

CASE 7133: READ & STEVENS, INC. FOR AN  
UNORTHODOX GAS WELL LOCATION AND TWO  
NON-STANDARD GAS PRORATION UNITS, CHAVE

CASE NO.

7133

APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

February 13, 1981

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. 7133  
ORDER NO. R-6584

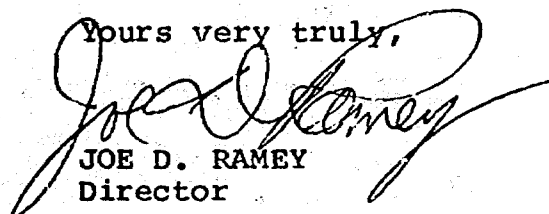
Applicant:

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. 7133  
Order No. R-6584

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 NW/4 of Section 12, Township 15 South, Range 27 East, NMPM, to be dedicated to its Hurd Well No. 1 in Unit C, and the other being the SW/4 of said Section 12 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.

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Case No. 7133  
Order No. R-6584

(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 NW/4 of Section 12, Township 15 South, Range 27 East, NMPM, Chaves County, New Mexico, and the second being the SW/4 of said Section 12, said units to be dedicated to the Hurd Well No. 1 in Unit C 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

fd/

CASE 7133: 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 NW/4 of Section 12, Township 15 South, Range 27 East, to be dedicated to its Hurd Well No. 1 in Unit C, and the other being the SW/4 of said Section 12 to be dedicated to a well to be drilled at an unorthodox location 1315 feet from the South and West lines of the section.

CASE 7134: 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 NW/4 of Section 13, Township 15 South, Range 27 East, to be dedicated to its Langley "Com" Well No. 1 in Unit C, 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 7100: (Continued from the December 10, 1980, Examiner Hearing)

Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbore of its Travis 24 State Com Well No. 1 in Unit H of Section 24, Township 18 South, Range 28 East.

CASE 7086: (Continued from the December 10, 1980, Examiner Hearing)

Application of Blackwood & Nichols Company, Ltd. for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 30 and 31 North, Ranges 6, 7, and 8 West, containing 33,500 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

CASE 6940: (Continued from the December 30, 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 7103: (Continued from the December 30, 1980, Examiner Hearing)

Application of E. L. Latham, Jr. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Pennsylvanian formations underlying the N/2 of Section 7, Township 22 South, Range 26 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 7114: (Continued from the December 30, 1980, Examiner Hearing)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Rio Penasco "JX" Well No. 2, a Morrow test to be drilled 660 feet from the South and East lines of Section 35, Township 18 South, Range 25 East, the S/2 of said Section 35 to be dedicated to the well.

CAMPBELL AND BLACK. P.A.

LAWYERS

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

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

December 22, 1980

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

*Case 7133*

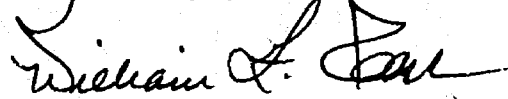
Re: Application of Read & Stevens, Inc. for  
Approval of an Unorthodox Well Location,  
Two Non-Standard Proration Units and Approval  
of Infill Drilling, Chaves County, New Mexico

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

WFC:lr

Enclosures

cc: Mr. William P. Aycock

BEFORE THE  
OIL CONSERVATION DIVISION

DEC 22 1980  
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 7133

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 W/2 of Section 12, Township 15 South, Range 27 East, N.M.P.M., Chaves County, New Mexico, which is dedicated to its Hurd No. 1 Well located in Unit C of said Section 12.
2. Applicant seeks the establishment of two non-standard gas proration units in the Buffalo Valley-Pennsylvanian Gas Pool; one comprising the NW/4 of said Section 12 as a new 160-acre proration unit to be dedicated to the Hurd No. 1 Well and the other comprising the SW/4 of said Section 12 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-



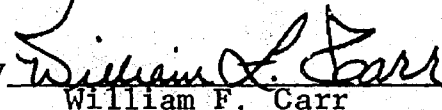
tion Division Order R-1670-H on March 4, 1969, which established special requirements for the location of wells in this pool.

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 DEC 22 1960

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 7133

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 W/2 of Section 12, Township 15 South, Range 27 East, N.M.P.M., Chaves County, New Mexico, which is dedicated to its Hurd No. 1 Well located in Unit C of said Section 12.
2. Applicant seeks the establishment of two non-standard gas proration units in the Buffalo Valley-Pennsylvanian Gas Pool; one comprising the NW/4 of said Section 12 as a new 160-acre proration unit to be dedicated to the Hurd No. 1 Well and the other comprising the SW/4 of said Section 12 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-

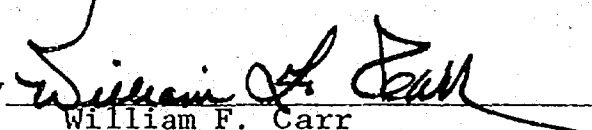
tion Division Order R-1670-H on March 4, 1969, which established special requirements for the location of wells in this pool.

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

DEC 22 1960

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 7133

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 W/2 of Section 12, Township 15 South, Range 27 East, N.M.P.M., Chaves County, New Mexico, which is dedicated to its Hurd No. 1 Well located in Unit C of said Section 12.
2. Applicant seeks the establishment of two non-standard gas proration units in the Buffalo Valley-Pennsylvanian Gas Pool; one comprising the NW/4 of said Section 12 as a new 160-acre proration unit to be dedicated to the Hurd No. 1 Well and the other comprising the SW/4 of said Section 12 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 NW/4 of Section 12, Township 15 South, Range 27 East, Buffalo Valley-Pennsylvanian Gas Pool, to be dedicated to its Hurd <sup>Unit C</sup> No. 1 Well, and also a non-standard proration unit comprising the SW/4 of said Section 12 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. 7133

Order No. R- 6584

APPLICATION OF READ & STEVENS, INC.  
FOR AN UNORTHODOX GAS WELL LOCATION AND TWO  
~~XXXX~~ NON-STANDARD ~~PRORATION~~ ~~UNITS~~, 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,  
19 81, 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 a <sup>two</sup> 160 -acre non-standard gas proration units  
in the Buffalo Valley-Pennsylvanian Gas Pool, the first being the  
~~xxxx~~ comprising the NW 1/4 of Section 12, Town-  
ship 15 South, Range 27 East, NMPM, to be dedicated to  
its Hurd Well No. 1 in Unit C, and the other being  
~~xxxx~~ the SW 1/4 of said Section 12 to be dedicated ~~located in~~ to a  
well to be drilled at an unorthodox location 1315 feet from the South  
~~xxxx~~ ~~line of the section~~ ~~xxxx~~ line and 1315 feet from the West  
line of the section.

(3) That ~~the entire~~ <sup>both of said</sup> 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 Read and Stevens, Inc. is hereby granted*

*Q. E. R. A. T. &* <sup>two</sup> 160 -acre non-standard gas proration units the first in the Buffalo Valley-Pennsylvanian Gas Pool, comprising the

NW/4 of Section 12, Township 15 South

Range 27 East *and the second being the SW/4 of said Section 12* <sup>NMPM,</sup> Chaves County, New Mexico,

*said units to be*  
~~are hereby established and dedicated to the~~  
*Hurd* well No. 1 in Unit C and a well to be drilled at an unorthodox  
*being approved* ~~located in Unit C of said~~  
location 1315 feet from the South line and 1315 feet from the South line  
of the Section, respectively. ~~xxxxxx~~ <sup>West</sup>

(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.