

CASE 7064: EL PASO NATURAL GAS COMPANY
FOR AN UNORTHODOX LOCATION AND SIMULTAN-
EOUS DEDICATION, LEA COUNTY, NEW MEXICO

CASE NO.

7064

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KENUE
SECRETARY

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

November 10, 1980

Mr. David T. Burleson
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

Re: CASE NO. 7064
ORDER NO. R-6511

Applicant:

El Paso Natural Gas Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fc

Copy of order also sent to:

Hobbs OCD	x
Artesia OCD	x
Aztec OCD	

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7064
Order No. R-6511

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR AN UNORTHODOX WELL
LOCATION AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 29, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nether.

NOW, on this 6th day of November, 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, El Paso Natural Gas Company, seeks approval of an unorthodox gas well location for its Gregory Fed. A Well No. 2 located in the center of Unit L of Section 33, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the applicant further seeks to simultaneously dedicate a previously approved 440-acre proration unit comprising the S/2, 3/2 NW/4 and NW/4 NW/4 of said Section 33 to the above-described well and to its Gregory Fed. Well No. 1 located in Unit J of said Section 33.

(4) That said Gregory Fed. A Well No. 2 was formerly an oil well at a standard location in the Langlie Mattix Oil Pool but is now a Jalmat gas well at an unorthodox location in said pool.

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Case No. 7064
Order No. R-6511

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

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That El Paso Natural Gas Company is hereby authorized to produce its Gregory Fed. A Well No. 2 at an unorthodox location in the center of Unit L of Section 33, Township 23 South, Range 37 East, NMPM, Jaramat Gas Pool, Lea County, New Mexico.

(2) That the S/2, S/2 NW/4, and NW/4 NW/4 of said Section 33 shall be simultaneously dedicated to the above-described well and to applicant's Gregory Fed. Well No. 1 located in Unit J of said Section 33.

(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
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.

SANTA FE, NEW MEXICO

29 October 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas
Company for an unorthodox location
and simultaneous dedication, Lea
County, New Mexico.

CASE
7064

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.,
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

David T. Burleson, Esq.
El Paso Natural Gas Company
El Paso, Texas

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I N D E X

HAROLD L. KENDRICK

Direct Examination by Mr. Burleson 3

Cross Examination by Mr. Nutter 7

MR. NUTTER: Call Case Number 7064.

MR. PEARCE: Application of El Paso

Natural Gas Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico.

MR. BURLESON: David T. Burleson, in association with Montgomery and Andrews, for applicant, El Paso Natural Gas Company.

We have one witness, Mr. Examiner.

(Witness sworn.)

HAROLD L. KENDRICK

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

DIRECT EXAMINATION

BY MR. BURLESON:

Q Would you please state your name, where you reside?

A I'm Harold L. Kendrick. I live in El Paso, Texas.

Q By whom are you employed and in what capacity?

A I'm employed by El Paso Natural Gas Com-

4
pany as a petroleum engineer, serving as a Senior Proration Engineer in the Production Control Department in El Paso.

Q In that capacity have you previously testified before the Division or one of its examiners?

A Yes, sir, I have.

Q And were your qualifications accepted by the Division on those occasions?

A Yes, sir, they were.

Q Are you familiar with Case Number 7004, El Paso's application before -- currently before the Division?

A Yes, sir, I am.

MR. BURLESON: Are the witness' qualifications accepted?

MR. NUTTER: They are.

Q Mr. Kendrick, would you explain what El Paso is seeking in this case?

A El Paso Natural Gas Company has two wells located on one 440-acre tract in Section 33, Township 25 South, Range 37 East, Lea County, New Mexico. One of the wells has been classified as a Jalmat gas well since it was completed in 1955 and has 440 acres dedicated to that well.

The second well was drilled and completed in 1955 and has been considered a Langlie Mattix well; been carried as a gas well in the Langlie Mattix Pool until this

time.

El Paso wishes to honor the request of the Commission in changing this second well from a Langlie Mattix Oil Well to become a second well on the 440-acre lease, to have simultaneous dedication of two wells to the one lease, both as Jalmat gas wells.

Q Is El Paso also seeking approval of a non-standard location for one of the wells?

A Yes, that's right. The well that is presently classified as a Langlie Mattix well was drilled 660 feet from the west line, which requires us to ask for a location exception for a gas well on that acreage.

Q Now the study that resulted in the determination that one of the wells was completed not in the Langlie Mattix but rather in the Jalmat was done by whom?

A By Mr. John Runyon of the Commission staff in Hobbs.

Q Would you describe the producing capacity of the two wells with which we're dealing?

A The one that's presently classified as a Jalmat gas well is called the Gregory Federal No. 1; produces approximately 405 Mcf per day during 1980.

The Gregory Federal A No. 2 Well, which is presently the Langlie Mattix well, has a producing capacity

of approximately 380 Mcf per day during the year 1980.

Q Is it your recommendation that a single unit allowable be assigned and that such allowable may be produced from either or both such wells?

A Yes. Our recommendation -- my recommendation is that this be considered a multiple well unit with simultaneous dedication of two wells as Jalmat gas wells, one allowable assigned to the unit, to be produced by either of the two wells or by both the wells in any proportion.

Q Would you anticipate that the combined production from these two wells would be equal to the unit allowable, equal to or in excess of the unit allowable?

A No. I do not consider that the production from these wells would actually produce an allowable assigned to a 440-acre unit, in that the lowest allowable for the year 1980 has been approximately 373 Mcf per day for a 160-acre tract, to a high of 470 Mcf per day for a 160-acre tract.

This 440 acres would have a multiplier of 2.75, therefor, the total allowable that could be assigned to that unit, according to the 1980 figures, would be from a low of 1,025 Mcf per day to as high as 1,293 Mcf per day for that 440 acres.

So this well would be considered -- or this unit would be considered a marginal unit.

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2 Q You mentioned that both of these wells
3 are located on an El Paso lease covering 440 acres, I believe.
4 Do you know if the ownership is common as to both of the
5 wells?

6 A Yes, the ownership is common.

7 Q Is it your opinion that the granting
8 of this application would be in the interest of the prevention
9 of waste and the protection of correlative rights?
10

11 A Yes, sir.

12 Q Do you have anything further to add in
13 this case?

14 A I would make a comment that we recognize
15 the problem involved with multiple well units. The names of
16 these two wells are not considered synonymous, and to the
17 manner that the Commission handles them, we will be happy to
18 change the names in a manner agreeable to the Commission so
19 that this can be properly handled as a multiple well unit,
20

21 MR. BURLESON: That concludes my direct
22 examination and I tender the witness for any questions the
23 Examiner has.
24

25 CROSS EXAMINATION

26 BY MR. NUTTER:

27 Q Mr. Kendrick, Well No. 1 was originally
28

1
2 drilled and completed and classified as a Jalmat gas well, is
3 that correct?

4 A. That is correct.

5 Q. And the 440-acre unit was assigned to
6 that well.

7 A. Yes, sir.

8 Q. And then Well No. 2 was drilled and it
9 was completed and classified as a Langlie Mattix oil well.

10 A. It was completed and considered as
11 being in the Langlie Mattix Pool, yes, sir.

12 Q. Now, and it was -- was it classified as
13 an oil well? I presume it was.

14 A. In the early days, I do not know whether
15 that was actually considered an oil well or considered as a
16 gas well. Presently it is --

17 Q. Well, in the early days we didn't have
18 any definition of a gas well in an oil pool.

19 A. Then it must have been a --

20 Q. So if it didn't make liquids it was
21 considered a high ratio oil well.

22 A. Then apparently that was the --

23 Q. And then we got a definition ten or
24 twelve years ago for gas wells in oil pools. If it had
25 100,000-to-1 it was considered to be a gas well in the oil
26

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2 pool.

3 A Yes, sir.

4 Q Now was its ratio 100,000-to-1?

5 A I do not know what a gas/oil ratio has
6 ever been on that well. I have never seen it calculated or
7 know any of the liquid production from that well to calculate.

8 Q But it's been carries as a Langlie Mat-
9 tix well.
10

11 A Yes, sir.

12 Q All this time?

13 A Yes, sir.

14 Q Now you say that it's now considered to
15 be a Jalmat well. Why is it now considered to be a Jalmat
16 well?
17

18 A By the location of the perforations in
19 this well.

20 Q So all of this study that we've been
21 hearing about all morning by John Runyon and the committee
22 in looking at the perforations of various wells here, deter-
23 mined that all of the perforations in this well were not in
24 the Langlie Mattix at all; they're all up in the Jalmat, is
25 that it?
26

27 A Yes, sir.

28 Q So you don't have a well crossing the

boundaries here, you've got a well jumping clear across the boundaries.

A Yes, sir. This is my understanding.

Q And it's a -- and both wells now in this 440-acre unit are in the Jalmat Pool.

A Yes, sir.

Q So all you're asking for is simultaneous dedication of the two wells to the proration unit and an unorthodox location for the No. 2 Well, and it would be classified as a marginal unit.

A Yes, sir. It would be marginal until allowables got so low that the producing ability could make an assigned allowable. Then it would become nonmarginal, but presently it would be considered marginal.

Q Okay, what acreage is presently dedicated to the No. 1 Well?

A The south half of Section 33. The south half of the northwest quarter, and the northwest of the northwest quarter.

MR. NUTTER: Are there any further questions of the witness? He may be excused.

Do you have anything further, Mr. Burleson?

MR. BURLESON: No, sir.

MR. NUTTER: Does anyone have anything

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2 they wish to offer in Case Number 7064?

3 We'll take the case under advisement.
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5 (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.

SALLY W. BOYD, C.S.R.
Rt. 1 Box 195-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. 7064
heard by me on 10/29 1980.
[Signature] Examiner
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas) CASE
Company for an unorthodox location) 7064
and simultaneous dedication, Lea)
County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division:	W. Perry Pearce, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501
For the Applicant:	David T. Burleson, Esq. El Paso Natural Gas Company El Paso, Texas

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I N D E X

HAROLD L. KENDRICK

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Cross Examination by Mr. Nutter

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MR. NUTTER: Call Case Number 7064.

MR. PEARCE: Application of El Paso Natural Gas Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico.

MR. BURLESON: David T. Burleson, in association with Montgomery and Andrews, for applicant, El Paso Natural Gas Company.

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pany as a petroleum engineer, serving as a Senior Proration Engineer in the Production Control Department in El Paso.

Q In that capacity have you previously testified before the Division or one of its examiners?

A Yes, sir, I have.

Q And were your qualifications accepted by the Division on those occasions?

A Yes, sir, they were.

Q Are you familiar with Case Number 7064, El Paso's application before -- currently before the Division?

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MR. BURLESON: Are the witness' qualifications accepted?

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4 El Paso wishes to honor the request of
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6 Mattix Oil Well to become a second well on the 440-acre lease,
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18 Mattix but rather in the Jalmat was done by whom?

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20 staff in Hobbs.

21 Q Would you describe the producing capacity
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23 A The one that's presently classified as
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A Yes, the ownership is common.

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A Yes, sir.

Q Do you have anything further to add in this case?

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26 100,000-to-1 it was considered to be a gas well in the oil
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5 A Yes, sir. This is my understanding.

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9 Q So all you're asking for is simultaneous
10 dedication of the two wells to the proration unit and an unor-
11 thodox location for the No. 2 Well, and it would be classified
12 as a marginal unit.

13 A Yes, sir. It would be marginal until
14 allowables got so low that the producing ability could make an
15 assigned allowable. Then it would become nonmarginal, but
16 presently it would be considered marginal.

17 Q Okay, what acreage is presently dedi-
18 cated to the No. 1 Well?
19

20 A The south half of Section 33. The south
21 half of the northwest quarter, and the northwest of the north-
22 west quarter.
23

24 MR. NUTTER: Are there any further ques-
25 tions of the witness? He may be excused.

26 Do you have anything further, Mr. Burleson?

27 MR. BURLESON: No, sir.

28 MR. NUTTER: Does anyone have anything

they wish to offer in Case Number 7064?


We'll take the case under advisement.

(Hearing concluded.)

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 159-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. 7064
heard by me on 10/29/80.

Examiner
Oil Conservation Division

J. O. BETH (1893-1963)

A. H. MONTGOMERY
FRANK ANDREWS
BETH D. MONTGOMERY
FRANK ANDREWS III
OWEN M. LOPEZ
VICTOR N. ORTEGA
JOHN E. CURTIS
JEFFREY B. BRANNEN
JOHN B. POUND
GARY R. KILPATRICK
THOMAS W. OLSON
WALTER J. MELENDEZ
BRUCE L. HERR
MICHAEL W. BRENNAN
ROBERT R. WORCESTER
JOHN E. DRAPER
NANCY M. ANDERSON
W. CLINT PARLEY
JANET MCL. MCKAY
HOWARD F. MITCHELL III

MONTGOMERY & ANDREWS

PROFESSIONAL ASSOCIATION
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4TH AND GOLD AVENUE, S.W.
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ALBUQUERQUE, NEW MEXICO 87102
TELEPHONE 505-243-3733

October 28, 1980

New Mexico Energy and
Minerals Department
Oil Conservation Division
Land Office Building
Santa Fe, New Mexico 87503

Re: NMOCD Case No. 7064 - Application of El Paso
Natural Gas Company for an Unorthodox Location
and Simultaneous Dedication, Lea County, New
Mexico

Gentlemen:

Please be advised that David T. Burleson of the office
of General Counsel of El Paso Natural Gas Company, El Paso,
Texas, is associated with our firm for the presentation of
evidence and argument in the above-referenced case.

Sincerely,

Owen M. Lopez

Owen M. Lopez

OML:to

Dockets Nos. 36-80 and 37-80 are tentatively set for November 12 and 23, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 29, 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 7055: (This case will be continued to the November 25 hearing.)

Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Eaves-Lea Unit Area, comprising 2209 acres, more or less, of State and Federal lands in Township 21 South, Ranges 32 and 33 East.

CASE 7056: Application of Getty Oil Company for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3540 feet, subsurface, under the NW/4 SW/4 of Section 3, Township 24 South, Range 36 East.

CASE 7057: Application of Doyle Hartman for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to the following depths underlying the following 40-acre tracts in Township 24 South, Range 37 East: SE/4 SE/4 of Section 30: 3364 feet; NE/4 SE/4 of Section 30: 3389 feet; and SE/4 SW/4 of Section 20: 3390 feet.

CASE 7058: Application of Tahoe Oil & Gattle Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbores of its Harrison Wells Nos. 1 and 2 located in Units A and H, respectively, and its Judy Well No. 1 located in Unit C, all in Section 7, Township 25 South, Range 37 East.

CASE 7059: Application of Gulf Oil Corporation for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3406 feet under the W/2 SW/4 of Section 30, Township 24 South, Range 37 East.

CASE 7060: Application of Mobil Producing Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbores of its Humphrey Queen Unit Wells Nos. 13 in Unit I of Section 4 and 16 in Unit K of Section 3 and its Langlie Mattix Queen Unit Well No. 10 in Unit C of Section 15, all in Township 25 South, Range 37 East.

CASE 7061: Application of Bettis, Boyle & Stovall for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbore of its Justis B Well No. 8 located in Unit G of Section 20, Township 25 South, Range 37 East.

CASE 7062: Application of El Paso Natural Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbore of its Carlson Federal Well No. 2 located in Unit N of Section 23, Township 25 South, Range 37 East.

CASE 7063: Application of Lewis Burleson for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3150 feet under the SE/4 NW/4 of Section 22, Township 25 South, Range 37 East.

CASE 7041: (Continued from October 8, 1980, Commission Hearing)

Application of John Yuronka for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3,408 feet, subsurface, under the NW/4 SW/4 of Section 17, Township 24 South, Range 37 East.

CASE 7064: Application of El Paso Natural Gas Company 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 440-acre proration unit comprising the S/2, S/2 NW/4, and NW/4 NW/4 of Section 33, Township 25 South, Range 37 East, Jalmat Gas Pool, to its Gregory Fed. Well No. 1 located in Unit J and its Gregory Fed. A Well No. 2, at an unorthodox location in the center of Unit L of said Section 33.

El Paso NATURAL GAS
COMPANY

RECEIVED
OCT 6 1980
OIL CONSERVATION DIVISION
SANTA FE

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

October 1, 1980

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

Case 7064

Gentlemen:

El Paso Natural Gas Company respectfully requests a hearing before one of your Examiners to seek approval for the simultaneous dedication of 440 acres to the following two wells in the Jalmat Gas Pool located as follows:

Gregory Fed No. 1, 1650' FSL, 1650' FEL, S33,T25S,R37E;
Gregory Fed A No. 2, 1980' FSL, 660' FWL, S33,T25S,R37E

The acreage to be dedicated to these two wells is:

S/2, S/2 NW/4, and NW/4 NW/4 sec. 33, T25S,
R37E, Lea County, New Mexico being a total
of 440 acres, more or less.

Along with the simultaneous dedication El Paso seeks one multiple well unit allowable to be produced by either or both of these two wells in any proportion.

El Paso Further seeks approval of an unorthodox location for the Gregory Federal A No. 2 well. This is necessitated by the well having been drilled at a location 660' from the west line of the section.

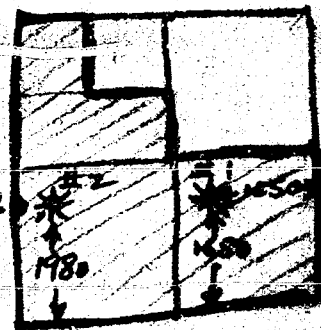
The Gregory Federal A No. 2 has previously been assigned to the Langlie Mattix Oil Pool as an oil well. With approval of the above requests, the Gregory Federal A No. 2 will be reclassified as a gas well in the Jalmat Gas Pool.

Very truly yours,

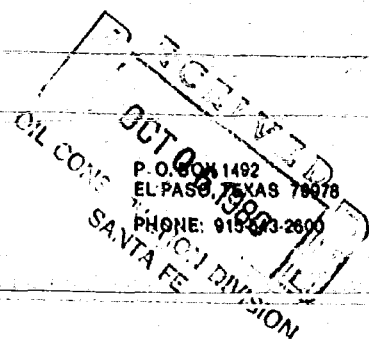
E. R. Manning
E. R. Manning

je

*Langlie Mattix
oil well
originally*



El Paso NATURAL GAS
COMPANY



October 1, 1980

Case 7064

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

Gentlemen:

El Paso Natural Gas Company respectfully requests a hearing before one of your Examiners to seek approval for the simultaneous dedication of 440 acres to the following two wells in the Jalmat Gas Pool located as follows:

Gregory Fed No. 1, 1650' FSL, 1650' FEL, S33, T2SS, R37E;
Gregory Fed A No. 2, 1980' FSL, 660' FWL, S33, T2SS, R37E

The acreage to be dedicated to these two wells is:

S/2, S/2 NW/4, and NW/4 NW/4 sec. 33, T2SS,
R37E, Lea County, New Mexico being a total
of 440 acres, more or less.

Along with the simultaneous dedication El Paso seeks one multiple well unit allowable to be produced by either or both of these two wells in any proportion.

El Paso Further seeks approval of an unorthodox location for the Gregory Federal A No. 2 well. This is necessitated by the well having been drilled at a location 660' from the west line of the section.

The Gregory Federal A No. 2 has previously been assigned to the Langlie Mattix Oil Pool as an oil well. With approval of the above requests, the Gregory Federal A No. 2 will be reclassified as a gas well in the Jalmat Gas Pool.

Very truly yours,

E. R. Manning
E. R. Manning

je

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. 7064

Order No. R-6511

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR AN UNORTHODOX WELL LOCATION
AND SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 29
19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of _____, 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.

(2) That the applicant, El Paso Natural Gas Company, seeks
approval of an unorthodox gas well location for its Gregory Fed. A
Well No. 2 located in the center of Unit 1 of Section 33, Township
25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico

(3) That the applicant further seeks to simultaneously dedicate a previously approved 440-acre proration unit comprising the S/2, S/2 NW/4 and NW/4 NW/4 of said Section 33 to the above-described well and to its Gregory Fed. Well No. 1 located in Unit J of said Section 33.

said Gregory Fed. A Well No. 2 was formerly an oil well at an unorthodox location in the same pool.
(4) That ~~a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit~~

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

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That El Paso Natural Gas Company is hereby authorized to ~~drill~~ *produce* its Gregory Fed. A Well No. 2 at an unorthodox location in the center of Unit L of Section 33, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(2) That the S/2, S/2 NW/4, and NW/4 NW/4 of said Section 33 shall be simultaneously dedicated to the above-described well and to applicant's Gregory Fed. Well No. 1 located in Unit J of said Section 33.

(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.