

Case Number

4321

Application
Transcripts.

Small Exhibits

ETC.

dearnley-meier

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

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6651 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSLRVATION COMMISSION
Santa Fe, New Mexico
March 25, 1970

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Sun Oil Company-DX)
Division for 320-acre spacing,)
Eddy County, New Mexico.)

Case No. 4321

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

dearnley-meier

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

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



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

EXAMINER HEARING

IN THE MATTER OF:)

Application of Sun Oil Company-DX)
Division for 320-acre spacing,)
Eddy County, New Mexico.)

Case No. 4321

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 4321.

MR. HATCH: Case 4321. Application of Sun Oil Company-DX Division for 320-acre spacing, Eddy County, New Mexico.

You will notice that this case was advertised that in the absence of evidence to the contrary, 320-acre spacing will be established for the pool and it is a Pennsylvanian completion that was -- I mean a pool that was created prior to June the 1st, 1964 is not eligible for automatic 320-acre spacing under our Rule 104.

MR. UTZ: Are there any appearances in Case 4321? This case was put on the docket as somewhat of a formality since any gas pool discovered in the Pennsylvanian formation since 6-1-'64 it automatically has 320-acre spacing. This pool was discovered before that date; therefore, it did not fall under the general rule.

That's why it was advertised. There's no objection, the case will be taken under advisement and I believe the 320-acre spacing is automatic, is it not?

MR. HATCH: An order will be required.

Glenda Burps
Notary Public

March 12, 1973

I do hereby certify that the foregoing is a complete record of the proceedings in the Executive Board of the New Mexico Oil Conservation Commission held by and on March 25, 1970 at Albuquerque, New Mexico.
W. G. H., Chairman
 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

April 2, 1970

Mr. F. D. Lebo
Sun Oil Company
Post Office Box 1416
Roswell, New Mexico 88201

Re: Case No. 4321
Order No. R-3936
Applicant:
SUN OIL COMPANY

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X

Artesia OCC X

Aztec OCC

Other

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. 4321
Order No. R-3936

APPLICATION OF SUN OIL COMPANY-DX DIVISION
FOR 320-ACRE SPACING, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 1st day of April, 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 applicant, Sun Oil Company-DX Division, seeks
320-acre spacing for the Cass Ranch-Morrow Gas Pool, Eddy County,
New Mexico.

(3) That by Order No. R-2651, dated February 14, 1964, the
Cass Ranch-Morrow Gas Pool, Eddy County, New Mexico, was created
and classified as a gas pool for Morrow production.

(4) That by Order No. R-2707, dated May 25, 1964, Rule 104
of the New Mexico Oil Conservation Commission Rules and Regula-
tions was amended in order to provide for 320-acre spacing for
gas pools in Lea, Chavez, Eddy, and Roosevelt Counties of
Pennsylvanian age or older and created and defined after June 1,
1964.

CASE No. 4321
Order No. R-3936

(5) That said Order No. R-2707 found that in Lea, Chaves, Eddy, and Roosevelt Counties, New Mexico, a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract.

(6) That the Morrow formation is a part of the Pennsylvanian formation.

(7) That, in the absence of evidence to the contrary, as prescribed by the notice of this case, the Commission finds that one well can efficiently and economically drain and develop 320 acres in said Cass Ranch-Morrow Gas Pool.

IT IS THEREFORE ORDERED:

(1) That effective immediately, the Cass Ranch-Morrow Gas Pool, Eddy County, New Mexico, shall be governed by all Commission Rules and Regulations applicable to gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older the same as if the subject pool had been created and defined by the Commission after June 1, 1964.

(2) That any well presently drilling to or completed in the Morrow formation within the Cass Ranch-Morrow Gas Pool or within one mile of the Cass Ranch-Morrow Gas Pool that will not comply with the well location requirements governing gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older created and defined after June 1, 1964, is hereby granted an exception to such location requirement. The operator shall notify the Artesia District Office of the Commission in writing of the name and location of the well on or before April 15, 1970.

(3) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Cass Ranch-Morrow Gas Pool shall have dedicated thereto 320 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until

-3-

CASE No. 4321

Order No. R-3936

said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Cass Ranch-Morrow Gas Pool or in the Morrow formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

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

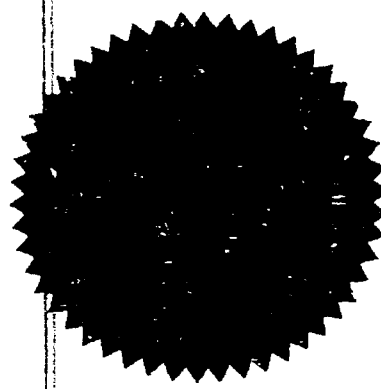
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


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



esr/

SUN OIL COMPANY

P. O. BOX 1418, ROSWELL, NEW MEXICO 88201

February 18, 1970

'70 FEB 19 AM 8 13

Case 4321

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

RE: Cass Ranch Morrow Gas Pool
Request for Hearing

660/1114

Gentlemen:

D 2

Sun Oil Company - DX Division is the operator of the Kewanee State #1 in the Cass Ranch Morrow Gas Pool. The well is located in the NW/4 7-20-S, R-23-E and is the only well in the pool. The well has 160 acres assigned to it as provided by Statewide Rule 104 C.IIa for gas pools of Pennsylvanian age designated prior to June 1, 1964.

In order to prevent the economic loss caused by the drilling of unnecessary wells, Sun Oil Company - DX Division requests 320 acre spacing in the Cass Ranch Morrow Gas Pool. We request that the matter be advertised for a hearing in such a manner that if there were no objections to the request we would not have to appear at the hearing in order to obtain approval.

Yours truly,

SUN OIL COMPANY - DX Division

F. D. Lebo

F. D. Lebo

FDL:prm

DOCKET FILED

Date 3-12-78

4321

Heard 3-25-70

Reed 3-26-70

Acres 320 Acres Spacing
for Sema request to grand-
father the Cusa Ranch. Monow
gas pool to 320 Ac. under
rule 104 C II.

Well is located .660 / N + W
line Sec. 2, 20 S - 23 E.

Eddy Co. * ~~the~~ location
is Noted for Rule 104 C II.
Approve the location &

Thos. A. [Signature]

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 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. Ute, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 4321: Application of Sun Oil Company-DX Division for 320-acre spacing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks 320-acre spacing for the Cass Ranch-Morrow Gas Pool, Eddy County, New Mexico. Said pool was created prior to June 1, 1964, and therefore is not automatically eligible for 320-acre spacing. In the absence of evidence to the contrary, 320-acre spacing will be established for the pool.
- CASE 4324: Application of Pennzoil United, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations governing the Lea-Bone Springs Pool to permit the completion of a well at an unorthodox location 2310 feet from the South line and 1800 feet from the East line of Section 35, Township 19 South, Range 34 East, Lea County, New Mexico.
- CASE 4325: Application of Mobil Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Vacuum-Wolfcamp Pool and the Vacuum-Upper Pennsylvanian Pool in the wellbore of its Bridges State Well No. 119, a triple completion, located in Unit F of Section 24, Township 17 South, Range 34 East, Lea County, New Mexico.
- CASE 4326: Application of Newmont Oil Company for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C I to permit the recompletion of a well at an unorthodox oil well location 1325 feet from the South line and 990 feet from the East line of Section 31, Township 17 South, Range 30 East, Loco Hills-Queen Pool, Eddy County, New Mexico.
- CASE 4327: Application of Franklin, Aston & Fair for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's leases comprising the NE/4 and N/2 SE/4 of Section 1, Township 18 South, Range 29 East and the E/2, N/2 NW/4, and S/2 SW/4 of Section 6, Township 18 South, Range 30 East, Loco Hills Field, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells located or to be located on said leases in unlined surface pits.

Examiner Hearing - March 25, 1970

-2-

- CASE 4328: Application of Pubco Petroleum Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the undesignated Fictured Cliffs gas pool underlying the SE/4 of Section 33, Township 30 North, Range 14 West, San Juan County, New Mexico. Said SE/4 to be dedicated to a well to be drilled in the SW/4 SE/4 of said Section 33. Applicant further seeks an order pooling all mineral interests in said gas pool underlying the NE/4 of Section 4, Township 29 North, Range 14 West, San Juan County, New Mexico. Said NE/4 to be dedicated to a well to be drilled in the NW/4 NE/4 of said Section 4. Also to be considered will be the costs of drilling said wells, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said wells.
- CASE 4329: Application of R. D. Collier for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Sinclair Parke Well No. 1 located in Unit F, Section 22, Township 17 South, Range 30 East, Jackson-Abo Field, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in an unlined surface pit in the vicinity of said well.
- CASE 4314: (Continued and readadvertised from February 25, 1970, Examiner Hearing and March 4, 1970 Examiner Hearing)
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.
- CASE 4319: (Continued from the March 4, 1970, Examiner Hearing)
Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the North Vacuum-Abo Pool and the Vacuum-Wolfcamp Pool in the wellbores of its New Mexico "Q" State Well No. 4 and its New Mexico "N" State Well No. 6, triple completions located respectively in Unit P of Section 25, Township 17 South, Range 34 East and Unit L

(Case 4319 continued)

of Section 30, Township 17 South, Range 35 East, Lea County, New Mexico.

- CASE 4322: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools on the wellbore of its Shell State Well No. 1, a triple completion, located in Unit J of Section 25, Township 17 South, Range 34 East, Lea County, New Mexico.
- CASE 4323: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg and San Andres formations through its USA Federal "C" Well No. 1 located in Unit P, Section 15, Township 17 South, Range 32 East, Maljamar (Grayburg-San Andres) Pool, Lea County, New Mexico.
- CASE 4330: Application of Tenneco Oil Company for an unorthodox location and dual completion, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion of its Hospah Well No. 37X to produce oil from the Hospah-Upper and South Hospah-Lower Sand Oil Pools at an unorthodox location for said pools 1280 feet from the North and West lines of Section 12, Township 17 North, Range 9 West, McKinley County, New Mexico.
- CASE 4331: Application of Wynn & Brooks for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "E" Well No. 3, to be located 790 feet from the North and West lines of Section 13, Township 27 North, Range 8 West, Blanco-Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.
- CASE 4264: (Continued from the February 4, 1970 Examiner Hearing)
Application of Wynn & Brooks for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "J" Well No. 1, to be located 2390 feet from the South line and 2410 feet from the East line of Section 11, Township 27 North, Range 8 West, Blanco-Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.

CASE 4301: (Continued from the February 4, 1970 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Robert T. Smith and all other interested persons to appear and show cause why the following Robert T. Smith wells located in Section 32, Township 20 North, Range 9 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

State Well No. 1 located 487 feet from the North line and 990 feet from the East line;

State "A" Well No. 1 located 400 feet from the North line and 990 feet from the East line;

State Well No. 3 located 330 feet from the North line and 330 feet from the West line;

State Well No. 6 located 220 feet from the North line and 1485 feet from the East line;

State Well No. 6-Y located approximately 5 feet West of the above-described Well No. 6;

State Well No. 8 located 1155 feet from the North line and 2475 feet from the East line.

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

Form C-152
Supersedes C-128
Effective 1-1-65

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

Operator Sun Oil Company - DX Division			Lease Kewanee State		Well No. 1
Unit Letter D	Section 2	Township 20-S	Range 23-E	County Eddy	
Actual Footing Location of Well: <div style="display: flex; justify-content: space-between;"> 660 feet from the North line and 660 feet from the West line </div>					
Ground Level Elev. 4038	Producing Formation Morrow Pennsylvanian	Pool Cass Ranch - Morrow Gas	Dedicated Acreage: 160 Acres		

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

RECEIVED

NOV 25 1968

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

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

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

CERTIFICATION

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

Name: *F. D. Lebo* **F. D. Lebo**

Position: **District Engineer**

Company: **Sun Oil Company - DX Division**

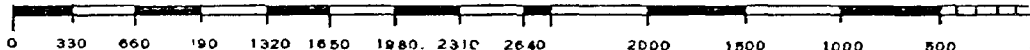
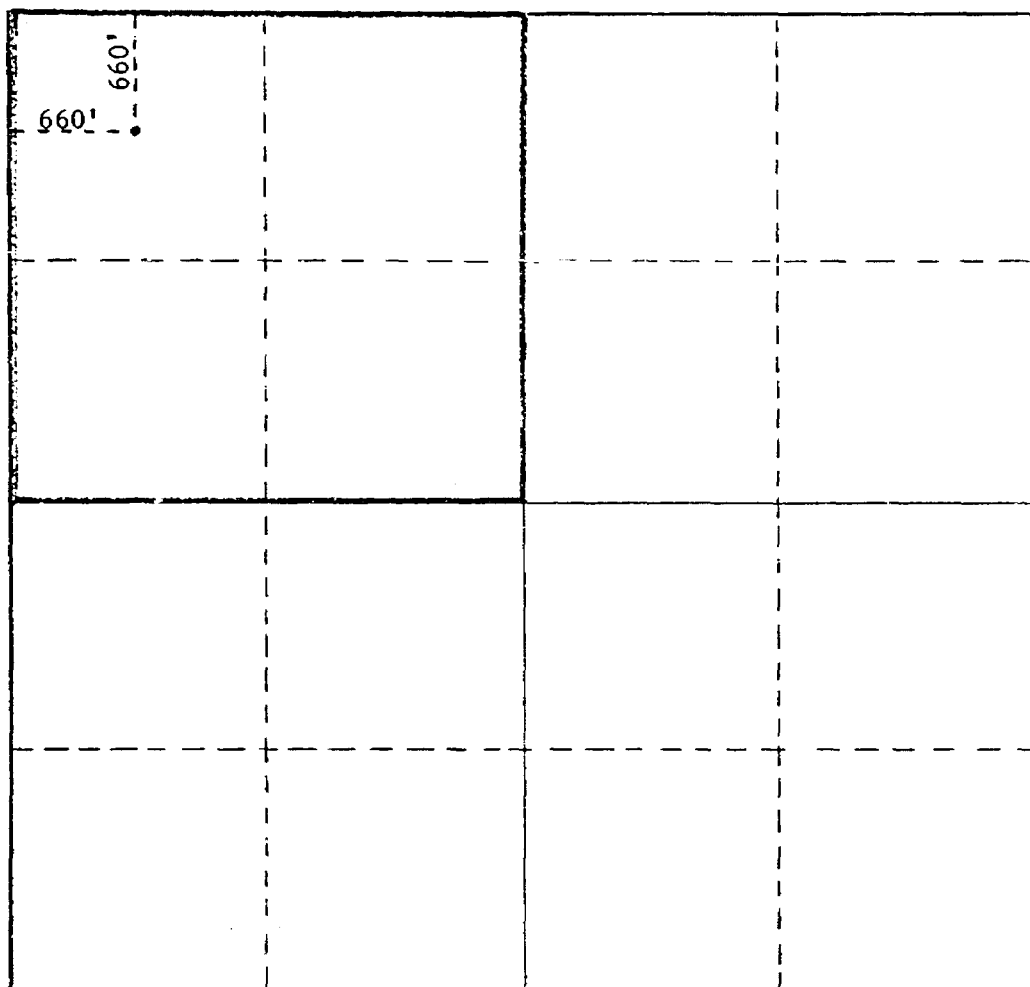
Date: **November 22, 1968**

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

Date Surveyed _____

Registered Professional Engineer and/or Land Surveyor

Certificate No. _____



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:

RECORDS CENTER

CASE No. 4321

Order No. R-3936

APPLICATION OF SUN OIL COMPANY-
DX DIVISION FOR 320-ACRE SPACING,
EDDY COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 25, 19670,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 27 day of April, 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 applicant, Sun Oil Company-DX Division, seeks
320-acre spacing for the Cass Ranch-Morrow Gas Pool, Eddy County,
New Mexico.

(3) That by Order No. R-2651, dated February 14, 1964, the
Cass Ranch-Morrow Gas Pool, Eddy County, New Mexico, was created
and classified as a gas pool for Morrow production.

(4) That by Order No. R-2707, dated May 25, 1964, Rule 104
of the New Mexico Oil Conservation Commission Rules and Regula-
tions was amended in order to provide for 320-acre spacing for
gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of
Pennsylvanian age or older and created and defined after June 1,
1964.

(5) That said Order No. R-2707 found that in Lea, Chaves, Eddy, and Roosevelt Counties, New Mexico, a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract.

(6) That the Morrow formation is a part of the Pennsylvanian formation.

(7) That, in the absence of evidence to the contrary, as prescribed by the notice of this case, the Commission finds that one well can efficiently and economically drain and develop 320 acres in said Cass Ranch-Morrow Gas Pool.

IT IS THEREFORE ORDERED:

(1) That effective immediately, the Cass Ranch-Morrow Gas Pool, Eddy County, New Mexico, shall be governed by all Commission Rules and Regulations applicable to gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older the same as if the subject pool had been created and defined by the Commission after June 1, 1964.

(2) That any well presently drilling to or completed in the Morrow formation within the Cass Ranch-Morrow Gas Pool or within one mile of the Cass Ranch-Morrow Gas Pool that will not comply with the well location requirements governing gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older created and defined after June 1, 1964, is hereby granted an exception to such location requirement. The operator shall notify the Artesia District Office of the Commission in writing of the name and location of the well on or before April 15, 1970.

(3) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Cass Ranch-Morrow Gas Pool shall have dedicated thereto 320 acres in accordance with the foregoing pool rules; or,

pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of ~~allowable~~ ^{allowable.} Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Cass Ranch-Morrow Gas Pool or in the Morrow formation within one mile thereof shall ~~receive~~ ^{the amount produced by wells} no more than one-half of ~~a standard allowable for the~~ ^{pool} ~~in which 320 acres are dedicated.~~

(4) 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.

CASE 4322: Application of TEXACO
FOR DOWNHOLE COMMINGLING, LEA
COUNTY, NEW MEXICO.