

CASE NO.

7149

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

March 10, 1981

Mr. James Jennings  
Jennings, Christy & Cople  
Attorneys at Law  
Post Office Box 1180  
Roswell, New Mexico 88201

Re: CASE NO. 7149  
ORDER NO. R-6618

**Applicant:**

John H. Hendrix Corporation

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 GCD            X  
Artesia GCD            X  
Aztec GCD           

Other \_\_\_\_\_

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 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 6th 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 Jalmat 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 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.

(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, NMPM, Lea County, New Mexico, are hereby contracted to a subsurface depth of 3362 feet, and the uppermost limits of the Langlie-Mattix Pool underlying said tract are hereby extended upward to the same subsurface depth.

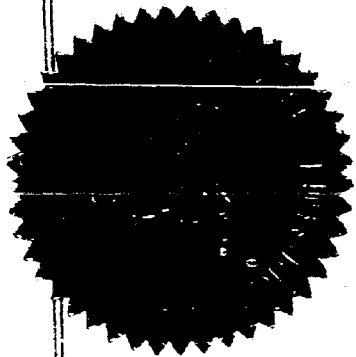
(2) That the effective date of the aforesaid revision of the vertical limits of said pool shall be the date the John H. Hendrix Steeler Well No. 1 was perforated at 3362 feet.

-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 Mexico, on the day and year herein above designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY,  
Director

S E A L

dr/

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

25 February 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of John H. Hendrix Cor-  
poration for the extension of the  
vertical limits of the Langlie  
Mattix Pool, Lea County, New Mexico.

CASE  
7149

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

James T. Jennings, Esq.  
Roswell, New Mexico

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I N D E X

RONNIE H. WESTBROOK

Direct Examination by Mr. Jennings 3

Cross Examination by Mr. Nutter 9

Redirect Examination by Mr. Jennings 11

Statement by Mr. Kilpatric 12

E X H I B I T S

Applicant Exhibit One, Plat 5

Applicant Exhibit Two, Log 7

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 the Langlie Mattix Pool, Lea County, New Mexico.  
5

6 MR. JENNINGS: I'm James T. Jennings,  
7 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 (Witness sworn.)  
11

12 RONNIE H. WESTBROOK  
13 being called as a witness and being duly sworn upon his oath,  
14 testified as follows, to-wit:  
15

16 DIRECT EXAMINATION  
17

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

A. No, sir.

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Q. Have you on many occasions testified before the Texas Railroad Commission?

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A. Yes, sir.

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Q. Would you state your educational and work experience, please?

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A. I have a BS degree from the New Mexico Institute of Mining and Technology in petroleum engineering in June of 1962. Upon graduation I was employed by Continental Oil Company for fifteen in drilling, production, and reservoir engineering.

At the time I left Conoco I was a supervising engineer. At that time, in May of 1977, I went to work for Mahee Petroleum Corp. as a drilling superintendent and in December of 1980 I joined the John H. Hendrix Corporation as operations manager.

MR. JENNINGS: Are the witness' qualifications acceptable, Mr. Examiner?

MR. NUTTER: Yes.

Q. Mr. Westbrook, are you familiar with the application which has been filed herein on behalf of John H. Hendrix Corporation?

A. Yes, sir.

Q. Basically what brought about the appli-

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cation?

A. Well, basically, the study done by the Commission here on the Langlie Mattix Pool is what brought on the application.

Q. What's the general purpose of the application? What do you seek by it?

A. We seek to extend the vertical limits of the Langlie Mattix Pool in order for us to retain our Steeler No. 1 Well in the proper pool designation.

Q. Would you refer to what has been marked as Exhibit A and identify -- Exhibit One, excuse me, and identify it and locate your well?

A. Okay. Exhibit One is a county map and it shows the John H. Hendrix Steeler lease which is outlined in red, and in yellow is the subject well that we're here to discuss today and that is the Steeler No. 1.

And this particular lease is a farmout from ARCO. It only pertains to the rights to the Langlie Mattix and at the time of this farmout the rights were -- the top of the Langlie Mattix was described -- was being identified as being at 3350 on a radioactive log of the Resler and Sheldon No. 1 Steeler, located 1980 feet from the south line and 660 feet from the west line of Section 20, Township 23 South, Range 37 East. Lea County, New Mexico,

1  
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.

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. 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,  
16 New Mexico.

17 And using these correlations --

18 MR. NUTTER: That's the other well that's  
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  
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

1  
2 you propose?

3 A. Yes, sir.

4 Q. Have they voiced any objection?

5 A. No, sir.

6 Q. When was this well drilled?

7 A. 1974.

8 Q. 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 Q. 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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A. Yes, sir, I do.

Q. How long do you think that it will be economically feasible to continue to produce this well?

A. I'd say another year to year and a half.

Q. Was Exhibit Number One prepared by you?

A. Yes, sir.

Q. And I believe Number -- Exhibit Number Two is a copy of a well log prepared by Schlumberger.

A. Yes, sir.

MR. JENNINGS: We would offer Exhibits Numbers One and Two.

Q. Do you have anything further that you wish to offer?

A. No, sir.

MR. NUTTER: Did you offer your exhibits?

MR. JENNINGS: Yes.

MR. NUTTER: Exhibits One and Two will be admitted in this case.

CROSS EXAMINATION

BY MR. NUTTER:

Q. Mr. Westbrook, now review for me what those picks on those two circled in red wells were. That was the top of the Langlie Mattix for farmout purpose, right?

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A. Yes, sir.

Q. Okay, the No. 1 in Section 20 again,  
what was that?

A. Okay, 3390.

Q. 3390, and the one in -- No. 4 over in  
Section 19?

A. 3350.

Q. 3350, and the correlative top on this  
Steeler No. -- what is it, Steeler 1?

A. Yes, sir.

Q. Okay, the correlative top then on the  
Steeler 1 is what?

A. It would be 3360.

Q. 3360. Okay. Then your OCD top of the  
Queen was at 3507, so the top of the pool would be 3407, is  
that correct?

A. That's right, sir, yes, sir.

Q. And you have perforated from 3262 --  
3362 in this well.

A. Yes, sir, that's correct.

Q. So your perforations are actually two  
feet below the top of the farmout.

A. Yes, sir.

Q. So you're safe as far as ARCO is concerned?

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A. Yes, sir.

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Q. You're two feet inside of your farmout.

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But you're 45 feet into the pool as far as the John Runyan

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top was concerned.

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A. Yes, sir, that's correct.

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MR. NUTTER: Are there any further ques-

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tions of Mr. Westbrook?

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MR. JENNINGS: If I might, one more.

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MR. NUTTER: Yes.

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MR. JENNINGS: Question.

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REDIRECT EXAMINATION

14

BY MR. JENNINGS:

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Q. Mr. Westbrook, are you familiar with the

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overriding royalty that's owned by ARCO in this farmout to

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you?

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A. Yes, sir.

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Q. What is it?

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A. 30 percent.

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Q. That's all.

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MR. NUTTER: Are there any further ques-

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tions of the witness? He may be excused.

24

Do you have anything further, Mr.

25

Jennings?



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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 Montgomery  
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.

13 MR. NUTTER: Right.

14 MR. KILPATRIC: Thank you.

15 MR. NUTTER: Does anyone else have any-  
16 thing to offer in the case?

17 We'll take the case under advisement.

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19 (Hearing concluded.)  
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion Division was reported by me; that the said transcript  
is a full, true, and correct record of the hearing, prepared  
by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7149,  
heard by me on 2/25 1981.

[Signature], Examiner  
Oil Conservation Division

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

25 February 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of John H. Hendrix Cor-  
poration for the extension of the  
vertical limits of the Langlie  
Mattix Pool, Lea County, New Mexico.

CASE  
7149

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
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Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
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For the Applicant:

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I N D E X

RONNIE H. WESTBROOK

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E X H I B I T S

Applicant Exhibit One, Plat 5

Applicant Exhibit Two, Log 7

MR. NUTTER: Call next Case Number 7149.

MR. PADILLA: Application of John H. Hendrix Corporation for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico.

MR. JENNINGS: I'm James T. Jennings, Jennings and Christy, Roswell, appearing on behalf of the applicant, and we will have one witness, Mr. Ron Westbrook, and we have some exhibits and I -- they're in front of you.

(Witness sworn.)

RONNIE H. WESTBROOK

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

DIRECT EXAMINATION

BY MR. JENNINGS:

Q Would you please state your name, address and place of current occupation?

A My name is Ronnie H. Westbrook. I'm presently operations manager for John H. Hendrix Corporation in Midland, Texas.

Q Mr. Westbrook, have you ever testified before this body before?

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2

A. No, sir.

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Q Have you on many occasions testified  
before the Texas Railroad Commission?

5

A. Yes, sir.

6

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Q Would you state your educational and  
work experience, please?

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A. I have a BS degree from the New Mexico  
Institute of Mining and Technology in petroleum engineering  
in June of 1962. Upon graduation I was employed by Continental  
Oil Company for fifteen in drilling, production, and reservoir  
engineering.

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At the time I left Conoco I was a super-  
vising engineer. At that time, in May of 1977, I went to  
work for Mabee Petroleum Corp. as a drilling superintendent  
and in December of 1980 I joined the John H. Hendrix Corpor-  
ation as operations manager.

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MR. JENNINGS: Are the witness' qualifi-  
cations acceptable, Mr. Examiner?

20

MR. NUTTER: Yes.

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22

23

Q Mr. Westbrook, are you familiar with  
the application which has been filed herein on behalf of  
John H. Hendrix Corporation?

24

A. Yes, sir.

25

Q Basically what brought about the appli-

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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 Langlie 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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and this is circled in red on this map in Section 20.

MR. NUTTER: Okay, now that was the farmout agreement and ARCO farmed out to Hendrix the Langlie Mattix up to a depth of 3350.

A. Well, no, not --

MR. NUTTER: In that well.

A. This is one point. I've got two wells here which --

MR. NUTTER: Okay.

A. Okay, that was the first well. And the second well was the -- was the depth of 3390 on the radio-active log of the Western Natural Gas, now ARCO Steeler No. 4 located 660 from the south line and from the west line of Section 19, Township 23 South, Range 37 East, Lea County, New Mexico.

And using these correlations --

MR. NUTTER: That's the other well that's circled in red?

A. Yes, sir, in Section 19. And using these correlations the top of the Langlie Mattix in the John H. Hendrix Corporation No. 1 Steeler was picked at 3360 or a top of Queen of 3460, and these picks were thought to be consistent with the industry-wide common usage Queen at that 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 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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you propose?

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A. Yes, sir.

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Q. Have they voiced any objection?

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A. No, sir.

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Q. When was this well drilled?

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A. 1974.

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Q. What is the production from the well at

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this time?

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A. Between two and three barrels a day,

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oil production, and has a gas/oil ratio of approximately

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1500 -- 15,000, excuse me, cubic feet per barrel. It is --

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Q. Go ahead.

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A. It is nearing its economic limit and

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to squeeze off the perforations would not be economically

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feasible.

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Q. Mr. Westbrook, I believe you testified

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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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A. Yes, sir, I do.

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4

Q. How long do you think that it will be 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

9

Q. And I believe Number -- Exhibit Number Two is a copy of a well log prepared by Schlumberger.

10

A. Yes, sir.

11

12

MR. JENNINGS: We would offer Exhibits Numbers One and Two.

13

14

Q. Do you have anything further that you wish to offer?

15

A. No, sir.

16

MR. NUTTER: Did you offer your exhibits?

17

MR. JENNINGS: Yes.

18

19

MR. NUTTER: Exhibits One and Two will be admitted in this case.

20

21

#### CROSS EXAMINATION

22

BY MR. NUTTER:

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25

Q. Mr. Westbrook, now review for me what those picks on those two circled in red wells were. That was the top of the Langlie Mattix for farmout purpose, right?

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A. Yes, sir.

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3

Q

Okay, the No. 1 in Section 20 again,

4

what was that?

5

A.

Okay, 3390.

6

Q

3390, and the one in -- No. 4 over in

7

Section 19?

8

A.

3350.

9

Q

3350, and the correlative top on this

10

Steeler No. -- what is it, Steeler 1?

11

A.

Yes, sir.

12

Q

Okay, the correlative top then on the

13

Steeler 1 is what?

14

A.

It would be 3360.

15

Q

3360. Okay. Then your OCD top of the

16

Queen was at 3507, so the top of the pool would be 3407, is

17

that correct?

18

A.

That's right, sir, yes, sir.

19

Q

And you have perforated from 3262 --

20

3362 in this well.

21

A.

Yes, sir, that's correct.

22

Q

So your perforations are actually two

23

feet below the top of the farmout.

24

A.

Yes, sir.

25

Q

So you're safe as far as ARCO is concerned?

1

2

A. Yes, sir.

3

Q You're two feet inside of your farmout.

4

But you're 45 feet into the pool as far as the John Runyan top was concerned.

5

6

A. Yes, sir, that's correct.

7

8

MR. NUTTER: Are there any further questions of Mr. Westbrook?

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. Westbrook, are you familiar with the overriding royalty that's owned by ARCO in this farmout to you?

16

17

18

A. Yes, sir.

19

Q What is it?

20

A. 30 percent.

21

Q That's all.

22

23

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

24

25

Do you have anything further, Mr. Jennings?

1  
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 Montgomery  
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.

13 MR. NUTTER: Right.

14 MR. KILPATRIC: Thank you.

15 MR. NUTTER: Does anyone else have any-  
16 thing to offer in the case?

17 We'll take the case under advisement.

18  
19 (Hearing concluded.)  
20  
21  
22  
23  
24  
25

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion Division was reported by me; that the said transcript  
is a full, true, and correct record of the hearing, prepared  
by me to the best of my ability.

SALLY W. BOYD, C.S.R.

Kr. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7149  
heard by me on 2/25 1981.

[Signature], Examiner  
Oil Conservation Division

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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
11 February 1981

EXAMINER HEARING

-----  
IN THE MATTER OF: )  
 )  
 )  
Application of John M. Hendrix Cor- )  
poration for an extension of the )  
vertical limits of the Langlie )  
Mattix Pool, Lea County, New Mexico.)  
 )  
-----

CASE  
7149

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Ernest L. Padilla, Esq.
Division:	Legal Counsel to the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87501

For the Applicant:



1  
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

7 And this case will also be continued to  
8 the February 25th Examiner Hearing at the request of the  
9 applicant.  
10

11 (Hearing concluded.)  
12  
13  
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C E R T I F I C A T E

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.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is  
a complete and correct transcript of the hearing in  
the above-captioned case No. 7149,  
heard by me on 2-11 1981.  
Richard L. Stant, Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
11 February 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of John W. Hendrix Cor-  
poration for an extension of the  
vertical limits of the Langlie  
Mattix Pool, Lea County, New Mexico.)

CASE  
7149

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

MR. STAMETS: We'll call next Case 7149,  
application of John H. Hendrix Corporation for the extension  
of vertical limits of the Langlie Mattix Pool, Lea County  
New Mexico.

And this case will also be continued to  
the February 25th Examiner Hearing at the request of the  
applicant.

(Hearing concluded.)

C E R T I F I C A T E

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.

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner's hearing of Case No. \_\_\_\_\_  
heard by me on \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_, Examiner  
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.

CASE 7158: Application of Grynberg & Associates for a unit agreement, Chaves County, New Mexico. 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.

CASE 7160: Application of Harlan Drilling Company for an unorthodox gas well location, San Juan County, New 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 West 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 C 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 Blinbry 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 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 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 O 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.

- 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 McKee 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-Allenburger 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 Mexico. Applicant, in the above-styled cause, seeks approval for the Made 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 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 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. 1V in Unit F of Section 10, Township 19 South, Range 29 East.

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 Eumont 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. Applicant, in the above-styled cause, seeks approval for the unorthodox location of the following two wells on its Breech A Lease to be recompleted in the Chacra, Mesaverde, 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-Norow Gas Pool, the S/2 of said Section 36 to be dedicated to the well.

CASE 7175: 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-Ellebarger 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 Ellebarger 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

LAW OFFICES OF  
JENNINGS & CHRISTY  
1012 SECURITY NATIONAL BANK BUILDING  
P. O. BOX 1182  
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-8432  
AREA CODE 505

February 2, 1981

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

RECEIVED  
FEB 04 1981  
OIL CONSERVATION DIVISION  
SANTA FE

*ajl*

Re: Case 7149  
Application of John H.  
Hendrix Corporation

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,

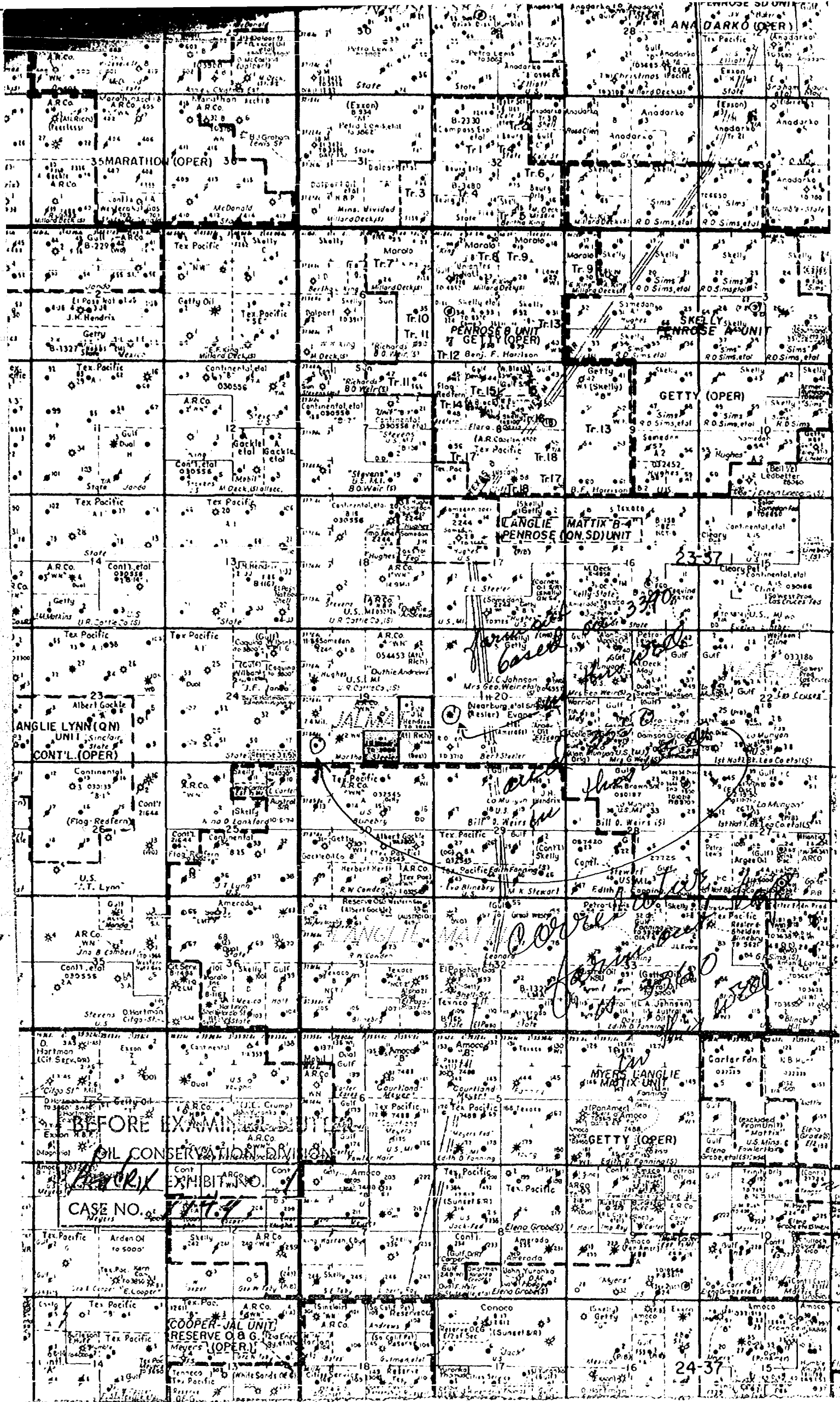
JENNINGS & CHRISTY

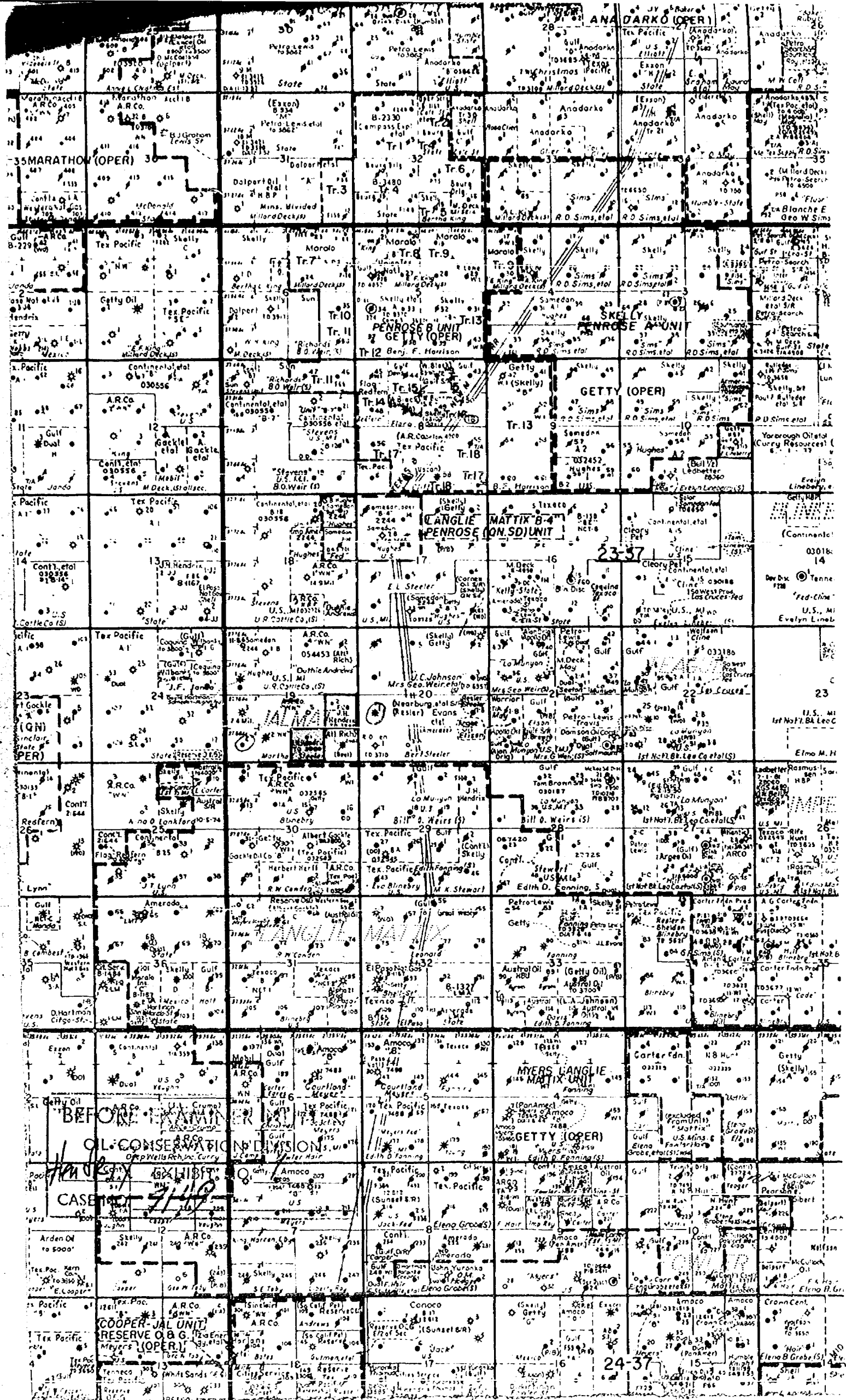
By

*[Signature]*  
S. B. Christy IV

SBC:pv

cc: John H. Hendrix Corporation





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

The following cases will be heard before Richard L. Stasmets, 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 feet 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.

CASE 7149: 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 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 33, Township 18 South, Range 30 East.

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 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 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 proration 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 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 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 underlying portions of Townships 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: 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 Mexico. 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: 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

OIL CONSERVATION  
DIVISION  
SANTA FE

LAW OFFICES OF  
JENNINGS & CHRISTY  
12012 SECURITY NATIONAL BANK BUILDING  
P. O. BOX 1180  
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-8432  
AREA CODE 505

January 15, 1981

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

Attention: Joe Ramey, Director

Gentlemen:

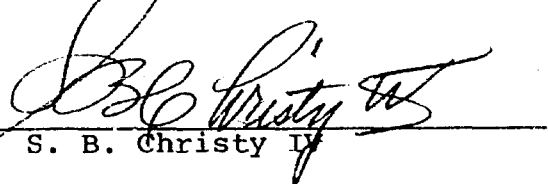
We enclose herewith in triplicate Application of John H. Hendrix Corporation for revision of the vertical limits of the Langlie-Mattix Pool as to Unit O, Section 19, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and would thank the Division in advance to consider publication and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

If anything further is required, kindly advise.

Respectfully,

JENNINGS & CHRISTY

By

  
S. B. Christy IV

SBC/jy  
Encl.

cc: John H. Hendrix Corporation

Case 7149



JAN 19 1981

OIL CONSERVATION DIVISION  
SANTA FE

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 $\frac{1}{4}$ SE $\frac{1}{4}$   
(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 feet above the base of the Seven Rivers to the base of the Queen formation.
2. 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.

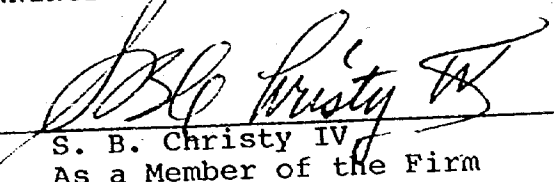


WHEREFORE, after notice and hearing Applicant prays that the Division enter its Order changing the vertical limits of the Langlie-Mattix Pool, as to Unit O, Section 19, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico, to a point 145 feet above the base of the Seven Rivers to the base of the Queen formation, and for all proper relief.

Respectfully,

JENNINGS & CHRISTY

By

  
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

JAN 19 1981  
OIL CONSERVATION DIVISION

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-  
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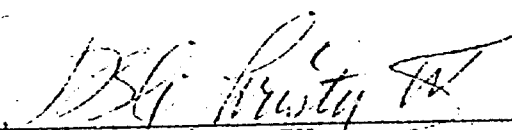
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JENNINGS & CHRISTY

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

OIL CONSERVATION DIVISION  
SANTA FE  
JUN 18 1931

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 $\frac{1}{4}$ SE $\frac{1}{4}$   
(UNIT O) SECTION 19, TOWNSHIP  
23 SOUTH, RANGE 37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.

CASE NO. 7149

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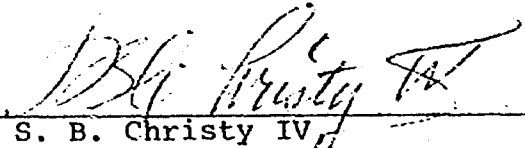
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Respectfully,

JENNINGS & CHRISTY

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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

ROUGH

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 7149

Order No. 6618

APPLICATION OF JOHN H. HENDRIX  
CORPORATION FOR EXTENSION OF VERTICAL  
LIMITS OF THE LAGLIE-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 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 <sup>the SW 1/4 SE 1/4</sup> Unit 9 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.

(6) That as a result of this disparity, <sup>applicant's Steeler Well No. 1</sup> ~~the subject well~~ 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.

(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~~s~~ in order to accommodate the present perforations in the lower Seven Rivers formation in the subject well~~s~~ 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 ~~Unit 0~~ of Section 19, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby contracted to a subsurface depth of <sup>feet,</sup> 3362<sub>A</sub> and the uppermost limits of the Langlie-Mattix Pool underlying said tract~~s~~ are hereby extended upward to the same subsurface depth~~s~~.

(2) That the effective date of the aforesaid revisions~~s~~ 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) 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.