

CASE 7132: READ & STEVENS, INC. FOR AN
UNORTHODOX GAS WELL LOCATION AND TWO
NON-STANDARD GAS PRORATION UNITS, CHAVES
COUNTY, NEW MEXICO

CASE NO.

7132

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

February 13, 1931

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

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

Re: CASE NO. 7132
ORDER NO. R-6583

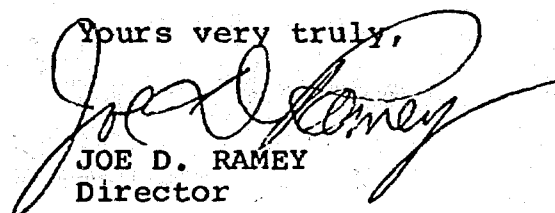
Applicant:

Read & Stevens, Inc.

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

Other Kenneth Bateman

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. 7132
Order No. R-6583

APPLICATION OF READ & STEVENS, INC.
FOR AN UNORTHODOX GAS WELL LOCATION
AND TWO NON-STANDARD GAS PRORATION
UNITS, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 14, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of February, 1981, 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, Read & Stevens, Inc., seeks approval of two 160-acre non-standard gas proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first being the SE/4 of Section 13, Township 15 South, Range 27 East, NMPM, to be dedicated to its Rose Well No. 1 in Unit J, and the other being the SW/4 of said Section 13 to be dedicated to a well to be drilled at an unorthodox location 1315 feet from the South line and 1315 feet from the West line of the section.

(3) That both of said non-standard proration units may reasonably be presumed productive of gas from the Buffalo Valley-Pennsylvanian Gas Pool and that the entire non-standard gas proration units can be efficiently and economically drained and developed by the respective aforesaid wells.

-2-

Case No. 7132
Order No. R-6583

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Buffalo Valley-Pennsylvanian Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That Read & Stevens, Inc. is hereby granted two 160-acre non-standard gas proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first comprising the SE/4 of Section 13, Township 15 South, Range 27 East, NMPM, Chaves County, New Mexico, and the second being the SW/4 of said Section 13, said units to be dedicated to the Rose Well No. 1 in Unit J and a well to be drilled at an unorthodox location, hereby approved, 1315 feet from the South line and 1315 feet from the West line of the section, respectively.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

pd/

- CASE 7125: Application of Western Oil Producers Inc. for the amendment of Order No. R-5399, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-5399 to include production from all of the Pennsylvanian formations in its Amoco State Well No. 1 at an unorthodox location in Unit M of Section 28, Township 16 South, Range 33 East.
- CASE 7126: Application of Franks Petroleum, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 1980 feet from the North line and 1315 feet from the West line, Section 3, Township 21 South, Range 32 East, Hat Mesa-Morrow Gas Pool, the N/2 of said Section 3 to be dedicated to the well.
- CASE 7127: Application of Ellwade Corporation for amendment of Order No. R-6399, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6399 which approved a 129.52-acre non-standard gas proration unit comprising the W/2 of Section 33, Township 26 South, Range 30 East, for the Wolfcamp formation in the Ross Draw Area. Applicant seeks to have said order also apply to all formations of Pennsylvanian age.
- CASE 6670: (Reopened and Readvertised)
- In the matter of Case 6670 being reopened and pursuant to the provisions of Order No. R-6183 which order promulgated temporary special rules and regulations for the Red Hills-Devonian Gas Pool in Lea County, New Mexico, including a provision for 640-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 320-acre spacing units.
- CASE 7128: Application of HNG Oil Company for pool creation, special pool rules, assignment of a discovery allowable, and dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks creation of a new Wolfcamp oil pool for its San Simon 6 State Comm. Well No. 1 located 1980 feet from the North line and 660 feet from the East line of Section 6, Township 22 South, Range 35 East, with special rules therefor, including provisions for 160-acre spacing. Applicant further seeks a discovery allowable for said well and approval for its dual completion to produce oil from the Wolfcamp and gas from an undesignated Morrow pool thru parallel strings of tubing.
- CASE 7129: Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the N/2 of Section 28, Township 28 North, Range 8 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 7130: Application of Read & Stevens, Inc. for an unorthodox gas well location and two non-standard gas proration units, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first being the SE/4 of Section 12, Township 15 South, Range 27 East, to be dedicated to its Trobough "A" State Com. Well No. 1 in Unit J, and the other being the NE/4 of said Section 12 to be dedicated to a well to be drilled at an unorthodox location 1315 feet from the North and East lines of the section.
- CASE 7131: Application of Read & Stevens, Inc. for an unorthodox gas well location and two non-standard gas proration units, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first being the SE/4 of Section 1, Township 15 South, Range 27 East, to be dedicated to its Trobough Com. Well No. 1 in Unit J, and the other being the NE/4 of said Section 1 to be dedicated to a well to be drilled at an unorthodox location 1315 feet from the North and East lines of the section.
- CASE 7132: Application of Read & Stevens, Inc. for an unorthodox gas well location and two non-standard gas proration units, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first being the SE/4 of Section 13, Township 15 South, Range 27 East, to be dedicated to its Rose Well No. 1 located in Unit J, and the other being the SW/4 of said Section 13 to be dedicated to a well to be drilled at an unorthodox location 1315 feet from the South and West lines of the section.

CAMPBELL AND BLACK. P.A.

LAWYERS

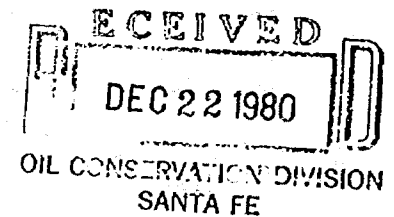
JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 986-4421

December 22, 1980

Case 7132

Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2038
Santa Fe, New Mexico 87501



Re: Application of Read & Stevens, Inc. for
Approval of an Unorthodox Well Location,
Two Non-Standard Proration Units and Approval
of Infill Drilling. Chaves County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Read & Stevens,
Inc. in the above-referenced matter.

The applicant requests that this matter be included on the
docket for the examiner hearing scheduled to be held on
January 14, 1981.

Very truly yours,

William F. Carr
William F. Carr

WFC:lr

Enclosures

cc: Mr. William P. Aycock

RECEIVED
DEC 22 1980

BEFORE THE
OIL CONSERVATION DIVISION SANTA FE

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

APPLICATION OF READ & STEVENS, INC.
FOR APPROVAL OF AN UNORTHODOX
WELL LOCATION, TWO NON-STANDARD
PRORATION UNITS AND APPROVAL OF
INFILL DRILLING, CHAVES COUNTY,
NEW MEXICO.

Case 7132

APPLICATION

Comes now READ & STEVENS, INC., by its undersigned attorneys, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location and two non-standard gas proration units, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, and in support of its application states:

1. Read & Stevens, Inc. is the operator of the S/2 of Section 13, Township 15 South, Range 27 East, N.M.P.M., Chaves County, New Mexico, which is dedicated to its Rose Well No. 1 located in Unit J of said Section 13.
2. Applicant seeks the establishment of two non-standard gas proration units in the Buffalo Valley-Pennsylvanian Gas Pool; one comprising the SE/4 of said Section 13 as a new 160-acre proration unit to be dedicated to the Rose Well No. 1 and the other comprising the SW/4 of said Section 13 as a new 160-acre proration unit to be dedicated to a well applicant proposes to drill at an unorthodox location.
3. That Special Pool Rules for the Buffalo Valley-Pennsylvanian Gas Pool were promulgated by Oil Conserva-

tion Division Order R-1670-H on March 4, 1969, which established special requirements for the location of wells in this pool.

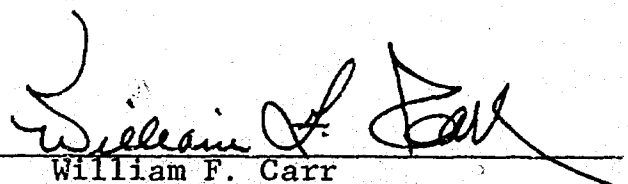
4. That applicant seeks an exception to the Special Pool Rules to enable it to locate its proposed well 1320 feet from the South and West lines of the Section.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing before the Commission or one of the Division's duly appointed examiners and that after notice and hearing as required by law, the Division enter its order approving the application.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By


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

BEFORE THE

RECEIVED
DEC 22 1980

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

APPLICATION OF READ & STEVENS, INC.
FOR APPROVAL OF AN UNORTHODOX
WELL LOCATION, TWO NON-STANDARD
PRORATION UNITS AND APPROVAL OF
INFILL DRILLING, CHAVES COUNTY,
NEW MEXICO.

Case 7132

APPLICATION

Comes now READ & STEVENS, INC., by its undersigned attorneys, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location and two non-standard gas proration units, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, and in support of its application states:

1. Read & Stevens, Inc. is the operator of the S/2 of Section 13, Township 15 South, Range 27 East, N.M.P.M., Chaves County, New Mexico, which is dedicated to its Rose Well No. 1 located in Unit J of said Section 13.
2. Applicant seeks the establishment of two non-standard gas proration units in the Buffalo Valley-Pennsylvanian Gas Pool; one comprising the SE/4 of said Section 13 as a new 160-acre proration unit to be dedicated to the Rose Well No. 1 and the other comprising the SW/4 of said Section 13 as a new 160-acre proration unit to be dedicated to a well applicant proposes to drill at an unorthodox location.
3. That Special Pool Rules for the Buffalo Valley-Pennsylvanian Gas Pool were promulgated by Oil Conserva-

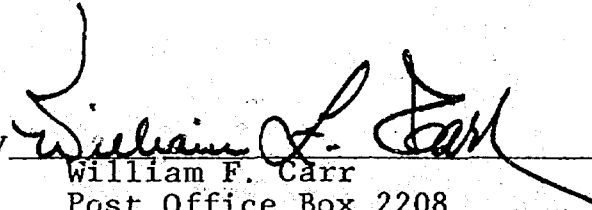
tion Division Order R-1670-H on March 4, 1969, which established special requirements for the location of wells in this pool.

4. That applicant seeks an exception to the Special Pool Rules to enable it to locate its proposed well 1320 feet from the South and West lines of the Section.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing before the Commission or one of the Division's duly appointed examiners and that after notice and hearing as required by law, the Division enter its order approving the application.

Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By


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

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

DEC 22 1980

APPLICATION OF READ & STEVENS, INC.
FOR APPROVAL OF AN UNORTHODOX
WELL LOCATION, TWO NON-STANDARD
PRORATION UNITS AND APPROVAL OF
INFILL DRILLING, CHAVES COUNTY,
NEW MEXICO.

Case 7132

APPLICATION

Comes now READ & STEVENS, INC., by its undersigned attorneys, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location and two non-standard gas proration units, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, and in support of its application states:

1. Read & Stevens, Inc. is the operator of the S/2 of Section 13, Township 15 South, Range 27 East, N.M.P.M., Chaves County, New Mexico, which is dedicated to its Rose Well No. 1 located in Unit J of said Section 13.
2. Applicant seeks the establishment of two non-standard gas proration units in the Buffalo Valley-Pennsylvanian Gas Pool; one comprising the SE/4 of said Section 13 as a new 160-acre proration unit to be dedicated to the Rose Well No. 1 and the other comprising the SW/4 of said Section 13 as a new 160-acre proration unit to be dedicated to a well applicant proposes to drill at an unorthodox location.
3. That Special Pool Rules for the Buffalo Valley-Pennsylvanian Gas Pool were promulgated by Oil Conserva-

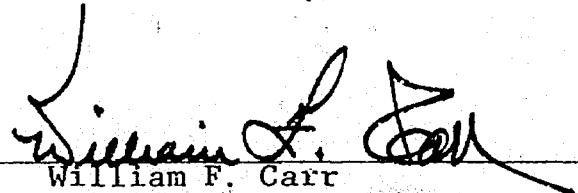
tion Division Order R-1670-H on March 4, 1969, which established special requirements for the location of wells in this pool.

4. That applicant seeks an exception to the Special Pool Rules to enable it to locate its proposed well 1320 feet from the South and West lines of the Section.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing before the Commission or one of the Division's duly appointed examiners and that after notice and hearing as required by law, the Division enter its order approving the application.

Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By


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

Case _____

Application of Read & Stevens, Inc.
for an Unorthodox Well Location,
Two Non-Standard Proration Units and
Approval of Infill Drilling, Chaves
County, New Mexico.

Applicant in the above-styled cause, seeks approval of
two 160-acre non-standard proration units, one comprising the
SE/4 of Section 13, Township 15 South, Range 27 East, Buffalo
Valley-Pennsylvanian Gas Pool, to be dedicated to its Rose
Well No. 1, ^{Unit 1} and also a non-standard proration unit comprising
the SW/4 of said Section 13 to be dedicated to a well to be
drilled at an unorthodox location 1320 feet from the South and
West lines of the section; applicant further seeks a waiver of
existing well spacing requirements.

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

dr/

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

CASE NO. 7132

Order No. R- 6583

APPLICATION OF READ & STEVENS, INC.
FOR AN UNORTHODOX GAS WELL LOCATION AND TWO
~~XXXX~~ NON-STANDARD ~~PRORATION~~ GAS PRORATION UNITS,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 14, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets. NOW, on this _____ day of January, 1981, 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, Read & Stevens, Inc. seeks approval of ^{two} a 160 -acre non-standard gas proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first being the ~~xxxx~~ ~~comprising~~ the SE/4 of Section 13, Township 15 South, Range 27 East, NMPM, to be dedicated to its ~~to~~ Rose Well No. 1 in Unit 3, and the other being ~~xxxx~~ the SW/4 of said Section 13 to be dedicated ~~xxxx~~ ~~located in~~ to a well to be drilled at an unorthodox location 1315 feet from the South ~~xxxx~~ ~~line of the section~~ line and 1315 feet from the West line of the section.

(3) That ~~the entire~~ ^{being said} non-standard proration unit may reasonably be presumed productive of gas from the Buffalo Valley-Pennsylvanian Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the ~~respective~~ aforesaid wells.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Buffalo Valley-Pennsylvanian Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED;

(1) That Reed and Stevens, Inc. is hereby granted

~~(1) That~~ ^{two} ~~a~~ 160 -acre non-standard gas proration units the first in the Buffalo Valley-Pennsylvanian Gas Pool, comprising the SE/4 of Section 13, Township 15 South Range 27 East (and the second being the SW/4 of said Section 13) NMPM, Chaves County, New Mexico,

~~Said units do but~~
~~are hereby established and dedicated to the~~
~~Rose Well No. 1 in Unit J and a well to be drilled at an unorthodox~~
~~location, hereby approved, located in Unit J of said~~
~~location 1315 feet from the South line and 1315 feet from the West line~~
~~of the Section, respectively. xxxxxx~~

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

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