

Case Number

4310

Application
Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 25, 1970

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Klabzuba, Munson)
and Seaman for an unorthodox oil)
well location, Chaves County, New)
Mexico.)
)

Case No. 4310

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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MR. UTZ: Case 4310.

MR. HATCH: Case 4310. Application of Klabzuba, Munson and Seaman for an unorthodox oil well location, Chaves County, New Mexico.

Mr. Munson here is representing himself and he only has one copy of each of exhibit. Why doesn't he sit up here close to you so you can look on the exhibit as he testifies.

MR. UTZ: Okay. That will be fine.

(Witness sworn).

(Whereupon, Applicant's Exhibits 1 through 5 were marked for identification).

MR. HATCH: If you will, identify yourself for the record.

THE WITNESS: My name is E. P. Munson, Jr. I am from Fort Worth, Texas.

MR. UTZ: Any other appearance in this case? You may proceed.

THE WITNESS: Thank you, sir.

E. P. MUNSON, JR.

called as a witness, having been first duly sworn, was examined and testified as follows:

MR. MUNSON: Klabzuba, Munson and Seaman is an association. I am one of the owners and representing myself and the other two owners.

The first exhibit I have is a machine copy of the oil and gas lease under which we are operating which shows that we have a 640.38 acre lease which is comprised of the east half of Section 13, Township 10 South, Range 27 East and the west half of Section 18, Township 10 South, Range 28 East, Chaves County, New Mexico.

The second exhibit is a land map showing the acreage outlined in red and the location that we are requesting spotted.

MR. UTZ: That location is?

MR. MUNSON: Twenty-five hundred feet from the south line and 700 feet from the east line, Section 13. The third exhibit is a seismic map interpretation of the area; shows the structure on which we are drilling and the location.

The next exhibit is another seismic map. It's an isopach of the section from the Abo to the Mississippian and Devonian. It was made after some seismic work that we did recently.

The last exhibit is another seismic map interpretation contoured on the top of the Abo and in making our

location, what we considered was the Bolder seismic map that we had with its interpretation. The high shot point on that map is this point right here. To substantiate this picture, we ran a seismic line across the center prospect, across the center of the highest closing contour.

MR. UTZ: The highest shot point according to this map is the southeast of the northeast quarter of Section 13?

MR. MUNSON: Yes, sir. Then, this line is shown, the shot points are shown in yellow, the ones that we did, the last fall on these two maps and in making the location, we considered the two high shot points which are these two points, place the location between those two high shot points, put it within the top closing contour of all three maps.

To get it to this point, we had to move it north out of what would have been a regular location in this 40-acre tract to get it within these two closing contours. Yet, to center it in the next 40-acre tract to the north, we would have had to move it north past the high shot point on this map.

When all our thinking was in, this was the location we came up with which we consider to be the one that has the best chance to find the top of the structure when they drill

the well.

MR. UTZ: You have complete confidence in the seismic.

MR. MUNSON: I sort of anticipated that question.

MR. UTZ: Do you want to make these exhibits?

MR. HATCH: I guess I had better go ahead and mark them before I forget.

MR. MUNSON: My two co-associates are the scientists and I would not presume, as a landman, to tell them to move their location.

I would like to point out that we do have the 640 acres and in moving the location, we are not moving it towards anyone else's lease. It's not exactly in the center of our lease, but pretty well in the center and as a result, we have all the direct and the diagonal offsets on it.

DIRECT EXAMINATION

BY MR. UTZ:

Q Now, I notice on your Exhibit Number Four you have an area in Section 18 and 13 marked "thin." This means thin between the Abo and Mississippian?

A Yes, sir. It indicates the thing of that interval over the structure.

Q Then, the closure marked 135 on the same exhibit, is that thicker now on the outside or is this still thinner?

A No, sir. This means this entire area is a thin area. This is the thick area and this is the thinnest part.

Q So, you are not locating there specifically because it's thin, it's because it's high?

A Because it's high and the thin substantiates the fact that the structure is there is what it amounts to.

Q This would actually put you 140 feet from the quarter quarter section line?

A Yes, sir.

Q Your other dimensions would be standard, 600 feet?

A Yes, sir.

Q Your decision on another well would be based on what happens to this one, no doubt?

A That's correct.

Q Could be a pretty good chance that you would want another non-standard location.

A Wouldn't care to speculate on that at the moment. I might say, though, that if we make a well here we will most probably ask for 80-acre spacing rather than 40, but that, of course, depends on the results of the well, too, in which case we would ask for these two 40 acres to be assigned to the well.

MR. UTZ: Other questions of the witness?

MR. HATCH: Did you mention, Mr. Munson, what formation you are drilling to?

THE WITNESS: The Devonian Formation.

MR. HATCH: Whether it's a wildcat?

THE WITNESS: It's a wildcat, rank wildcat.

MR. UTZ: I noticed on the map there was a well over in Section 18, is that correct --

THE WITNESS: Yes, sir.

MR. UTZ: -- or was it 19?

THE WITNESS: Eighteen.

MR. UTZ: What's that well?

THE WITNESS: That's a San Andres Well producing about five barrels a day.

MR. UTZ: That's really a boomer, isn't it?

THE WITNESS: It sure is.

MR. UTZ: As far as the Devonian is concerned, this was a rank wildcat?

THE WITNESS: Yes, sir. This was a Devonian "B" test and this was a Devonian test up here.

MR. UTZ: Other questions? The witness may be excused.

(Witness excused).

MR. UTZ: Other statements in this case? The
case will be taken under advisement.

I N D E X

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Applicant's 1 through 5	2
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[illegible]

I, GLENDA BURKS, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Wanda L. Burp
Notary Public

My Commission Expires:

March 12, 1973

I do hereby certify that the foregoing is a complete record of the proceedings at the Executive Meeting of the Commission held on Feb 28 1920 heard by me on Feb 28 1920.
James O. White, Chairman
New Mexico Oil Conservation Commission

Docket No. 6-70

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 25, 1970

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 4296: (Continued from the January 21, 1970 Examiner Hearing)
Application of S. P. Yates for a pressure maintenance project expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand the S. P. Yates West McMillan Anderson Pressure Maintenance Project, authorized by Order No. R-3852, by the injection of water into the Queen formation through one additional well, the Anderson Well No. 3 located 2310 feet from the East line and 990 feet from the South line of Section 11, Township 20 South, Range 26 East, West McMillan-Seven Rivers-Queen Pool, Eddy County, New Mexico.
- CASE 4308: Application of Bill J. Graham for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from 4913 feet to 4961 feet in his U. S. Smelting Federal Well No. 5 located in Unit P of Section 22, Township 24 South, Range 32 East, Double X-Delaware Pool, Lea County, New Mexico.
- CASE 4309: Application of Mobil Oil Corporation for an amendment of Order No. R-3824, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3824 to permit the drilling of its Humphrey Queen Unit Well No. 13, a water injection well in its Langlie Mattix Humphrey Waterflood Project, at a non-standard location 1500 feet from the South line and 1220 feet from the East line of Section 4, Township 25 South, Range 37 East, Lea County, New Mexico, in lieu of the location authorized in said Order No. R-3824.
- CASE 4310: Application of Klabzuba, Munson and Seaman for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a wildcat oil well to the Devonian formation at an unorthodox location 700 feet from the East line and 2500 feet from the South line of Section 13, Township 10 South, Range 27 East, Chaves County, New Mexico.

February 25, 1970 - Examiner Hearing

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Docket No. 6-70

CASE 4311: Application of C. E. Long for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests from the surface down to the base of the Seven Rivers formation underlying the S/2 of the NE/4 of Section 31, Township 21 South, Range 36 East, Lea County, New Mexico, to form two 40-acre proration units for Jalmat, Eumont, or South Eunice Oil production to be dedicated to a well to be re-entered in Unit H and a well to be re-entered or to be drilled at a standard location in Unit G of said Section 31 and/or to form an 80-acre non-standard gas proration unit in the event gas production is encountered in the Jalmat or Eumont Gas Pools. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4312: Application of U. S. Potash & Chemical Company, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to include the following-described lands in the Potash-Oil Area defined by said order:

EDDY COUNTY, NEW MEXICO

Township 23 South, Range 31 East,
Sections 19, 20, 27, 28, 29 and 30: All

CASE 4313: Application of Atlantic Richfield Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of 160-acre non-standard gas proration unit comprising the N/2 S/2 of Section 36, Township 21 South, Range 37 East, Blinebry Gas Pool, Lea County, New Mexico, to be dedicated to its State 367 Wells Nos. 2 and 3 located, respectively, in Units L and K of said Section 36. Applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.

CASE 4314: Application of Coastal States Gas Producing Company for pool redelineation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of certain pool boundaries to include the deletion of the W/2 and SE/4 of Section 21, Township 13 South, Range 33 East, Lea County, New Mexico, from the Lazy J-Pennsylvanian Pool and the extension of the North Baum Upper Pennsylvanian Pool to include said deleted acreage.

February 25, 1970 - Examiner Hearing

Docket No. 6-70

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CASE 4315: Application of Pan American Petroleum Corporation for pool consolidation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of the Fowler-Lower Paddock and Fowler-Blinebry Pools, Lea County, New Mexico, into one pool. Applicant further requests that the consolidated pool be governed by rules presently applicable to the Fowler-Blinebry Pool.

CASE 4316: Application of Pan American Petroleum Corporation for an un-orthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C 11 to permit the drilling of a well at an un-orthodox gas well location 330 feet from the North and East lines of Section 11, Township 23 South, Range 26 East, South Carlsbad-Strawn, Atoka, and-Morrow Gas Pools, Eddy County, New Mexico. The N/2 of said Section 11 to be dedicated to the well.

CASE 4317: Application of Union Oil Company of California for the creation of a new gas pool and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres gas pool for its Federal "18" Well No. 2 located 660 feet from the South and East lines of Section 18, Township 8 South, Range 38 East, Roosevelt County, New Mexico, and for the promulgation of special rules therefor, including provisions for 160-acre spacing units and a casing program.

Case 4310
Hqnd. 2-25-70
Rec. 2-25-70

Grant L. M+S. are another
dog location for their wild cat
well to the Debonair - fur. ~~700'~~
Location to be 2500'/S, 700'/E line of
sec. 13 - 10 S - ~~27~~ E.

The reason is strictly an
interpretation of a seismic work which
shows a small structure.

This will be a small pool if
the well produces + and NSG
in this case would not
harass.

Thud D. H.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4310
Order No. R-3928

APPLICATION OF KLABZUBA, MUNSON AND SEAMAN
FOR AN UNORTHODOX OIL WELL LOCATION, CHAVES
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 25, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 2nd day of March, 1970, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicants, Klabzuba, Munson and Seaman, are
the owners and operators of a lease comprising the E/2 of Sec-
tion 13, Township 10 South, Range 27 East and the W/2 of Section
18, Township 10 South, Range 28 East, NMPM, Chaves County, New
Mexico.

(3) That the applicants seek authority to drill a wildcat
oil well to the Devonian formation at an unorthodox location
2500 feet from the South line and 700 feet from the East line
of said Section 13.

(4) That a well drilled at the proposed location should
encounter the Devonian formation structurally higher than a
well drilled at a standard location.

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CASE No. 4310
Order No. R-3928

(5) That the proposed unorthodox oil well location will not crowd acreage belonging to any other operator.

(6) That approval of the subject application will afford the applicants the opportunity to produce their just and equitable share of the oil in the 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 applicants, Klabzuba, Munson and Seaman, are hereby authorized to drill a wildcat oil well to the Devonian formation at an unorthodox location 2500 feet from the South line and 700 feet from the East line of Section 13, Township 10 South, Range 27 East, NMPM, Chaves County, New Mexico.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


A. L. PORTER, Jr., Member & Secretary


esx/

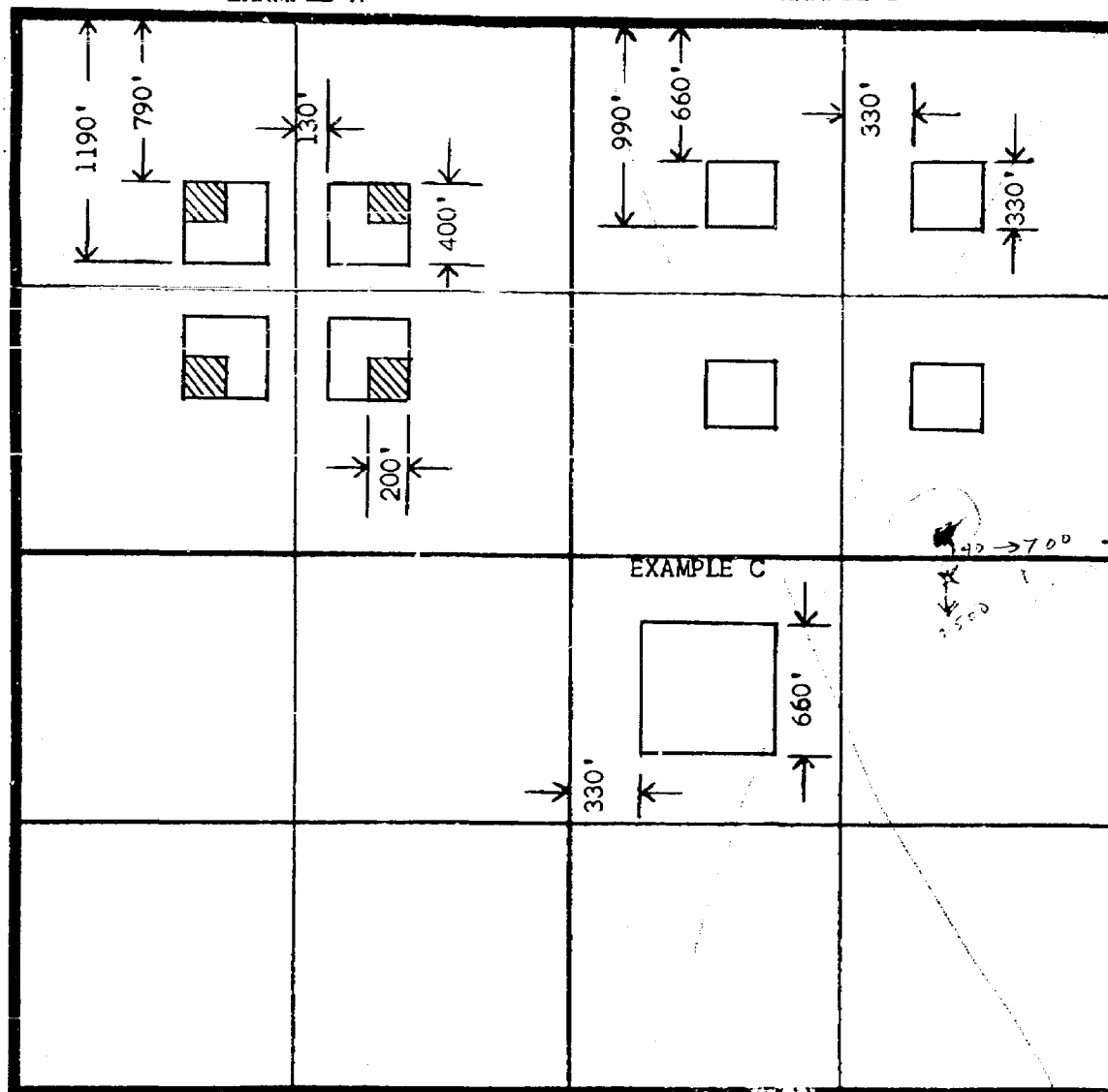
STANDARD OIL AND GAS WELL LOCATIONS IN NEW MEXICO ACCORDING TO RULE 104
OF THE GENERAL RULES AND REGULATIONS

Sec. _____ Township No. _____ of Range No. _____

13 - 105 - 27E. New.

EXAMPLE A

EXAMPLE B



EXAMPLE A - Shows Standard Gas Well location in San Juan, Rio Arriba and Sandoval Counties. 200' crosshatched square shows portion of 400' square which is a standard location for oil or gas wells. These locations may be used in any quarter section.

EXAMPLE B - Shows standard gas well location for the State, except San Juan, Rio Arriba and Sandoval Counties. These locations may be used in any quarter section.

EXAMPLE C - Shows Standard Oil Well location for the State. This location may be used for a wildcat oil or gas well except in San Juan, Rio Arriba and Sandoval Counties. This location may be used in any quarter quarter section.

ED 6-7796
WA 7-2086

EDWARD P. MUNSON, JR.
1602 FORT WORTH NATIONAL BANK BLDG.
FORT WORTH, TEXAS 76102

MAILED
FEB 4 11
FEB 2, 1970

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

Attention: Mr. George Hatch

Gentlemen:

We wish to drill a 7000-foot Devonian rank wildcat at the following location: 700 feet from east line and 2500 feet from south line, Section 13, Township 10 South, Range 27 East, Chaves County.

Would you please place on your docket a hearing on this request, at your next hearing date of February 25th.

By virtue of a contract with D. W. Varel, we own all offsets to this location, including diagonals. (We own all E/2 Section 13, Township 10 South, Range 27 East, and W/2 Section 18, Township 10 South, Range 28 East.) The location is on privately owned land, and the ownership is common under all of our acreage.

Our reason for desiring to drill at this irregular location is that we have done extensive seismograph investigation to determine the optimum well location. Such a location happens to be an irregular one. Inasmuch as the indicated structure covers a limited area, we do not want to take the risk involved in moving it to make it a regular location.

Klabzuba, Munson and Seaman is an association, or joint venture, formed solely for the purpose of drilling this well. It consists of Robert Klabzuba, L. O. Seaman and the writer.

Yours truly,


E. P. Munson, Jr.

EPMj:1hm

DOCKET MAILED
Date 2-13-70

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4310

Order No. R- 3928

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ORDER OF THE COMMISSION

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NOW, on this _____ day of March, 19670, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicants, Klabzuba, Munson and Seaman, ~~is~~ *are*
a lease comprising the
the owners and operators of ~~the~~ *the E/2* of Section 13, Township
and the W/2 of Section 13, Township 10 North, Range
10 South, Range 27 East, NMPM, Chaves County, New Mexico. *28 East,*

(3) That the applicants seek authority to drill a wildcat
oil well to the Devonian formation at an unorthodox location
2500 feet from the South line and 700 feet from the East line of
said Section 13.

(4) *That a well drilled at the proposed location
should encounter the Devonian formation structurally
higher than a well drilled at a standard location.*

(5) (a) That the proposed unorthodox oil well location will
not crowd acreage belonging to any other operator.

(5) That approval of the subject application will afford the applicant, the opportunity to produce ~~its~~^{the} just and equitable share of the oil in the 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 applicant, Klabzuba, Munson and Seaman, ~~is~~^{are} hereby authorized to drill a wildcat oil well to the Devonian formation at an unorthodox location 2500 feet from the South line and 700 feet from the East line of Section 13, Township 10 South, Range 27 East, NMPM, Chaves County New Mexico.

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

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