

CASE 7069: ANADARKO PRODUCTION COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO

CASE NO.

7069

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

November 10, 1980

POST OFFICE BOX 9099
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

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

Re: CASE NO. 7069
ORDER NO. R-6516

Applicant:

Anadarko Production 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. DAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD _____
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. 7069
Order No. R-6516

APPLICATION OF ANADARKO PRODUCTION COMPANY
FOR AN UNORTHODOX 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 October 29, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

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, Anadarko Production Company, seeks approval of an unorthodox gas well location 660 feet from the South line and 660 feet from the East line of Section 4, Township 19 South, Range 25 East, NMPM, to test the Morrow formation, Eddy County, New Mexico.
- (3) That the S/2 of said Section 4 is to be dedicated to the well.
- (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.

-4-

Case No. 7069

Order No. R-6516

(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.

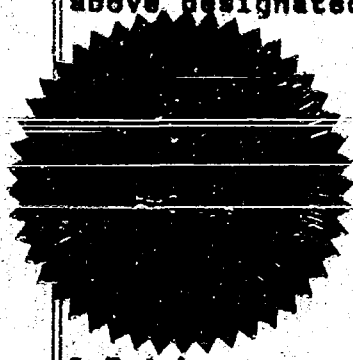
IT IS THEREFORE ORDERED:

(1) That the application of Anadarko Production Company for an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 660 feet from the South line and 660 feet from the East line of Section 4, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

(2) That the S/2 of said Section 4 shall be dedicated to the above-described well.

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

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Anadarko Pro-)
duction Company for an unortho-)
dox gas well location, Eddy)
County, New Mexico.)

CASE
7069

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:

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

I N D E X

RICHARD ERICKSON

Direct Examination by Mr. Kellahin

E X H I B I T S

Applicant Exhibit One , Plat	4
Applicant Exhibit Two, Structure Map	5
Applicant Exhibit Three, Isopach	5
Applicant Exhibit Four, Map	8
Applicant Exhibit Five, Cross Section	9
Applicant Exhibit Six, Cross Section	10

MR. NUTTER: The hearing will come to order, please.

The first case will be Case 7069.

MR. PEARCE: Application of Anadarko Production Company for an unorthodox gas well location in Eddy County, New Mexico.

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

(Witness sworn.)

RICHARD ERICKSON

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name and your occupation?

A. My name is Richard Erickson. I'm employed by Anadarko Production Company as a geological engineer.

Q Mr. Erickson, have you previously testified before the Division and had your qualifications as

1
2 an expert witness accepted and made a matter of record?

3 A. Yes.

4 Q. Have you made a study of the facts sur-
5 rounding this particular application?

6 A. Yes.

7 MR. KELLAHIN: We tender Mr. Erickson
8 as an expert witness.

9 MR. NUTTER: Mr. Erickson is qualified.

10 Q. Mr. Erickson, would you refer to Exhibit
11 Number One and identify that?

12 A. Exhibit Number One is a land plat of
13 the area, showing Anadarko's acreage colored in yellow and
14 the well in question is the green dot.

15 Q. Would you indicate for us the purpose
16 of the application?

17 A. The purpose of the application is for
18 an unorthodox location for a Morrow gas well.

19 Q. And what will be the footage location?

20 A. The location is 660 feet from the south
21 line, 660 feet from the east line of Section 4.

22 Q. What portion of Section 4 will be dedi-
23 cated to the Morrow well?

24 A. The south half.

25 Q. The well, then, will be unorthodox in
26
27
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an easterly direction only.

A. Yes.

Q All right, sir. Would you refer to Exhibit Number Two, which is your structure map?

A. Okay.

Q And identify that?

A. Exhibit Two is a structure map on the top of the Morrow Clastics. Anadarko's acreage is shown in yellow and the well in question is indicated by the red dot, and the proration unit is outlined in red.

Q Have you located only Morrow wells or have you identified all wells in the area?

A. All the wells are on this map.

Q With regards to the structure map, Mr. Erickson, what, if any, structural significance is taken into consideration in your decision about a Morrow well location?

A. There is no particular significance to the location of the well in regards to structure.

Q All right, sir, let's turn to Exhibit Number Three, then.

A. Exhibit Number Three is the gross sand Isopach of what we identify as the Morrow B zone, which is the primary productive zone in the area.

Q Will the Morrow B zone be the primary

1
2 zone for which you intend to drill?

3 A. Yes.

4 Q. Would you identify or explain to us
5 your meaning of gross sand Isopach?
6

7 A. The gross sand Isopach is just an Iso-
8 pach of all the sands being in the Morrow B zone. There's
9 no porosity cutoff to the sand.

10 Q. Would you confine yourself to the several
11 sections around the proposed location and show us which of
12 the wells you've used as control wells to draw the gross sand
13 Isopach?
14

15 A. Okay. In Section 4 I used the well in
16 the southeast quarter. In Section 3, the well in the south-
17 west quarter. Section 10, both wells in Section 10. The
18 well in the northeast quarter of Section 9 and the southwest
19 quarter of Section 9, and the well in the very, very northeast
20 quarter of Section 8.

21 Q. I'd like for you to give us some in-
22 formation on some of these wells. First of all, if you'll
23 identify for us the well in Section 4 in the south half.
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25 A. The well in the -- you want the name of
26 the well?

27 Q. Yes, who's the operator of the well and
28 what's the name?

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A. Okay, that well in the southeast quarter of Section 4 is plugged and abandoned, dry and -- drilled, dry and abandoned, by David Faskin. It was the No. 1 ARCO 4 Matlock, drilled in 1973.

Q. You've indicated 27 feet of gross Morrow B sand, have you not?

A. Yes.

Q. That well was a dry hole.

A. Right.

Q. Would you identify the well for us in the north half of Section 9, the Morrow well located generally south and west of the proposed location?

A. Okay.

Q. And it's that well indicated as having 69 feet of gross Morrow B sand.

A. That is the David Faskin ARCO Morrison No. 1-9.

Q. Has that been a commercial, successful, commercial well?

A. Yes.

Q. Would you identify for us then the well in the extreme northeast corner of Section 8 that's identified as having 52 feet of gross Morrow B sand?

A. That's the Yates Johnston "BE" No. 1.

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Q Now based upon your study of the gross

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sand isopach, Mr. Erickson, do you have a conclusion as to or
an opinion about the proposed unorthodox location?

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A I think we'll anticipate picking up

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approximately 40 feet of gross sand.

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I'm not sure how much actual net pro-

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ductive sand that would be but --

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Q Why would you not seek to move the loca-

11

tion generally to the west?

12

A Because I believe we would be getting

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out of the sand, the good productive sand, by going to the
west.

15

Q All right, sir, if you'll turn to Ex-

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hibit Number Four, then, and identify that.

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A Exhibit Number Four shows all the wells

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that have gone to the Morrow in the immediate area. Wells
that were Morrow completions are shown in red and wells that
were dry holes in the Morrow are shown in orange.

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Q Do you have any cumulative production

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figures on the well in the northeast corner of Section 8?

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A No, I don't, not on that one.

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Q All right, and how about your cumulative

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production figures on the Faskin well in the north half of
Section 9?

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1
2 A Yes, I have the figure on that, That
3 well has made as of 4-80, 1.66 billion cubic feet,

4 Q This well was originally completed, I
5 believe you said, in '72?

6 A In -- I think that's right. Let me look, '72,
7 yes.

8 Q Why would you not move to a standard
9 location offsetting that well?

10 A Wouldn't move to a standard location
11 because we will be directly offsetting that well and we would
12 be within their radius of drainage.

13 Q You said you didn't have any of the
14 cumulative production figures on the well in the northeast
15 corner of Section 8. Do you have any knowledge concerning
16 the productivity of that well?

17 A Very low productive well and it has a
18 very small cumulative.

19 Q Would you turn to Exhibit Number Five,
20 which is your A-D cross section? Would you identify your
21 cross section for us?

22 A Exhibit Five is an A-D cross section,
23 my A-D cross section. It goes from the well on the northeast
24 quarter of Section 8 to the dry hole in the southeast quarter
25 of Section 4, to the well in the southwest quarter of Section
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1
2 It shows the Morrow only.

3 Q Where will your proposed location fall
4 on the cross section?

5 A Roughly between the second and third
6 wells.

7
8 Q Is there any other information on Exhibit
9 Number Five that you'd like to draw our attention to?

10 A It shows, I think, something that's im-
11 portant. The dry hole in the southeast quarter of Section 4
12 was tested in the Morrow and did indicate some gas production,
13 but at uneconomic rates at the time.

14 Q Did I understand you correctly that you
15 have indicated on the cross section the Morrow B sand only?

16 A All the Morrow sands are in here, but
17 I've only concerned myself basically with the B sand, yes.

18 Q And how -- how would we identify the
19 B sand, then, on the cross section?

20 A It's indicated on the left side.

21 Q All right. All right, sir, would you
22 turn to Exhibit Number Six now and identify that?

23 A Exhibit Six is my cross section B-B'.
24 This is a north/south cross section going from the well on
25 the southeast quarter of Section 4 to the well on the northeast
26 quarter of Section 9 to the well in the southwest quarter of
27
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Section 9 to a well in the northwest quarter of Section 16.

Q Where will the proposed location fall on the cross section?

A Between the first and second wells on the left side.

Q Are there any particular points you'd like to draw attention to with regards to this exhibit?

A This -- this cross section shows the development of the sand that we are attempting to drill into and it shows its presence in the three wells to the south, but not in the well in the southeast quarter.

Q Based upon your study, Mr. Erickson, do you have an opinion as to whether or not the proposed unorthodox location is the optimum location from which to drain this proration unit?

A I believe it is.

Q And do you have an opinion as to whether or not the proration unit, the south half of Section 4, is reasonably productive of Morrow gas from the Morrow B zone?

A I believe it will be, yes.

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

A Yes.

Q And in your opinion will approval of

1
2 this application be in the best interests of conservation,
3 prevention of waste, and protection of correlative rights?
4

5 A. Yes.

6 Q. Okay.

7 MR. KELLAHIN: We move the introduction
8 of Exhibits One through Six.

9 MR. NUTTER: Applicant's Exhibits One
10 through Six will be admitted in evidence.

11 Are there any questions of Mr. Erickson?

12 He may be excused.

13 Do you have anything further, Mr.

14 Kellahin?
15

16 MR. KELLAHIN: No, sir.

17 MR. NUTTER: Does anyone have anything
18 they wish to offer in Case Number 7069?

19 We'll take the case under advisement.
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21 (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 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. 7069 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 Anadarko Pro-
duction Company for an unortho-
dox gas well location, Eddy
County, New Mexico.

CASE
7069

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:

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

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I N D E X

RICHARD ERICKSON

Direct Examination by Mr. Kellahin

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E X H I B I T S

Applicant Exhibit One , Plat

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Applicant Exhibit Two, Structure Map

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Applicant Exhibit Three, Isopach

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Applicant Exhibit Four, Map

8

Applicant Exhibit Five, Cross Section

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Applicant Exhibit Six, Cross Section

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MR. NUTTER: The hearing will come to order, please.

The first case will be Case 7009.

MR. PEARCE: Application of Anadarko Production Company for an unorthodox gas well location in Eddy County, New Mexico.

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

(Witness sworn.)

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name and your occupation?

A. My name is Richard Erickson. I'm employed by Anadarko Production Company as a geological engineer.

Q Mr. Erickson, have you previously testified before the Division and had your qualifications as

1
2 an expert witness accepted and made a matter of record?

3 A. Yes.

4 Q Have you made a study of the facts sur-
5 rounding this particular application?
6

7 A. Yes.

8 MR. KELLAHIN: We tender Mr. Erickson
9 as an expert witness.

10 MR. NUTTER: Mr. Erickson is qualified.

11 Q Mr. Erickson, would you refer to Exhibit
12 Number One and identify that?

13 A Exhibit Number One is a land plat of
14 the area, showing Anadarko's acreage colored in yellow and
15 the well in question is the green dot.
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17 Q Would you indicate for us the purpose
18 of the application?

19 A The purpose of the application is for
20 an unorthodox location for a Morrow gas well.

21 Q And what will be the footage location?

22 A The location is 660 feet from the south
23 line, 660 feet from the east line of Section 4.
24

25 Q What portion of Section 4 will be dedi-
26 cated to the Morrow well?

27 A The south half.

28 Q The well, then, will be unorthodox in

an easterly direction only.

A. Yes.

Q All right, sir. Would you refer to Exhibit Number Two, which is your structure map?

A. Okay.

Q And identify that?

A Exhibit Two is a structure map on the top of the Morrow Clastics. Anadarko's acreage is shown in yellow and the well in question is indicated by the red dot, and the proration unit is outlined in red.

Q Have you located only Morrow wells or have you identified all wells in the area?

A All the wells are on this map.

Q With regards to the structure map, Mr. Erickson, what, if any, structural significance is taken into consideration in your decision about a Morrow well location?

A There is no particular significance to the location of the well in regards to structure.

Q All right, sir, let's turn to Exhibit Number Three, then.

A Exhibit Number Three is the gross sand Isopach of what we identify as the Morrow B zone, which is the primary productive zone in the area.

Q Will the Morrow B zone be the primary

1 zone for which you intend to drill?

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3 A. Yes.

4 Q. Would you identify or explain to us
5 your meaning of gross sand isopach?
6

7 A. The gross sand isopach is just an iso-
8 pach of all the sands being in the Morrow B zone. There's
9 no porosity cutoff to the sand.

10 Q. Would you confine yourself to the several
11 sections around the proposed location and show us which of
12 the wells you've used as control wells to draw the gross sand
13 isopach?
14

15 A. Okay. In Section 4 I used the well in
16 the southeast quarter. In Section 3, the well in the south-
17 west quarter. Section 10, both wells in Section 10. The
18 well in the northeast quarter of Section 9 and the southwest
19 quarter of Section 9, and the well in the very, very northeast
20 quarter of Section 8.
21

22 Q. I'd like for you to give us some in-
23 formation on some of these wells. First of all, if you'll
24 identify for us the well in Section 4 in the south half.

25 A. The well in the -- you want the name of
26 the well?

27 Q. Yes, who's the operator of the well and
28 what's the name?

1
2 A Okay, that well in the southeast quarter
3 of Section 4 is plugged and abandoned, dry and -- drilled,
4 dry and abandoned, by David Faskin. It was the No. 1 ARCO
5 4 Matlock, drilled in 1973.
6

7 Q You've indicated 27 feet of gross Mor-
8 row B sand, have you not?

9 A Yes.

10 Q That well was a dry hole.

11 A Right.

12 Q Would you identify the well for us in
13 the north half of Section 9, the Morrow well located generally
14 south and west of the proposed location?
15

16 A Okay.

17 Q And it's that well indicated as having
18 69 feet of gross Morrow B sand.

19 A That is the David Faskin ARCO Morrison
20 No. 1-9.

21 Q Has that been a commercial, successful,
22 commercial well?

23 A Yes.

24 Q Would you identify for us then the well
25 in the extreme northeast corner of Section 8 that's identi-
26 fied as having 52 feet of gross Morrow B sand?
27

28 A That's the Yates Johnston "BE" No. 1.

Q Now based upon your study of the gross sand Isopach, Mr. Erickson, do you have a conclusion as -- or an opinion about the proposed unorthodox location?

A I think we'll anticipate picking up approximately 40 feet of gross sand.

I'm not sure how much actual net productive sand that would be but --

Q Why would you not seek to move the location generally to the west?

A Because I believe we would be getting out of the sand, the good productive sand, by going to the west.

Q All right, sir, if you'll turn to Exhibit Number Four, then, and identify that.

A Exhibit Number Four shows all the wells that have gone to the Morrow in the immediate area. Wells that were Morrow completions are shown in red and wells that were dry holes in the Morrow are shown in orange.

Q Do you have any cumulative production figures on the well in the northeast corner of Section 8?

A No, I don't, not on that one.

Q All right, and how about your cumulative production figures on the Faskin well in the north half of Section 9?

1
2 A Yes, I have the figure on that. That
3 well has made as of 4-80, 1.66 billion cubic feet.

4 Q This well was originally completed, I
5 believe you said, in '72?

6 A In -- I think that's right. Let me look, '72,
7 yes.

8 Q Why would you not move to a standard
9 location offsetting that well?

10 A Wouldn't move to a standard location
11 because we will be directly offsetting that well and we would
12 be within their radius of drainage.
13

14 Q You said you didn't have any of the
15 cumulative production figures on the well in the northeast
16 corner of Section 8. Do you have any knowledge concerning
17 the productivity of that well?

18 A Very low productive well and it has a
19 very small cumulative.
20

21 Q Would you turn to Exhibit Number Five,
22 which is your A-D cross section? Would you identify your
23 cross section for us?
24

25 A Exhibit Five is an A-D cross section,
26 my A-D cross section. It goes from the well on the northeast
27 quarter of Section 8 to the dry hole in the southeast quarter
28 of Section 4, to the well in the southwest quarter of Section

3. It shows the Morrow only.

Q Where will your proposed location fall on the cross section?

A Roughly between the second and third wells.

Q Is there any other information on Exhibit Number Five that you'd like to draw our attention to?

A It shows, I think, something that's important. The dry hole in the southeast quarter of Section 4 was tested in the Morrow and did indicate some gas production, but at uneconomic rates at the time.

Q Did I understand you correctly that you have indicated on the cross section the Morrow B sand only?

A All the Morrow sands are in here, but I've only concerned myself basically with the B sand, yes.

Q And how -- how would we identify the B sand, then, on the cross section?

A It's indicated on the left side.

Q All right. All right, sir, would you turn to Exhibit Number Six now and identify that?

A Exhibit Six is my cross section B-B'. This is a north/south cross section going from the well on the southeast quarter of Section 4 to the well on the northeast quarter of Section 9 to the well in the southwest quarter of

Section 9 to a well in the northwest quarter of Section 16.

Q Where will the proposed location fall on the cross section?

A Between the first and second wells on the left side.

Q Are there any particular points you'd like to draw attention to with regards to this exhibit?

A This -- this cross section shows the development of the sand that we are attempting to drill into and it shows its presence in the three wells to the south, but not in the well in the southeast quarter.

Q Based upon your study, Mr. Erickson, do you have an opinion as to whether or not the proposed unorthodox location is the optimum location from which to drain this proration unit?

A I believe it is.

Q And do you have an opinion as to whether or not the proration unit, the south half of Section 4, is reasonably productive of Morrow gas from the Morrow B zone?

A I believe it will be, yes.

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

A Yes.

Q And in your opinion will approval of

1
2 this application be in the best interests of conservation,
3 prevention of waste, and protection of correlative rights?
4

5 A Yes.

6 Q Okay.

7 MR. KELLAHIN: We move the introduction
8 of Exhibits One through Six.

9 MR. NUTTER: Applicant's Exhibits One
10 through Six will be admitted in evidence.

11 Are there any questions of Mr. Erickson?
12 He may be excused.

13
14 Do you have anything further, Mr.
15 Kellahin?

16 MR. KELLAHIN: No, sir.

17 MR. NUTTER: Does anyone have anything
18 they wish to offer in Case Number 7069?

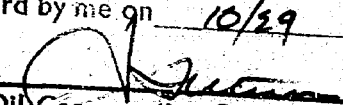
19 We'll take the case under advisement.

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21 (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.F.
Ex. 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. 7069,
heard by me on 10/29 1980.
 Examiner
Oil Conservation Division

2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200
U.S. 31	U.S. 32	U.S. 33	U.S. 34	U.S. 35	U.S. 36	U.S. 37	U.S. 38	U.S. 39	U.S. 40	U.S. 41	U.S. 42	U.S. 43	U.S. 44	U.S. 45	U.S. 46	U.S. 47	U.S. 48	U.S. 49	U.S. 50	U.S. 51	U.S. 52	U.S. 53	U.S. 54	U.S. 55	U.S. 56	U.S. 57	U.S. 58	U.S. 59	U.S. 60	U.S. 61	U.S. 62	U.S. 63	U.S. 64	U.S. 65	U.S. 66	U.S. 67	U.S. 68	U.S. 69	U.S. 70	U.S. 71	U.S. 72	U.S. 73	U.S. 74	U.S. 75	U.S. 76	U.S. 77	U.S. 78	U.S. 79	U.S. 80	U.S. 81	U.S. 82	U.S. 83	U.S. 84	U.S. 85	U.S. 86	U.S. 87	U.S. 88	U.S. 89	U.S. 90	U.S. 91	U.S. 92	U.S. 93	U.S. 94	U.S. 95	U.S. 96	U.S. 97	U.S. 98	U.S. 99	U.S. 100

Exhibit 1
Case 7069

Anadarko
Production Company

BOYD PROSPECT
Eddy County, NM
Land Plat

Interpretation By: _____
Date: 10-80 Scale: 1" = 4000'

- CASE 7065:** Application of El Paso Natural Gas Company for twelve non-standard proration units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the establishment of twelve non-standard proration units for Pictured Cliffs wells to be drilled in the W/2 of partial Sections 6, 7, 18, 19, 30 and 31 of Township 30 North, Range 4 West, and four non-standard proration units for Pictured Cliffs wells in partial Sections 7, 8, and 9 of Township 28 North, Range 4 West.
- CASE 7066:** Application of Conoco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Britt "B" Well No. 27 located in Unit G of Section 15, Township 20 South, Range 37 East, to produce oil from the Weir-Drinkard or an undesignated Blinbry pool and an undesignated Abo pool.
- CASE 7067:** Application of Conoco Inc. for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Dagger Draw Com. Well No. 4 located in Unit J of Section 25, Township 19 South, Range 24 East, to produce oil from the North Dagger Draw-Upper Penn Pool and gas from an undesignated Morrow pool.
- CASE 7068:** Application of Conoco Inc. for a dual completion and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Penny Federal Com. Well No. 2 at an unorthodox location 1650 feet from the North line and 1980 feet from the East line of Section 23, Township 20 South, Range 24 East, to produce oil from the South Dagger Draw-Upper Penn Pool and gas from an undesignated Morrow pool.
- CASE 7069:** Application of Anadarko Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow pool well to be drilled 660 feet from the South and East lines of Section 4, Township 19 South, Range 25 East, the S/2 of said Section 4 to be dedicated to the well.
- CASE 7070:** Application of Tesoro Petroleum Corporation for a pilot caustic flood project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a one-acre pilot caustic flood project in the Hospah Field by the injection of caustic fluid into the Seven Lakes Sand of the Upper Hospah Field at an approximate depth of 300-500 feet through four injection wells in Unit K of Section 1, Township 17 North, Range 9 West.
- CASE 7071:** Application of Jake L. Hamon for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a 640-acre proration unit comprising all of Section 17, Township 20 South, Range 36 East, North Osado-Morrow pool, to its Amerada Federal Well No. 2 located in Unit F and its Amerada Federal Well No. 3, to be drilled at an unorthodox location 1650 feet from the South line and 660 feet from the East line of said Section 17.
- CASE 6668:** (Reopened and Readvertised)
- In the matter of Case 6668 being reopened pursuant to the provisions of Order No. R-6139 which order promulgated temporary special rules and regulations for the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing units.
- CASE 7005:** (Continued from September 17, 1980, Examiner Hearing)
- 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 7072:** Application of Enserch Exploration, Inc. for pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian oil pool for its Enserch Amoco State Well No. 1 located in Unit L of Section 16, Township 4 South, Range 33 East, and the promulgation of special pool rules therefor, including a provision for 80-acre spacing.
- CASE 7073:** Application of Enserch Exploration, Inc. for pool creation, temporary special pool rules, and assignment of a discovery allowable, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Fusselman oil pool for its J. G. O'Brien Well No. 1 located 1980 feet from the North line and 660 feet from the West line of Section 31, Township 7 South, Range 29 East, with special rules therefor, including provisions for 80-acre spacing, a limiting gas-oil ratio of 3000 to one and special well location requirements providing for the drilling of wells within 150 feet of the center of a quarter-quarter section. Applicant further seeks approval of a 74.24-acre proration and spacing unit and a discovery allowable for said J. G. O'Brien Well No. 1.

KELLAHIN and KELLAHIN

Attorneys at Law

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Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

September 24, 1980

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

Case 7069

Dear Joe:

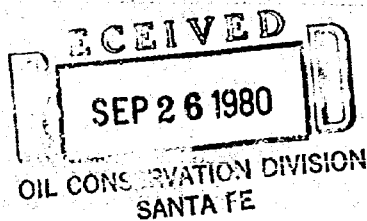
Please set the enclosed unorthodox well application
for hearing on the Examiner docket for October 29, 1980.

Very truly yours,

W. Thomas Kellahin
W. Thomas Kellahin

cc: Mr. Dan Kernaghan
Mr. Irley Bonnette

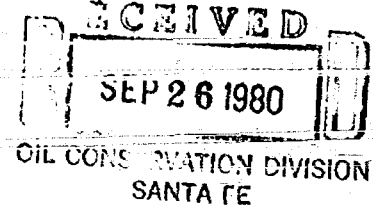
WTK:jm



STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF ANADARKO PRODUCTION COMPANY
FOR APPROVAL OF AN UNORTHODOX
WELL LOCATION, EDDY COUNTY, NEW
MEXICO



Case 7069

A P P L I C A T I O N

COMES NOW ANADARKO PRODUCTION COMPANY and applies to the Oil Conservation Division of New Mexico for authority to drill a Morrow well at an unorthodox well location 660 feet from the South and East lines of Section 4, T19S, R25E, NMPM, Eddy County New Mexico and in support thereof would show the Division:

1. Applicant is the owner of the right to drill on the S/2 of Section 4, T19S, R25E, NMPM, Eddy County New Mexico.
2. Applicant proposes to drill a Morrow test to a depth of approximately 9400 feet at an unorthodox location 660 feet from the South and East lines of Section 4 and to dedicate the S/2 of said Section the subject well.
3. That applicant's requested location will result in the recovery of hydrocarbons that would not otherwise be recovered.
4. That approval of this application will not impair correlative rights and will prevent waste.

WHEREFORE, Applicant requests that this application be set for hearing before the Division's examiner and that after notice and hearing the Division enter an Order approving the application as requested.

KELLAHIN & KELLAHIN

By

W. Thomas Kellahin

W. Thomas Kellahin
P.O. Box 1769
Santa Fe, New Mexico 87501
(505) 982-4285

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

JAR

CASE NO. 7069

ORDER NO. R- 6516

APPLICATION OF ANADARKO PRODUCTION COMPANY

FOR AN UNORTHODOX GAS WELL LOCATION,

EDDY

COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

ds

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. Nutter

NOW, on this _____ day of _____, 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, Anadarko Production Company,
seeks approval of an unorthodox gas well location 560
feet from the South line and 660 feet from the
East line of Section 4, Township 19 South
Range 25 East, NMPM, to test the Morrow
formation, Pool, Eddy
County, New Mexico.

(3) That the 5/2 of said Section 4 is to be
dedicated to the well.

(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.

-2-

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 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:

the application of Anadarko Production Company for
(1) That an ^Aunorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 660 feet from the South line and 660 feet from the East line of Section 4, Township 19 South, Range 25 East NMPM, Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 4 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.

