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CONSERVATION DEPARTMENT

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

APPLICATION OF C. W. TRAINER FOR
DIRECTIONAL DRILLING AND AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY,
NEW MEXICO.

OCD Case No 10137

ENTRY OF APPEARANCE
AND
WAIVER OF OBJECTION

Comes now ORYX ENERGY COMPANY, by and through its attorneys,
Kellahin, Kellahin & Aubrey, and enters its appearance in this case
and waives any objection to the application provided the surveyed
bottom hole location of the subject well is no closer than 660 feet
from the South line and no closer than 660 feet from the East line
of Section 5, T22S, R34E, NMPM, Lea County, New Mexico.

KELLAHIN, KELLAHIN & AUBREY:


W. THOMAS KELLAHIN

APPROVED FOR AND ON BEHALF
ORYX ENERGY COMPANY


Charles Gray

11-23-90

10137

Why ~~is~~^{BHL} is a location unorthodox?

Complies with ^{S.W.} spacing rule.

Field rules rescinded

11-28-90

CW, Trainer - Owner + witness

Dir. Drill 1/4 mi. E from an existing
Dry hole.

- SW of S.E. - Target is ~~SW~~ SE & SE

- ^{TD} 14,050' in Merrew drilled 8 years
ago.

? - Merrew wells in Sec 8 + 9.

? - Cases 9913 + 14 by Dry X.
2 unorth. wells in 9 - Why direct.

Gene Lee ^{Completion}
~~with~~ Consulting & Engrs -

660' F S + E.

- 4 - Far drilling
over

Dalton Kinchlo - Ind. Geol. - Since '62

? Well in Section 4 - Shell or Hodson

4.9 MM

? What kind of well did no. 2 Oryx make.

23.8 MM

? How much gas will be recovered.

1 to 1.5 BCF

? Loc. - further North if No Fault?

Might be better.

→ Says granting would protect CRs.

Info. from C.W. Trainer
12-3-90

Squeeze existing
perfs.

Mill window ~~at~~

8930 to 9000'

5" liner. in New hole

Cement

Perf.

GRAMA RIDGE-MORROW GAS POOL
(Redefined and Rules Rescinded)
Lea County, New Mexico

Order No. R-5995, Redefining Pool and Rescinding the Operating Rules Adopted for the Grama Ridge-Morrow Gas Pool, Lea County, New Mexico, May 2, 1979, as Amended by Order No. R-6050, July 17, 1979.

Application of Llano, Inc. for Rescission of Pool Rules, Lea County, New Mexico.

CASE NO. 6496
Order No. R-5995

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 9 a.m. on March 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of May, 1979, 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, Llano Inc., is the owner of five wells in the Grama Ridge-Morrow Gas Pool, Lea County, New Mexico.

(3) That said pool was created and defined by Division Order No. R-3006 on December 3, 1965, comprising all of Sections 3 and 4, Township 22 South, Range 34 East, NMPM, and made subject to the special pool rules promulgated by said order, which include a provision for 640-acre spacing and proration units, with well locations prescribed as being no closer than 1650 feet to the outer boundary of the unit and no closer than 330 feet to any quarter-quarter section line.

(4) That said pool was extended by Order No. R-3080, effective July 1, 1966, to include all of Section 34, Township 21 South, Range 34 East, NMPM; by Order No. R-3152, effective December 1, 1966, to include all of Section 10, Township 22 South, Range 34 East, NMPM; by Order No. R-3195, effective March 1, 1967, to include all of Section 33, Township 21 South, Range 34 East, NMPM; and by Order No. R-5729, effective June 1, 1978, to include all of Section 2, Township 22 South, Range 34 East, NMPM.

(5) That the applicant seeks the rescission of the Special Rules and Regulations for the Grama Ridge-Morrow Gas Pool to provide that said pool would be governed by the 320-acre spacing and acreage dedication requirements and well location requirements of Rule 104 of the Division Rules and Regulations.

(6) That the evidence in this case indicates that the five Morrow gas wells owned by the applicant, namely the Grama Ridge Unit Wells Nos. 2 and 3, located in Sections 34 and 33, respectively, of Township 21 South, Range 34 East, NMPM, and Grama Ridge Unit Wells Nos. 1 and 4, and Government "A" Well No. 1, located in Sections 3, 4, and 10, respectively, of Township 22 South, Range 34 East, NMPM, are all located within an upthrust fault block bounded on the west by a northeast-southwest trending fault and on the east by a north-south trending fault, and that they are not in communication with other wells recently drilled in the area, namely the POGO State L-922 Well No. 2 located in Section 28, or the Getty 35 State Well No. 1 located in Section 35, both in Township 21 South, Range 34 East, NMPM, or the Getty 2 State Well No. 1 located in Section 2, Township 22 South, Range 34 East, NMPM.

(7) That the evidence in this case indicates that the horizontal limits of the Grama Ridge-Morrow Gas Pool, as heretofore defined, are excessive and contain lands which are not producible by wells completed within said pool.

(8) That the horizontal limits of the pool should be contracted to approximately the known productive limits of the above-described fault block, and the pool should be redefined as comprising the following-described lands:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 33: E/2
Section 34: W/2

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 3: W/2
Section 4: All
Section 10: W/2

(9) That the applicant has established that the drainage characteristics of the reservoir in the wells completed within the aforesaid fault block are not such as to support 640-acre spacing, and that 320-acre spacing is more appropriate for the Morrow wells completed therein.

(10) That the Special Rules and Regulations for the Grama Ridge-Morrow Gas Pool, as promulgated by Division Order No. R-3006, should be rescinded, and the pool, as hereinabove redefined, should be spaced, drilled, operated, and produced in accordance with Rule 104 of the Division Rules and Regulations and with such other Division rules and orders as may be applicable.

(GRAMA RIDGE-MORROW GAS (REDEFINED AND RULES RESCINDED) POOL - Cont'd.)

(11) That the three recently completed wells described in Finding No. (6) above are not completed in the Grama Ridge-Morrow Gas Pool as redefined, and a separate new pool should be created and defined for the POGO well located in Section 28, and a separate new pool should be created for each or both of the Getty wells located in Sections 35 and 2.

(12) That the owner of the aforesaid wells in said Sections 35 and 2 should be given a reasonable period of time in which to apply to the Division for a hearing to consider the creation of a new pool for said wells, and the promulgation of special rules therefor, if said owner wishes to pursue spacing and proration units of other than 320 acres, and 30 days after the entry of this order is a reasonable period of time for such purpose.

(13) That during such 30-day period, and during the time an application for other than 320-acre spacing has been filed, and a hearing, or an order following hearing, is pending, the following described lands should be placed on temporary 640-acre spacing for the Morrow formation, and no Morrow gas well drilling permits should be approved for said lands unless such permits are for wells to which 640-acres (being a single governmental section) is dedicated and which are located at least 1650 feet from the outer boundary of the unit and at least 330 feet from any quarter-quarter section line, or unless an exception to the provisions of this finding and the derivative order therefrom has been obtained after notice and hearing; the lands are:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 26: All
Section 34: E/2
Sections 35 and 36: All

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Sections 1 and 2: All
Section 3: E/2
Section 10: E/2
Sections 11 and 12: All

(14) That in the event the owner of the wells in Sections 35, Township 21 South, Range 34 East, NMPM, and 2, Township 22 South, Range 34 East, NMPM, has not filed an application for creation of a new pool for said wells and the promulgation of special rules for said pool, including a provision for other than 320-acre spacing, within the above-described 30-day period, or in the event that spacing and proration units of other than 320 acres are denied, then all the lands described in Finding No. (13) above should be governed by the provisions of Rule 104 of the Division Rules and Regulations.

(15) That an order based on the above findings is in the interest of conservation and will prevent waste and protect correlative rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That the Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified and defined, is hereby redefined to include only the following described lands:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 33: E/2
Section 34: W/2

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 3: W/2
Section 4: All
Section 10: W/2

(2) That the Special Rules and Regulations for the Grama Ridge-Morrow Gas Pool, as promulgated by Division Order No. R-3006, are hereby rescinded, and said pool shall hereafter be spaced, drilled, operated, and produced in accordance with Rule 104 of the Division Rules and Regulations and with such other Division rules and orders as may be applicable.

(3) ~~(Rescinded by Order No. R-6050, July 17, 1979)~~ That the Morrow formation underlying all of Section 26, the E/2 of Section 34, and all of Sections 35 and 36, Township 21 South, Range 34 East, NMPM, and all of Sections 1 and 2, the E/2 of Section 3, the E/2 of Section 10, and all of Sections 11 and 12, Township 22 South, Range 34 East, NMPM, are hereby placed on temporary 640-acre spacing, and no drilling permit shall be approved for any Morrow Gas well proposed to be drilled on said lands unless such permit is for a well to which 640 acres (being a single governmental section) is dedicated and which is located at least 1650 feet from the outer boundary of the unit and at least 330 feet from any quarter-quarter section line, or unless an exception to the provisions of this Order No. (3) has been obtained after notice and hearing.

(4) That the provisions of Order No. (3) above shall be in force for a period of 30 days after the date of entry of this order, or provided Getty Oil Company has filed an application for creation of a new gas pool within the lands described in Order No. (3) above and for the promulgation of special rules for such new pool, including a provision for other than 320-acre spacing, for so long thereafter as a hearing, or an order following a hearing, is pending.

(5) That upon expiration of the acreage dedication and well location requirements provisions of Order No. (3) above, and in the absence of special pool rules to the contrary, all Morrow gas wells completed on the lands described in Order No. (3) above shall be spaced, drilled, operated, and produced in accordance with the provisions of Rule 104 of the Division Rules and Regulations.

(6) 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

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

December 10, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. Ernest Carroll
Losee, Carson, Haas & Carroll
P. O. Drawer 239
Artesia, New Mexico 88211-0239

Re: CASE NO. 10137
ORDER NO. R-9386

Applicant:

C. W. Trainer

Dear Sir:

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

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other Thomas Kellahin

CASE FILE

DIVISION

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS

NOV 21 8 30 AM

300 YATES PETROLEUM BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

TELEPHONE
(505) 746-3508
TELECOPY
(505) 746-6316

November 21, 1990

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

2275

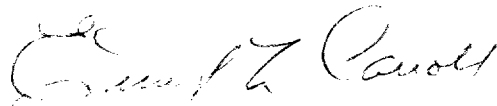
Re: Application of C. W. Trainer for Unorthodox
Gas Well Location, Lea County; Case No 10137

Dear Mr. LeMay:

Enclosed for filing, please find three copies of C. W. Trainer's
Prehearing Statement.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth
Enclosures

LAW OFFICES

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P. O. DRAWER 239
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TELEPHONE
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TELECOPY
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October 31, 1990

10137

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. LeMay:

Enclosed for filing, please find three copies of C. W. Trainer's Amended Application for an Unorthodox Gas Well Location in Lea County, New Mexico.

We ask that this case be reset for hearing, after allowing twenty days for notice to offset operators, and that we be provided a copy of the docket for said case.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth
Enclosures

xc w/encl: C. W. Trainer

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
C. W. TRAINER FOR AN UNORTHODOX GAS : CASE NO. 10137
WELL LOCATION, LEA COUNTY, NEW MEXICO :
_____ :

AMENDED APPLICATION

COMES NOW C. W. TRAINER, by and through his attorneys, Losee, Carson, Haas & Carroll, P. A. (Ernest L. Carroll) and in support hereof, respectfully states:

1. Applicant is the operator of the Morrow formation underlying:

Township 22 South, Range 34 East, N.M.P.M.

Section 5: All

and proposes to reenter and directionally drill its Harris Well at a point located 660' from the South line and 1980' from the East line of said Section 5 to a bottom hole location 660' from the South line and 660' from the East line of said Section 5.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.II(a) of the Oil Conservation Division to permit the directional drilling of the well to be bottomed and produced at the above-mentioned unorthodox location to a depth sufficient to adequately test the Morrow formation.

3. A 320-acre gas proration unit comprising the E/2 of said Section 5 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be reasonably productive of gas.

4. The approval of this application will afford applicant the opportunity to produce its just and equitable share

of gas, will prevent 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.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order granting applicant permission to reenter and directionally drill its Harris Well at a point located 660' from the South line and 1980' from the East line of said Section 5 to a bottom hole location 660' from the South line and 660' from the East line of said Section 5, which is reasonably presumed to be productive of gas from the Morrow formation.

C. And for such other relief as may be just in the premises.

C. W. TRAINER

By: 
Ernest L. Carroll

LOSEE, CARSON, HAAS & CARROLL, P.A.
P. O. Drawer 239
Artesia, New Mexico 88211-0239

Attorneys for Applicant

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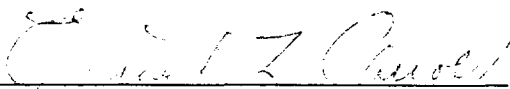
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Attorneys for Applicant