

Case No.

7160

Application

Transcripts

Small Exhibits

ETC



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

March 10, 1981

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

Mr. Pete Staley
Production Manager
Harlan Drilling Company
P. O. Box 1367
Farmington, New Mexico 87401

Re: CASE NO. 7160
ORDER NO. R-6613

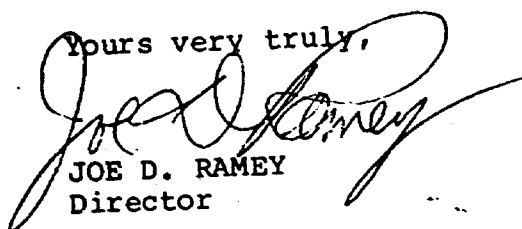
Applicant:

Harlan Drilling Company

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

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. 7160
Order No. R-6613

APPLICATION OF HARLAN DRILLING
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, SAN JUAN 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, Harlan Drilling Company, seeks approval of an unorthodox gas well location 2370 feet from the North line and 1528 feet from the West line of Section 31, Township 29 North, Range 11 West, NMPN, Fulcher Kutz-Pictured Cliffs Pool, San Juan County, New Mexico.

(3) That the NW/4 of said Section 31 is to be dedicated to the well.

(4) That said unorthodox location resulted from an unintentional survey error.

(5) That no offset operator objected to the proposed unorthodox location.

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Case No. 7160
Order No. R-6613

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

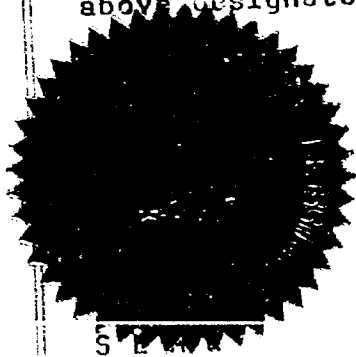
IT IS THEREFORE ORDERED:

(1) That the application of Harlan Drilling Company for an unorthodox gas well location is hereby approved for a well located at a point 2370 feet from the North line and 1528 feet from the West line of Section 31, Township 29 North, Range 11 West, NMPM, Fulcher Kutz-Pictured Cliffs Pool, San Juan County, New Mexico.

(2) That the NW/4 of said Section 31 shall be dedicated to the above-described well.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

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 Harlan Drilling Com-
pany for an unorthodox gas well
location, San Juan County, New
Mexico.

CASE
7160

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:

1
2
3 MR. NUTTER: We'll call next Case Number
4 7160.

5 MR. NUTTER: Application of Harlan
6 Drilling Company for an unorthodox gas well location San
7 Juan County, New Mexico.

8 MR. STALEY: My name is Pete Staley and
9 I'm representing Harlan Drilling and I am the Production
10 Manager for the company.

11 I apologize for not having any legal
12 representation but he's tied up in committee over in another
13 building.

14 I've been employed by Harlan Drilling
15 and Thriftway Company for one year as Production Manager.
16 Prior to that I had eight years experience with Runnels Mud
17 Company as Area Manager. I have a BA degree in economics and
18 management from Rollins College in Florida.

19 We have applied for this unorthodox
20 well due to a survey that was taken back in August 2nd 1979.
21 This survey was later discovered to be incorrect.

22 The original survey indicated that the
23 well was located 1580 feet from the north line and 1500 feet
24 from the west line.

25 On January 20th of this year we dis-
covered that the well was actually 1528 feet from the west

1
2 line and 2370 feet from the north line. We found, after we
3 had the location, or the well resurveyed we went to Moncrief
4 Oil and requested -- to determine if they had any objections
5 to us having this well this close, and they gave us a release
6 which I have submitted to you, signed by Mr. Moncrief himself.

7 MR. NUTTER: Where is their acreage, Mr.
8 Staley?

9 MR. STALEY: Their acreage is the acreage
10 due south of us.

11 MR. NUTTER: The southwest quarter of
12 that section?

13 MR. STALEY: Yes, sir, I think it's
14 spelled out in their waiver. Their -- their acreage includes
15 the Pictured Cliffs formation in the northern half of the
16 southwest quarter in Section 31, 29 North, 11 West.

17 And as the waiver indicates, they have
18 no objections to our well being where it's at.

19 And based on this, I think we have
20 satisfied the State requirements.

21 MR. NUTTER: Okay, and this well was
22 spudded and staked and drilled a year ago and it was just
23 recently determined that it wasn't where it was originally
24 thought to be.

25 MR. STALEY: Yes, sir, that's correct.

1 MR. NUTTER: Through a surveying error

2 or some kind of an error.

3 MR. STALEY: Yes, sir, that's correct.

4 What happened, so far as we can ascertain, the northern

5 boundary of this township and range is in the river and con-

6 sequently the surveyor apparently took some shortcuts to --

7 to stake the original location.

8 MR. NUTTER: I see. Did he come back

9 with his survey and his feet were dry?

10 MR. STALEY: He didn't the next time.

11 MR. NUTTER: Are there any questions of

12 Mr. Staley? He may be excused.

13 Do you have anything further in this

14 case?

15 MR. STALEY: No, sir.

16 MR. NUTTER: Does anyone have anything

17 they wish to offer in Case Number 7160?

18 We'll take the case under advisement.

19
20 (Hearing concluded.)
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 Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7160, 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 Harlan Drilling Com-
pany for an unorthodox gas well
location, San Juan County, New
Mexico.

CASE
7160

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:

MR. NUTTER: We'll call next Case Number 7160.

MR. NUTTER: Application of Harlan Drilling Company for an unorthodox gas well location San Juan County, New Mexico.

MR. STALEY: My name is Pete Staley and I'm representing Harlan Drilling and I am the Production Manager for the company.

I apologize for not having any legal representation but he's tied up in committee over in another building.

I've been employed by Harlan Drilling and Thriftway Company for one year as Production Manager. Prior to that I had eight years experience with Runnels Mud Company as Area Manager. I have a BA degree in economics and management from Rollins College in Florida.

We have applied for this unorthodox well due to a survey that was taken back in August 2nd 1979. This survey was later discovered to be incorrect.

The original survey indicated that the well was located 1580 feet from the north line and 1500 feet from the west line.

On January 20th of this year we discovered that the well was actually 1528 feet from the west

1 line and 2370 feet from the north line. We found, after we
2 had the location, or the well resurveyed we went to Moncrief
3 Oil and requested --- to determine if they had any objections
4 to us having this well this close, and they gave us a release
5 which I have submitted to you, signed by Mr. Moncrief himself.
6

7 MR. NUTTER: Where is their acreage, Mr.
8 Staley?

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12 that section?

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14 spelled out in their waiver. Their --- their acreage includes
15 the Pictured Cliffs formation in the northern half of the
16 southwest quarter in Section 31, 29 North, 11 West.

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22 spudded and staked and drilled a year ago and it was just
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18 they wish to offer in Case Number 7160?

19 We'll take the case under advisement.

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21 (Hearing concluded.)
22
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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 Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7160, heard by me on 2/25 1981.

[Signature], Examiner
Oil Conservation Division

Moncrief Oil Co.
Moncrief Bldg.
9th & Commerce
Fort Worth, Texas 76102

Harlan Drilling Co.
P.O. Box 1367
Farmington, New Mexico 87401

Reference: Harlan Drilling Company's, " Fulcher Kutz Picture
Cliff Ext." Well; located 1528' FWL and 2370'
FNL, in Section 31, Township 29N, Range 11W,.
San Juan County, New Mexico. (See Exhibit A
Survey dated January 19, 1981, Certificate 4933.)

Mr. Staley,

This letter serves to inform you that Moncrief Oil Company,
an offset operator to the 160 acre drilling and spacing unit in
which the above referenced well is located, has no objection
to the unorthodox location of the well.

Moncrief Oil Company has the lease located South of re-
ferenced well, our acreage includes the Picture Cliff Formation,
located in the Northern Half (N 1/2) of the Southwest Quarter
(SW 1/4) in Section 31, Township 29N, Range 11W.

DATE: 1-26-81

SIGNATURE: W. A. Moncrief

TITLE: Owner

NOTARY

STATE OF TEXAS Ø
COUNTY OF TARRANT Ø

The foregoing instrument was acknowledged before me this 26th day
of January, 1981.

My Commission expires:
11/30/84

Notary Public, Tarrant County, Tx.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION FORM

Form C-102
Supersedes C-128
Effective 1-1-63

All distances must be from the outer boundaries of the Section.

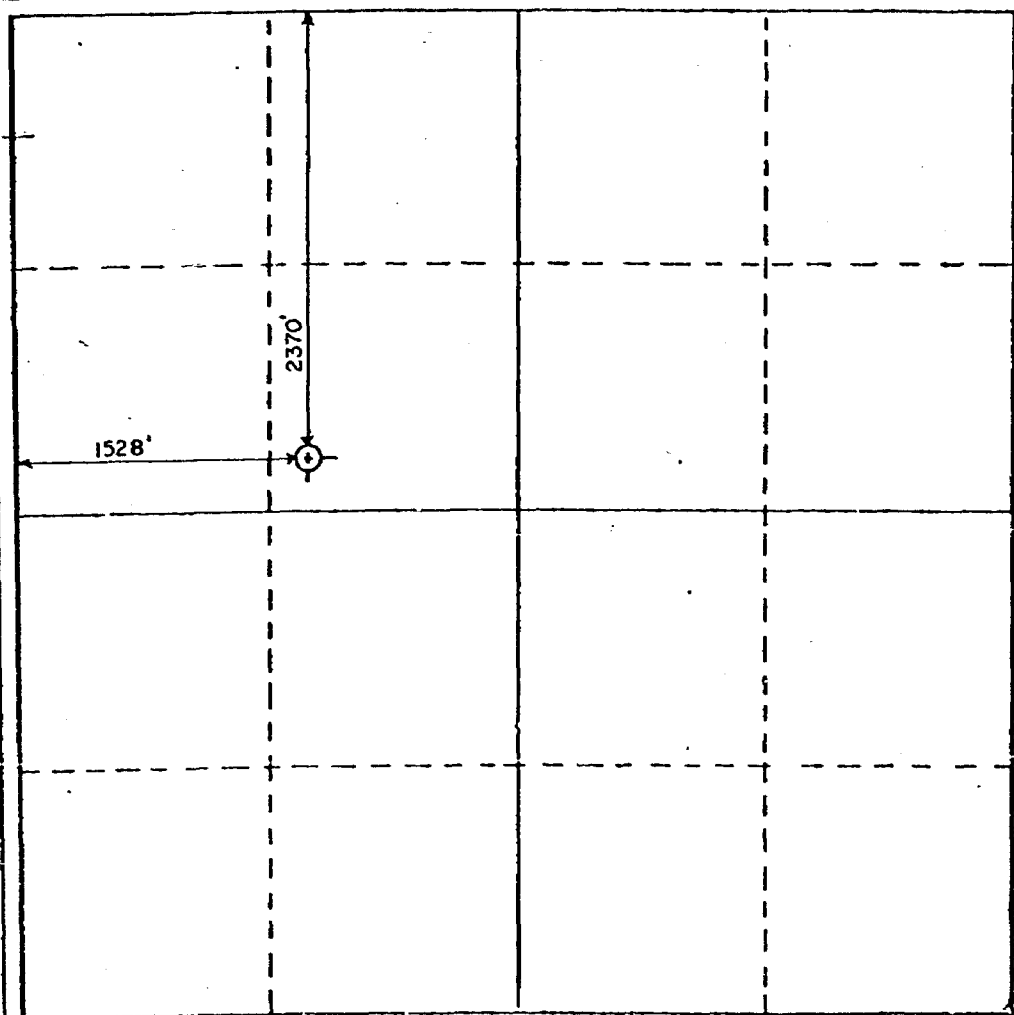
Operator Harlan Drilling Company		Lease Hartman		Well No. 12	
Unit Letter F	Section 31	Township 29N	Range 11W	County San Juan	
Actual Footage Location of Well: 1528 feet from the West line and 2370 feet from the North line					
Ground Level Elev. 5410	Producing Formation P/C		Pool Fulcher Kutz P/C Ext.		Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	Pete Staley
Position	Production Manager
Company	Thriftway Co. Harlan Drilling Co.
Date	1-20-81
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed	January 14, 1981
Registered Professional Engineer or Land Surveyor	Mark A. [Signature]
Certificate No.	N.M. 4933

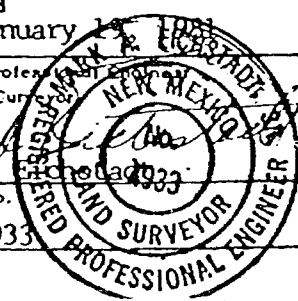


Exhibit A

Moncrief Oil Co.
Moncrief Bldg.
9th & Commerce
Fort Worth, Texas 76102

Harlan Drilling Co.
P.O. Box 1367
Farmington, New Mexico 87401

Reference: Harlan Drilling Company's, " Fulcher Kutz Picture
Cliff Ext." Well; located 1528' FWL and 2370'
FNL, in Section 31, Township 29N, Range 11W, .
San Juan County, New Mexico. (See Exhibit A
Survey dated January 19, 1981, Certificate 4933.)

Mr. Staley,

This letter serves to inform you that Moncrief Oil Company,
an offset operator to the 160 acre drilling and spacing unit in
which the above referenced well is located, has no objection
to the unorthodox location of the well.

Moncrief Oil Company has the lease located South of re-
ferenced well, our acreage includes the Picture Cliff Formation,
located in the Northern Half (N 1/2) of the Southwest Quarter
(SW 1/4) in Section 31, Township 29N, Range 11W.

DATE: 1-26-81

SIGNATURE: W. A. Moncrief

TITLE: Owner

NOTARY

STATE OF TEXAS Ø
COUNTY OF TARRANT Ø

The foregoing instrument was acknowledged before me this 26th day
of January, 1981.

My Commission expires:
11/30/84

Notary Public, Tarrant County, Tx.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION FORM

Form C-102
Supersedes C-128
Effective 1-1-85

All distances must be from the outer boundaries of the Section.

Operator Harlan Drilling Company		Lease Hartman		Well No. 12
Unit Letter F	Section 31	Township 29N	Range 11W	County San Juan
Actual Footage Location of Well: 1528 feet from the West line and 2370 feet from the North line				
Ground Level Elev. 5410	Producing Formation P/C	Pool Fulcher Kutz P/C Ext.	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

	<p align="center">CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p>
	<p>Name Pete Staley</p>
	<p>Position Production Manager</p>
	<p>Company Thriftway Co. Harlan Drilling Co.</p>
	<p>Date 1-20-81</p>
	<p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p>
	<p>Date Surveyed January 14, 1981</p>
	<p>Registered Professional Engineer and Land Surveyor Mark A. [Signature] Certificate No. N.M. 4933</p>

Exhibit A

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 Marlan 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 C 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 C of Section 19, Township 23 South, Range 37 East.

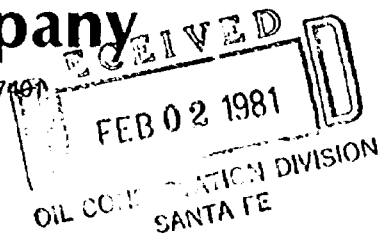
CASE 7161: Application of John Yuronka for four compulsory poolings, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the four 40-acre proration units comprising the SW/4 of Section 31, Township 22 South, 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 NCPA 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.

- 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-Morrow 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.

Harlan Drilling Company

P.O. BOX 1367 FARMINGTON, NEW MEXICO 87401
January 29, 1981



Ms. Slorene Davidson
Oil Conservation Division
Post Office Box 2088
Santa Fe, NM 87501

Case 7160

Reference: Harlan Drilling Company's "Fulcher Kutz
Picture Cliff Ext."; Well Name - Hartman 12;
Located Approximately 1,528' FWL, 2370 FNL
in Sec. 31, T29N, R11W, San Juan County, New
Mexico

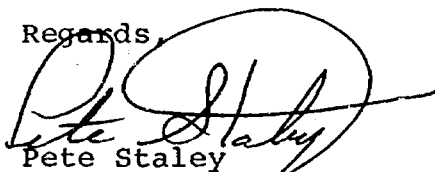
Dear Ms. Davidson:

Per our telephone conversation this date, it is requested
that the above referenced unorthodox well be included in
the hearing held February 25, 1981, at 9:00 a.m. in
Santa Fe.

The acreage effected by this well is the Picture Cliff
Formation located in the N 1/2 of the SW 1/4 in Sec. 31,
T29N, R11W owned by Moncrief Oil Company.

If you need any additional data, please let me know.

Regards,


Pete Staley
Production Manager

jr

Attachments: Waiver from Moncrief dated January 26, 1981
Survey dated January 10, 1981, Cert. #4933

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION FORM**

Superseded C-138
Effective 1-4-83

All distances must be from the outer boundaries of the Section.

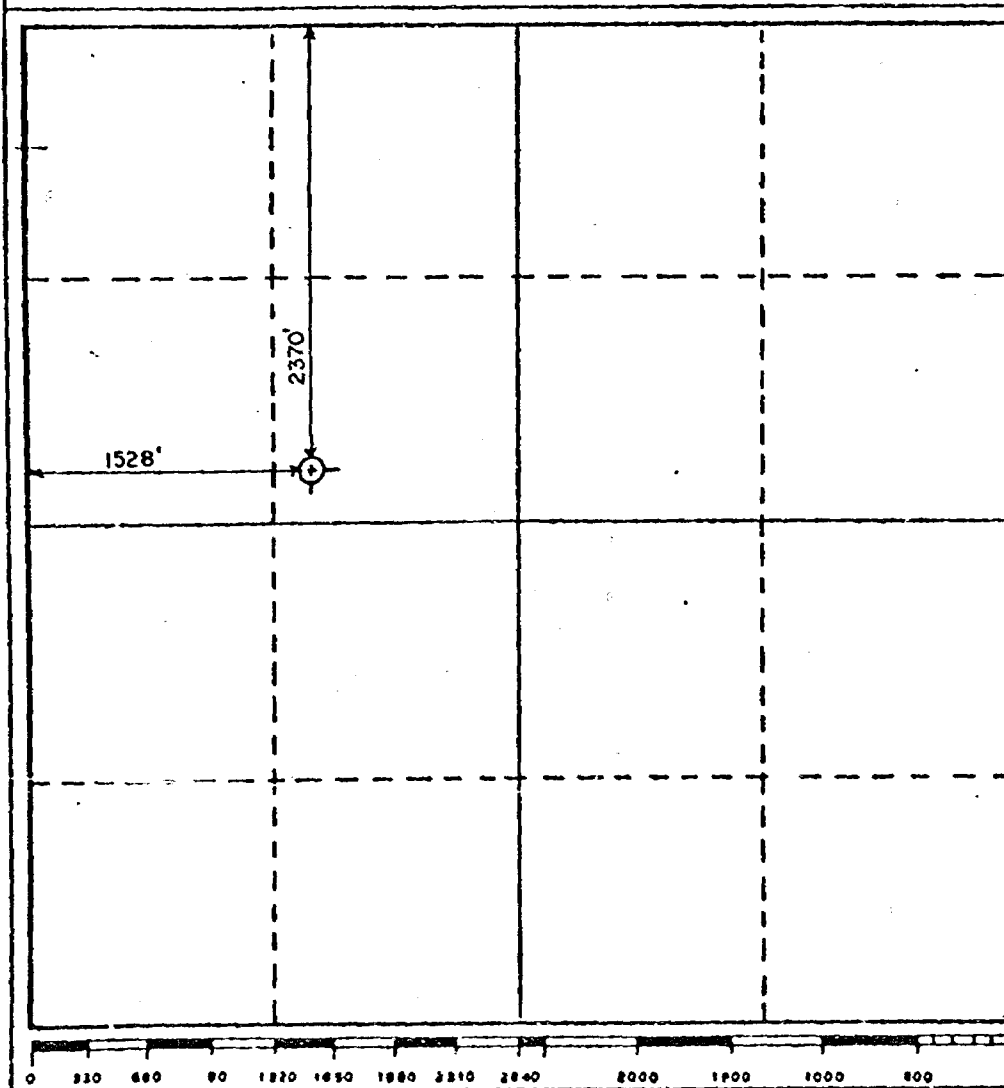
Operator Harlan Drilling Company			Lease Hartman		Well No. 17
Unit Letter F	Section 31	Township 29N	Range 11W	County San Juan	
Actual Footage Location of Well: 1528 feet from the West line and 2370 feet from the North line					
Ground Level Elev. 5410	Producing Formation P/C		Pool Fulcher Kutz P/C Ext.		Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Pete Staley

Position
Production Manager

Company
**Thriftway Co.
Harlan Drilling Co.**

Date
1-20-81

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
January 14, 1981

Registered Professional Engineer and Land Surveyor
Mark A. [Signature]

Certificate No.
N.M. 4933

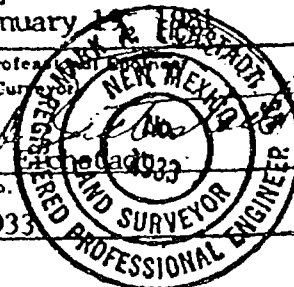


Exhibit A

Moncrief Oil Co.
Moncrief Bldg.
9th & Commerce
Fort Worth, Texas 76102

Harlan Drilling Co.
P.O. Box 1367
Farmington, New Mexico 87401

Reference: Harlan Drilling Company's, " Fulcher Kutz Picture
Cliff Ext." Well; located 1528' FWL and 2370'
FNL, in Section 31, Township 29N, Range 11W,.
San Juan County, New Mexico. (See Exhibit A
Survey dated January 19, 1981, Certificate 4933.)

Mr. Staley,

This letter serves to inform you that Moncrief Oil Company,
an offset operator to the 160 acre drilling and spacing unit in
which the above referenced well is located, has no objection
to the unorthodox location of the well.

Moncrief Oil Company has the lease located South of re-
ferenced well, our acreage includes the Picture Cliff Formation,
located in the Northern Half (N 1/2) of the Southwest Quarter
(SW 1/4) in Section 31, Township 29N, Range 11W.

DATE: 1-26-81

SIGNATURE: W. R. Moncrief

TITLE: Owner

NOTARY

STATE OF TEXAS Ø
COUNTY OF TARRANT Ø

The foregoing instrument was acknowledged before me this 26th day
of January, 1981.

My Commission expires:
11/30/84

Notary Public, Tarrant County, Tx.

Memo

From

FLORENE DAVIDSON
ADMINISTRATIVE SECRETARY

To

Called in by Pete Staley
1/29/81

Harlan Drilling Company
Unorthodox Well Location

Hartman #1-2

31-T29N-R11W

San Juan County

2370/N + 1520/W

Pictured Cliffs formation

NW/4 dedicated

OIL CONSERVATION COMMISSION-SANTA FE

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7160

ORDER NO. R- 6613

APPLICATION OF HARLAN DRILLING COMPANY

FOR AN UNORTHODOX GAS WELL LOCATION,

SAN JUAN 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 _____ day of _____, 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, Harlan Drilling Company, seeks approval of an unorthodox gas well location 2370 feet from the North line and 1528 feet from the West line of Section 31, Township 29 North Range 11 West, NMPM, ~~to test the Pictured Cliffs formation,~~ Fulcher Kutz-Pictured Cliffs Pool, San Juan County, New Mexico.

(3) That the NW/4 of said Section 31 is to be dedicated to the well.

(4) That ~~a well at~~ said unorthodox location ^{resulted from} ~~will better~~ ^{an unintentional survey error} enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

-2-

Case No. _____

Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That ^{the application of Harlan Drilling Company for} an unorthodox gas well location ~~for the Pictured Cliffs~~
^A ~~formation~~ is hereby approved for a well ~~to be~~ located at a point 2370
feet from the North line and 1528 feet from the West
line of Section 31, Township 29 North, Range 11 West
NMPM, Fulcher Kutz-Pictured Cliffs Pool, San Juan County,
New Mexico.

(2) That the NW/4 of said Section 31 shall be dedicated to the above-described well.

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

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