

Case Number
4656

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
February 2, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Western Oil
Producers, Inc. for two
nonstandard gas proration
units, Lea County, New
Mexico.

Case No. 4655

and

IN THE MATTER OF:

Application of Western Oil
Producers, Inc. for an
unorthodox gas well
location, Lea County New
Mexico.

Case No. 4656

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

1 MR. UTZ: Do you want to take these separately?
2 MR. KELLAHIN: We want to consolidate them if we may.
3 MR. UTZ: I see no reason why we don't have one when
4 we do this. Case 4655 and 4656.
5 MR. KELLAHIN: I am Jason Kellahin appearing for the
6 Applicant, and we have one witness I would like to have sworn.
7 MR. UTZ: Any other appearances?
8 You may proceed.
9 N. RAYMOND LAMB
10 a witness, having been first duly sworn according to law, upon
11 his oath, testified as follows:
12 DIRECT EXAMINATION
13 BY MR. KELLAHIN
14 Q Would you state your name, please?
15 A N. Raymond Lamb.
16 Q What business are you engaged in?
17 A I am in the petroleum engineering and geological business.
18 Q Have you testified before the Oil Conservation Commission
19 and made your qualifications a matter of record?
20 A Yes.
21 Q Are the witness' qualifications acceptable?
22 MR. UTZ: Yes, they are.
23 Q (By Mr. Kellahin) In connection with your business as an
24 engineer have you had anything to do with the two cases
25 filed by Western Oil Producers as Case 4655 and 4656?

1 A Yes, I have been in direct contact with this operation from
2 its inception.

3 Q Briefly, what is proposed by the Applicant in these two
4 cases?

5 A Well, the application in the first two non-standard
6 proration units actually is to clarify and continue with an
7 established proration unit by the Oil Conservation Commission
8 consisting of the southeast quarter of 31 southwest quarter
9 of 32, upon which British American drilled a discovery
10 Morrow gas well.

11 This proration unit was established by the Commission.

12 Q That was also established at the request of the State Land
13 Commissioner, was it not?

14 A As I understand it, yes.

15 Q Now, since this proration unit was established, Gulf Oil
16 Corporation drilled a well identified as North Wilson No. 4
17 in the southwest of the northwest of 32, with the plan that
18 it would have a non-standard gas proration unit consisting
19 of the northeast of 31 and the northwest of 32 of 20-36.

20 Western Oil Producers, Inc. from Roswell has re-entered
21 the Gulf North Wilson 4 and identified it as the State M No.
22 1 and have completed it as a Devonian discovery, so to
23 continue with the non-standard proration units we propose
24 to establish this northeast of 31 and the northwest of 32 as
25 the proration unit for the State M, and to carry forward the

- 1 non-standard proration unit previously established for the
2 Marrow and drill a well 660 from the west of 32 and 1,650
3 from the south of 32, which will be a standard location if
4 the unit is approved as a non-standard.
- 5 Q Now, referring to what has been marked as Exhibit No. 1,
6 would you identify that exhibit, please?
- 7 A Exhibit No. 1 is a survey plat. Actually it is a re-survey
8 plat of the location of the State M No. 1, establishing the
9 footage of the well, which was a re-entry, and completed as
10 as a two-discovery.
- 11 Q That complies with the rules of the Commission as to the
12 location?
- 13 A Yes, provided the non-standard unit is approved.
- 14 Q Now, referring to what has been marked as Exhibit No. 2,
15 would you identify that exhibit?
- 16 A It is a location established on the now present Marrow
17 proration unit of 320 acres, which Western Oil Producers,
18 Inc. produced to drill a Devonian producer, the location to
19 be 660 from the west and 1,650 from the south.
- 20 This will be a continuation of the Marrow non-standard
21 proration unit to extend down to the Devonian.
- 22 Q That is already dedicated for the Marrow production in that
23 fourth?
- 24 A Yes.
- 25 Q Now, referring to Exhibit No. 3, would you discuss that

1 exhibit, please?

2 A Exhibit No. 3 is a lease holder plat identifying all three
3 of the tracts covered by these two cases.

4 The yellow one identifies the Devonian discovery well
5 which is now the State No. 1.

6 The blue designated area is the proration unit
7 previously established for the Marrow by British American
8 Gulf and proposed to be extended to the Devonian at the
9 location identified with a blue circle.

10 Then the pink area in the south half of 29 is the
11 proposed standard proration unit with an unorthodox
12 location.

13 By continuing with the British American non-standard
14 unit and unit proposed for the State M No. 1 will put the
15 schedule back on a standard half section proration unit for
16 the area.

17 The west half of 31 has been designated as a proration
18 unit by Texaco.

19 This then will give the east half of 32 to be a
20 proration unit, so by establishing these two for the
21 Devonian we can get back to a standard proration unit.

22 Q No operator would be denied the right to dedicate his
23 acreage to a standard unit?

24 A That is right.

25 Q Is that correct?

1 A That is correct.

2 Q Now, referring to what has been marked as Exhibit No. 4,
3 would you identify that exhibit, please?

4 A Exhibit No. 4 is a Marrow contour map of the general area
5 in which these three cases are located.

6 The map was prepared in August of 1971 prior to the
7 re-entry of the State M No. 1, and gives a review of the
8 Marrow structure interpretation which has by far more
9 control points than any other deep horizon in the area.

10 Q Was it on the basis of this interpretation you re-entered
11 the old Gulf well?

12 A Yes.

13 Q Did the Gulf well substantiate your interpretation?

14 A Yes.

15 Q Referring to Exhibit No. 5, would you identify that
16 exhibit?

17 A Exhibit No. 5 is a Devonian contour map on 50 foot intervals,
18 and it is a map developed from the, basically the Morrow,
19 with the interpretation for the Devonian, and identifies
20 the structure generally where the Marrow map does, but you
21 will note that there are steeper depths established in the
22 Devonian than there were in the Marrow.

23 It gives the closure of the Devonian in the west half
24 of the southwest of 29-20-36.

25 Q Now, this also reflects a well in the southeast quarter of

1 Section 31. What is the situation with that well?

2 A That is now Gulf North Wilson 1 Morrow well. Which has a
3 Marrow point identified as minus 7527 and has a green
4 marking underneath it.

5 It also has a Devonian structure point of minus 9015,
6 and then to the northeast is the State M No. 1, which is the
7 only other well in the area that has penetrated the Devonian
8 or encountered the Devonian, and the Devonian point there
9 is a minus 8825, and the Morrow point is a minus 7415.

10 Q So it is a steeply dipping formation at that point?

11 A Yes. The Devonian has a steeper dip than the Marrow at
12 these locations.

13 Q The well southeast of 31, is it the east Morrow?

14 A British American drilled the No. 1 North Wilson and drilled
15 it into the Devonian at a total depth of 12,725 feet, and
16 tested, in my opinion, a greater thickness of Devonian than
17 it should have. This is hindsight, and it is my firm
18 belief that if the well had been stopped shallower in the
19 Devonian that it could have been a marginal Devonian
20 producer within the producing area of this contour.

21 Q Then would that be approximately close to the gas water
22 contact, Mr. Lamb?

23 A The gas water contact is probably slightly above the 12,725
24 feet of this well.

25 Q Now, in your opinion, is all of the acreage proposed to be

dearnley-meier reporting service, inc.

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1 dedicated to your new well in the southern unit productive
2 of gas from the Devonian?
3 A In my opinion, it will all be productive of gas.
4 Q You show the 9,004 contour as cutting through a portion of
5 the south half of Section 29.
6 Does that indicate that that acreage may not be
7 productive of gas, or in your opinion is it?
8 A In my opinion, all of the south half of 29 will produce
9 Devonian gas. It will have a marginal point in the extreme
10 eastern portion of the area.
11 Q Now, referring to what has been marked Exhibit No. 6, would
12 you identify that exhibit, please?
13 A Exhibit No. 6 is a lined cross-section covering just the
14 two wells which have penetrated the Devonian.
15 To give the Examiner an idea as to the change in the
16 dip between the Marrow and the Devonian on the two wells on
17 which we have control points--you can see that the Devonian,
18 identified with the pink color, has by far a steeper dip
19 than the Marrow marker at the upper part, identified by a
20 green line.
21 So, with this control, I did prepare the Devonian
22 contour map by subjecting the Morrow map to this change of
23 dips.
24 Q Now, by the same interpretation you would expect a similar
25 type dip to the east in the south half of Section 29, would

1 you not?

2 A That is correct, because we have that information
3 established from the Marrow control.

4 Q What is your reason then for wanting a well located at an
5 unorthodox location in the south half of 29?

6 A It is a matter of protection of the correlative rights for
7 the operator and gives him the opportunity to recover the
8 gas that is located reasonably underneath his tract, and
9 also to develop for the State significant amount of gas
10 reserve.

11 Q Now, would a well at an orthodox location in your opinion
12 recover all of the gas under the south half of 29?

13 A The furthest you would remove the location, the more gas
14 you are going to leave underproduced underneath this tract.

15 Q Why do you say that?

16 A Well, the gas well at the crest of your structure is the
17 optimum location for the production of gas.

18 Q Do you have a water drive?

19 A Very active water drive in this reservoir.

20 Q Would a well at a lower location water out sooner?

21 A That is right, and it would not be in the best interest of
22 the operator or the State, either way.

23 Q Would the location as you proposed give an unfair advantage
24 to Western Oil as against offset to the west?

25 A No, you will note that we have selected a location

1 immediately east of the crest in our opinion which will give
2 Western their rights to recover the oil which is the gas
3 which is under their property, and will not be an unfair
4 advantage to the operator to the west or to the north.

5 Q Is it your opinion that gas would not migrate across the
6 crest if their production is to the west of you?

7 A The only way in which gas might migrate across the crest of
8 the structure from the west would be in the event Union
9 failed to develop the acreage at all, which is something
10 that Western has no control over.

11 Q But if they do develop then, their correlative rights would
12 be protected?

13 A That is right.

14 Q Now, referring to what has been marked as Exhibit No. 7,
15 would you identify that exhibit, please?

16 A In support of my opinion that the British American well in
17 the southwest of the southeast of 32 was at or near the gas
18 water contact, the Johnson tester report is submitted as
19 evidence showing that on a drill stem test they recovered
20 the water cushion of 7.99 barrels. It is in the left
21 portion of the page, about two-thirds of the way up.

22 Salt water cut with mud, 7.99 barrels; muddy salt water,
23 slight traces of oil and gas, 7.4 barrels; salt water cut
24 with traces of oil at .7 barrels, which indicates there was
25 both oil, gas, and water recovered from this drill stem test.

1 Q Does this substantiate your opinion that they drilled the
2 well too deep into the Formation?

3 A That is correct.

4 Q Now, referring to Exhibit No. 8, would you identify that
5 exhibit?

6 A Exhibit No. 8 is a page from a report prepared by the
7 Geological Engineering Services, and I believe their
8 address is Midland, Texas.

9 The report covers all oil and gas, shows what is
10 encountered during the drilling of the British American
11 North Wilson Unit No. 1, and this report is a determination
12 of the same people in which they felt were encountered the
13 latter item which was drill stem tested from 12-6-74 to
14 12,725, and may I read this into the record? "Is described
15 as clear to white medium-crystalline dolomite with bright
16 blue-white fluorescence, good vuggy porosity and fair to
17 good cuts. Also some tan, fine-crystalline limestone with
18 yellow-white fluorescence, good cuts and evidence of vuggy
19 and solution porosity. Traces of black stain within vugs
20 becoming more prevalent with depth, which gives, in my
21 opinion, an indication of gas in the upper part of this
22 section and definitely water in the lower.

23 Q Were you present when these samples were taken?

24 A I was on the well myself when the section was drilled. I
25 was in the trailer when these people described the samples,

1 Q Does this substantiate your opinion that they drilled the
2 well too deep into the Formation?

3 A That is correct.

4 Q Now, referring to Exhibit No. 8, would you identify that
5 exhibit?

6 A Exhibit No. 8 is a page from a report prepared by the
7 Geological Engineering Services, and I believe their
8 address is Midland, Texas.

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10 encountered during the drilling of the British American
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13 latter item which was drill stem tested from 12-6-74 to
14 12,725, and may I read this into the record? "Is described
15 as clear to white medium-crystalline dolomite with bright
16 blue-white fluorescence, good vuggy porosity and fair to
17 good cuts. Also some tan, fine-crystalline limestone with
18 yellow-white fluorescence, good cuts and evidence of vuggy
19 and solution porosity. Traces of black stain within vugs
20 becoming more prevalent with depth, which gives, in my
21 opinion, an indication of gas in the upper part of this
22 section and definitely water in the lower.

23 Q Were you present when those samples were taken?

24 A I was on the well myself when the section was drilled. I
25 was in the trailer when these people described the samples,

1 and my description coincides with this interpretation, so
2 I would not object to taking it as my own.

3 Q Mr. Lamb, were Exhibits 1 through 8 prepared by you or
4 under your supervision?

5 A These were.

6 Q At this time I would like to offer in evidence Exhibits 1
7 through 8 inclusive.

8 MR. UTZ: Without objection, Exhibit 1, 2, -- through
9 8 will be entered into the record.

10 Q (By Mr. Kellahin) You already had a well northwest quarter
11 section of 32; is that correct?

12 A Yes, that well is identified as a State M and as Devonian
13 discovery.

14 Q You are proposing to drill in the southwest quarter of 32?

15 A That is right.

16 Q Is there any urgency in getting an order in connection with
17 this case?

18 A Yes, the operators of this unit have obtained from Gulf the
19 right to drill at this location there on a time requirement
20 and they would appreciate expedience as the Commission sees
21 fit.

22 MR. UTZ: Both of these wells just mentioned are
23 standard locations providing the unit is approved?

24 A That is correct.

25 MR. UTZ: Are you through?

1 MR. KELLAHIN: Yes. That is all. Thank you.

2 CROSS-EXAMINATION

3 BY MR. UTZ

4 Q The non-standard location that you are requesting in Case
5 4656--

6 A Yes.

7 Q Would be the well in the southwest quarter of Section 29?

8 A Correct.

9 Q That is a Devonian, that is projected for a Devonian test?

10 A Yes. By the way, the well identified as the State M No. 1
11 was in the Morrow.

12 Q What is the foot location from the section line on the
13 Wilson line on the southwest of 29?

14 A It is 990 from the west line and at a legal location from
15 the sidelines, and that, of course, would be 660 from the
16 north line or 660 from the south line, or somewhere in
17 between.

18 Q Is it 1,980 from the south line of the section?

19 A Yes. We would like to hold that definition of distance
20 and take advantage of the geological formation we developed
21 from the drilling of the wells to the south.

22 Q These foot locations that I just asked about, are they the
23 same as that created in your Application?

24 A Yes. It says 660 from the side boundary of the proration
25 unit, south half of 21.

1 The only exception to the distance is the 990 from the
2 west line, a legal location on that tract would be 1,980
3 from the west and 660 from the north of the south line, or
4 somewhere in between.

5 Q Now, you mentioned that someone, I think you did, anyway,
6 was a little busy--anyway--I was a little busy listening
7 and looking--on the east half of section 32 had a standard
8 unit that could be standard unit if these two non-standards
9 were approved, but it isn't now?

10 A There is no deep production over there. There is the Wolf
11 camp well in the southwest of the southeast, which has a
12 point of abandonment, the Morrow was tested in that well,
13 but was not productive.

14 Q Now, on the west half of Section 31, has that already been
15 dedicated?

16 A It is dedicated to the Texas CU, what they call the Texas
17 New Mexico State Gas communique situation. It is, best as
18 we are able to find out, since Texaco has not released the
19 logs on this well, probably the producing horizon is the
20 Dakota.

21 MR. UTZ: Any other questions?

22 MR. HATCH: Do you happen to have the order number that
23 authorized the original non-standard?

24 THE WITNESS: George, I looked for it, and I haven't
25 located it.

1 I think the date is somewhere around June.

2 MR. HATCH: That was after a hearing?

3 THE WITNESS: Yes, they had to have a hearing. The
4 well was originally completed as a bone springs well dual
5 completion in the bone springs. Then after depleting the
6 reservoir in about 90 days they went to the Marrow and completed
7 the well there. And Texaco's acreage in the west half of 31
8 was not a part of the North Wilson deep unit for reasons of
9 Texaco's only, so this gave Gulf and British American the only
10 choice of selecting those two 164's at a proration unit.

11 MR. UTZ: Any other questions?

12 The witness may be excused.

13 Any statements in the case?

14 No statements, the hearing will be--the case will be taken
15 under advisement and the hearing is adjourned.

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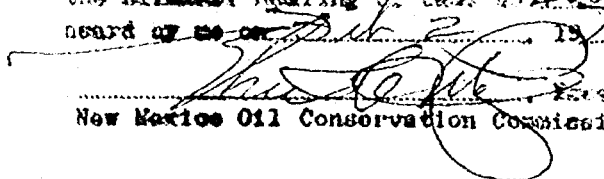
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1 STATE OF NEW MEXICO)
2) ss.
3 COUNTY OF BERNALILLO)

4 I, RICHARD STURGES, a Certified Shorthand Reporter, in and
5 for the County of Bernalillo, State of New Mexico do hereby
6 certify that the foregoing and attached Transcript of Hearing
7 before the New Mexico Oil Conservation Commission was reported
8 by me; and that the same is a true and correct record of the
9 said proceedings to the best of my knowledge, skill and ability.

10 
11 CERTIFIED SHORTHAND REPORTER

12
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21
22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Bernalillo Hearing of Case No. 4655
25 heard at the City of Albuquerque, New Mexico, on 12/12/72

New Mexico Oil Conservation Commission

I N D E XWITNESSPAGE

N. RAYMOND LAMB

Direct Examination by Mr. Kellahin

3

Cross-Examination by Mr. Utz

14

E X H I B I T SAPPLICANT'SADMITTEDOFFERED

Exhibits 1 through 3

13

5

Exhibits 4 & 5

13

7

Exhibit 6

13

9

Exhibit 7

13

11

Exhibit 8

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12



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMJO
MEMBER**

**STATE GEOLOGIST
A. L. PORTER, JR.**

SECRETARY - DIRECTOR

February 8, 1972

**Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico**

Re: Case No. 4636

Order No. R-4255

Applicant:

Western Oil Producers, Inc.

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.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

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. 4656
Order No. R-4255

APPLICATION OF WESTERN OIL PRODUCERS,
INC. FOR AN UNORTHODOX GAS WELL
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 2, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of February, 1972, 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, Western Oil Producers, Inc., seeks an exception to Rule 104 of the Commission Rules and Regulations to drill a gas well at an unorthodox location 1980 feet from the South line and 990 feet from the West line of Section 29, Township 20 South, Range 36 East, NMPM, undesignated Devonian gas pool, Lea County, New Mexico, with the S/2 of said Section 29 to be dedicated to the well.

(3) That a standard location for the subject well would require the well to be located no nearer than 1980 feet to the nearest end boundary of the section rather than 990 feet as proposed.

-2-

CASE NO. 4656
Order No. R-4255

(4) That there is evidence that a well at the proposed unorthodox location in said Section 29 would encounter the pay section structurally higher than a well at an orthodox location.

(5) That the evidence indicates that a well at the proposed unorthodox location in said Section 29 should recover more gas than a well at an orthodox location.

(6) That the subject well can efficiently and economically drain and develop the entire S/2 of said Section 29.

(7) That approval of the proposed unorthodox location will afford the applicant the opportunity to produce his just and equitable share of the gas in the undesignated Devonian gas 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 otherwise prevent waste.

IT IS THEREFORE ORDERED:

(1) That the applicant, Western Oil Producers, Inc., is hereby authorized to drill a gas well at an unorthodox gas well location in an undesignated Devonian gas pool, 1980 feet from the South line and 990 feet from the West line of Section 29, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, the S/2 of said Section 29 to be dedicated to the well.

(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


BRUCE KING, Chairman


ALEX J. ARMILLO, Member


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

dr/

4656

Heard 2-2-72

Rec. 2-3-72

Grant Western Oil Field Producers
Inc. a NSL for dev. production
in sec. 29 - 205-36E 1980/5,
660/W line of said Sec. 29.
The well spacing unit
is to be 5/2 sec. 29.

[Signature]

use R. 4172 as a guide

R. 2907 was
orig order allowing
NSP in the area

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 2, 1972

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 4497 (Reopened):

In the matter of Case 4497 being reopened pursuant to the provisions of Order No. R-4102, which order established special rules and regulations for the Twin Lakes-San Andres Pool, Chaves County, New Mexico, including provisions for the classification of oil and gas wells and the establishment of a gas-oil ratio limitation of 4,000 cubic feet of gas for each barrel of oil. All interested persons may appear and show cause why the gas-oil ratio limitation should not be reduced and why the special rules and regulations should not be discontinued.

CASE 4652: Application of Gulf Oil Corporation for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Central Drinkard Unit Area Waterflood Project, Drinkard Pool, by the injection of water through 15 additional wells in Sections 28, 29, 31, 32, and 33 of Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 4653: Application of Odessa Natural Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Dakota formation underlying the E/2 of Section 36, Township 26 North, Range 11 West, Basin-Dakota Pool, San Juan County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Dakota formation at a location 1600 feet from the North line and 1,000 feet from the East line of said Section 36. 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 the supervision of said well.

CASE 4654: Application of Midwest Oil Corporation for two-nonstandard gas spacing units and well locations, Eddy County New Mexico. Applicant, in the above-styled cause, seeks approval for two 299-acre gas spacing units comprising the N/2 and the S/2 of Section 6, Township 18 South, Range 29 East, undesignated Morrow gas pool, Eddy County, New Mexico. Said N/2 to be dedicated to a well located at an unorthodox location 1830 feet from the North line and 1639

(Case 4619 continued)

be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 25. 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 of supervision of said well.

CASE 4620: (Continued from the January 5, 1972, Examiner Hearing)
Application of Corinne Grace for compulsory pooling. Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 24. Township 22 South, Range 26 East, which acreage is in the vicinity of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 24. 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.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-4-65

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

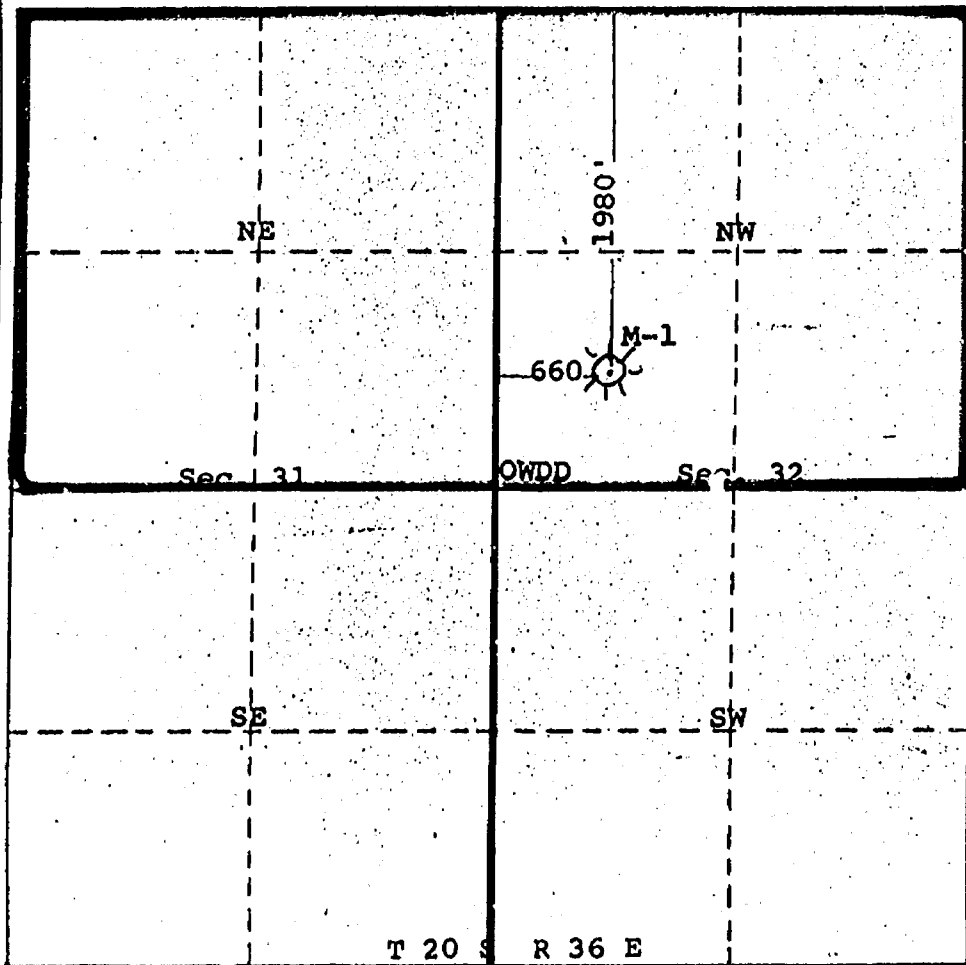
Operator Western Oil Producers, Inc.		Lease State M		Well No. 1
Unit Letter E	Section 32	Township 20S	Range 36E	County Lea
Actual Footage Location of Well: 1980 feet from the north line and 660 feet from the west line				
Ground Level Elev. 3661	Producing Formation Devonian	Pool Wild cat	Dedicated Acreage: Subject hearing 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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?

☐ 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 _____

Position _____

Company

Western Oil Producers, Inc.

Date

1-20-72

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.

Resurveyed OWDD

Date Surveyed

1-20-72

Registered Professional Engineer and/or Land Surveyor

N. Raymond Lamb

Certificate No.

929

0 220 440 660 880 1100 1320 1540 1760 1980 2200 2420 2640 2860 3080 3300 3520 3740 3960 4180 4400 4620 4840 5060 5280 5500 5720 5940 6160 6380 6600 6820 7040 7260 7480 7700 7920 8140 8360 8580 8800 9020 9240 9460 9680 9900 10120 10340 10560 10780 11000 11220 11440 11660 11880 12100 12320 12540 12760 12980 13200 13420 13640 13860 14080 14300 14520 14740 14960 15180 15400 15620 15840 16060 16280 16500 16720 16940 17160 17380 17600 17820 18040 18260 18480 18700 18920 19140 19360 19580 19800 20020 20240 20460 20680 20900 21120 21340 21560 21780 22000 22220 22440 22660 22880 23100 23320 23540 23760 23980 24200 24420 24640 24860 25080 25300 25520 25740 25960 26180 26400 26620 26840 27060 27280 27500 27720 27940 28160 28380 28600 28820 29040 29260 29480 29700 29920 30140 30360 30580 30800 31020 31240 31460 31680 31900 32120 32340 32560 32780 33000 33220 33440 33660 33880 34100 34320 34540 34760 34980 35200 35420 35640 35860 36080 36300 36520 36740 36960 37180 37400 37620 37840 38060 38280 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NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

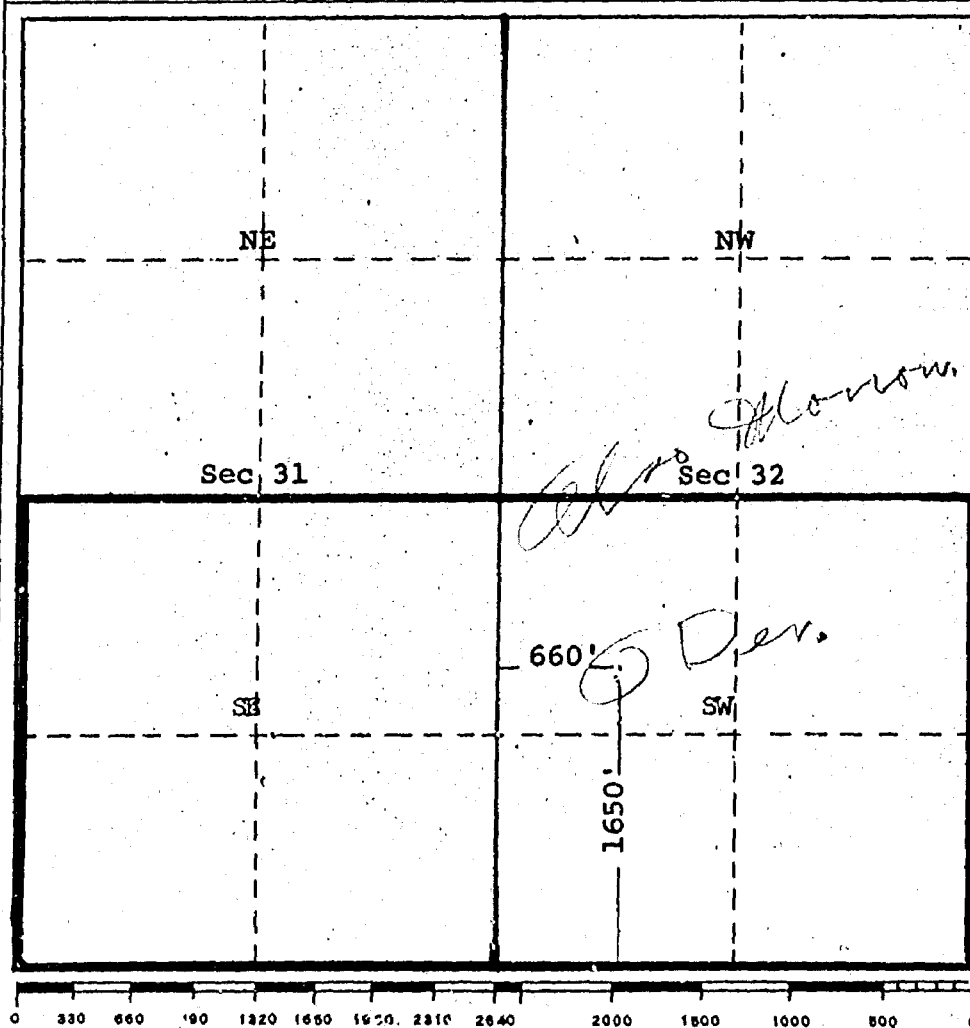
Operator Western Oil Producers, Inc.		Lease Tanza-State		Well No. 1
Unit Letter L	Section 32	Township 20S	Range 36E	County Lea
Actual Footage Location of Well:				
660 feet from the west line and		1650 feet from the south line		
Ground Level Elev. 3662'	Producing Formation Devonian	Pool Wild cat	Dedicated Acreage: Subject to hearing 320 acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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?

☐ 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 _____

Position _____

Company

Western Oil Producers, Inc

Date

1-20-72

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

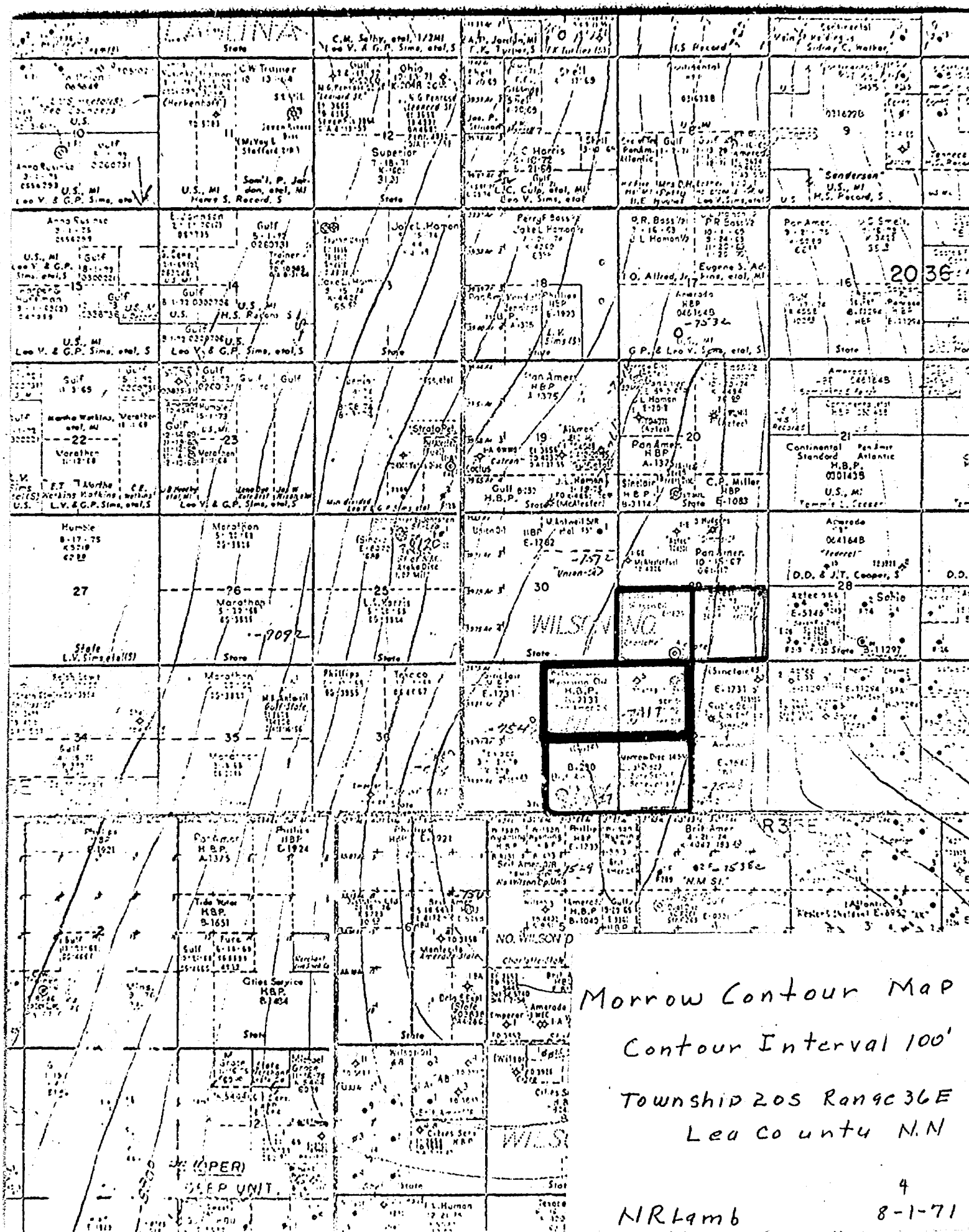
1-20-72

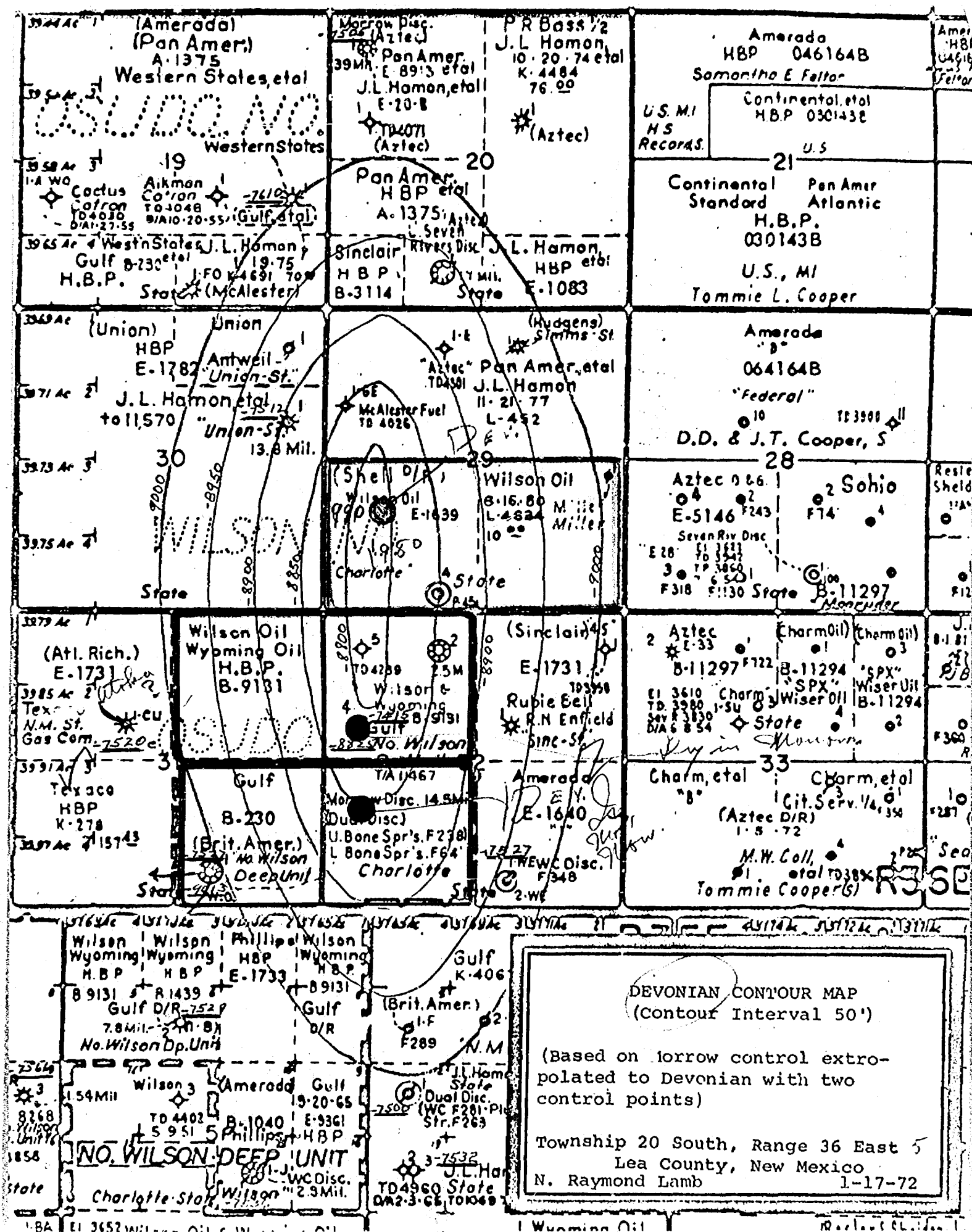
Registered Professional Engineer and/or Land Surveyor

N. Raymond Lamb

Certificate No.

929







SURFACE INFORMATION

Well Flowed	Amount
NO	

Reversed Out	Amount
SALT WATER WITH BLIGHT TRACE OF	
OIL AND GAS	5335 ¹ (37.80BBL 8.)

Recovered PULLED BEFORE REVERSING!	Amount
WATER CUSHION	1080' (7.99BBLs.)
SALT WATER CUT MUD	1080' (7.99BBLs.)
MUDDY SALT WATER WITH SLIGHT TRACE OF OIL AND GAS	1000' (7.40BBLs.)
SALT WATER CUT MUD WITH TRACE OF OIL (BELOW CIRCULATING SUB)	180' (.70BBLs.)

[illegible]

Remarks: RESISTIVITY OF TEST SAMPLE=.11 AT 80°F.
RESISTIVITY OF PIT SAMPLE=.62 AT 84°F.

SAMPLE	CHLORIDE CONTENT
TOP	17,500PPM
MIDDLE	40,000PPM
BOTTOM (REVERSED)	40,000PPM
PIT MUD	3,200PPM
LOCATION: 660 FSL 1980 FEL SEC. 3 T208 R36	

LOCATION: 660FSL 1980FEL SEC. 3 T20s R36E

TOOL, HOLE & MUD DATA

Type Test _____ DUAL PACKER
Formation Tested _____ DEVONIAN
Elevation _____ 3653 K.B. _____ Ft.
All Depths Measured From _____ KELLY BUSHING

TOOL SEQUENCE

[illegible]

Total Depth 12725 Ft
Main Hole Size 5 7/8" Rat Hole Size -
Casing Size 7" Liner Size -
Bottom Choke Size 5/8" Mud Type FRESH WATER
Mud Wt. 9.0 Mud Viscosity 58
Water Loss 4 C.C.

Cushion Type	Amount	Pressure
WATER	1500 ¹	-

	TIME DATA			
Initial Flow	-	Hrs.	2	Mins.
Initial Shut-In	-	Hrs.	30	Mins.
Final Flow	2	Hrs.	30	Mins.
Final Shut-In	1	Hrs.	-	Mins.

Customer SAME AS BELOW

ATTN: PRODUCTION DEPT.

Company THE BRITISH AMERICAN PRODUCING COMPANY; BOX 474; MIDLAND, TEXAS Date 4-23-64

Well	NORTH WILSON DEEP UNIT	#1	Field	WILD CAT	Location	SEE REMARKS
------	------------------------	----	-------	----------	----------	-------------

Test Interval 12,674' to 12,725' Formation Test # 6 Casing Test # -

County _____ LEA _____ State _____ NEW MEXICO _____ Field Report No. _____ 12243 A

Tester KIRKMAN (HOBBS) Test Approved By MR. M. C. STEINDORF, JR. No. DST Reports Requested 11 (6 x's)

BRITISH AMERICAN OIL PRODUCING CO.
NORTH WILSON DEEP UNIT NO. 1
LEA COUNTY, NEW MEXICO

OIL AND GAS SHOWS: Cont.)

- 10,982' - 10,984' Trace dull yellow fluorescence in a gray-tan, fine-crystalline limestone with fair cuts, no visible stain or porosity.
- 10,998' - 11,004' Brown, oolitic limestone with bright yellow-gold fluorescence, poor cuts, no visible stain and a trace of pin-point porosity.
- 11,038' - 11,044' Gray, sandy limestone with traces bright yellow-gold fluorescence, poor cuts, no visible stain and a trace of pin-point porosity.
- 11,300' - 11,316' Gray-brown, medium to coarse-crystalline, pyritic limestone with trace bright yellow fluorescence, fair cuts, possible fracture porosity, trace black visible stain.
- 11,332' - 11,336' Few pieces of a gray-white limestone with bright yellow fluorescence, poor cuts, trace light stain.
- 11,372' - 11,382' Brown, fine-grained, poorly cemented, well sorted sand with trace dull gold fluorescence, trace dry cuts and no gas increase.
- 12,386' - 12,396' Brown, micro-crystalline to dense, siliceous limestone and white, medium-crystalline, calcitic limestone with traces bright white fluorescence, trace wet cuts and fair dry cuts.
- *12,674' - 12,725' Clear to white, medium-crystalline dolomite with bright blue-white fluorescence, good vuggy porosity and fair to good cuts. Also some tan, fine-crystalline limestone with yellow-white fluorescence, good cuts and evidence of vuggy and solution porosity. Traces of black stain within vugs becoming more prevalent with depth.

* Denotes zones drill stem tested

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Western oil EXHIBIT NO. 8
CASE NO. 4655 and 4656

JSA

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF WESTERN OIL PRODUCERS, INC.,
FOR APPROVAL OF AN UNORTHODOX
WELL LOCATION, LEA COUNTY, NEW
MEXICO

Case No. 4656

A P P L I C A T I O N

Comes now Western Oil Producers, Inc., and applies to the Oil Conservation Commission of New Mexico for approval of an unorthodox well location in an undesignated Devonian gas pool, Lea County, New Mexico, and in support thereof would show the Commission:

1. Applicant proposes to drill a well for Devonian production from an undesignated Devonian gas pool, to be located 990 feet from the West line and 660 feet from the side boundary of the S/2 of Section 29, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and to be dedicated to said well, the S/2 of said Section 29.

2. Said location is necessary in order to permit applicant to recover its just and equitable share of the gas underlying its lands, will prevent waste, and the correlative rights of other owners will not be impaired by such location.

WHEREFORE applicant prays that this application be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order approving the application as proposed.

Respectfully submitted,

WESTERN OIL PRODUCERS, INC.

By Jason W. Kellah
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF WESTERN OIL PRODUCERS, INC.,
FOR APPROVAL OF TWO NON-STANDARD
GAS PRORATION UNITS, LEA COUNTY,
NEW MEXICO

Case No. 4655

A P P L I C A T I O N

Comes now Western Oil Producers, Inc., and applies to the Oil Conservation Commission of New Mexico for the approval of two non-standard gas proration units, in an undesigned Devonian gas pool, Lea County, New Mexico, and in support thereof would show the Commission:

1. Applicant proposes to form a 320-acre non-standard gas proration unit consisting of the NE/4 of Section 31, and the NW/4 of Section 32, Township 20 South, Range 36 East, Lea County, New Mexico, to be dedicated to applicant's State M Well No. 1, located 1980 feet from the North line and 660 feet from the West line of Section 32.

2. Applicant proposes a second non-standard proration unit consisting of the SE/4 of Section 31, and the SW/4 of Section 32, Township 20 South, Range 36 East, Lea County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the South line and 660 feet from the West line of Section 32.

3. Both units are proposed to be dedicated for production from the Devonian formation, from an undesigned Devonian gas pool, discovered by the State M No. 1 well.

WHEREFORE applicant prays that this application be set

for hearing before the Commission's duly appointed examiner,
and that after notice and hearing as required by law, the
Commission enter its order approving the two non-standard
gas proration units as proposed.

Respectfully submitted,

WESTERN OIL PRODUCERS, INC.

By Jason W. Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

DRAFT

GMH/dr

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. 4656

Order No. R-4255

APPLICATION OF WESTERN OIL PRODUCERS,
INC. FOR AN UNORTHODOX GAS WELL
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 2, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of February, 1972, 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, Western Oil Producers, Inc., seeks
an exception to ^{Rule 18.4 of the Commission} ~~the Special Rules and Regulations for the~~

~~Undesignated Devonian Gas Pool~~ to drill a well at an unorthodox

~~location 1980 feet from the Santa Fe National Forest line~~
~~10 miles from the town of Hatch, New Mexico, in~~
~~Ship 20 South, Range 36 East, and 600 feet from the boundary~~

~~the proration unit, which would comprise the S/2 of said Section~~

~~29, Lea County, New Mexico~~

→ NMPM, undersaturated Devonian gas
pool, Lea County, New Mexico, with the S/2 of
said Section 29 to be dedicated to the well.

(3) That a standard location for the subject well would require the well to be located no nearer than ¹⁹⁸⁰ 1650 feet to the ~~outer~~ ^{nearest end} boundary of the section ^{rather than 990 feet} and ~~no nearer than 330 feet to~~ ^{as proposed.} any ~~governmental quarter-quarter section line.~~

(4) That the evidence indicates that approximately 290 acres in the Southern and Eastern parts of said Section 29 is probably productive of gas from an Undesignated Devonian formation.

(5) That the evidence indicates that approximately 350 acres in the northern and western parts of said Section 29 is probably productive of gas from an Undesignated Devonian formation.

(4) ~~(5)~~ That there is evidence that a well at the proposed unorthodox location in said Section 29 would ^{encounter} ~~penetrate~~ the ~~thicker~~ pay section and ~~encounter it~~ structurally higher than a well at an orthodox location.

(5) ~~(6)~~ That the evidence indicates that a well at the proposed unorthodox location in said Section 29 should recover more gas than a well at an orthodox location.

~~(6) That to offset the advantage to be gained over some offset operators by the drilling of a well at the proposed non-standard location, the allowable for said well should be reduced.~~

(7) ~~(7)~~ That approval of the proposed unorthodox location will afford the applicant the opportunity to produce his just and equitable share of the gas in the Undesignated Devonian gas 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 otherwise prevent waste, ~~provided the subject well receives no more than~~ ~~percent of a standard allowable for the pool.~~

(6) That the subject well can efficiently and economically drain and develop the entire S/2 of said Section 29.

-3-
CASE NO. 4656
Order No. R-

IT IS THEREFORE ORDERED:

(1) That the applicant, Western Oil Producers, Inc., is hereby authorized to drill a gas well at an unorthodox gas well location in an Undesignated Devonian Gas Pool, ¹⁹⁸⁰ ~~990~~ feet

from the South line and 990 feet from the West line of Section 29, Township 20 South, Range 36 East, NMPM, Lea County

~~well, which would comprise the 5/2 of said Section 29, Lea~~

~~County, New Mexico, the 5/2 of said Section 29 to be dedicated to the well.~~

PROVIDED HOWEVER, that as acreage factor for proration purposes of _____ shall be assigned to said well.

(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.