Lase Number 25 363

Application
Transcripts.

Small Exhibits

F/C

SPECIALL'ING IN, DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CC

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

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico
June 10, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of Jack L. McClellan for unorthodox gas well location, Roosevelt County, New Mexico.

Case No. 4363

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING



MR. NUTTER: Call Case 4363.

MR. HATCH: Application of Jack L. McClellan for unorthodox gas well location, Roosevelt County, New Mexico.

(Whereupon, Applicant's Exhibits 1 & 2 were marked for identification.)

(Witness sworn.)

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox,
Santa Fe, appearing for the applicant. We have one witness
who has been sworn.

JACK L. McCLELLAN,

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

- Would you state your name, please?
- A Jack L. McClellan.
- Q Mr. McClellan, are you the applicant in Case No. 4363 presently before this Examiner?
 - A Yes, sir.
 - Q Briefly, what's proposed in this application?
- A Permission to produce this existing well as a gas well.
 - What is the well; would you designate it, please?
 - A It's the Jack L. McClellan No. 1 Atlantic Federal.

It's located 2130 feet from the south line, 660 feet from the east line of Section 24, Township 18 South, Range 37 East, Roosevelt County, New Mexico.

- Q What do you propose to dedicate to the well?
- A I propose to dedicate the south half of Section 24.
- Q Referring to what has been marked as Exhibit No. 1, is that the acreage dedication plat which you filed with the Commission?
 - A Yes, sir.
- Q Now, referring to what has been marked as Exhibit No. 2, what does that show?

A Exhibit No. 2 is the original surveyor's plat. This is a land map of the area indicating the acreage that will be dedicated to the gas well and also the location of the gas well.

Q Now, what occasioned the unorthodox location of this well, Mr. McClellan?

A When we drilled this well, we were looking for oil as is producing in the Bluitt-San Andres Oil Field to the north. The well became very structurally low, resulting in gas in what I would say the San Andres No. 1 or A-1 Zone and in the A-2, from the log interpretation, it was water.

The Bluitt Oil Field is producing from the No. 2

Zone. In other words, we went way down dip and discovered

gas in the upper zone; the upper zone is tight in the Bluitt-

San Andres Oil Zone and is the same zone that is producing, if you will look on Exhibit 1, in Section 11 and 14, the old San Andres gas wells in the old Bluitt Gas Field.

- Q Now, does your well make dry gas?
- A Yes, sir. There is some oil being produced in conjunction with the gas.
 - Q Could you give the volumes?
- A The latest report that we filed with the Oil Conservation Commission of gas-oil ratio tests filed 4-27-70 on a 2464 choke, the well produced 1,137 Mcf of gas, with 18 barrels of oil, resulting in a gas-oil ratio of 6330 to 1.

MR. NUTTER: 6330?

THE WITNESS: Yes, sir.

MR. NUTTER: Is that oil or is that distillate, Mr. McClellan?

THE WITNESS: It's oil.

MR. NUTTER: It is?

THE WITNESS: If you will note on the location that was -- the plat was not a 2310, completely a pull location, and I have indicated on there that we are 510 feet from that north boundary and my understanding of the field rules is that 990 is the least acceptable distance and that's why I requested this hearing in order to ask for an exception to that rule, based on the ability of this well to produce gas.

- Q (By Mr. Kellahin) When you originally projected this well, did you anticipate it would be an oil well?
 - A Yes, sir.
- Q Is that location an orthodox location for an oil well?
 - A Yes, sir.

MR. KELLAHIN: I would like at this time to offer Exhibits 1 and 2.

MR. NUTTER: Exhibits 1 and 2 will be admitted in evidence.

(Whereupon, Applicant's Exhibits 1 & 2 were offered and admitted in evidence.)

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. McClellan, we recently had a hearing on the Union gas well which is in the southeast quarter, southeast quarter of Section 18 there. Now that well, according to the evidence at the hearing there, was producing gas from the equivalent zone of production of the oil wells to the west and southwest, but there was some kind of a barrier preventing the migration of the gas and oil into each other's respective areas, but you feel that your well is not producing from the correlative zone that the oil wells immediately north is producing from is this correct?

A That's correct. We are only perforated in the upper zone. I participated in the drilling of all the Franklin-Aston-Fair wells and am very familiar with this field and know the entire situation.

I can't explain it. I'm sure Union couldn't explain their gas and I understand, subsequently, they have gone further east and again gone into oil.

- Q The location that you show east of their gas well, two locations east --
 - A Southeast southwest of 17 --
- Q No, the location there in 17, it would be in Unit N?
 - A Of Union's well?
 - Q Yes. See, two locations east of their gas well --
 - A Yes, that's correct.
- Q -- you show a location there. That resulted in an oil well.
- A I know. I understand subsequent now Tenneco has offset that to the south, resulting in an oil well.
 - Q They got another oil well south of there, huh?
- A We have not perforated nor -- we only evaluated the oil producing zone in my well on logs and it looks to be water bearing,

MR. NUTTER: I see. Are there any other questions?

The witness may be excused. Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That's all, Mr. Nutter.

MR. NUTTER: Does anyone have anything they wish to offer in Case 4363? We will take the case under advisement and the hearing is adjourned.

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EXHIBIT	MARKED	ADMITTED
Applicant's 1	2	5

STATE OF NEW MEXICO COUNTY OF BERNALILLO)

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.

Dlorda burks COURT REPORTER

I do hereby sertify that the foregoing is a complete near of the embeddings in

the Executive reached to 4363 hand being by se un find 10 19.20

New Mexico Qil-Condervation



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2006 - SANTA FE GOVERNOR DAVID F. CARGO CHAIRMAN

LAND COMMISSIONER ALEX J. ARMIJO MEXBER

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

June 17, 1970

Mr. Jason Kellahin Kellahin & Fox Attorneys at Law Post Office Box 1769 Sanța Fe, New Mexico Case No. 4363
Order No. R-3977
Applicant:
Jack L. McClellan

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	0:	
Hobbs OCC X		
Artesia OCC		•
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. 4363 Order No. R-3977

APPLICATION OF JACK L. McCLELLAN FOR AN UNORTHODOX GAS WELL LOCATION, ROOSEVELT COUNTY, MEN MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 10, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

MOW, on this 17th day of June, 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, Jack L. McClellan, seeks approval of an unorthodox gas well location within one mile of the Bluitt-San Andres Associated Pool for his Atlantic Federal Well No. 1, located 2130 feet from the South line and 660 feet from the East line of Section 24, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.
- (3) That the subject well was drilled as a development oil well at a standard location to test the San Andres formation but was productive of gas in said formation.
- (4) That approval of the subject application will prevent the drilling of unnecessary wells and will otherwise prevent waste and protect correlative rights.

-2-CASE No. 4363 Order No. R-3977

IT IS THEREFORE ORDERED:

- (1) That the applicant, Jack L. McClellan, is hereby authorized an unorthodox gas well location within one mile of the Bluitt-San Andres Associated Pool for his Atlantic Federal Well No. 1, located 2130 feet from the South line and 660 feet from the East line of Section 24, Township 8 South, Range 37 East, MMPM, Roosevelt County, New Mexico.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

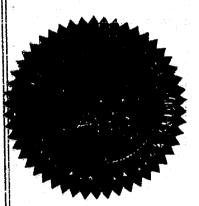
DOME at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF HEN MEXICO

DAVID F, CARGO, Chairman

ALL SURMIT DISTRICT

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



DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 10, 1970

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

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

- CASE 4363: Application of Jack L. McClellan for unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for his Atlantic Federal Well No. 1 located 2130 feet from the South line and 660 feet from the East line of Section 24, Township 8 South, Range 37 East, Bluitt-San Andres Associated Pool, Roosevelt County, New Mexico. The S/2 of said Section 24 to be dedicated to said well.
- CASE 4364: Application of Roy E. Kimsey, Jr., for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a 120-acre non-standard oil proration unit comprising the N/2 SW/4 and SE/4 SW/4 of Section 24, Township 9 South, Range 34 East, Jenkins-Cisco Pool, Lea County, New Mexico, to be dedicated to his Mounsey Well No. 1-Y located in Unit N of said Section 24.
- CASE 4365: Application of Benson-Montin-Greer Drilling Corporation for amendment of special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 1 of the Special Rules and Regulations governing the East and West Puerto Chiquito-Mancos Oil Pools to provide that wells completed or recompleted in the Mancos formation within one mile of said pools shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations governing said pools.
- CASE 4366: Application of Mobil Oil Corporation for down-hole 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 in the well-bore of its Bridges State Well, No. 109, a triple completion, located in Unit N of Section 24, Township 17 South, Range 34 East, Lea County, New Mexico.
- CASE 4367: Application of Mobil Oil Corporation for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Bridges State Waterflood Project, Vacuum Pool, by the drilling of an additional water injection well at an unorthodox location 100 feet from the South line and 1980 feet from the West line of Section 26, Township 17 South, Range 34 East, Lea County, New Mexico.

- CASE 4368: Application of Mobil Oil Corporation for a water flood expansion and amendment of rules governing same, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Bridges State Waterflood Project, Vacuum Pool, by the conversion to water injection of 13 additional wells and the drilling of one additional water injection well, all at standard locations in the M/2 of Section 25, Section 26, and E/2 of Section 27, Township 17 South, Range 34 East, Lea County, New Mexico. Applicant further seeks the amendment of the rules governing said project to permit expansion of the project administratively without a showing of well response.
- CASE 4369: In the matter of the hearing called by the Cil Conservation Commission on its own motion to permit Ahadarko Production Company and all other interested persons to appear and show cause why the Anadarko Samwell No. 1, located in Unit B of Section 15, Township 19 South, Range 29 East, Turkey Track-Queen Pool, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

NE MEXICO OIL CONSERVATION COMMISSI

Form C-102 Supersedes C-128 Effective 1-1-65

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KELLAHIN AND FOX
ATTORNEYS AT LAW

54'2 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1769

SANTA FE, NEW MEXICO 87501

May 11, 1970

JASON W. KELLAHIN ROBERT E. FOX

TELEPHONE 982-4315 AREA CODE 505

Case 43 63

Oil_Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico

Re: Jack L. McClellan

Gentlemen:

Enclosed you will find the application of Jack McClellan for an unorthodox well location in Roosevelt County, New Mexico, set for hearing June 10, 1970 for your consideration.

Very truly yours,

Joso W. Kellali

Jason W. Kellahin

jwk;jh

Encl. as stated.

DOCKET MAILED

Date 5/28

BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF JACK L. MCCLELLAN FOR APPROVAL OF AN UNORTHODOX WELL LOCATION, ROOSEVELT COUNTY, NEW MEXICO.

Case 43.63

APPLICATION

Comes now Jack L. McClellan and applies to the Oil Conservation Commission for approval of an unorthodox well location for his Atlantic Federal Well No. 1, in an undesignated San Andres pool, Roosevelt County, New Mexico, and in support thereof would show the Commission:

- 1. Applicant drilled his Atlantic Federal Well No. 1, located 660 feet from the East line, and 2130 feet from the South line of Section 24, Township 8 South, Range 37 East, and within one mile of the former Bluitt-San Andres Pool.
- 2. Said well was projected as an oil well, and the location would have been an orthodox one under the statewide rules.
- 3. The well was completed for production of gas from the San Andres formation, making the well location an unorthodox one.
- 4. Applicant proposes to dedicate the South half of Section 24, Township 8 South, Range 37 East to said well.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as as required by law, the Commission enter its order approving the well location and dedication of acreage, as prayed for.

Respectfully submitted,

JACK L. McCLELLAN

KELLAHIN & FOX

P. O. Box 1769 Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT

DRAFT GMH/esr June 11, 1970

(4)

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. 4363

Order No. R- 3977

APPLICATION OF JACK L. MCCLELLAN FOR AN UNORTHODOX GAS WELL LOCATION, ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 10 at Santa Fe, New Mexico, before Examiner Daniel S. Nutter NOW, on this_ ___day of June _, 1970, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised

FINDS:

in the premises,

- That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject watter thereof.
- That the applicant, Jack L. McClellan, seeks approval of an unorthodox gas well location in the Bluitt-San Andres Associated Pool for his Atlantic Federal Well No. 1, located 2130 feet from the South line and 660 feet from the East line of Section 24, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.
- That the subject well was drilled as a development cil well at a standard location to test the San Andres formation but was productive of gas in said formation.

(4) That approval of the subject application will prevent the drilling of unnecessary wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Jack L. McClellan, is hereby authorized an unorthodox gas well location in the Bluitt-San Andres Associated Pool for his Atlantic Federal Well No. 1, located 2130 feet from the South line and 660 feet from the East line of Section 24, Township 8 South, Range 37 East, NMPM, Roosevelt 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.

CASE 4364: Application of ROY E. KIMSEY, Jr., FOR A NON-STANDARD OIL PRORATION UNIT, LEA COUNTY.