

CASE 7183: SOUTHLAND ROYALTY COMPANY  
FOR AN NCPA DETERMINATION, EDDY COUNTY,  
NEW MEXICO

*any*

Case No.

7193

---

Application

Transcripts

Small Exhibits

ETC



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. 7193  
Order No. R-6683

APPLICATION OF SOUTHLAND ROYALTY  
COMPANY FOR AN NGPA DETERMINATION,  
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 4th day of May, 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 a determination by the Division, in accordance with Sections 2 (6) and 102 of the Natural Gas Policy Act of 1978, and the applicable rules of the Federal Energy Regulatory Commission, that its State 14 Com. Well No. 1 located in Unit E of Section 14, Township 19 South, Range 29 East, NMPL, Eddy County, New Mexico, has discovered two new onshore reservoirs from which natural gas was not produced in commercial quantities before April 20, 1977.

(3) That said well was completed in the Atoka formation with perforations from 10,760 feet to 10,768 feet, and a plugged-back depth of 11,355 feet after having been drilled to a total depth of 11,556 feet.

(4) That said well was completed in the Morrow formation with perforations from 11,214 feet to 11,312 feet.

-2-

Case No. 7193

Order No. R-6683

(5) That although there are wells in the general vicinity of the subject well which have penetrated and are or were completed in the Atoka and Morrow formations, which wells might disqualify the subject well from a category 102 determination, pressures and productive capacity encountered in said State 14 Com. Well No. 1 as compared to said wells are completely distinctive and are indicative of non-communication therewith.

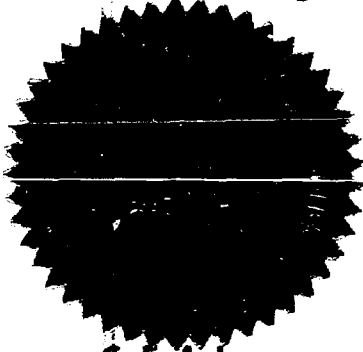
(6) That the combined geological and engineering data presented establishes that said State 14 Com. Well No. 1 has been completed in a new onshore reservoir in the Atoka formation and in the Morrow formation as defined by the provisions of Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission.

IT IS THEREFORE ORDERED:

(1) That the State 14 Com. Well No. 1, located in Unit E of Section 14, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, is completed in a new onshore reservoir in the Atoka formation and in the Morrow formation as defined by Sections 2 (6) and 102 of the Natural Gas Policy Act of 1978, and the applicable rules of the Federal Energy Regulatory Commission.

(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

rd/

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

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

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

CASE 7189: 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 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 NGPA 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 NGPA 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 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 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 NGPA 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 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 State 14 Well No. 1-A in Unit B of Section 14, Township 19 South, Range 29 East.

CASE 7196: Application of Dinero 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, Pennsylvania 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

CAMPBELL, BYRD & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
HARL D. BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
WILLIAM G. WARDLE

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 983-4421  
TELECOPIER: (505) 983-6043

February 19, 1981

Mr. Joe D. Ramey  
Director  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
Post Office Box 2208  
Santa Fe, New Mexico 87501

*Case 7193*

Re: Application of Southland Royalty Company for  
an N.G.P.A. Determination, Eddy County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Southland  
Royalty Company in the above-referenced matter.

The applicant requests that this matter be included on the  
docket for the examiner hearing scheduled to be held on  
March 11, 1981.

Very truly yours,

*William F. Carr*  
William F. Carr

WFC:lr

Enclosures

cc: Mr. Bill Aycock  
Mr. David Pace

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

APPLICATION OF SOUTHLAND  
ROYALTY COMPANY FOR AN  
N.G.F.A. DETERMINATION  
EDDY COUNTY, NEW MEXICO

Case 7193

APPLICATION

Comes now SOUTHLAND ROYALTY COMPANY, by and through its undersigned attorneys, and hereby seeks a new onshore reservoir determination in accordance with Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission in the Atoka and Morrow formations for the State 14 Com No. 1 Well located in Unit E of Section 14, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. That applicant is the operator of the subject well.
2. That said well has been completed in the Atoka formation with perforations from 10,670 feet to 10,678 feet and in the Morrow formation with perforations from 11,214 feet to 11,312 feet.
3. That there are other wells in the area which have penetrated and are completed in the Atoka and Morrow formations.
4. That geologic and engineering data establish that the subject well is completed in new reservoirs in the Atoka and Morrow formations not connected to any other Atoka or Morrow well in the area.

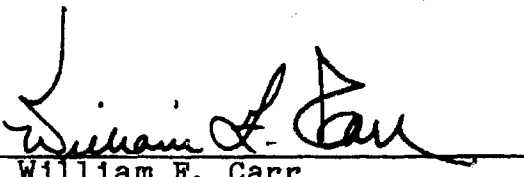


5. That granting the application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order granting this application and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL, BYRD AND BLACK, P.A.

By   
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
Attorneys for Applicant

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

APPLICATION OF SOUTHLAND  
ROYALTY COMPANY FOR AN  
N.G.P.A. DETERMINATION  
EDDY COUNTY, NEW MEXICO

Case 7193

APPLICATION

Comes now SOUTHLAND ROYALTY COMPANY, by and through its undersigned attorneys, and hereby seeks a new onshore reservoir determination in accordance with Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission in the Atoka and Morrow formations for the State 14 Com No. 1 Well located in Unit E of Section 14, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. That applicant is the operator of the subject well.
2. That said well has been completed in the Atoka formation with perforations from 10,670 feet to 10,678 feet and in the Morrow formation with perforations from 11,214 feet to 11,312 feet.
3. That there are other wells in the area which have penetrated and are completed in the Atoka and Morrow formations.
4. That geologic and engineering data establish that the subject well is completed in new reservoirs in the Atoka and Morrow formations not connected to any other Atoka or Morrow well in the area.

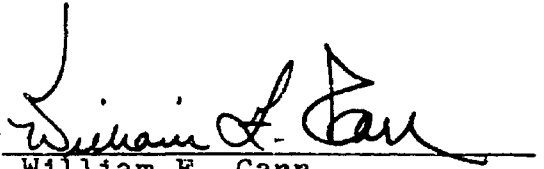
5. That granting the application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order granting this application and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL, BYRD AND BLACK, P.A.

By



William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87501

Attorneys for Applicant

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

APPLICATION OF SOUTHLAND  
ROYALTY COMPANY FOR AN  
N.G.P.A. DETERMINATION  
EDDY COUNTY, NEW MEXICO

Case 7193

APPLICATION

Comes now SOUTHLAND ROYALTY COMPANY, by and through its undersigned attorneys, and hereby seeks a new onshore reservoir determination in accordance with Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission in the Atoka and Morrow formations for the State 14 Com No. 1 Well located in Unit E of Section 14, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

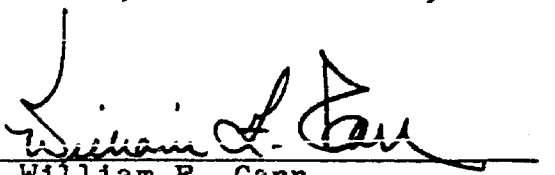
1. That applicant is the operator of the subject well.
2. That said well has been completed in the Atoka formation with perforations from 10,670 feet to 10,678 feet and in the Morrow formation with perforations from 11,214 feet to 11,312 feet.
3. That there are other wells in the area which have penetrated and are completed in the Atoka and Morrow formations.
4. That geologic and engineering data establish that the subject well is completed in new reservoirs in the Atoka and Morrow formations not connected to any other Atoka or Morrow well in the area.

5. That granting the application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order granting this application and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL, BYRD AND BLACK, P.A.

By   
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
Attorneys for Applicant

ROUGH

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. 7193

Order No. R-6683

APPLICATION OF SOUTHLAND ROYALTY COMPANY

FOR AN NGPA DETERMINATION,

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, seeks  
a determination by the Division, in accordance with Sections  
2 (6) and 102 of the Natural Gas Policy Act of 1978, and the

applicable rules of the Federal Energy Regulatory Commission,  
that its State 14 Com. Well No. 1

located \_\_\_\_\_ in Unit E  
of Section 14, Township 19 South, Range 29 East  
NMPM, Eddy County, New Mexico, has discovered <sup>TWO</sup> ~~a~~ new  
onshore reservoirs from which natural gas was not produced in  
commercial quantities before April 20, 1977.

(3) That said well was completed in the Atoka ~~Shinarump~~ formations with perforations from 10,760 feet to 10,768 feet, and a plugged-back depth of 11,355 feet after having been drilled to a total depth of 11,556 feet.

(4) That said well was completed in the Atwood Morrow  
formations with perforations from 11,214 feet to 11,312  
feet, and a plugged back depth of                      feet after having  
~~been drilled to a total depth of                      feet.~~

(5) That although there are ~~several~~ wells in the general vicinity of the subject well which have penetrated and are or were completed in the Atoka and Morrow formations, which *might disqualify the subject well from a category 102 determination*, pressures and productive capacity encountered in said State 14 wells

Com. Well No. 1 as compared to said wells are completely distinctive and are indicative of ~~an undrained reservoir~~ *non communication therewith.*

(6) That the combined geological and engineering data presented establishes that said State 14 Com. Well No. 1 *in the Hoke formation and in the Morrow formation* has been completed in a new onshore reservoir *as* defined by the provisions of Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission.

IT IS THEREFORE ORDERED:

(1) That the State 14 Com. Well No. 1  
located in Unit E of Section 14, Township 19 South  
Range 29 East, NMPM, Eddy County, New Mexico, is  
completed in a new onshore reservoir *in the Abo Formation and in the Mirror Formation* as defined by Sections 2 (6)  
and 102 of the Natural Gas Policy Act of 1978, and the applicable  
rules of the Federal Energy Regulatory Commission.

-3-  
Case No.  
Order No.

(2) That jurisdiction of this cause is hereby 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.