

WELL 7191: SOUTHLAND ROYALTY COMPANY
UNORTHODOX WELL LOCATION, EDDY
COUNTY, NEW MEXICO

Case No.

7191

Application

Transcripts

Small Exhibits

ETC



STATE OF NEW MEXICO

POST OFFICE BOX 2089
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

April 9, 1981

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

Re: CASE NO. 7191
ORDER NO. R-6190-A

Applicant:

Southland Royalty 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 _____

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. 7191
Order No. R-6190-A

APPLICATION OF SOUTHLAND ROYALTY
COMPANY FOR AN UNORTHODOX WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 11, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of April, 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, Southland Royalty Company, seeks approval of an unorthodox gas well location in the Potash-Oil Area of its State "14-A" Com. Well No. 1, 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, NMPM, Turkey Track Field, Eddy County, New Mexico.

(3) That the E/2 of said Section 14 is to be dedicated to the well.

(4) That the proposed unorthodox location was previously approved for the Morrow formation by Division Order No. R-6190 entered November 21, 1980.

(5) That the applicant seeks to expand the authority for said unorthodox location to include the Wolfcamp and Pennsylvanian formations above the Morrow.

-2-

Case No. 7191
Order No. R-6190-A

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

(7) That approval of the subject application by amendment to said Order No. R-6190 will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject field, 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.

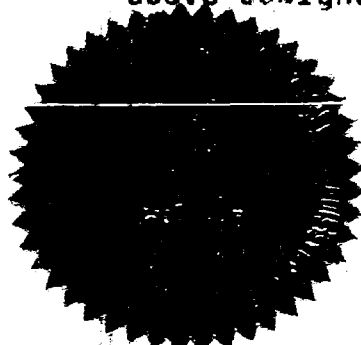
IT IS THEREFORE ORDERED:

(1) That Order (1) of Division Order No. R-6190 is hereby amended to read in its entirety as follows:

"(1) That an unorthodox gas well location for the Wolfcamp and Pennsylvanian formations is hereby approved for a well to be located at a point 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, NMPM, Oil-Potash Area, Eddy County, New Mexico."

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

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Southland Royalty
Company for an unorthodox well
location, Eddy County, New Mexico.

CASE
7191

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:

William F. Carr, Esq.
CAMPBELL, BYRD, AND BLACK P.A.
Jefferson Place
Santa Fe, New Mexico 87501

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I N D E X

ED JONES

Direct Examination by Mr. Carr	3
Cross Examination by Mr. Stamets	8

E X H I B I T S

Applicant Exhibit One, Plat	5
Applicant Exhibit Two, List	5
Applicant Exhibit Three, Letters	6
Applicant Exhibit Four, Plat	7
Applicant Exhibit Five, Well History	7

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2 MR. STAMETS: We'll call Case 7191.

3 MR. PADILLA: Application of Southland
4 Royalty Company for an unorthodox well location, Eddy County,
5 New Mexico.

6 MR. CARR: May it please the Examiner,
7 my name is William F. Carr, with the law firm Campbell, Byrd,
8 and Black, P. A., Santa Fe, appearing on behalf of the appli-
9 cant, and I have one witness who needs to be sworn.

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11 (Witness sworn.)
12

13 ED JONES

14 being called as a witness and being duly sworn upon his oath,
15 testified as follows, to-wit:
16

17 DIRECT EXAMINATION

18 BY MR. CARR:

19 Q Will you please state your full name
20 and place of residence?

21 A My name is Ed Jones. I live in Midland,
22 Texas.

23 Q Mr. Jones, by whom are you employed and
24 in what capacity?

25 A I'm employed by Southland Royalty Company

1
2 in Midland as an operations engineer, covering southeast New
3 Mexico.

4 Q Have you previously testified before this
5 Commission, had your credentials accepted and made a matter
6 of record?

7 A Yes, I have.

8 Q Are you familiar with the application
9 filed by Southland Royalty Company in this case and the sub-
10 ject well?

11 A Yes, I am.

12 MR. CARR: Are the witness' qualifications
13 acceptable?

14 MR. STAMETS: They are.

15 Q Will you briefly state what Southland
16 Royalty Company seeks with this application?

17 A Southland Royalty Company seeks approval
18 of the wellbore of the State 14-A Com No. 1 for production
19 of the Wolfcamp through the Atoka zones, inclusive, from an
20 unorthodox location.

21 Q Would you please give the Examiner a
22 brief history of this well, noting the reason for the hearing?

23 A The drilling of the subject well at an
24 unorthodox location to test the Morrow formation was approved
25 on the 21st of November, 1979, by Order R-6190.

1
2 Southland would like to include the
3 Wolfcamp through the Atoka formations, inclusive, as being
4 able to produce those zones from this wellbore at an unortho-
5 dox location.

6 Our specific plans are to recomplete
7 to the Atoka and produce the well as a single gas well from
8 the Atoka zones.

9 Q Will you please refer to what has been
10 marked for identification as Southland Royalty Company Exhibit
11 Number One and explain to the examiner what this is and what
12 it shows?

13 A Exhibit Number One is a land plat of
14 the area around the subject well, specifically Township 19
15 South, Range 29 East, Section 14. The proration unit is the
16 east half of Section 14, with the subject well, the State
17 14-A Com 1, located in the northeast quarter of that section.
18 It also indicates the offset operators around this proration
19 unit.

20 Q Will you please refer to Exhibit Number
21 Two and identify this for the Examiner?

22 A Exhibit Number Two is a list of the
23 offset oil and gas operators. In addition the Amax Chemical
24 Corporation, who is operator of the -- a potash mine in the
25 east half of Section 14.

Q Have you notified each of these offsetting operators of the hearing today?

A Yes, we have.

Q Do you have some certified receipts indicating that each of the offsetting operators and Amax have received notice of the hearing?

A We sent all of the offset operators, including Amax, waiver letters by certified, return receipt mail, and we did receive a receipt from all of these operators back from each operator, as well as Amax.

Q Would you please refer to Southland's Exhibit Number Three and identify this, please?

A Exhibit Number Three is all of the waiver letters that we have received back from the offset operators, including Amax. The only waiver letter that is not in this exhibit is a letter from Tenneco Oil Company, and as I indicated before, we did receive a receipt that indicated they had received their waiver letter on February 17th, 1981, and we have had no response from them one way or the other, but we have received positive response, signed waiver letters, back from all the other operators.

Q Mr. Jones, I direct your attention to Southland Exhibit Number Four and ask you to identify this for Mr. Stamets.

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2 A Exhibit Number Four is a more detailed
3 plat of Section 14 and the surrounding area, with specific
4 information on the location of the Amax Chemical Corporation
5 potash mine, which takes up the majority of the east half
6 of Section 14. The location of this mine was the reason why
7 we had to put the well at an unorthodox location in the first
8 place. The wellbore lies 1000 feet from the potash mine.

9 Q And now will you explain Exhibit Number
10 Five for Mr. Stamets?

11 A Exhibit Number Five is a well history
12 summary sheet on the subject well. It includes a brief
13 history of the well to this point. It also includes a
14 schematic diagram of the downhole casing assembly, tubing
15 string, where the packer is set, perforations. It also in-
16 cludes on the far left side of the exhibit the proposed in-
17 tervals of completion in the Atoka, as well as where the
18 packer will be set and the proposed intervals that we will
19 produce the Atoka from.

20 Q Mr. Jones, in your opinion will granting
21 this application be in the best interest of conservation
22 and prevention of waste, and the protection of correlative
23 rights?

24 A Yes.

25 Q Were Exhibits One through Five prepared

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by you or under your direction and supervision?

A. Yes, they were.

MR. CARR: At this time, Mr. Stamets,
we would offer into evidence Southland Royalty Company Exhibits
One through Five.

MR. STAMETS: These exhibits will be
admitted.

MR. CARR: I have nothing further of
this witness on direct.

CROSS EXAMINATION

BY MR. STAMETS:

Q. Mr. Jones, you have previously completed
this well as a Morrow well and that's depleted now?

A. It never was very productive to begin
with. We just have some Atoka pay that needs to be opened
and we do feel very strongly that this will be a substantially
productive zone, and the Morrow never has given up enough
gas to be commercial.

So we would like to plug back to the
Atoka.

Q. And then by including the Wolfcamp
through the Atoka, if there are any other productive horizons
in there, you will be able to complete those in this location.

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A That's correct.

Q Okay.

MR. STAMETS: Any other questions of the witness? He may be excused.

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

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.

Mt. 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 proceedings in
the hearing held at the place and date
heard on the 3-14-87.
Richard R. Ham Examiner
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Southland Royalty
Company for an unorthodox well
location, Eddy County, New Mexico.

CASE
7191

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:

William F. Carr, Esq.
CAMPBELL, BYRD, AND BLACK P.A.
Jefferson Place
Santa Fe, New Mexico 87501

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Direct Examination by Mr. Carr 3

Cross Examination by Mr. Stamets 8

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Applicant Exhibit Three, Letters 6

Applicant Exhibit Four, Plat 7

Applicant Exhibit Five, Well History 7

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5 New Mexico.

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9 cant, and I have one witness who needs to be sworn.

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11 (Witness sworn.)

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24 A Yes.

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3 A Yes, they were.

4 MR. CARR: At this time, Mr. Stamets,
5 we would offer into evidence Southland Royalty Company Exhibits
6 One through Five.

7 MR. STAMETS: These exhibits will be
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9 MR. CARR: I have nothing further of
10 this witness on direct.

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21 So we would like to plug back to the
22 Atoka.

23 Q And then by including the Wolfcamp
24 through the Atoka, if there are any other productive horizons
25 in there, you will be able to complete those in this location.

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A That's correct.

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Q Okay.

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MR. STANLEY: Any other questions of the
witness? He may be excused.

6

Anything further in this case?

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The case will be taken under advisement.

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(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 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.

James W. Boyd C.S.R.

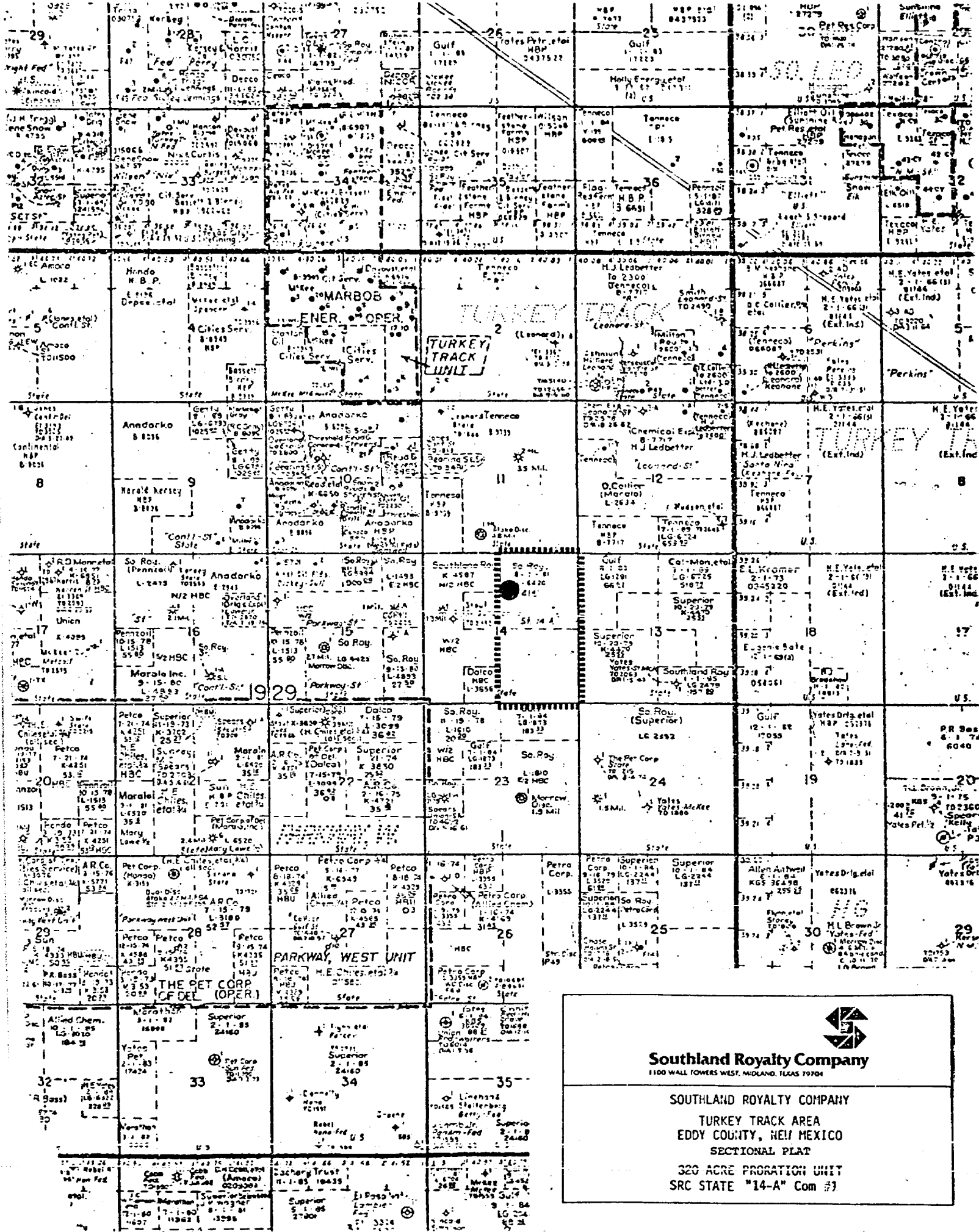
SALLY W. BOYD, C.S.R.

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

I do hereby certify that the foregoing is
a correct and true copy of the original
the examination hearing of Case No. _____
heard by me on _____ 19____.

Oil Conservation Division, Examiner

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Southland Royalty Company
1100 WALL TOWERS WEST, MIDLAND, TEXAS 79701

SOUTHLAND ROYALTY COMPANY
TURKEY TRACK AREA
EDDY COUNTY, NEW MEXICO
SECTIONAL PLAT
320 ACRE PRORATION UNIT
SRC STATE "14-A" Com #1

SOUTHLAND ROYALTY COMPANY
STATE 14-A COM. #1

OFFSET OPERATORS

Tenneco Oil Company
6800 Park Ten Blvd.
Suite 200 North
San Antonio, Texas 78213
Attention: Mike Hinze

The Superior Oil Company
P. O. Box 1300
Midland, Texas 79702
Attention: Gene Wentworth

Gulf Oil Corporation
P. O. Box 1150
Midland, Texas 79702
Attention: C. F. Kalteyer

Sabine Production Company (Dalco)
P. O. Box 3083
901 Wall Towers East
Midland, Texas 79701
Attention: B. L. House

Copy of letter w/attachments also to:

Amax Chemical Corporation
P. O. Box 279
Carlsbad, New Mexico 88220
Attention: Mr. Robert E. Kirby

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

SRC EXHIBIT NO. 2

CASE NO. 7191

Submitted by Jones

Hearing Date 3/11/61

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
SRC	EXHIBIT NO. 3
CASE NO. 7191	
Submitted by <i>J. Jones</i>	
Hearing Date 3/11/81	



Southland Royalty Company

February 11, 1981

Amax Chemical Corporation
P.O. Box 279
Carlsbad, New Mexico 88220

Attn: Mr. Robert E. Kirby

RE: State "14-A" Com. No. 1
Unorthodox Location
1325' FNL, 2303' FEL,
Sec. 14, T-19-S, R-29-E
Eddy County, New Mexico
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the above captioned well, is seeking permission to produce said well, at an unorthodox location, from the Atoka through the Wolfcamp zones, inclusive.

This unorthodox location was approved for completion in the Morrow by New Mexico Oil Conservation Division Order No. R-6190, dated November 21, 1979. Provided approval of this request is granted, our present plans are to plug off existing Morrow perforations (determined non-productive) and open all existing and potential Atoka pay to production. Atoka intervals that are proposed to be open are 10,812'-10,820', and 10,944'-10,960'.

Attached you will find a land plat showing offset oil and gas operators and a more detailed plat showing the location of this well with respect to the Amax Chemical Corporation Potash Mine.

As operator of the above mentioned mine, if you have no objections to this request, please sign the waiver as soon as possible and return one copy to this office and forward one copy to the New Mexico Oil Conservation Division. Self addressed envelopes have been enclosed for your convenience.

Yours very truly,

C. C. Parsons
C. C. Parsons
District Operations Engineer

CCP/EJ/cr
Attachments

1100 WALL TOWERS WEST (915) 682-8641 MIDLAND, TEXAS 79701

Amax Chemical Corporation has no objection to the above
described unorthodox location.

Feb. 18, 1981
Date

Signed RE Kirby
for Amax Chemical Corporation

RECEIVED
FEB 18 1981
MIDLAND OFFICE



Southland Royalty Company

February 11, 1981

*Make
Please handle*

Sabine Production Company (Dalco)
P.O. Box 3083
901 Wall Towers East
Midland, Texas 79701

Attention: B. L. House

RE: State "14-A" Com. No. 1
Unorthodox Location
1325' FNL, 2303' FEL,
Sec. 14, T-19-S, R-29-E
Eddy County, New Mexico
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the above captioned well, is seeking permission to produce said well, at an unorthodox location, from the Atoka through the Wolfcamp zones, inclusive. Our current plans are to squeeze off Morrow perforations (non-productive) and open all existing and potential Atoka pay to production. Attached you will find a land plat showing the well's location.

As an offset operator, if you have no objections to this request, please sign the waiver and return one copy to this office and forward one copy to the New Mexico Oil Conservation Division. Self addressed envelopes have been enclosed for your convenience.

Yours very truly,

C. C. Parsons
C. C. Parsons
District Operations Engineer

CCP/EJ/cr

Attachments

Sabine Production Company (Dalco) has no objection to the above described unorthodox location.

February 19, 1981
Date

Signed B. L. House
for Sabine Production Company (Dalco)



Southland Royalty Company

February 11, 1981

Gulf Oil Corporation
P.O. Box 1150
Midland, Texas 79702

Attention: C. F. Kalteyer

RE: State "14-A" Com. No. 1
Unorthodox Location
1325' FNL, 2303' FEL,
Sec. 14, T-19-S, R-29-E
Eddy County, New Mexico
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the above captioned well, is seeking permission to produce said well, at an unorthodox location, from the Atoka through the Wolfcamp zones, inclusive. Our current plans are to squeeze off Morrow perforations (non-productive) and open all existing and potential Atoka pay to production. Attached you will find a land plat showing the well's location.

As an offset operator, if you have no objections to this request, please sign the waiver and return one copy to this office and forward one copy to the New Mexico Oil Conservation Division. Self addressed envelopes have been enclosed for your convenience.

Yours very truly,

C. C. Parsons
District Operations Engineer

CCP/EJ/cr

Attachments

Gulf Oil Corporation
BY
C. F. Kalteyer
Chief Proration Engineer
February 24, 1981

SUPERIOR OIL

March 3, 1981

Southland Royalty Company
1100 Wall Towers West
Midland, Texas 79701

ATTN: C.C. PARSONS
District Operations Engineer


RE: Southland Royalty Company
State "14-A" Com. No. 1
Unorthodox Location
1325' FNL & 2303' FEL
Sec. 14, T19S, R29E
Eddy County, New Mexico

Gentlemen:

The Superior Oil Company waives all objections to producing of the above unorthodox location from the Atoka through the Wolfcamp zones inclusive.

Very truly yours,

The Superior Oil Company


G. Bannantine
Regulatory Group Manager

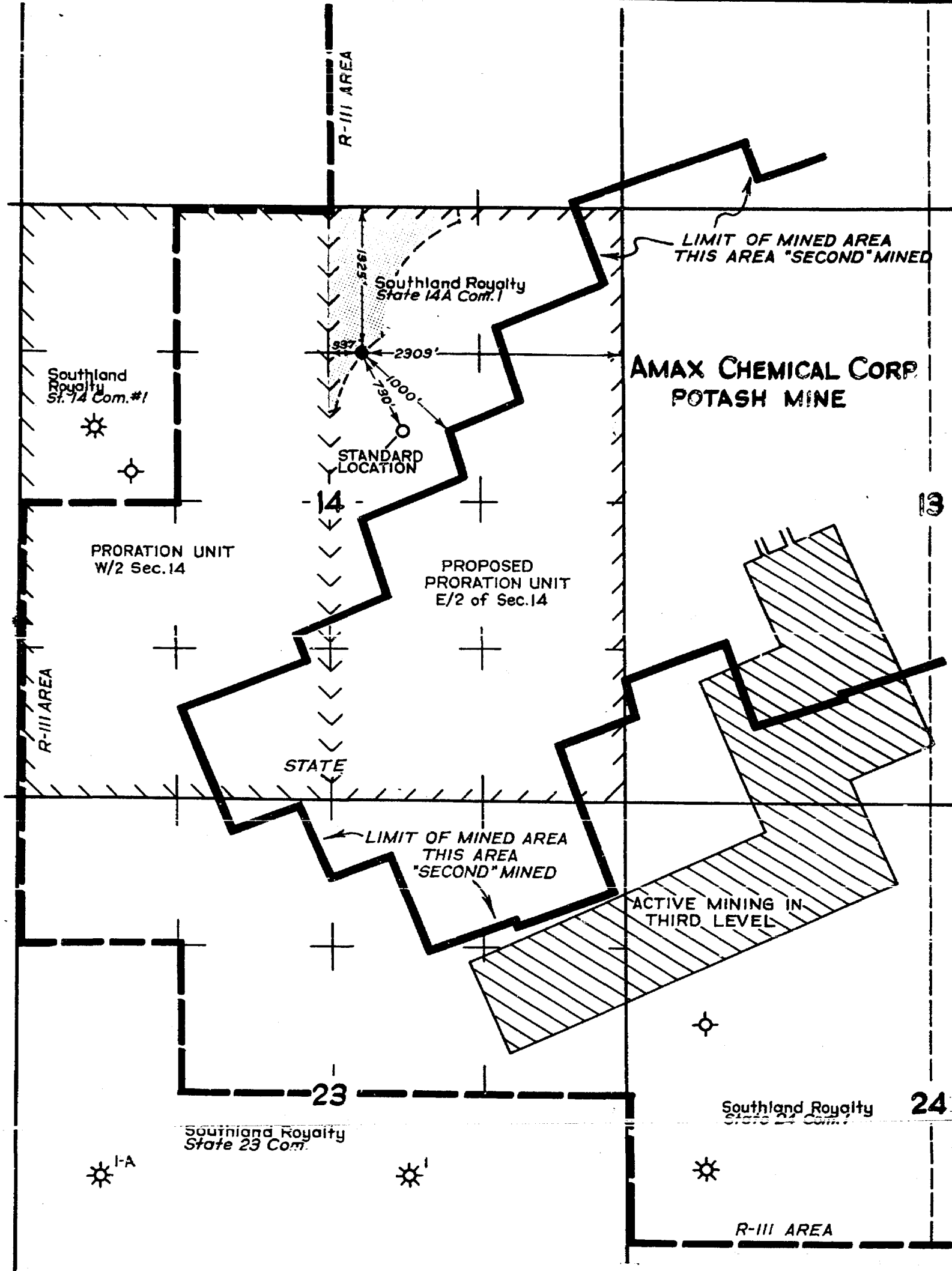
VL/dj

Enclosures

The Superior Oil Company

Western Division

P. O. Box 4500, The Woodlands, TX 77380
(713) 363-3600. Twx: 910 880 4644




BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

SEE EXHIBIT NO. 4

CASE NO. 7191

Submitted by James

Hearing Date 3/11/81

 **Southland Royalty Company**

MIDLAND, TEXAS

Application For Unorthodox Location
Southland Royalty Company
State "14-A" Com. No. 1
1325' FNL & 2303' FEL, Sec. 14
T-19-S, R-29-E
Eddy County, New Mexico

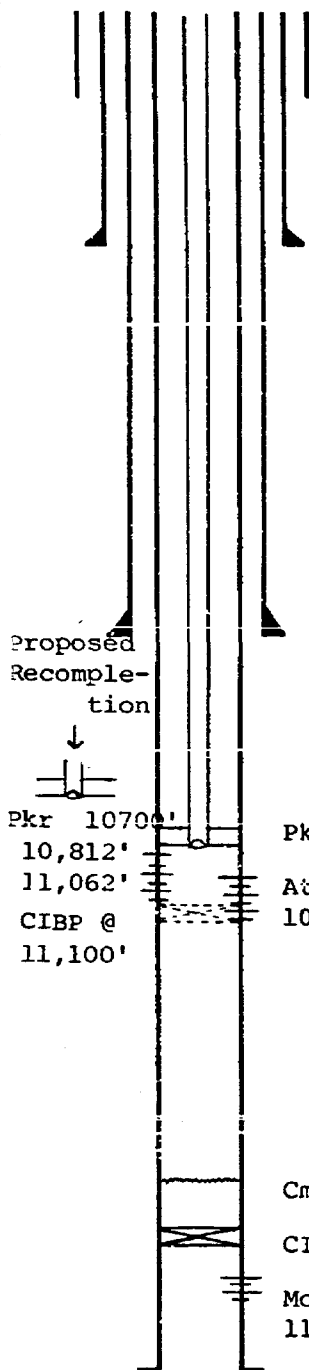
Scale 1" = 1000' By: CHC 10-79

SOUTHLAND ROYALTY COMPANY

Well History Summary Sheet

Operator SRC Well Name & # State "14-A" Com. No. 1 Lease #
 SRC District Midland Made By Ed Jones Date 1-20-81
 Location 1325' FNL, 2303' FEL, Section 14, T-19-S, R-29-E
 Spud Date 10-24-79 Compl. Date 1-9-80 TD 11,725' PBDT 11,392' (WL)
 Type Well: Oil Gas X Other Field Undesignated
 IP 1-11-80 420 MCFGPD, 4 BOPD, 4 BWPD Zone Atoka/Morrow
 Perfs.: 10,944-11,376' OA, 2 JSPE/interval Total Holes 107
 Stimulation: 300 gals 10% Acetic, 5000 gals 7 1/2% MSR
 Cumul. Oil MCF Water
 Recent Test 1-1-81: 410 MCFG, 2 BO, 2 BW Lift Equipment
 Misc.

WELL HISTORY



Drive or Conductor
 20 " @ 255'
 Surface: 13 3/8 " 48 # Gr. H-40
 @ 1350 Cmt. w/ 1400 Sx. TOC surf.
 Hole Size 17 1/2" Max Mud Wt. #/G

Intermediate:
 8 5/8 " 24 # Gr S-80/K-55 @ 2900'
 Cmt w/ 1850 Sx. TOC @ surf, Hole Size 11 " Max Mud Wt. #/G

Liner:
 From To #
 Gr., Cmt. w/ Sx. TOC @ Hole Size Max Mud Wt. #/G

Production: 4 1/2 " 11.6/13.5# N-80 Gr. @ 11,725' Cmt. w/ 1450 Sx. TOC @ 8400' Hole Size 7 7/8" Mx Mud Wt. #/G

TD 11,725'

Well completed in Morrow "E" 12-27-79
 11,470-11,484', 27 holes. Pumped 200 gals
 Perf acid. Tested "wet".

Set CIBP @ 11,440' +35' cmt

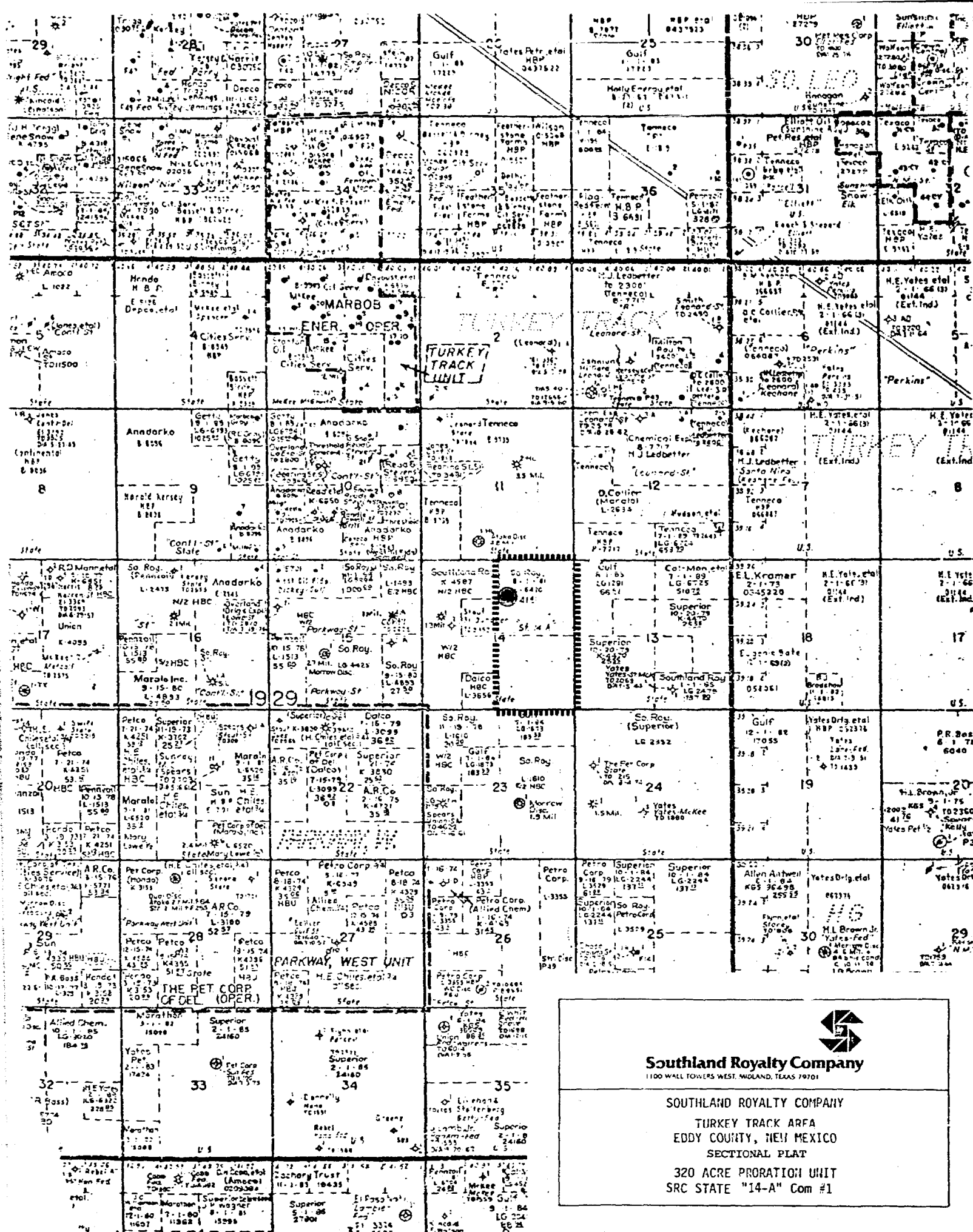
Well completed as shown above 1-9-80.
 Per NMOCD definitions:
 Atoka Perfs 10,944-11,062', 24' net
 Morrow Perfs 11,230-11,376', 26' net

First Atoka/Morrow sales 11-26-80

Ran production logs to determine gas entry
 12-9-80. Showed +85% entry from Atoka perfs.
 Well SI 2/23/81.

Proposed Recompletion:
 (1) Set CIBP @ 11,100' above Morrow
 (2) Leave present Atoka perforations open 10,944-11,062'.
 (3) Open additional Atoka from 10,812-10,820'
 (4) Set packer @ 10,700'
 (5) Place well on production.

Tubing 2 3/8 " 4.7 # N-80 Gr. @ 10,846'
 Tubing " " # " Gr. @
 Packer @ 10,846'



Southland Royalty Company
1100 WALL TOWERS WEST, MIDLAND, TEXAS 79701

SOUTHLAND ROYALTY COMPANY
TURKEY TRACK AREA
EDDY COUNTY, NEW MEXICO
SECTIONAL PLAT
320 ACRE PRORATION UNIT
SRC STATE "14-A" Com #1

SOUTHLAND ROYALTY COMPANY
STATE 14-A COM. #1

OFFSET OPERATORS

Tenneco Oil Company
6800 Park Ten Blvd.
Suite 200 North
San Antonio, Texas 78213
Attention: Mike Hinze

The Superior Oil Company
P. O. Box 1900
Midland, Texas 79702
Attention: Gene Wentworth

Gulf Oil Corporation
P. O. Box 1150
Midland, Texas 79702
Attention: C. F. Kalteyer

Sabine Production Company (Dalco)
P. O. Box 3083
901 Wall Towers East
Midland, Texas 79701
Attention: B. L. House

Copy of letter w/attachments also to:

Amax Chemical Corporation
P. O. Box 279
Carlsbad, New Mexico 88220
Attention: Mr. Robert E. Kirby

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

SEC EXHIBIT NO. 2

CASE NO. 7191

Submitted by Jane

Hearing Date 3/11/81

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

SR EXHIBIT NO. 3

CASE NO. 7191

Submitted by Jones

Hearing Date 3/11/81



Southland Royalty Company

February 11, 1981

Amax Chemical Corporation
P.O. Box 279
Carlsbad, New Mexico 88220

Attn: Mr. Robert E. Kirby

RE: State "14-A" Com. No. 1
Unorthodox Location
1325' FNL, 2303' FEL,
Sec. 14, T-19-S, R-29-E
Eddy County, New Mexico
Request for Waiver

Gentlemen:

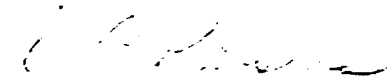
Southland Royalty Company, operator of the above captioned well, is seeking permission to produce said well, at an unorthodox location, from the Atoka through the Wolfcamp zones, inclusive.

This unorthodox location was approved for completion in the Morrow by New Mexico Oil Conservation Division Order No. R-6190, dated November 21, 1979. Provided approval of this request is granted, our present plans are to plug off existing Morrow perforations (determined non-productive) and open all existing and potential Atoka pay to production. Atoka intervals that are proposed to be open are 10,812'-10,820', and 10,944'-10,960'.

Attached you will find a land plat showing offset oil and gas operators and a more detailed plat showing the location of this well with respect to the Amax Chemical Corporation Potash Mine.

As operator of the above mentioned mine, if you have no objections to this request, please sign the waiver as soon as possible and return one copy to this office and forward one copy to the New Mexico Oil Conservation Division. Self addressed envelopes have been enclosed for your convenience.

Yours very truly,


C. C. Parsons
District Operations Engineer

CCP/BJ/CK
Attachments

1100 WALL TOWERS WEST (915) 682-8641 MIDLAND, TEXAS 79701

Amax Chemical Corporation has no objection to the above
described unorthodox location.

Feb. 18, 1981
Date

Signed RE Kirby
for Amax Chemical Corporation

RECEIVED
FEB 18
MIDLAND OFFICE



Southland Royalty Company

February 11, 1981

*Make
Please handle*

Sabine Production Company (Dalco)
P.O. Box 3083
901 Wall Towers East
Midland, Texas 79701

Attention: B. L. House

RE: State "14-A" Com. No. 1
Unorthodox Location
1325' FNL, 2303' FEL,
Sec. 14, T-19-S, R-29-E
Eddy County, New Mexico
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the above captioned well, is seeking permission to produce said well, at an unorthodox location, from the Atoka through the Wolfcamp zones, inclusive. Our current plans are to squeeze off Morrow perforations (non-productive) and open all existing and potential Atoka pay to production. Attached you will find a land plat showing the well's location.

As an offset operator, if you have no objections to this request, please sign the waiver and return one copy to this office and forward one copy to the New Mexico Oil Conservation Division. Self addressed envelopes have been enclosed for your convenience.

Yours very truly,

C. C. Parsons
C. C. Parsons
District Operations Engineer

CCP/EJ/cr

Attachments

Sabine Production Company (Dalco) has no objection to the above described unorthodox location.

February 19, 1981
Date

Signed B. L. House
for Sabine Production Company (Dalco)



Southland Royalty Company

February 11, 1981

Gulf Oil Corporation
P.O. Box 1150
Midland, Texas 79702

Attention: C. F. Kalteyer

PE: State "14-A" Com. No. 1
Unorthodox Location
1325' FNL, 2303' FEL,
Sec. 14, T-19-S, R-29-E
Eddy County, New Mexico
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the above captioned well, is seeking permission to produce said well, at an unorthodox location, from the Atoka through the Wolfcamp zones, inclusive. Our current plans are to squeeze off Morrow perforations (non-productive) and open all existing and potential Atoka pay to production. Attached you will find a land plat showing the well's location.

As an offset operator, if you have no objections to this request, please sign the waiver and return one copy to this office and forward one copy to the New Mexico Oil Conservation Division. Self addressed envelopes have been enclosed for your convenience.

Yours very truly,

C. C. Parsons
District Operations Engineer

CCP/EJ/cr

Attachments

Gulf Oil Corporation
BY
C. F. Kalteyer
Chief Proration Engineer
February 24, 1981

1100 WALL TOWERS WEST (915) 682-8641 MIDLAND, TEXAS 79701

SUPERIOR OIL

March 3, 1981

Southland Royalty Company
1100 Wall Towers West
Midland, Texas 79701

ATTN: C.C. PARSONS
District Operations Engineer

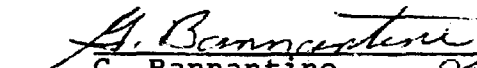
RE: Southland Royalty Company
State "14-A" Com. No. 1
Unorthodox Location
1325' FNL & 2303' FEL
Sec. 14, T19S, R29E
Eddy County, New Mexico

Gentlemen:

The Superior Oil Company waives all objections to producing of the above unorthodox location from the Atoka through the Wolfcamp zones inclusive.

Very truly yours,

The Superior Oil Company


G. Bannantine
Regulatory Group Manager

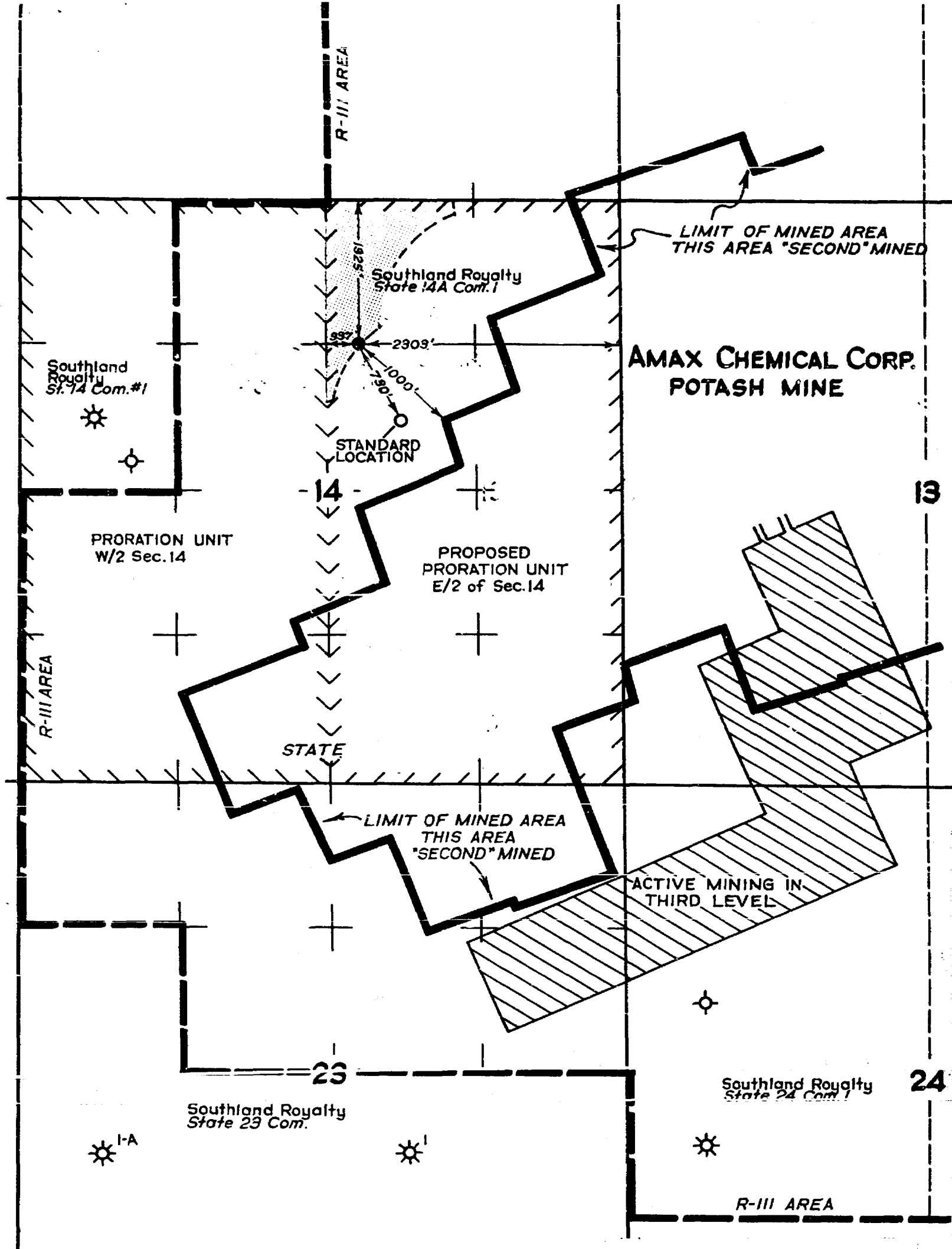
VL/dj

Enclosures

The Superior Oil Company

Western Division

P. O. Box 4500, The Woodlands, TX 77380
(713) 353-3600. Twx: 910 880 4644




BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

SEC EXHIBIT NO. 4

CASE NO. 7191

Submitted by Jones

Hearing Date 3/11/81

 **Southland Royalty Company**

MIDLAND, TEXAS

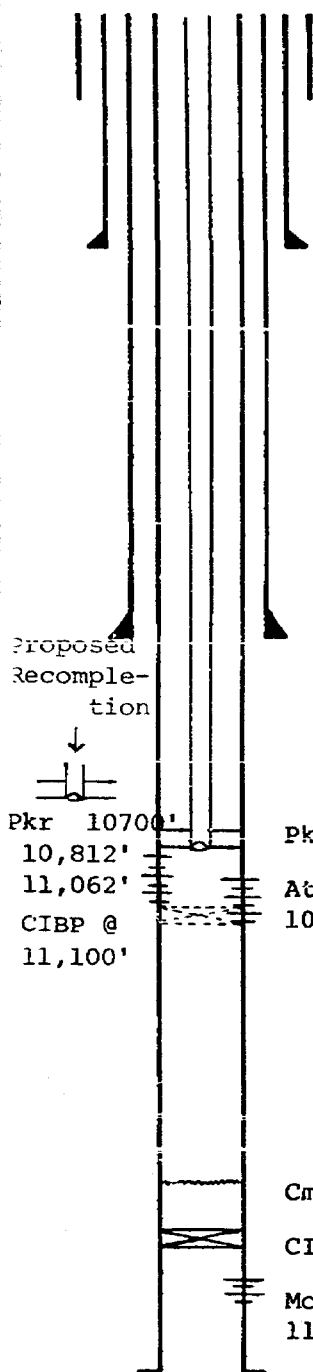
Application For Unorthodox Location
Southland Royalty Company
State "14-A" Com. No. 1
1325' FNL & 2303' FEL, Sec. 14
T-19-S, R-29-E
Eddy County, New Mexico

Scale 1" = 1000' By: CHC 10-79

SOUTHLAND ROYALTY COMPANY

Well History Summary Sheet

Operator SRC Well Name & # State "14-A" Com. No. 1 Lease #
 SRC District Midland Made By Ed Jones Date 1-20-81
 Location 1325' FNL. 2303' FEL. Section 14, T-19-S, R-29-E
 Spud Date 10-24-79 Compl. Date 1-9-80 TD 11,725' PBTB 11,392' (WL)
 Type Well: Oil Gas X Other Field Undesignated
 IP 1-11-80 420 MCFGPD, 4 BOPD, 4 BWPD Zone Atoka/Morrow
 Perfs.: 10,944-11,376' OA, 2 JSPF/interval Total Holes 107
 Stimulation 300 gals 10% Acetic, 5000 gals 7 1/2% MSR
 Cumul. Oil MCF Water
 Recent Test 1-1-81: 410 MCFG, 2 BO, 2 BW Lift Equipment
 Misc.



Drive or Conductor
 20 " @ 255 '
 Surface: 13 3/8 "
 48 # Gr. H-40
 @ 1350 Cmt. w/
 1400 Sx.TOC surf
 Hole Size 17 1/2 "
 Max Mud Wt. #/G

Intermediate:
 8 5/8 " 24 #
 Gr S-80/K-55 @ 2900'
 Cmt w/ 1850 Sx.
 TOC @ surf Hole
 Size 11 " Max Mud
 Wt. #/G

Production: 4 1/2 "
 11.6/13.5# N-80 Gr.
 @ 11,725' Cmt. w/
 1450 Sx, TOC @
 8400' Hole Size
 7 7/8" Mx Mud Wt.
 #/G

TD 11,725'

WELL HISTORY

Well completed in Morrow "E" 12-27-79
 11,470-11,484', 27 holes. Pumped 200 gals
 Perf acid. Tested "wet".

Set CIBP @ 11,440' +35' cmt

Well completed as shown above 1- 9-80.

Per NMOC definitions:

Atoka Perfs 10,944-11,062', 24' net
 Morrow Perfs 11,230-11,376', 26 net

First Atoka/Morrow sales 11-26-80

Ran production logs to determine gas entry
 12-9-80. Showed +85% entry from Atoka perfs.
 Well SI 2/23/81.

Proposed Recomple-tion:

- (1) Set CIBP @ 11,100' above Morrow
- (2) Leave present Atoka perforations open 10,944-11,062'.
- (3) Open additional Atoka from 10,812-10,820'
- (4) Set packer @ 10,700'
- (5) Place well on production.

Tubing 2 3/8 " 4.7 # N-80 Gr. @ 10,846
 Tubing " " # Gr. @
 Packer @ 10,846

CASE 7170: (Continued from February 25, 1981, Examiner Hearing)

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 7189: 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 Morrow formation for its Conoco 7 State Well No. 1 in Unit N of Section 7, Township 19 South, Range 29 East.

CASE 7190: 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 formation for its Conoco 10 State Com. Well No. 1 in Unit I of Section 10, Township 19 South, Range 29 East.

CASE 7191: Application of Southland Royalty Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location in the Potash-Oil Area of its State "14-A" Com. Well No. 1 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, Turkey Track Field.

CASE 7192: Application of Southland Royalty Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Parkway A State Com. Well No. 1 in Unit H of Section 15, Township 19 South, Range 29 East.

CASE 7193: Application of Southland Royalty 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 State 14 Com. Well No. 1 in Unit E of Section 14, Township 19 South, Range 29 East.

CASE 7194: Application of Southland Royalty Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Parkway State Well No. 1 located in Unit K of Section 15, Township 19 South, Range 29 East.

CASE 7195: Application of Southland Royalty 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 State 14 Well No. 1-A in Unit B of Section 14, Township 19 South, Range 29 East.

CASE 7196: Application of Di-ero Operating Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 1980 feet from the North line and 660 feet from the West line of Section 15, Township 22 South, Range 28 East, Pennsylvanian formation, the N/2 of said Section 15 to be dedicated to the well.

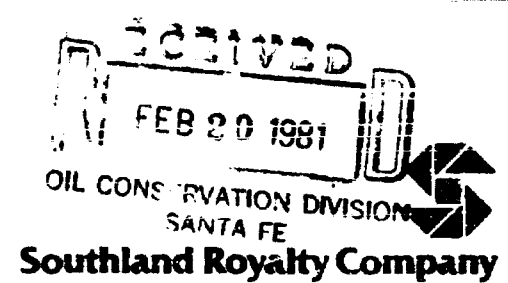
CASE 7153: (Readvertised)

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 7197: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Bilbrey-Morrow Gas Pool. The discovery well is Getty Oil Company Getty 32 State Com Well No. 1 located in Unit G of Section 32, Township 21 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 32: E/2



February 11, 1981

Amax Chemical Corporation
P.O. Box 279
Carlsbad, New Mexico 88220

Attn: Mr. Robert E. Kirby

Case 7191

RE: State "14-A" Com. No. 1
Unorthodox Location
1325' FNL, 2303' FEL,
Sec. 14, T-19-S, R-29-E
Eddy County, New Mexico
Request for Waiver

Gentlemen:

Southland Royalty Company, operator of the above captioned well, is seeking permission to produce said well, at an unorthodox location, from the Atoka through the Wolfcamp zones, inclusive.

This unorthodox location was approved for completion in the Morrow by New Mexico Oil Conservation Division Order No. R-6190, dated November 21, 1979. Provided approval of this request is granted, our present plans are to plug off existing Morrow perforations (determined non-productive) and open all existing and potential Atoka pay to production. Atoka intervals that are proposed to be open are 10,812'-10,820', and 10,944'-10,960'.

Attached you will find a land plat showing offset oil and gas operators and a more detailed plat showing the location of this well with respect to the Amax Chemical Corporation Potash Mine.

As operator of the above mentioned mine, if you have no objections to this request, please sign the waiver as soon as possible and return one copy to this office and forward one copy to the New Mexico Oil Conservation Division. Self addressed envelopes have been enclosed for your convenience.

Yours very truly,

C. C. Parsons
C. C. Parsons
District Operations Engineer

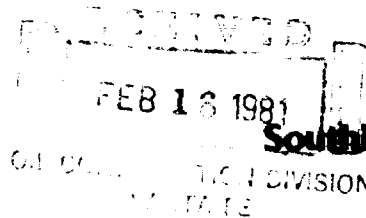
CCP/EJ/cr
Attachments

1100 WALL TOWERS WEST (915) 682-8641 MIDLAND, TEXAS 79701

Amax Chemical Corporation has no objection to the above
described unorthodox location.

Feb. 18, 1981
Date

Signed RE Kirby
for Amax Chemical Corporation



Southland Royalty Company

February 11, 1981

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

Case 7191

Attn: Secretary Director

RE: State "14-A" Com. No. 1
Unorthodox Location
1325' FNL, 2303' FEL,
Sec. 14, T-19-S, R-29-E
Eddy County, New Mexico

Dear Sir:

Southland Royalty Company requests that an examiner hearing be set on March 11, 1981 to consider approval of the wellbore of the above captioned well, at an unorthodox location, for production from the Atoka zones and all shallower zones up to and including the Wolfcamp formation. The reason for this request is the proximity of this well to the Amax Chemical Corporation Potash Mine.

This unorthodox location was approved for completion in the Morrow by Order No. R-6190, dated November 21, 1979. Provided approval of this request is granted, our present plans are to plug off the Morrow perforations (determined non-productive) and open all existing and potential Atoka pay to production. Attached you will find land plats showing offset operators and a more detailed plat showing the location of this well with respect to the Amax Chemical Corporation Potash Mine.

All offset operators and Amax are being notified of this request by certified mail.

Sincerely,

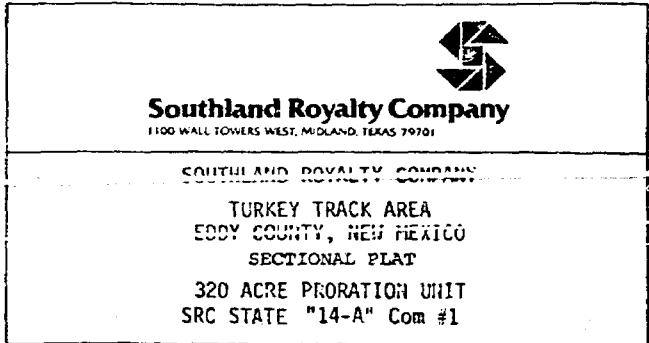
Ed Jones

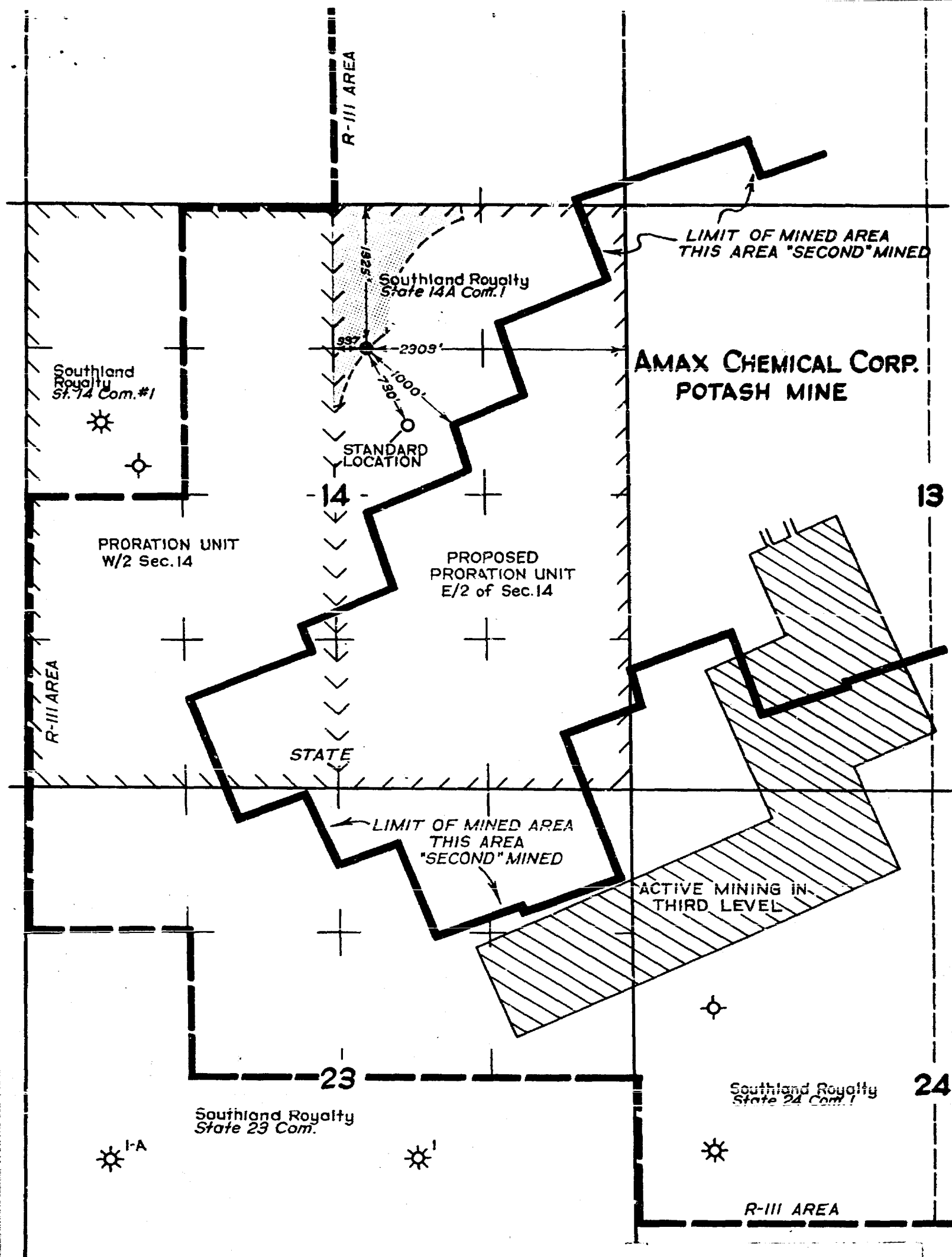
Ed Jones
Operations Engineer

EJ/cr

Attachments

1100 WALL TOWERS WEST (915) 682-8641 MIDLAND, TEXAS 79701





Southland Royalty Company

MIDLAND TEXAS

Application For Unorthodox Location
 Southland Royalty Company
 State "14-A" Com. No. 1
 1325' FNL & 2303' FNL, Sec. 14
 T-19-S, R-29-E
 Eddy County, New Mexico

Scale 1" = 1000'

By: CHC 10-79

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

dr/

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

CASE NO. 7191

ORDER NO. R- 6190-A

APPLICATION OF SOUTHLAND ROYALTY COMPANY

FOR AN UNORTHODOX ~~GAS~~ WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 11,
19 81, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this _____ day of March, 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, Southland Royalty Company,
in the Potash-Gil Area of its State "14-A" Com. Well No. 1,
seeks approval of an unorthodox gas well location/ 1325

feet from the North line and 2303 feet from the
East line of Section 14, Township 19 South

Range 29 East, NMPM, to test the

~~formation~~, Turkey Track Field Pool, Eddy
County, New Mexico.

(3) That the E/2 of said Section 14 is to be
dedicated to the well.

(4) That the proposed unorthodox location
was previously approved for the Morrow
formation by Division Order No R-6190 dated November 21, 1980.

(5) That the applicant seeks to expand the
authority for said unorthodox location to
include the Wolfcamp formation and Pennsylvania

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

by amendment to said Order No R-6190

(7) That approval of the subject application^A will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject ^{fill} 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 Order (1) of Division Order No R-6190 is hereby amended to read in its entirety as follows:

Pennsylvanian

"(1) That an unorthodox gas well location for the ^{with camp and} Morrow formations is hereby approved for a well to be located at a point 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, NMPM, Oil-Potash Area, Eddy County, New Mexico."

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E A L

dr/