CASE NO.

1149

APPIICATION, Transcripts, Small Exhibits,

ETC.



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR LARRY KEHOE GECRETARY

March 10, 1981

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

Re:

Mr. James Jennings Jennings, Christy & Copple Attorneys at Law Post Office Box 1180 Roswell, New Mexico 88201 CASE NO. 7149 ORDER NO. R-6619

Applicant:

John H. Hendrix Corporation

Dear Sir:

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

Pours very truly, JOE D. RAMEY Director

JDR/fd

Copy of order also sent to:

Hobbs GCD X Artesia OCD X Aztec OCD

Other

STATE OF NEW MEXICO ENERGY AND HINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

> CASE NO. 7149 Order No. R-6618

APPLICATION OF JOHN H. HENDRIX CORPORATION FOR EXTENSION OF VERTICAL LIMITS OF THE LANGLIE-MATTIX POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 25, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>6th</u> day of March, 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, John H. Hendrix Corporation, 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 3362 feet, subsurface, underlying the SW/4 SE/4 of Section 19, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the vertical limits of the Jalmat Pool as defined by Order No. R-520, dated August 12, 1954, include the Tansill and Yates formations and all but the lowermost 100 feet of the Seven Rivers formation.

(4) That the vertical limits of the Langlie-Mattix Pool, as defined by said Order No. R-520, include the lowermost 100 feet of the Seven Rivers formation and all of the Queen formation. -2-Case No. 7149 Order No. R-6618

(5) That there has been some disparity among some geologists as to the actual base of the Seven Rivers formation and the top of the Queen formation and hence as to the location of the 100-foot marker separating the Jslmat and Langlie-Mattix Pools.

(6) That as a result of this disparity, applicant's Steeler Well No. 1 and certain other wells in the general area which are classified as Langlis-Mattix wells have perforations extending across the aforesaid 100-foot marker in the Seven Rivers formation and into the Jalmat Pool.

(7) That such crossing over from one pool into the other in this case appears to be an unintentional error.

(8) That to rectify the aforeseid error would require workover operations on the subject well which would be expensive and might endanger the productivity of the subject well, and would actually serve no beneficial purpose, inasauch as the production and reservoir characteristics of the perforations immediately above and below the 100-foot marker are quite similar.

(9) That a reasonable solution to the problem is to adjust the vertical limits of the Langlie-Mattix Pool upward under the above-described tract in order to accommodate the present perforations in the lower Seven Rivers formation in the subject well which are actually within the present Jalmat vertical limits.

(10) That such adjustment will prevent waste and should not impair correlative rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That the lowermost vertical limits of the Jalmat Pool underlying the SW/4 SE/4 of Section 19, Township 23 South, Range 37 East, NMPN, Lee County, New Mexico, are hereby contracted to a subsurface depth of 3362 fest, and the uppermost limits of the Langlie-Mattix Pool underlying seid tract are hereby extended upward to the same subsurface depth.

(2) That the effective date of the aforesaid revision of the vertical limits of said pool shall be the date the John H. Hendrix Steeler Well No. 1 was perforated at 3362 feet. -3-Case No. 7149 Order No. R-6618

(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 Hexter, on the day and year hereing above designated.



STATE OF NEW MEXICO OIL CONSERVATION DIVISION JOE D. RAHEY, Director

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	1 2 3	ENERGY AND OIL CONSE STATE LA SANTA F	OF NEW MEXICO MINERALS DEPARTMENT RVATION DIVISION ND OFFICE BLDG. E, NEW MEXICO	
	4		bruary 1981	
	5	EXAMI	NER HEARING	
	6)	-
		IN THE MATTER OF:		
	7 8 9	Application of John poration for the ex- vertical limits of Mattix Pool, Lea Co	the Langlie) 7149	
	10 11	BEFORE: Daniel S. Nutter		
	12	TRANSCRI	PT OF HEARING	
	13			
	14		ARANCES	in the second
	15	АРРБ		
	16 17 18	For the Oil Conservation <u>Di</u> vision:	Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501	and the second
	19			
	20	For the Applicant:	James T. Jennings, Esq. Roswell, New Mexico	
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10	Statement by Mr. Kilpatric	12
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	5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	 S RONNIE H. WESTBROOK Direct Examination by Mr. Jennings Cross Examination by Mr. Nutter Redirect Examination by Mr. Jennings Statement by Mr. Kilpatric Statement by Mr. Kilpatric E X H I B I T S Applicant Exhibit One, Plat Applicant Exhibit Two, Log Indiana Statement Stateme

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	1	MR. NUTTER: Call next Case Number 7149.
	2	MR. PADILLA: Application of John H.
	3	Hendrix Corporation for the extension of vertical limits of
	4	Hendrix Corporation for the oney New Mexico.
	5	the Langlie Mattix Pool, Lea County, New Mexico. MR. JENNINGS: I'm James T. Jennings,
	6	
eenale a di a		Jennings and Christy, Roswell, appearing on behalf of the
	8	applicant, and we will have one witness, Mr. Ron Westbrook,
	9	and we have some exhibits and I they're in front of you.
	10	
	11	(Witness sworn.)
	12	
		RONNIE H. WESTBROOK
\mathbf{c}	13	being called as a witness and being duly sworn upon his oath,
	14	testified as follows, to-with
	15	
	16	DIRECT EXAMINATION
	17	
	18	BY MR. JENNINGS: 0. Would you please state your name, addres
<i>e</i> - ²	19	
	20	and place of current occupation? A. My name is Ronnie H. Westbrook. I'm
	21	
2	22	presently operations manager for John H. Hendrix Corporation
	23	in Midland, Texas.
	24	Q. Mr. Westbrook, have you ever testified
· e · · · · · ·	25	before this body before?

-	ĩ	4
	2	A. No, sir.
	3	0. Have you on many occasions testified
	4	before the Texas Railroad Commission?
	5	A. Yes, sir.
*	6	Q. Would you state your educational and
	7	work experience, please?
	8	A. I have a BS degree from the New Mexico
	9	Institute of Mining and Technology in petroleum engineering
	10	in June of 1962. Upon graduation I was employed by Continental
	11	Oil Company for fifteen in drilling, production, and reservoir
	12	engineering.
\supset	13	At the time I left Conoco I was a super-
	14	vising engineer. At that time, in May of 1977, I went to
	15	work for Mabee Petroleum Corp. as a drilling superintendent
	16	and in December of 1980 I joined the John H. Hendrix Corpor-
	17	ation as operations manager.
	18	MR. JENNINGS: Are the witness' qualifi-
	19	cations acceptable, Mr. Examiner?
	20	MR. NUTTER: Yes.
	21	Q Mr. Westbrook, are you familiar with
	22	the application which has been filed herein on behalf of
	23	John H. Hendrix Corporation?
an (all the	24	A. Yes, sir.
- and	25	Q Basically what brought about the appli-
	L	

1	5
2	cation?
3	A. Well, basically, the study done by the
4	Commission here on the Langlie Mattix Pool is what brought
5	on the application.
6	Q. What's the general purpose of the ap-
7-	plication? What do you seek by it?
8	A. We seek to extend the vertical limits
9	of the Langl.e Mattix Pool in order for us to retain our
10	Steeler No. 1 Well in the proper pool designation.
11	Q. Would you refer to what has been marked
12	as Exhibit A and identify Exhibit One, excuse me, and
13	identify it and locate your well?
14	A. Okay. Exhibit One is a county map and
15	it shows the John H. Hendrix Steeler lease which is outlined
16	in red, and in yellow is the subject well that we're here
17	to discuss today and that is the Steeler No. 1.
18	And this particular lease is a farmout
19	from ARCO. It only pertains to the rights to the Langlie
20	Mattix and at the time of this farmout the rights were
21	the top of the Langlie Mattix was described was being
22	identified as being at 3350 on a radioactive log of the
23	Resler and Sheldon No. 1 Steeler, located 1980 feet from
24	the south line and 660 feet from the west line of Section 20 ,
25	Township 23 South, Range 37 East. Lea County, New Mexico,

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	1	6
	2	and this is circled in red on this map in Section 20.
· · · · · · · · · · · · · · · · · · ·	3	MR. NUTTER: Okay, now that was the
	4	farmout agreement and ARCO farmed out to Hendrix the Langlie
	5	Mattix up to a depth of 3350.
	6	A. Well, no, not
	7	MR.UNUTTER: In that well.
	8	A. This is one point. I've got two wells
	9	here which
	10	MR. NUTTER: Okay.
	11	A. Okay, that was the first well. And the
	12	second well was the was the depth of 3390 on the radio-
-	13	active log of the Western Natural Gas, now ARCO Steeler No.
	14	located 660 from the south line and from the west line of
	15	Section 19, Township 23 South, Range 37 East, Lea County,
	16	New Mexico.
	17	And using these correlations
	18	MR. NUTTER: That's the other well that
	19	circled in red?
	20	A. Yes, sir, in Section 19. And using
	21	these correlations the top of the Langlie Mattix in the John
	22	H. Hendrix Corporation No. 1 Steeler was picked at 3360 or
	23	a top of Queen of 3460, and these picks were thought to be
	24	consistent with the industry-wide common usage Queen at that
	25	time. And using this pick the Steeler No. 1 would be within

••• 1 ••• -	7
2	the 100 foot as required by the Commission; however, the Oil
3	Conservation Division pick of 3507 for the subject well for
4	the Queen, puts the Steeler No. 1 Well 45 foot into the Jal-
5	mat.
6	MR. NUTTER: Okay, now the OCD pick
7	A. Okay, 35
8	MR. NUTTER: on this well?
9	A. Yes, sir, 3507.
10	MR. NUTTER: 3507, is that the
11	A. Queen.
12	MR. NUTTER: top of the formation or
13	the top of the Queen?
14	A. Top of the Queen, sir.
15	MR. NUTTER: Okay.
16	Q. Basically what do you propose to do
17	what are you asking the Commission to do?
18	A. Okay, I might refer to Exhibit Two, which
19	is the log, the sidewall neutron porosity log, and this log
20	shows the perforations on the well. It shows the Queen pick
21	by the OCD and the 100 foot extension which would give you
22	the top of the Langlie Mattix and the green line shows the
23	45 foot vertical extension that is needed to retain the sub-
24	ject well in the Langlie Mattix Pool.
25	Q. Mr. Westbrook, is Atlantic aware of what
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1 you propose? 2 Yes, sir. A. 3 Have they voiced any objection? Q. 4 No, sir. A. 5 When was this well drilled? Q. 6 1974. A. 7 What is the production from the well at Q. 8 this time? 9 Between two and three barrels a day, Ā. 10 oil production, and has a gas/oil ratio of approximately 11 1500 -- 15,000, excuse me, cubic feet per barrel. It is --12 Go ahead. Q. 13 It is nearing its economic limit and A. 14 to squeeze off the perforations would not be economically **15** feasible. 16 Mr. Westbrook, I believe you testified Q. 17 about the rights which you were assigned by Atlantic, I 18 believe -- or is it true that you were assigned the oil and 19 casinghead rights from the top of the Langlie Mattix zone 20 of the Seven Rivers down to 3800 feet? 21 Yes, sir. A. 22 Mr. Westbrook, do you believe that the Q. 23 granting of this application will be in the interest of 24 conservation and prevent waste? 25

1	9
2	A. Yes, sir, I do.
3	Q. How long do you think that it will be
4	economically feasible to continue to produce this well?
5	A. I'd say another year to year and a half.
- 6	Q. Was Exhibit Number One prepared by you?
7	A. Yes, sir.
8	Q. And I believe Number Exhibit Number
9	Two is a copy of a well log prepared by Schlumberger.
10	A. Yes, sir.
11	MR. JENNINGS: We would offer Exhibits
12	Numbers One and Two.
13	Q. Do you have anything further that you
14	wish to offer?
15	A. No, sir.
16	MR. NUTTER: Did you offer your exhibits?
17	MR. JENNINGS: Yes.
18	MR. NUTTER: Exhibits One and Two will
19	be admitted in this case.
20	
21	CROSS EXAMINATION
22	BY MR. NUTTER:
23	Q. Mr. Westbrook, now review for me what
24	those picks on those two circled in red wells were. That
25	was the top of the Langlie Mattix for farmout purpose, right?

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10 ĩ Yes, sir. 2 A. Okay, the No. 1 in Section 20 again, 3 Q. what was that? 4 Okay, 3390. A. 5 3390, and the one in -- No. 4 over in Q. 6 Section 19? 7 3350. 8 3350, and the correlative top on this 9 Q. Steeler No. -- what is it, Steeler 1? 10 Yes, sir. 11 A, Okay, the correlative top then on the Q. 12 Steeler 1 is what? 13 It would be 3360. A. 14 3360. Okay. Then your OCD top of the 15 Q. Queen was at 3507, so the top of the pool would be 3407, is 16 that correct? 17 That's right, sir, yes, sir. 18 A. And you have perforated from 3262 --19 Q. 3362 in this well. 20 Yes, sir, that's correct. 21 A. So your perforations are actually two 22 Q. feet below the top of the farmout. 23 Yes, sir. A. 24 So you're safe as far as ARCO is concerned? Q. 25

1		11
2	A.	Yes, sir.
3	Q.	You're two feet inside of your farmout.
4	But you're 45 feet i	nto the pool as far as the John Runyan
5	top was concerned.	
6	Α.	Yes, sir, that's correct.
7		MR. NUTTER: Are there any further ques-
8	tions of Mr. Westbro	ok?
9		MR. JENNINGS: If I might, one more.
10		MR. NUTTER: Yes.
11		MR. JENNINGS: Question.
12		
13		REDIRECT EXAMINATION
14	BY MR. JENNINGS:	
15	Q.	Mr. Mestbrook, are you familiar with the
16	overriding royalty t	hat's owned by ARCO in this farmout to
17	you?	
18	A.	Yes, sir.
19	Q.	What is it?
20	A.	30 percent.
21	Q.	That's all.
22		MR. NUTTER: Are there any further ques-
23	tions of the witness	? He máý be excused.
24		Do you have anything further, Mr.
25	Jennings?	

	r			
	1	·	12	
	2	MR. JENNINGS: No, sir, that'	s all.	
	3	MR. NUTTER: Does anyone have	anything	
	4	they wish to offer in Case Number 7149?		
•	5	MR. KILPATRIC: Yes, Mr. Exam	niner.	
	6	My name is Gary Kilpatric wit	th Montgomery	7
	7	and Andrews here in Santa Fe, representing ARCO.	, ,	
	8	And I just want to say that a	due to the	
	9	marginal nature of this well we don't have any ob	jection to	
	10	this particular application; however, this does n	ot change	
	11	the position we've raised in other cases here in	general	
	12	opposition to that concept.		
0	13	MR. NUTTER: Right.		
	14	MR. KILPATRIC: Thank you.	E	
	15	MR. NUTTER: Does anyone els	se have any-	
	16	thing to offer in the case?		
	17	We'll take the case under ad	lvisement.	1
	18			
	19	(Hearing concluded.)		
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en sen en se	25			

Page CERTIFICATE I, SALLY W. BOYD, C.S.R., DO HEREPY 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. Salley W. Boyd C.S.R. SALLY W. BOYD, C.S.R. kt. 1 Box 193-B sunta Fc. New Mickico 87501 Photic (503) 455-7409 12-I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7/49. 2/25 neard by me on_ Examiner Oil Conservation Division

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	2	OIL CON	SERVATION DIVISION		
	3		LAND OFFICE BLDG.		· . 1
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	4	25	February 1981		a sheriya ya ng
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	7	IN THE MATTER OF:	.)		And we are
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	8	poration for the e vertical limits of		CASE 7149	and the second
	9		County, New Mexico.)		
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	UI	DEBODE. Daniel C. Watter	ann an Dù ⊾ ann an Dù air an Chù air an a' si a' an Chù ann Chù an An Ann ann		
		BEFORE: Daniel S. Nutter			
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		APPE	ARANCES		-
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	16				
	17	For the Oil Conservation	Ernest L. Padill		
		Division:	Legal Counsel to State Land Offic		
	18		Santa Fe, New Me		
	19				
	20				
	20	For the Applicant:	James T. Jenning Roswell, New Mex		
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2	MR. NUTTER: Call next Case Number 7149.
3	MR. PADILLA: Application of John H.
4	Hendrix Corporation for the extension of Vertical limits of
5	the Langlie Mattix Pool, Lea County, New Mexico.
6	MR. JENNINGS: I'm James T. Jennings,
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8	applicant, and we will have one witness, Mr. Ron Westbrook,
. 9,-	and we have some exhibits and I they're in front of you.
10	
11	(Witness sworn.)
12	
13	RONNIE H. WESTBROOK
14	being called as a witness and being duly sworn upon his oath,
15	testified as follows, to-wit
16	
17	DIRECT EXAMINATION
18	BY MR. JENNINGS:
19	Q. Would you please state your name, address.
20	and place of current occupation?
21	A. My name is Ronnie H. Westbrook. I'm
22	presently operations manager for John H. Hendrix Corporation
23	in Midland, Texas.
24	Q Mr. Westbrook, have you ever testified
25	before this body before?

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2	h. No, sir.
3	Q Have you on many occasions testif:
4	before the Texas Railroad Commission?
5	A. Yes, sir.
6	Q Would you state your educational a
7	work experience, please?
8	A. I have a BS degree from the New Me
9	Institute of Mining and Technology in petroleum engined
10) in June of 1962. Upon graduation I was employed by Cor
11	Oil Company for fifteen in drilling, production, and re
12	engineering.
13	At the time I left Conoco I was a
14	vising engineer. At that time, in May of 1977, I went
15	work for Mabee Petroleum Corp. as a drilling superinter
16	and in December of 1980 I joined the John H. Hendrix Co
17	ation as operations manager.
18	MR. JENNINGS Are the witness' qu
19	cations acceptable, Mr. Examiner?
20	MR. NUTTER: Yes.
21	1 Q. Mr. Westbrook, are you familiar wi
22	2 the application which has been filed herein on behalf of
23	John H. Hendrix Corporation?
24	4 λ. Yes, sir.
25	5 <u>0.</u> Easically what brought about the a

	1	5
	2	cation?
	3	A. Well, basically, the study done by the
	4	Commission here on the Langlië Mattix Fool is what brought
7	5	on the application.
÷ -	6	Q. What's the general purpose of the ap-
	7	plication? What do you seek by it?
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	9	of the Langlie Mattix Pool in order for us to retain our
1	10	Steeler No. 1 Well in the proper pool designation.
• 1	1	0. Would you refer to what has been marked
1	12	as Exhibit A and identify Exhibit One, excuse me, and
1	13	identify it and locate your well?
1	14	A. Okay. Exhibit One is a county map and
1	15	it shows the John H. Hendrix Steeler lease which is outlined
1	16	in red, and in yellow is the subject well that we're here
. 1	17	to discuss today and that is the Steeler No. 1.
1	18	And this particular lease is a farmout
1	19	from ARCO. It only pertains to the rights to the Langlie
2	20	Mattix and at the time of this farmout the rights were
2	21	the top of the Langlie Mattix was described was being
2	22	identified as being at 3350 on a radioactive log of the
	23	Resler and Sheldon No. 1 Steeler, located 1980 feet from
2	24	the south line and 660 feet from the west line of Section 20,
2	25	Township 23 South, Range 37 East. Lea County, New Mexico,

and the second		
	1	6
ł	2	and this is circled in red on this map in Section 20.
· · · · · · · · · · · · · · · · · · ·	3	MR. NUTTER: Okay, now that was the
	4	farmout agreement and ARCO farmed out to Hendrix the Langlie
	5	Mattix up to a depth of 3350.
	6	A. Well, no, not
	7	MR. NUTTER: In that well.
		A This is one point. I've got two wells
	9	here which
	10	MR. NUTTER: Okay.
	11	A. Okay, that was the first well. And the
	12	second well was the was the depth of 3390 on the radio-
)	13	active log of the Western Natural Gas, now ARCO Steeler No. 4
	14	located 660 from the south line and from the west line of
	15	Section 19, Township 23 South, Range 37 East, Lea County,
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· · · · · · · · · · · · · · · · · · ·	18	MR. NUTTER: That's the other well that'
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é ¹	20	A. Yes, sir, in Section 19. And using
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	22	H. Hendrix Corporation No. 1 Steeler was picked at 3360 or
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	25	time. And using this pick the Steeler No. 1 would be within

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2	the 100 foot as required by the Commission; however, the Oil
3	Conservation Division pick of 3507 for the subject well for
- 4	the Queen, puts the Stecler No. 1 Well 45 foot into the Jal-
5	mat.
6	MR NUMPER: Okay, now the OCD pick
7	A. Okay, 35
8	MR. NUTTER: on this well?
9.	A. Yes, sir, 3507.
10	MR. NUTTER: 3507, is that the
11	A. Queen.
12	MR. NUTTER: top of the formation or
13	the top of the Queen?
14	A. Top of the Queen, sir.
15	MR. NUTTER: Okay.
16	0. Basically what do you propose to do
17	what are you asking the Commission to do?
18	N Okay, I might refer to Exhibit Two, which
19	is the log, the sidewall neutron porosity log, and this log
20	shows the perforations on the well. It shows the Queen pick
21	by the OCD and the 100 foot extension which would give you
22	the top of the Langlic Mattix and the green line shows the
23	45 foot vertical extension that is needed to retain the sub-
24	ject well in the Langlie Mattix Pool.
25	Q. Mr. Westbrook, is Atlantic aware of what

1	8
	you propose?
3	A. Yes, sir.
4	0. Have they voiced any objection?
5	A. NC, sir.
6	Q When was this well drilled?
Ť	λ. 1974.
8	What is the production from the well at
9	this time?
10	A. Between two and three barrels a day,
11	oil production, and has a gas/oil ratio of approximately
12	1500 15,000, excuse me, cubic feet per barrel. It is
. 13	Q. Go ahead.
14	A. It is nearing its economic limit and
15	to squeeze off the perforations would not be economically
16	feasible.
17	0 Mr. Westbrook, I believe you testified
18	about the rights which you were assigned by Atlantic. I
19	believe or is it true that you were assigned the oil and
20	casinghead rights from the top of the Langlie Mattix zone
21	of the Seven Rivers down to 3800 feet?
22	A. Yes, sir.
23	Q. Mr. Westbrook, do you believe that the
24	granting of this application will be in the interest of
25	conservation and prevent waste?

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1		9
2	λ.	Yes, sir, I do.
3	Ç.	How long do you think that it will be
4	economically feasibl	e to continue to produce this well?
5	λ.	I'd say another year to year and a half.
6	Q	Was Exhibit Number One prepared by you?
· 7		Yes, sir,
8	Q	And I believe Number Exhibit Number
9	Two is a copy of a w	ell log prepared by Schlumberger.
10	δ.	Yes, sir.
11		MR. JENNINGS: We would offer Exhibits
12	Numbers One and Two.	
13	Q.	Do you have anything further that you
14	wish to offer?	
15	А.	No, sir.
16		MR. NUTTER: Did you offer your exhibits?
17		MR. JENNINGS: Yes.
18		MR. NUTTER: Exhibits One and Two will
19	be admitted in this	case.
20		
21		CROSS EXAMINATION
22	BY MR. NUTTER:	
23	Ω.	Mr. Westbrook, now review for me what
24	those picks on those	e two circled in red wells were. That
25	was the top of the 1	Langlie Mattix for farmout purpose, right?
		

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1 Yes, sir. λ. 2 Okay, the No. 1 in Section 20 again, Q. 3 what was that? 4 Okay, 3390. λ. 5. 3390, and the one in -- No. 4 over in Q. 6 Section 19? 7 33.50 â. 8 3350, and the correlative top on this Q. 9 Steeler No. -- what is it, Steeler 1? 10 Yes, sir. A. 11 Ckay, the correlative top then on the Q. 12 Steeler 1 is what? 13 It would be 3360. A. 14 3360. Okay. Then your OCD top of the Q. 15 Queen was at 3507, so the top of the pool would be 3407, is 16 that correct? 17 That's right, sir, yes, sir. Α. 18 And you have perforated from 3262 --ğ 19 3362 in this well. 20 Yes, sir, that's correct. Α. 21 So your perforations are actually two 0. 22 feet below the top of the farmout. 23 Yes, sir. A. 24 So you're safe as far as ARCO is concerned? Q. 25

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-	· · · · · · · · · · · · · · · · · · ·	Yes, sir,	1. - 1 . 1. 1 1 1 1 1 1 1
3	<u>Q</u>	You're two feet inside of your	farmout.
4	But you're 45 feet i	nto the pool as far as the John	Runyan
5	top was concerned.		
6	A	Yes, sir, that's correct.	
7		MR. NUTTER: Are there any furt	her ques-
0 G	tions of Mr. Westbro	ok?	
9		MR. JENNINGS: If I might, one	more.
10		MR. NUTTER: Yes.	
11		MR. JENNINGS: Question.	
12		MA. OFAMIMOR. QUESCION.	
			<i>c</i>
13	-	REDIRECT EXAMINATION	
14	BY MR. JENNINGS:		
15	Q	Mr. Westbrook, are you familiar	with the
16	overriding royalty t	hat's owned by ARCO in this farm	out to
17	you?		
18	А.	Yes, sir.	
19	Q	What is it?	
20	A.	30 percent.	
21	Q	That's all.	
22		MR. NUTTER: Are there any furt	ber ques-
23	tions of the silvers		acta data
23	LIONS OF THE WITNESS	? He may be excused.	
		Do you have anything further, M	ir.
25	Jennings?		

	1	12
$\widehat{}$	2	MR. JENNINGS: No, sir, that's all.
	3	MR. NUTTER: Does anyone have anything
	4	they wish to offer in Case Number 7149?
	5	MR. KILPATRIC: Yes, Mr. Examiner.
	6	My name is Gary Kilpatric with Montgomer
	7	and Andrews here in Santa Fe, representing ARCO.
	8	And I just want to say that due to the
	9	marginal nature of this well we don't have any objection to
	10	this particular application; however, this does not change
	11	the position we've raised in other cases here in general
	12	opposition to that concept.
$\mathbf{i} \in \mathbf{A}$	13	MR. NUTTER: Right.
	14	MR. KILPATRIC: Thank you.
	15	MR. NUTTER: Does anyone else have any-
	16	thing to offer in the case?
en e	17	We'll take the case under advisement.
	18	
n - Angelander Henrichten - Angelander Henrichten - Angelander	19	(Hearing concluded.)
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	2	CERTIFICATE
	3	
	4	I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that
	5	the foregoing Transcript of Hearing before the Oil Conserva-
	5	tion Division was reported by me; that the said transcript
	7	is a full, true, and correct record of the hearing, prepared
-	8	by me to the best of my ability.
	9	
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Y W. BOYD N. 1 Boy 193-1 Ia Fe, New Merico Phone (505) 455-7	12	
SALLY W. BOYD kt. 1 Box 193. Sunta Fe, New Mexic Phone (503) 455-7	13	
SAL	14	I do hereby certily that the foregoing is
	15	a complete record of the proceedings in the Examiner hearing of Case No. 71119.
	.16	heard by me on 7/25 19.81.
		Oll Conservation Division
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	2 2 3 3 ENERGY A 0IL CO STATE SANT	Pege
	4 5	XAMINER HEARING
	6 IN THE MATTER OF: 7	
	8 poration for an e vertical limits of	ohn H. Hendrix Cor-) extension of the) CASE of the Langlie) 7149 County, New Mexico.))
	10BEFORE: Richard L. Stamets	S
0	12 TRANSC	CRIPT OF HEARING
	14 APP 15	EARANCES
	<pre>18 For the Cil Conservation 17 Division: 18</pre>	Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501
	19	
	20 For the Applicant:	
	21 22	
	23 24	
	25	
•		•••

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1	2
2	MR. STAMETS: We'll call next Case 7149
3	application of John H. Hendrix Corporation for the extension
4	of vertical limits of the Langlie Mattix Pool, Lea County
5	New Mexico.
6	And this case will also be continued to
7	the February 25th Examiner Hearing at the request of the
8	
9	applicant.
10	
11	(Hearing concluded.)
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SALLY W. BOYD, C.S.R. ki. 1 Box 193-B Sunta Fe, New Mexico 87501 Phone (505) 455-7409 I, SALLY W. BOYD, C.S.R., DO HEREPY 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.

that the threaten is I do hererates dissis in 7149 a coabl of C350 the localities a. fe 500 Tame, Examiner Oil Conservation Division

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		1 2 3 4	ENERGY AND OIL CONSE STATE LA SANTA F 11 Fe	OF NEW MEXICO MINERALS DEPARTMENT RVATION DIVISION ND OFFICE BLDG. E, NEW MEXICO Ebruary 1981 CNER HEARING			
	á.	5					
	• •	6 7 8 9	IN THE MATTER OF: Application of John X. Hendrix Cor-) poration for an extension of the) vertical limits of the Langlie) Mattix Pool, Lea County, New Mexico.))				
		10	BEFORE: Richard L. Stamets				
	$\overline{\mathbf{O}}$	11 12		PT OF HEARING	ž v		
		13					
		14 15	АРРЕ	ARANCES			
	•	16 17 18	For the Oil Conservation Division:	Ernest L. Padill Legal Counsel to State Land Offic Santa Fe, New Me	the Division e Bidg.		
		19 20 21	For the Applicant:				
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2			MR. STA	METS:	We'll	call ne	xt Case 7	149					
3	application of John H. Hendrix Corporation for the extension												
4	of vertical limits of the Langlie Mattix Pool, Lea County New Mexico.												
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6	New MEXICO.												
7	And this case will also be continued to the February 25th Examiner Hearing at the request of the												
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9	applicant.		.				-						
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CERTIFICATE

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SALLY W. BOYIJ, C.S.R Rt. 1 Box 193-13 Santa Fe, New Mexico 87501 Phone (503) 455-7409 I, SALLY W. BOYD, C.S.R., DO HEREPY 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.

Oil Conservation Division

Dockets Nos. 8-81 and 9-81 are tentatively set for March 11 and 25, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 25, 1981

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 7157: Application of Carl A. Schellinger for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Campbell Station Unit Area, comprising 3,841 acres, more or less, of State lands in Townships 8 and 9 South, Range 27 East.
- Application of Grynberg & Associates for a unit agreement, Chaves County, New Mexico. CASE 7158: Applicant, in the above-styled cause, seeks approval for the Silman Lake Unit Area, comprising 13,743 acres, more or less, of State and fee lands in Townships 9 and 10 South, Ranges 26 and 27 East.
- CASE_7159: _Application of Consolidated Oil & Gas, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Greenhorn and Dakota production in the wellbore of its Navajo Well No. 2-E located in Unit C of Section 11, Township 25 North, Range 10 West.
- Application of Marlan Drilling Company for an unorthodox gas well location, San Juan County, New CASE 7160: Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2370 feet from the North line and 1528 feet from the Nest line of Section 31, Township 29 North, Range 11 West, Fulcher Kutz-Pictured Cliffs Pool, the NW/4 of said Section 31 to be dedicated to the well.
- CASE 7148: (Continued from February 11, 1981, Examiner Hearing)
 - Application of Twin Montana Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre Vada-Pennsylvanian oil proration unit comprising the S/2 NE/4 of Section 3, Township 9 South, Range 35 East, to be dedicated to its Webb Federal Well No. 1 located in Unit G of said Section 3.
- CASE 7051: (Continued from January 28, 1981, Examiner Hearing)

Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.

CASE 7140: (Continued from February 11, 1981, Examiner Hearing)

Application of Vates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. 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 7149:

(Continued from February 11, 1981, Examiner Hearing)

Application of John H. Hendrix Corporation for the extension of the 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 3362 feet, subsurface, underlying Unit 0 of Section 19, Township 23 South, Range 37 East.

CASE 7161: Application of John Yuronka for four compulsory poolings, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the four 40-acre proration units comprising the SW/4 of Section 31, Township 22 South, Range 37 East, to be dedicated to wells to be drilled at standard locations thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

Page 2 of 3 Examiner Hearing - Wednesday - February 25, 1981

Docket No. 7-81

CASE 7162: Application of McCulloch Oil & Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the McKec formation underlying the E/2 of Section 25, 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 7163: Application of ARCO Oil and Gas Company for the extension of the 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 by 165 feet underlying the NE/4 SE/4 of Section 35, Township 23 South, Range 36 East.

CASE 7164: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant. in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Ellenburger formations, Custer Field, underlying the N/2 of Section 6, Township 25 South, Range 37 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 7165: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langley-Ellenburger Pool underlying the N/2 of Section 33, Township 22 South, Range 36 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 7166: Application of Inexco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Chosa Draw Unit Area, comprising 2,560 acres, more or less, of Federal and State lands in Townships 25 and 26 South, Range 25 East.
- CASE 7167: Application of Inexco Oil Company for a unit agreement, Chaves County, New Nexico. Applicant, in the above-styled cause, seeks approval for the Nade Well Anticline Unit Area, comprising 39,238 acres, more or less, of State, Federal, and fee lands in Townships 12, 13, and 14 South, Ranges 21 and 22 East.
- CASE 7168: Application of Cavalcade Oil Corporation for an exception to Order No. R-3221, Eddy County, New Nexico. Applicant, in the above-styled cause, sceks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit K or L of Section 33, Township 18 South, Range 30 East.
- CASE 7129: (Continued from February 11, 1981, Examiner Hearing)

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 7169: 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 S/2 of Section 22, 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 7170: Application of Threshold Development Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its Conoco 10A State Well No. 1Y in Unit F of Section 10, Township 19 South, Range 29 East. Page 3 of 3

Examiner Hearing - Wednesday - February 25, 1981

Docket No. 7-81

- CASE 7171: Application of Zia Energy Inc. for a non-standard gas proration unit, Lea County, New Mexico, Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit in the Eugant Gas Pool comprising the SW/4 SE/4 of Section 27, and the N/2 NE/4 of Section 34, Township 20 South, Range 36 East, to be dedicated to its Elliott "A" State Well No. 1 located 660 feet from the South line and 1980 feet from the East line of said Section 27.
- CASE 7172: Application of Caulkins Oil Company for two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicane, in the above-styled conse, seeks approval for the unorthodox location of the following two wells on its Breech A Lease to be recompleted in the Chacra, Nesaverde, and Dakota formations: No. 157 located 1980 feet from the North line and 660 feet from the West line of Section 10 and No. 629 located 660 feet from the North line and 760 feet from the West line of Section 9, both in Township 26 North, Range 6 West.
- CASE 7173: Application of V-F Petroleum Inc. for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 330 feet from the North line and 1150 feet from the East line of Section 5, Township 16 South, Range 38 East, South Denton-Devonian Pool, the NE/4 NE/4 of said Section 5 to be dedicated to the well.
- CASE 7174: Application of Jake L. Hamon for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South and West lines of Section 36, Township 23 South, Range 26 East, South Carlsbad-Morrow Gas Pool, the S/2 of said Section 36 to be decicated to the well.

CASE 7175: Applica Applica

Application of Conoco Inc. for compulsory pooling and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Ellenburger formations underlying the S/2 of Section 19, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location and dually completed in the Devonian and Ellenburger formations. 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. JAMES T. JENNINGS SIM B. CHRISTY IV DEAN G. CONSTANTINE

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LAW OFFICES OF **JENNINGS & CHRISTY** 1012 SECURITY NATIONAL BANK BUILDING P. O. BOX 1181 ROSWELL, NEW MEXICO 38201

TELEPHONE 622-8432 AREA CODE 505

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TICH DIVISION 117

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

> Case 7149 Re: Application of John H. Hendrix Corporation

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SALTA TE

Gentlemen:

We have your notification of Examiner Hearing on the captioned set for Wednesday, February 11, 1981.

Either Mr. Jennings or I will be handling it for the applicant, and both of us have a conflict of trial settings; it would therefore be appreciated if you would pass the case to the February 25, 1981 docket.

Your advice is appreciated.

Respectfully,

JENNINGS & CHRISTY

By

SBC:pv

cc: John H. Hendrix Corporation

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Dockets Nos. 7-81 and 8-81 are tentatively set for February 25 and March 11, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 11, 1981

9 A.K. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for March, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

- (2) Consideration of the allowable production of gas for March, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1981, for both of the above areas.

CASE 7146: Application of Amoco Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Perro Grande Unit Area. comprising 3524 acres, more or less, of State and Federal lands in Townships 25 and 26 South, Range 35 East.

CASE 7135: (Continued and Readvertised)

Application of Celeste C. Grynberg for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the South Cottonwood Draw Unit Area, comprising 3,195 acres, more or less, of State lands in Township 16 South, Range 24 East.

CASE 7147: Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1650 fect from the South line and 660 feet from the East line of Section 35, Township 18 South, Range 25 East, the S/2 of said Section 35 to be dedicated to said well and to applicant's "JX" Well No. 2 located in Unit N.

CASE 7140: (Continued from January 28, 1981, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. 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 4063: (Reopened and Readvertised)

In the matter of Case No. 4063 being reopened on the motion of the Oil Conservation Division to consider the abolishment of the special rules and regulations for the Four Mile Draw-Morrow Gas Pool, Eddy County, New Mexico, as promulgated by Order No. R-3698. In the absence of objection said rules will be rescinded.

CASE 7148: Application of Twin Montana Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre Vada-Pennsylvanian oil proration unit comprising the S/2 NE/4 of Section 3, Township 9 South, Range 35 East, to be dedicated to its Webb Federal Well No. 1 located in Unit G of said Section 3.

TASE 7149: Application of John H. Hendrix Corporation for the extension of the vertical limits of the Langlie Hattix 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 3362 feet, subsurface, underlying Unit O of Section 19, Township 23 South, Range 37 East.

CASE 7150: Application of Cavalcade Oil Corporation for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit K or L of Section 32, Township 18 South, Range 30 East.

Page 2 of 3 Examiner Hearing - Hednesday - February 11, 1981

Docket No. 5-81

- CASE 7151: Application of C & E Operators, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying the N/2 of Section 9, Township 30 North, Range 11 West, to be dedicated to a well to be drilled at a standard location in the NE/4 and a well to be drilled at a previously approved unorthodox location in the NW/4 of said Section 9. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.
- CASE 7152: Application of 6 & E Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158,54=acre non-standard gas proration unit comprising the SW/4 of Section 9, Township 30 North, Range 11 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 7153: Application of C & E Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas protation unit comprising the SW/4 of Section 8, Township 30 North, Range 11 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 7129: (Continued from January 28, 1981, Examiner Hearing)

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 thereou. 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 6670: (Continued from January 14, 1981, Examiner Hearing)

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 7154: Application of Mobil Producing Texas and New Mexico, Inc. for designation of a tight formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Mesaverde formation inderlying portions of Toumships 26 and 27 North, Ranges 2 and 3 West. Containing 13,920 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 7134: (Continued and Readvertised)

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 13 to be dedicated to a well to be drilled at an unorthodox location 1315 feet from the North and East lines of the section.

Docket No. 6-81

DOCKET: COMMISSION HEARING - WEDNESDAY - FEBRUARY 18, 1981

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205 STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 7155: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Hexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 35, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7057: (DE NOVO)

Application of Doyle Hartman for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction 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: 3339 feet; and SE/4 SW/4 of Section 20: 3390 feet.

Upon application of ARCO Oil and Gas Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7156:

2: Application of Parabo, Inc. for amendment of Order No. R-5516, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5516 which authorized the disposal of produced salt water in unlined surface pits in Section 29, Township 21 South, Range 38 East. Applicant proposes modification of the Commission's requirements for the number, location, and depths of monitor wells, casing and perforating monitor wells, and a change in maximum depths of water permitted in the pits. JAMES T. JENNINGS SIM B. CHRISTY IV DEAN G. CONSTANTINE

LAW OFFICES OF JENNINGS & CHRISTY (JOIS'SECURITY NATIONAL BANK BUILDING P. O. BOX HBO ROSWELL, NEW MEXICO 88201 \mathcal{O}

January 15, 1981

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TELEPHONE 622-8432 AREA CODE 505

State of New Mexico 📆 Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

OF

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Attention: Joe Ramey, Director

Case 7149

Gentlemen:

We enclose herewith in triplicate Application of John H. Hendrix Corporation for revision of the vertical limits of the Langlie-Mattix Pool as to Unit 0, Section 19, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and would thank the Division in advance to consider publication and setting.

If anything further is required, kindly advise.

Respectfully,

JENNINGS & CHRISTY

SBC/jy Encl.

cc: John H. Hendrix Corporation

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ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF JOHN H. HENDRIX CORPORATION FOR THE REVISION OF THE VERTICAL UPPER LIMITS OF THE LANGLIE-MATTIX POOL AS TO THE SW\2SE\2 (UNIT O) SECTION 19, TOWNSHIP 23 SOUTH, RANGE 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

CASE NO. 7149

APPLICATION

COMES NOW John H. Hendrix Corporation, 525 Midland Tower, Midland, Texas 79701, Operator of the Steeler No. 1 Well located in Unit O of Section 19, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and respectfully would show unto the Division:

1. The Steeler No. 1 Well is located within the Langlie-Mattix Pool, whose vertical limits are from a point 100 fect above the base of the Seven Rivers to the base of the Queen formation.

As presently completed, the Steeler No. 1 Well extends
45 feet into the Jalmat Pool.

3. In order to correctly retain the Steeler No. 1 Well in the Langlie-Mattix Pool, that the vertical limits thereof, as to Unit O, Section 19, Township 23 South, Range 37 East, N.M.P.M., should be revised and changed to a point 145 feet above the base of the Seven Rivers to the base of the Queen formation. WHEREFORE, after notice and hearing Applicant prays that the Division enter its Order changing the vertical limits of the Langlie-Mattix Pool, as to Unit O, Section 19, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico, to a point 145 feet above the base of the Seven Rivers to the base of the Queen formation, and for all proper relief.

Respectfully,

JENNINGS & CHRISTY

By Christy S. B.

As a Member of the Firm P. O. Box 1180 Roswell, New Mexico 88201 (505) 622-8432

ATTORNEYS FOR THE APPLICANT

CC: John H. Hendrix Corporation

STATE OF NEW MEXICO

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ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

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By S. B. Christy IV

As a Member of the Firm P. O. Box 1180 Roswell, New Mexico 88201 (505) 622-8432

ATTORNEYS FOR THE APPLICANT

CC: John H. Hendrix Corporation

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF JOHN-H. HENDRIX CORPORATION FOR THE REVISION OF THE VERTICAL UPPER LIMITS OF THE LANGLIE-MATTIX POOL AS TO THE SW\2SE\2 (UNIT O) SECTION 19, TOWNSHIP 23 SOUTH, RANGE 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

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As a Member of the Firm P. O. Box 1180 Roswell, New Mexico 88201 (505) 622-8432

ATTORNEYS FOR THE APPLICANT

CC: John H. Hendrix Corporation

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.	7149	
Order No.	6618	

APPLICATION OF JGRN H. HENDRIX CORPORATION FOR EXTENSION OF VERTICAL LIMITS OF THE LANGLIE-MATTIX POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 25 19_81_, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter. NOW, on this______day of ______, 19_81___, the Division Director, having considered the testimony, the record, and the recommendations of the E ______ 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, John H. Hendrix Corporation, seeks the contraction of the vertical limits of the Jalmat Pool and the

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upward extension of the vertical limits of the Langlie-Mattix Hue Subject Subsurface, underlying Unit-O of Section 19, T-23-S, R-37-E, NMPM, Lea County, New Mexico.

(3) That the vertical limits of the Jalmat Pool as defined by Order No. R-520, dated August 12, 1954, include the Tansill and Yates formations and all but the lowermost 100 feet of the Seven Rivers formation.

(4) That the vertical limits of the Langlie-Mattix Pool, as defined by said Order No. R-520, include the lowermost 100 feet of the Seven Rivers formation and all of the Queen formation.

(5) That there has been some disparity among some geologists as to the actual base of the Seven Rivers formation and the top of the Queen formation and hence as to the location of the 100-foot marker separating the Jalmat and Langlie-Mattix Pools.

applicant's Steeler Well No. 1 (6) That as a result of this disparity, the subject wells and certain other wells in the general area which are classified as Langlie-Mattix wells have perforations extending across the aforesaid 100-foot marker in the Seven Rivers formation and into the Jalmat Pool.

(7) That such crossing over from one pool into the other in this case appears to be an unintentional error.

(8) That to rectify the aforesaid error would require workover operations on the subject well# which would be expensive and might endanger the productivity of the subject well#, and would actually serve no beneficial purpose, inasmuch as the production and reservoir characteristics of the perforations immediately above and below the 100-foot marker are quite similar.

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(9) That a reasonable solution to the problem is to adjust the vertical limits of the Langlie-Mattix Pool upward under each of the above-described tract in order to accommodate the present perforations in the lower Seven Rivers formation in the subject well which are actually within the present Jalmat vertical limits.

(10) That such adjustment will prevent waste and should not impair correlative rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That the lowermost vertical limits of the Jalmat Pool underlying the $\underline{SH/4SE/4}$, \underline{Juito} of Section 19, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby contracted to a subsurface depth of feet, 3362 and the uppermost limits of the Langlie-Mattix Pool underlying said tracts are hereby extended upward to the same subsurface depths.

(2) That the effective date of the aforesaid revisional of the vertical limits of said pool shall be the date the John N. Hudrig Steeler Well No. 1

was perforated at 3362 feet.

(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.

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