

Case Number

4357

Application
Transcripts.

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

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
May 27, 1970

EXAMINER HEARING

IN THE MATTER OF:)

Application of Stallworth Oil)
& Gas for an unorthodox oil)
well location, Eddy County,)
New Mexico.)

CASE NO. 4357

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date MAY 27, 1970TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
John F Russell	Union	Roswell
Wm Petmeyer	"	Midland, Texas
M. L. Zoller	"	"
J. L. Belk	Cities Service Oil Co	Midland, Tex
Jon D. Champeny	Humble Oil & Ref Co	Hobbs.
W. J. Carraway	Humble	Hobbs
James E. Hunte	"	Roswell
P. E. Hosford	Pan Am	Ft. Worth
R. E. McKinley	" "	" "
Guy Boell	" "	" "
Richard S. Meakin	Montgomery & Co	Santa Fe
William J. DeKey	Self	Santa Fe
Donald G. Hume	Wm J. DeKey	"
J. L. Loece	Yates	Artesia
Norm S. Dandurrie	RW Brown	Santa Fe

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date MAY 27, 1970 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Carl Traywick	U S G A	Roswell
Jim Knapp	U S G A	Artesia
Leon M. Lampert	Dalport Oil Corp	Dallas, Tex
R. L. Norman	Globe Petroleum Corp	Artesia, N.M.
Charles P. Miller	Grace M P	Abilene
Jack L. McClellan	Self	Roswell, N.M.
K C Havenor	Read & Stevens, Inc	Roswell, N.M.
B. L. Hammett	OCC	Artesia
Jason Kellahi	Kellahi & Fox	Santa Fe
R. L. Medley	Natural Gas Pipeline	Midland Tex
Ralph H. Viner		

MR. UTZ: Case 4357.

MR. HATCH: Case 4357. Application of Stallworth Oil and Gas for an unorthodox oil well location, Eddy County, New Mexico.

Mr. Examiner, this case should not have been advertised. The well that they are asking for here was previously authorized by Order Number R-2977A, and I just overlooked that in advertising for a hearing. Mr. Stevens called it to my attention. The case should be dismissed.

MR. UTZ: Case 4357 will be dismissed.



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2066 - SANTA FE
87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

June 3, 1970

Mr. Donald G. Stevens
McDermott, Connelly & Stevens
Attorneys at Law
Post Office Box 1904
Santa Fe, New Mexico 87501

Re: Case No. 4357
Order No. R-3969
Applicant:
Stallworth Oil & Gas Co.

Dear Sir:

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

Very truly yours,

G. L. Carter, Jr.

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. 4357
Order No. R-3969

APPLICATION OF STALLWORTH OIL & GAS
FOR AN UNORTHODOX OIL WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 27, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of June, 1970, the Commission, a
quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 4357 is hereby dismissed.

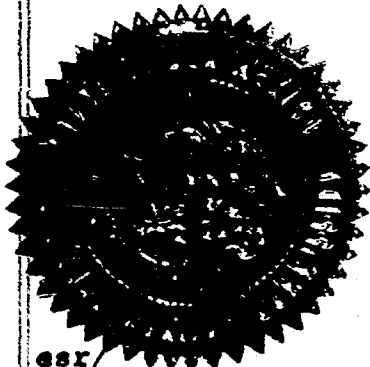
DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

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



Law Offices
McDERMOTT, CONNELLY & STEVENS
P. O. Box 1904
Santa Fe, New Mexico 87501

Tel: 505 983-7301

May 26, 1970

New Mexico Oil Conservation Commission
Land Office Building
Santa Fe, New Mexico 87501

Attention: Mr. George Hatch, Attorney

Gentlemen:

Stallworth Oil & Gas Company has previously applied for
an unorthodox oil well location to be heard May 27, 1970,
Case No. 4357.

Because we have determined that such hearing is not now
necessary, we request that this hearing be cancelled.

Very truly yours,

McDERMOTT, CONNELLY & STEVENS

By:

Donald G. Stearns
Attorneys for Applicant
STALLWORTH OIL & GAS COMPANY

DGS:sj

*NO file -
Case 4357*

STALLWORTH OIL & GAS
407 WEST MISSOURI AVENUE (915) 682-9222
MIDLAND, TEXAS 79701

May 20, 1970

PH 1 05
270 MAY 22

[Handwritten signature]

Case 4357

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Hearing
Proposal to Drill A. N. Etz No. 6
Non-Standard Well Location
Square Lake Grayburg - San Andres Field
STALLWORTH OIL & GAS
Ada Nye Etz Federal Lease No. 029424
SE Quarter, Section 25, T-16-S, R-30-E
Eddy County, New Mexico

Dear Mr. Porter:

Supplementing our letter of May 1, 1970, regarding the captioned matter, enclosed are letters from all offset operators and/or owners waiving notice and hearing on the location of our Etz No. 6 well, namely

Anadarko Production Company
Newmont Oil Company
M. W. Staples for M. W. Staples et al,
Offset Owners
Thurman E. McGaugh, Jr. for
McGaugh Management Company,
Offset Operator for M. W. Staples et al

Please advise if additional information is required.

Very truly yours,
Stallworth Oil & Gas

By *Murray E. Helmers*
Murray E. Helmers
Production Manager

Enclosures (3)

Case 4357

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Hearing
Proposal to Drill A. N. Etz No. 6
Non-Standard Well Location
Square Lake Grayburg - San Andres Field
Stallworth Oil & Gas
Ada Nye Etz Federal Lease No. 029424
SE Quarter, Section 25 T-16-S, R-30-E
Eddy County, New Mexico

Gentlemen:

The undersigned operator has been notified of Stallworth Oil & Gas requesting permission to drill the captioned well on a Non-Standard Location.

You are respectfully advised that the undersigned operator waives notice and hearing on the application described above.

Very truly yours,

ANADARKO PRODUCTION COMPANY

C. W. Stumhoffer

C. W. Stumhoffer, Supt.
Secondary Recovery Div.

Date 5-5-70

Case 4357

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Hearing
Proposal to Drill A. N. Etz No. 6
Non-Standard Well Location
Square Lake Grayburg - San Andres Field
Stallworth Oil & Gas
Ada Nye Etz Federal Lease No. 029424
SE Quarter, Section 25 T-16-S, R-30-E
Eddy County, New Mexico


Gentlemen:

The undersigned operator has been notified of Stallworth Oil & Gas requesting permission to drill the captioned well on a Non-Standard Location.

You are respectfully advised that the undersigned operator waives notice and hearing on the application described above.

Very truly yours,

NEWMONT OIL COMPANY


Herman J. Ledbetter,
Dist. Supt.

Date 4/1/79

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 4357

Re: Application for Hearing
Proposal to Drill A. N. Etz No. 6
Non-Standard Well Location
Square Lake - Grayburg - San Andres Field
Stallworth Oil & Gas
Ada Nye Etz Federal Lease No. 029424
SE Quarter, Section 25, T-16-S, R-30-E,
Eddy County, New Mexico

Gentlemen:

The undersigned, for offset owners and offset operator, have been notified of Stallworth Oil & Gas requesting permission to drill the captioned well on a Non-Standard location.

You are respectfully advised that the undersigned waive notice and hearing on the application described above.

Very truly yours,

Date 5-19-70

M. W. Staples
M. W. Staples for
M. W. Staples et al,
Offset Owners

Date 5-19-70

Thurman E. McGaugh, Jr. (by PLS)
Thurman E. McGaugh, Jr. for
McGaugh Management Company,
Offset Operator

RECEIVED

MAY 20 1970

STALLWORTH OIL & GAS

Docket No. 13-70

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 27, 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 4357: Application of Stallworth Oil & Gas for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an infill producing oil well at an unorthodox location, 1315 feet from the South and East lines of Section 25, Township 16 South, Range 30 East, in its Square Lake Grayburg-San Andres Waterflood Project, Eddy County, New Mexico.

CASE 4358: Application of Union Oil Company of California for a non-standard gas proration unit and unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 240-acre non-standard gas proration unit comprising the NE/4 and E/2 SE/4 of Section 18, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, to be dedicated to its Federal 18 Well No. 2 at an unorthodox location 660 feet from the South and East lines of said Section 18. Applicant further requests that the allowable assigned to the subject well be effective as of May 1, 1970.

CASE 4359: Application of Pan American Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a gas well at an unorthodox location 1650 feet from the South line and 990 feet from the West line of Section 22, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

CASE 4360: Application of Pan American Petroleum Corporation to directionally drill, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to locate its Byers "A" Well No. 30 at a point 663 feet from the North line and 1935 feet from the West line of Section 3, Township 19 South, Range 38 East, Hobbs (Grayburg-San Andres) Pool, Lea County, New Mexico, and directionally drill said well to a bottom-hole location 330 feet from the North line and 1650 feet from the West line of said Section 3.

CASE 4341: (Continued from the April 29, 1970, Examiner Hearing)
Application of Pan American Petroleum Corporation for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two non-standard

(Case 4341 continued)

gas proration units for its State "C" Tract 13 Well No. 5, a dual completion, located 1980 feet from the North line and 660 feet from the West line of Section 36, Township 21 South, Range 37 East, Lea County, New Mexico, said units to be comprised as follows:

Blinebry Gas Pool - 240 acres - NW/4
and W/2 NE/4

Tubb Gas Pool - 200 acres - W/2 NW/4,
NE/4 NW/4 and W/2 NE/4

CASE 4361: Application of Read & Stevens for an unorthodox gas well location, Chaves County, New Mexico. Applicants, in the above-styled cause, seek authority to drill a gas well at an unorthodox location 990 feet from the South and West lines of Section 6, Township 15 South, Range 28 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, to be dedicated to a gas proration unit comprising the W/2 of said Section 6.

CASE 4362: Application of William J. LeMay for a non-standard gas proration unit or compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 318.9-acre non-standard gas proration unit comprising Lots 1 and 2 and the E/2 NW/4, and NE/4 of Section 7, Township 20 South, Range 25 East, Dagger Draw-Morrow Gas Pool, Eddy County, New Mexico, or a 478-acre non-standard unit comprising Lots 1, 2, 3, and 4, and the E/2 W/2, and NE/4 of said Section 7. In the alternative, applicant seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying said Section 7. The acreage in the above proposals is to be dedicated to a well 1650 feet from the North and West lines of said Section 7 which is to be re-entered.

CASE 4352: (Continued from the May 13, 1970, Examiner Hearing)
Application of Jack L. McClellan for the creation of a new gas pool or, in the alternative, the establishment of pool rules for two existing pools, Chaves and Lea Counties, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Queen gas pool comprising the following-described acreage:

CHAVES COUNTY, NEW MEXICO

Township 15 South, Range 29 East
Section 11: SE/4

Examiner Hearing - May 27, 1970

Docket No. 13-70

-3-

(Case 4352 continued)

CHAVES COUNTY, NEW MEXICO

Township 15 South, Range 29 East

Section 12: SW/4

Section 13: NW/4

Section 14: E/2

Section 23: NE/4 and SW/4

In the alternative applicant seeks the promulgation of special rules for the Sulimar-Queen Pool, Chaves County, and Double L-Queen Pool, Chaves and Lea Counties, New Mexico, as separate or as consolidated pools, including provisions for the classification of oil and gas wells, spacing, and well location requirements for oil and gas wells, and an allocation formula for withdrawals by oil wells and gas wells.

STALLWORTH OIL & GAS
407 WEST MISSOURI AVENUE (915) 682-9722
MIDLAND, TEXAS 79701

May 1, 1970

MAY 8 15
MAY 4 1
MAY 1 1970

Case #357

Mr. George M. Hatch, Attorney
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Non-standard well location in
Stallworth Square Lake Grayburg
San Andres Waterflood Project,
Eddy County, New Mexico

Dear Mr. Hatch:

Thank you very much for your letter of April 27, 1970;
we appreciate the information furnished.

We have today filed an application for a hearing, on
our proposed well, in accordance with Rule 1203 of the Com-
mission Rules and Regulations.

Again, thank you for your assistance.

Sincerely,

Stallworth Oil & Gas

By

L. M. Johnson

LMJ/s

DOCKET MARKED

Date 5-14-70

STALLWORTH OIL & GAS
407 WEST MISSOURI AVENUE (915) 682-9722
MIDLAND, TEXAS 79701

May 1, 1970

MAIL ROOM

AM 8 15
70 MAY

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 4387

Re: Application for Hearing
Proposal to Drill A. N. Etz No. 6
Non-Standard Well Location
Square Lake Grayburg - San Andres Field
Stallworth Oil & Gas
Ada Nye Etz Federal Lease No. 029424
SE Quarter, Section 25, T16S R30E
Eddy County, New Mexico

Dear Mr. Porter:

We operate the above described Etz Lease which is a part of a co-operative waterflood project with contiguous leases operated by McGaugh Management Company and Anadarko Production Company. Our property consists of four producing wells spaced at standard 40-acre locations in the southeast quarter of the section. In addition, we own one injection well that is located in the extreme southwest corner of this quarter section and have interest in two other corner injection wells and one offset producing well.

Our project has been responding to water injection for nearly three years and the four corner injection wells have satisfactory pressure balance in both the Grayburg and San Andres producing formations. However, study reveals the probability that some of the injected water may be bypassing the producing wells and migrating into the central region of our lease. A slight unbalance of forces in this central region may be allowing oil to escape to some unknown and untapped portion of the reservoirs where it could be lost to future recovery efforts. To prevent this potential loss of natural resources, we feel that it is essential to promptly drill a non-standard location near the geographic center of our Etz Lease.

DOCKET ALREADY

Date 5-14-70

Page 2 - Mr. A. L. Porter, Jr.

May 1, 1970

In view of these considerations, we request a hearing by the New Mexico Oil Conservation Commission to consider this Application to Drill our Etz No. 6 well, a Non-Standard Grayburg - San Andres Test, to be located near the center of our Etz Lease at 1315 feet from the East and South lines of Section 25, T-16S, R30E, in the Square Lake Grayburg - San Andres Field of Eddy County, New Mexico. Enclosed is a plat indicating the proposed location for our Etz No. 6 well, also showing offset wells and the ownership of all offset leases. We have advised all offset operators of this application, by certified mail, and included waivers for their signatures.

We will appreciate your consideration and early approval of our application so that we may proceed with the new well and prevent unnecessary loss of this natural resource.

Very truly yours,

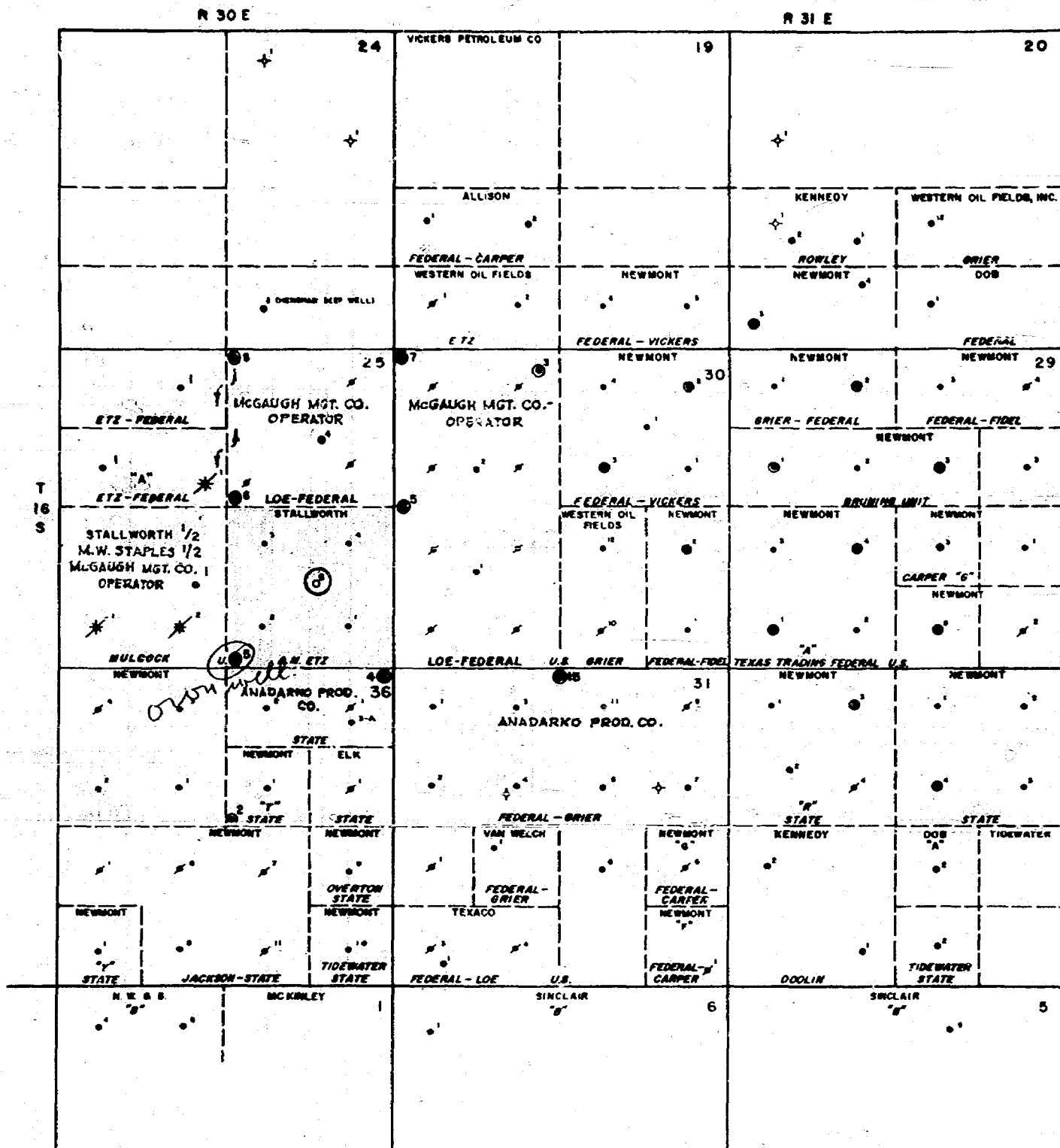
Stallworth Oil & Gas

Murray E. Helmers

Murray E. Helmers
Production Manager

MEH-wl

Enclosure



LEGEND:

- PRODUCING OIL WELL
- ABANDONED OIL WELL
- ◇ DRY HOLE
- ✱ GAS WELL
- ✱ ABANDONED GAS WELL

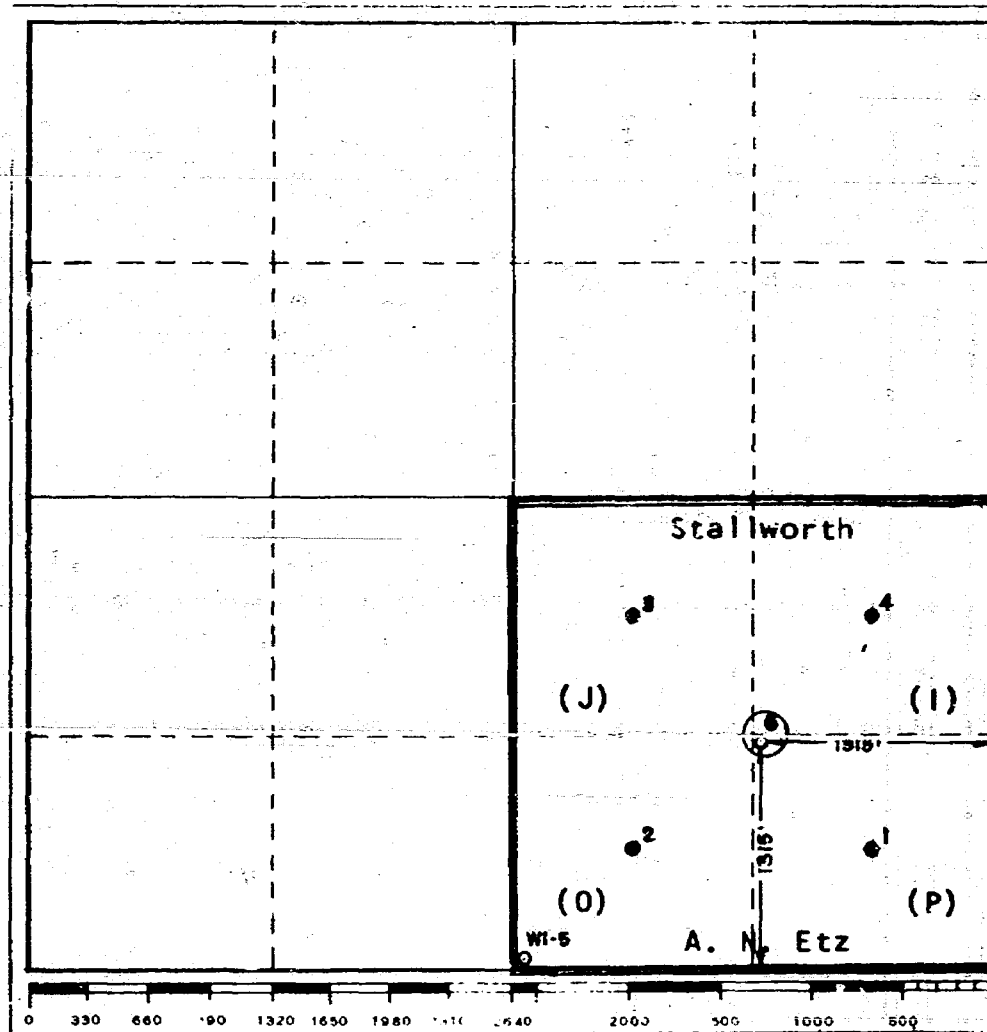
- WATER INJECTION WELL
- LOCATION-INJECTION
- LOCATION-PRODUCTION

Stallworth Oil & Gas
SQUARE LAKE FIELD
EDDY COUNTY, NEW MEXICO

R 30 E

Section 25

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16
S



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. 4357

Order No. R- 3969

APPLICATION OF STALLWORTH OIL & GAS
FOR AN UNORTHODOX OIL WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 ~~eleven~~ a.m. on
May 27, 19670, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this day of June, 19670, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 4357 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

**CASE 4358: Application of UNION
FOR A NON-STANDARD GAS PRORATION
UNIT & UNORTHODOX LOCATION.**