMENDMENT OF ORDER NO. R-5947, SAN JUAN
COUNTY, NEW MEXICO

CASE NO.

7002

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



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. Orville Slaughter
2626 Adams Street
Denver, Colorado 80205

Re: CASE NO. 7002
ORDER NO. R-5947-A

Applicant:

Orville Slaughter

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. 7002
Order No. R-5947-A

APPLICATION OF ORVILLE SLAUGHTER
FOR THE AMENDMENT OF ORDER
NO. R-5947, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 20, 1980,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th 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 Division Order No. R-5947 dated March 17, 1979,
authorized the applicant, Orville Slaughter, to commingle Oswell-
Farmington Pool production from his Sangre de Cristo Well No. 1
and Undesignated Fruitland production from his Sangre de Cristo
Well No. 2, both located in Unit D of Section 34, Township 30
North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That the applicant now seeks the amendment of Order
No. R-5947 to provide for the commingling of production from
said Sangre de Cristo Wells Nos. 1 and 2 and production from the
Sangre de Cristo Well No. 2S also located in Unit D of said Sec-
tion 34 and completed in the Undesignated Fruitland Pool.

(4) That from the undesignated Fruitland zone, said Sangre
de Cristo Well No. 2S is expected to be capable of low marginal
production only.

-2-
Case No. 7002
Order No. R-5947-A

(5) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

IT IS THEREFORE ORDERED:

(1) That Order No. (1) of Division Order No. R-5947 is hereby amended to read in its entirety as follows:

"(1) That the applicant, Orville Slaughter, is hereby authorized to commingle Oswell-Farmington Pool production from his Sangre de Cristo Well No. 1 and Undesignated Fruitland production from his Sangre de Cristo Well No. 2 and Well No. 2S, all three located in Unit D of Section 34, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico."

(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula or periodic productivity test procedure to be used in allocating production to each of the subject wells.

(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.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Orville Slaughter
for the amendment of Order No.
R-5947, San Juan County, New Mexico.

CASE
7002

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:

Orville Slaughter, pro se

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

MR. STAMETS: We'll call next Case 7002.

MR. PADILLA: Application of Orville Slaughter for amendment of Order No. R-5947, San Juan County, New Mexico.

MR. STAMETS: I presume you're representing yourself today?

MR. SLAUGHTER: That's right.

MR. STAMETS: For the record, Mr. Slaughter, you will be representing yourself in today's case?

MR. SLAUGHTER: That's true.

MR. STAMETS: Okay, it will be necessary for you to stand and be sworn, then.

(Mr. Slaughter sworn.)

MR. STAMETS: You may proceed, Mr. Slaughter.

MR. SLAUGHTER: All right. I'm applying

for a commingling of three separate wells, known as the Sangre de Cristo No. 1, which is located in the Farmington Sand, the Oswell Farmington Sands; Sangre de Cristo No. 2, which is located in an undesignated Fruitland Sand; and also a Sangre de Cristo No. 2-S, which is a new infill well, and that is also in the undesignated Fruitland Sand.

The question is, we already have a Division order to commingle No. 1, which is the Farmington Sand,

SALLY W. BOYD, C.S.R.

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Santa Fe, New Mexico 87501
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1 the Oswell-Farmington Sand, and we have in that same docket
2 order number, we can commingle the No. 2, the Sangre de
3 Cristo No. 2, which is the Fruitland.

4 So the question is, we want to commingle
5 also the third well, which is the infill well, through one
6 compressor. That's commingling at the surface.

7 As you note in the other docket, Well No.
8 1 and No. 2 are marginal producing wells, and I have prepared
9 for you the production of those two wells in the form of a
10 graph for a 4-year period from 1977, 1978, '79, and a portion
11 of 1980. And then I recapped those numbers so they would
12 be more readily observable on the next page. It's called
13 a recap of graphic analysis, and that shows the -- not only
14 the yearly production but also the daily average production.
15 And remember, that went through a common compressor, through
16 a common meter house.

17 And also on that recap I have a suggestion
18 for the proration of those three wells, for the No. 1, the
19 No. 2, and No. 3 Wells at the bottom.

20 And then I also included my small producer
21 certificate number at the bottom of that page.

22 That concludes my presentation unless
23 there is something that -- some questions that you'd like
24 to ask.

25 MR. STAMETS: Yes, Mr. Slaughter, The

SALLY W. BOYD, C.S.R.

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

1 well that you -- that is referred to on the docket as Well
2 No. 2-S is the same well that is shown on your exhibit here
3 as Well No. 3?

4 MR. SLAUGHTER: Yes, yes, it is, that's
5 right. If we could make that 2-S. There is on record a well
6 change, and it is the 2-S now. Thank you.

7 MR. STAMETS: And that is located on the
8 same proration unit with the Well No. 2, which has already
9 been commingled with Well No. 1.

10 MR. SLAUGHTER: That's true.

11 MR. STAMETS: This is surface commingling.

12 MR. SLAUGHTER: Surface commingling.

13 And also included is the letter from El Paso stating that
14 they would have no objection to this commingling.

15 MR. STAMETS: So really, then, there's
16 no change here as far as proration units being involved, for-
17 mation being involved, it's simply you've added the infill
18 well in the Fruitland.

19 MR. SLAUGHTER: That is true.

20 MR. STAMETS: Assuming for whatever
21 reason, that we chose to do that, would you have any objection
22 to working out the distribution of production from these
23 wells with our District Office in Aztec?

24 MR. SLAUGHTER: No, that would be all
25 right, also.

SALLY W. BOYD, C.S.R.

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Phone (505) 455-7409

1 MR. STAMETS: I don't have a copy of
2 the original order with me at this point. Do you recall --

3 MR. SLAUGHTER: I believe I have one
4 attached to your -- do I not have one attached? The original
5 order?

6 MR. STAMETS: Ah, there we go, yes.

7 MR. SLAUGHTER: Okay.

8 MR. STAMETS: Okay, that original order
9 provides the same sort of a consultation with the District
10 Supervisor to determine the allocation formula, so that would
11 be consistent with our original order in this case.

12 MR. SLAUGHTER: All right, that would be
13 fine.

14 MR. STAMETS: Are there any other ques-
15 tions of this witness? He may be excused.

16 Anything further in this case?

17 The case will be taken under advisement.

18
19 (Hearing concluded.)
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21
22
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24
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SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-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 record of the proceedings in
the Examiner hearing of Case No. 2002
heard by me on 8-20 19-60.
Richard R. Stamm, 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 Orville Slaughter
for the amendment of Order No.
R-5947, San Juan County, New Mexico.)

CASE
7002

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:

Orville Slaughter, pro se

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12 for you to stand and be sworn, then.

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14 (Mr. Slaughter sworn.)

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17 MR. SLAUGHTER: All right. I'm applying
18 for a commingling of three separate wells, known as the
19 Sangre de Cristo No. 1, which is located in the Farmington
20 Sand, the Oswell Farmington Sands; Sangre de Cristo No. 2,
21 which is located in an undesignated Fruitland Sand; and also
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SALLY W. BOYD, C.S.R.

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Phone (505) 455-7409

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

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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.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

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

El Paso NATURAL GAS
COMPANY

P.O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

August 13, 1980

Mr. Orville Slaughter
2626 Adams Street
Denver, Colorado 80205

Re: Sangre De Cristo ²⁵
No. 1 and No. 3 Wells
NW/4 Sec. 34, T30N, R11W
San Juan County, New Mexico

Dear Sir:

Pursuant to our telephone conversation, this is to advise that El Paso has no objection to the commingling of Farmington and Fruitland formation gas produced from the captioned wells with the understanding that El Paso will not be required to install any additional facilities to accept delivery of such commingled gas.

As previously stated, you will be required to advise El Paso of the allocation of the gas produced from each well in order that El Paso may properly account for the different price vintage gas under each Gas Purchase Agreement.

Very truly yours,

Jae H. Field

For: Dale E. Lockett
Coordinator, Gas Purchases

JF:bd

2626 Adams Street
Denver, CO 80205

July 25, 1980

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Sangre de Cristo No. 23 Well
NW/4 Section 34-30N-11W
San Juan County, New Mexico

Gentlemen:

Request amendment to Division Order No. R-5947, Case No. 6463, dated March 16, 1979, giving additional authority to commingle Oswell-Farmington pool production from the Sangre de Cristo Well No. 1 with undesignated Fruitland production from the Sangre de Cristo No. 2 and the Sangre de Cristo No. 23, all three wells are located on the above site. The following should be noted:

- a. That from the Oswell-Farmington zone, said well No. 1 is capable of very low marginal production only.
- b. That from the Fruitland zone, said well No. 2 is capable of low marginal production only.
- c. That from the Fruitland zone, said well No. 23 is capable of low production and all three wells will require artificial lift via a gas compressor to be successfully produced.

A copy of the Division Order dated March 16, 1979, is submitted.

Sincerely,

Orville Slaughter
Orville Slaughter
Operator

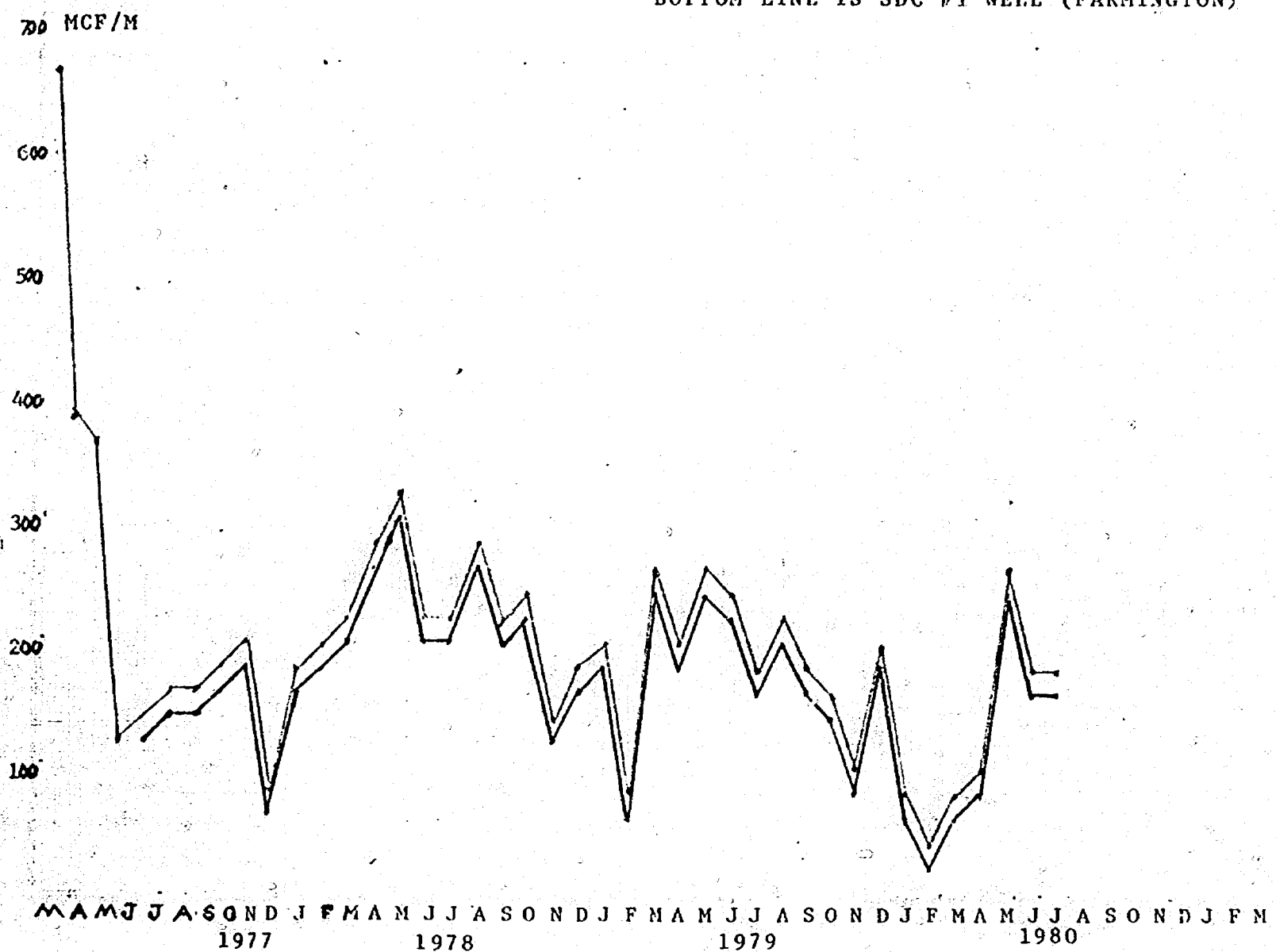
OS:cls

Enclosure

SANGRE DE CRISTO GAS WELLS #1 AND 2.

WELL'S SHOWN HERE ARE COMMINGLED AT GAS COMPRESSOR
THRU SURFACE METER HOUSE.

NOTE: TOP LINE IS SDC #2 WELL (FRUITLAND)
BOTTOM LINE IS SDC #1 WELL (FARMINGTON)



RECAP OF GRAPHIC ANALYSIS

Commingled Sangre De Cristo Gas Wells 1 and 2:

1977

Total Gas = 3223 MCF/Yr

Daily Average = 9,766 CF/D

1978

Total Gas = 4,839 MCF/Yr

Daily Average = 13,441 CF/D

1979

Total Gas = 4281 MCF/Yr

Daily Average = 11,891 CF/D

1980

Total Gas = 2,449 MCF/Yr

Daily Average = 11,661 CF/D

Suggested gas proration for each of the three Sangre De Cristo Wells based on three year graphic analysis:

Sangre De Cristo Well No. 1	12%
Sangre De Cristo Well No. 2	33%
Sangre De Cristo Well No. 3 2-5	55%

SMALL PRODUCER CERTIFICATE DOCKET NUMBER CS750171

El Paso NATURAL GAS
COMPANY

P.O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

August 13, 1980

Mr. Orville Slaughter
2626 Adams Street
Denver, Colorado 80205

Re: Sangre De Cristo
No. 1 and No. 3 Wells
NW/4 Sec. 34, T30N, R11W
San Juan County, New Mexico

Dear Sir:

Pursuant to our telephone conversation, this is to advise that El Paso has no objection to the commingling of Farmington and Fruitland formation gas produced from the captioned wells with the understanding that El Paso will not be required to install any additional facilities to accept delivery of such commingled gas.

As previously stated, you will be required to advise El Paso of the allocation of the gas produced from each well in order that El Paso may properly account for the different price vintage gas under each Gas Purchase Agreement.

Very truly yours,

Jae H. Field

For: Dale E. Lockett
Coordinator, Gas Purchases

JF:bd

2626 Adams Street
Denver, CO 80205

July 25, 1980

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Sangre de Cristo No. 2S Well
NW/4 Section 34-30N-11W
San Juan Country, New Mexico

Gentlemen:

Request amendment to Division Order No. R-5947, Case No. 6463, dated March 16, 1979, giving additional authority to commingle Oswell-Farmington pool production from the Sangre de Cristo Well No. 1 with undesignated Fruitland production from the Sangre de Cristo No. 2 and the Sangre de Cristo No. 2S, all three wells are located on the above site. The following should be noted:

- a. That from the Oswell-Farmington zone, said well No. 1 is capable of very low marginal production only.
- b. That from the Fruitland zone, said well No. 2 is capable of low marginal production only.
- c. That from the Fruitland zone, said well No. 2S is capable of low production and all three wells will require artificial lift via a gas compressor to be successfully produced.

A copy of the Division Order dated March 16, 1979, is submitted.

Sincerely,

Orville Slaughter
Orville Slaughter
Operator

OS:cls

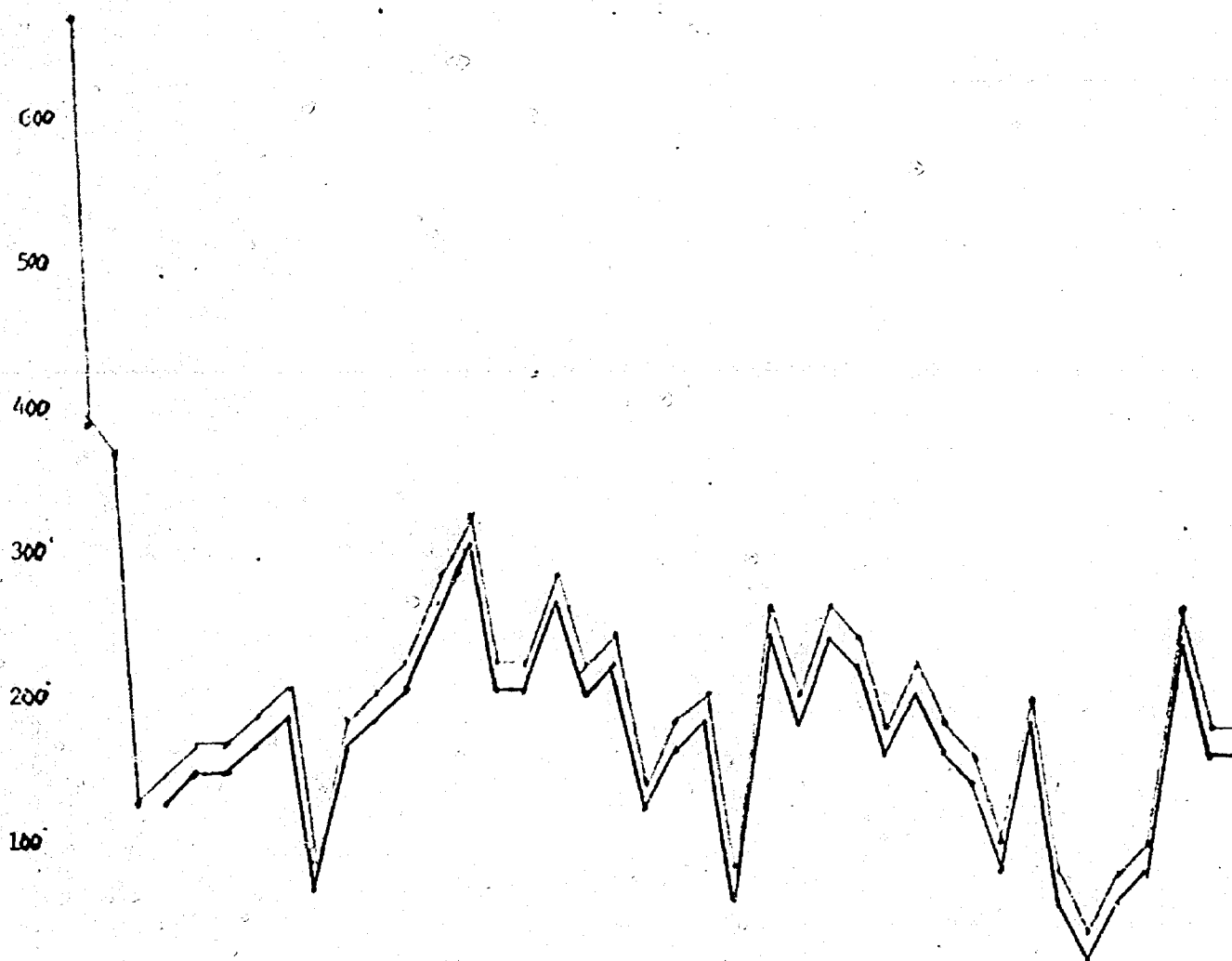
Enclosure

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WELL'S SHOWN HERE ARE COMMINGLED AT GAS COMPRESSOR
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NOTE: TOP LINE IS SDC #2 WELL (FRUITLAND)
BOTTOM LINE IS SDC #1 WELL (FARMINGTON)

MM MCF/M



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RECAP OF GRAPHIC ANALYSIS

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Daily Average = 9,766 CF/D

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Total Gas = 4,839 MCF/Yr

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Suggested gas proration for each of the three Sangre De Cristo Wells based on three year graphic analysis:

Sangre De Cristo Well No. 1	12%
Sangre De Cristo Well No. 2	33%
Sangre De Cristo Well No. 1 25	55%

SMALL PRODUCER CERTIFICATE DOCKET NUMBER CS750171

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 N/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 990 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 NCPA 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 0 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 "B" 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 Jalmat 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 commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling 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 G 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 H 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 Dunn-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

- (c) 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 Gallina-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-Permo 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-Permo Pennsylvanian Pool to Saunders Permo-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 17: 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 "N"-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-Blinebry 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

2626 Adams Street
Denver, CO 80205



July 25, 1980

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 7002

Re: Sangre de Cristo No. 2S Well
NW/4 Section 34-30N-11W
San Juan Country, New Mexico

Gentlemen:

Request amendment to Division Order No. R-5947, Case No. 6463, dated March 16, 1979, giving additional authority to commingle Oswell-Farmington pool production from the Sangre de Cristo Well No. 1 with undesignated Fruitland production from the Sangre de Cristo No. 2 and the Sangre de Cristo No. 2S, all three wells are located on the above site. The following should be noted:

- a. That from the Oswell-Farmington zone, said well No. 1 is capable of very low marginal production only.
- b. That from the Fruitland zone, said well No. 2 is capable of low marginal production only.
- c. That from the Fruitland zone, said well No. 2S is capable of low production and all three wells will require artificial lift via a gas compressor to be successfully produced.

A copy of the Division Order dated March 16, 1979, is submitted.

Sincerely,

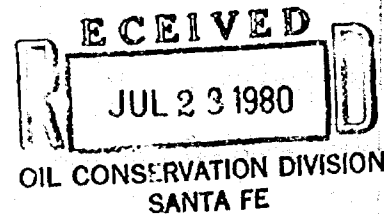
Orville Slaughter
Orville Slaughter
Operator

OS:cls

Enclosure

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. 6463
Order No. R-5947

APPLICATION OF ORVILLE SLAUGHTER
FOR POOL AND LEASE COMMINGLING,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 28, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of March, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Orville Slaughter, seeks authority to commingle Oswell-Farmington Pool production from his Sangre de Cristo Well No. 1 with undesignated Fruitland production from his Sangre de Cristo Well No. 2, both located in Unit D of Section 34, Township 30 North, Range 11 West, San Juan County, New Mexico.

(3) That from the Oswell-Farmington zone, said Well No. 1 is capable of very low marginal production only.

(4) That from the Fruitland zone, said Well No. 2 is capable of low marginal production only.

(5) That the proposed commingling should result in the recovery of additional hydrocarbons from the subject pools, thereby preventing waste, and will not violate correlative rights.

-2-

Case No. 6463
Order No. R-5947

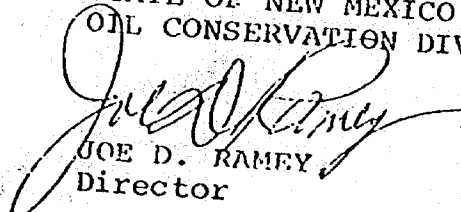
- (6) That the ownership under both wells is common.
- (7) That in order to allocate the commingled production to each of the commingled pools, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula or periodic productivity test procedure for each of said wells.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Orville Slaughter, is hereby authorized to commingle Oswell-Farmington Pool Production from his Sangre de Cristo Well No. 1 and Undesignated Fruitland production from his Sangre de Cristo Well No. 2, both located in Unit D of Section 34, Township 30 North, Range 11 West, NMPH, San Juan County, New Mexico.
- (2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula or periodic productivity test procedure to be used in allocating production to each of the subject wells.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

dr/

dated March 17, 1979,

(2) That Division Order No R-5947 authorized
the applicant, Orville Slaughter,

to commingle Oswell-Farmington Pool Production
from his Sangre de Cristo Well No. 1 and Undesignated
Fruitland production from his Sangre de Cristo Well No. 2,
both located in Unit D of Section 34, Township 30 North,
Range 11 West, NMPH, San Juan County, New Mexico.

(3) That the applicant ^{now} ~~Orville Slaughter~~ seeks the
amendment of Order No. R-5947 to provide for the commingling of
of production from said Sangre de Cristo Wells No
1 and 2 and ^{production from} the Sangre de Cristo Well No
25 also located in Unit D of said Section 34
and completed in the Undesignated Fruitland
Pool

(4) That from the undesignated Fruitland zone, ~~the~~
said Sangre de Cristo Well No 25 is expected to be
subject ~~well~~ capable of low marginal production only.

(5) That the proposed commingling may result in the recovery
of additional hydrocarbons from each of the subject pools, thereby
preventing waste, and will not violate correlative rights.

IT IS THEREFORE ORDERED:

~~That the applicant Orville Slaughter is hereby~~
(1) That Order No (1) of Division Order No R-5947 is hereby amended to read in its entirety
as follows:

"(1) That the applicant, Orville Slaughter, is hereby
authorized to commingle Oswell-Farmington Pool Production
from his Sangre de Cristo Well No. 1 and Undesignated
Fruitland production from his Sangre de Cristo Well No. 2, and Well No 25
all three both located in Unit D of Section 34, Township 30 North,
Range 11 West, NMPH, San Juan County, New Mexico. "

(2) That the applicant shall consult with the Supervisor
of the Aztec district office of the Division and determine
an allocation formula or periodic productivity test procedure
to be used in allocating production to each of the subject
wells.

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

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

ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7002

Order No. 5947 - A

APPLICATION OF ORVILLE SLAUGHTER
FOR THE AMENDMENT OF ORDER
NO. R-5947, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 20,
19 80, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this _____ day of August, 19 80, 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.