

Case Number
4676

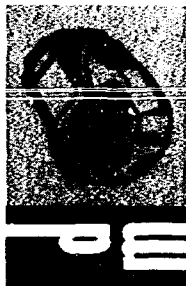
Application

Transcripts

Small Exhibits

ETC.

TRANSCRIPT OF HEARING



dearnley-meier reporting service

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MR. NUTTER: Case No. 4676.

MR. HATCH: Case 4676, Application of Amoco Production Company for a non-standard location, Lea County, New Mexico. If the Examiner please, we have received a request from the applicant that the case be dismissed.

MR. NUTTER: Case No. 4676 will be dismissed, and we will call the next case, No. 4680.

MR. HATCH: Case 4680, Application of Midwest Oil Corporation for an unorthodox well location and amendment of Order No. R-4254, Eddy County, New Mexico.

MR. LOPEZ: Mr. Examiner, my name is Owen Lopez of the firm of Montgomery, Federici, Andrews, Hannahs and Morris, in Santa Fe, and I have one witness.

(Whereupon the witness was sworn.)

(Whereupon, Exhibits No. 1

was marked for identification.)

BOB YEATES

A Witness, having been first duly sworn, was examined and testified as follows:

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DIRECT EXAMINATIONBY MR. LOPEZ:

Q State your name, residence and occupation.

A My name is Bob Yeates; I reside in Midland, Texas, and my occupation is Petroleum Engineer with Midwest Oil Corporation.

Q Mr. Yeates, have you had occasion to testify previously before the Commission?

A Yes, sir.

Q Have your qualifications been made a matter of record?

A Yes, sir.

MR. LOPEZ: Are his qualifications acceptable?

MR. NUTTER: Yes, they are.

Q Mr. Yeates, are you familiar with Midwest's case No. 4680, which is an application to amend a previous order of the Commission, No. R-4254?

A Yes.

Q What was accomplished by the previous order?

A Part of what was accomplished was the establishment of a nonstandard gas proration unit in Section 6 of the Exhibit which will be submitted at this time, in both the north half and the south half of this said Section.

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1 Q Is this Section 6, Township 18 South, Range 29
2 East?

3 A Yes, that's correct.

4 Q Now, if I'm correct, at that time, this Commission
5 approved a nonstandard unit and also approved a standard
6 location in the southeast quarter of the south half?

7 A That's correct.

8 Q Now, referring to Exhibit No. 1, today, what is
9 it that you propose to do and why have you sought to amend
10 the original order?

11 A Our proposal is to secure the approval of an
12 unorthodox well location, being 1900 feet from the west
13 line and 1980 feet from the south line of said Section, and
14 the reason being that we feel like north-south alignment
15 with the completed wells being approved at the previous
16 hearing would be more beneficial or it would be more likely
17 to produce a successful well.

18 Our premise is simply that the Morrow Gas sand
19 appears to be in a north-south trending channel in this
20 area and we base our premise on two reasons, a dipmeter
21 survey was secured from the Number 1 well drilled by Midwest
22 and completed in the Morrow as a successful gas well. The
23 dipmeter indicated north-south linearity in this channel.

24 Secondly, the Leonard No. 1, El Paso Natural Gas
25

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1 completion in Section 22, in the southwest of the northwest
2 quarter of Section 22 on this plat which was entered an
3 exhibit, and the Mannah Well, completed by the same company
4 in Section 21, appears to have a north-south, or northeast-
5 southwest linearity.

6 Now, these two reasons alone, geologically, we
7 feel like that the surface location of this second well
8 will be more likely to be successful as a completion in the
9 Morrow Gas Sand, if we move it in the southwestern quarter
10 of this section.

11 Q Now, when you talk about Midwest Well No. 1,
12 that's in the north half of the same section?

13 A Yes.

14 Q Is it your opinion that if the Commission grants
15 your application that it will prevent waste and protect
16 correlative rights?

17 A Yes, sir.

18 Q Was Exhibit No. 1 prepared by you or under your
19 supervision?

20 A Yes, sir.

21 MR. LOPEZ: At this time, I would like
22 to move the introduction of Exhibit No. 1.

23 MR. NUTTER: Midwest's Exhibit No. 1 in
24 case No. 4680 will be admitted into evidence.
25

(Whereupon, Midwest's Exhibit No. 1 was
offered and admitted into evidence.)

MR. LOPEZ: We have nothing further
at this time.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Yeates, as I understand it, Order No. 4254
did approve a nonstandard 299 acre unit?

A That's correct.

Q Leaving the south half of the section?

A Yes, sir.

Q You are leaving that unit just the way it was?

A Yes, sir.

Q Now, the order also approved a location for the
well? What was that location?

A It was 1980 out of the southwest quarter.

Q 1980 from the south, 1980 from the west?

A Excuse me, I believe it's from the east; I have a
copy of the order.

Q 1980 from the south and east, so it would be over
in the southeast corner quarter of the section. Now, this
location is nonstandard by virtue of the fact that it's
1900 from the west line rather than 1980, is that correct?

A Yes, sir.

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Q So what you are seeking here is simply the amendment to that order to move the well location?

A Yes, sir, that's pure and simple.

MR. NUTTER: Are there further questions of Mr. Yeates? You may be excused.

(Whereupon, the witness was excused.)

MR. NUTTER: Do you have anything further, Mr. Lopez?

MR. LOPEZ: No, Mr. Examiner.

MR. NUTTER: Does anyone have anything to offer in Case No. 4680?

We will take the case under advisement.

* * * * *

STATE OF NEW MEXICO)
) ss
COUNTY OF SANTA FE)

I, BETTY J. LANPHERE, Notary Public in and for the County of Santa Fe, 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.

My Commission Expires:

March 22, 1975

Betty J. Lanphere
NOTARY PUBLIC
I do hereby certify that the foregoing is a complete record of the proceedings in the foregoing hearing of Case No. 4676 4680 heard by me on 3/15 1972

[Signature]
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR
BRUCE KING
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

March 17, 1972

Re: Case No. 4676

Order No. R-4280

Applicant:

Amoco Production Company

Mr. D. L. Ray
Amoco Production Company
Post Office Box 3092
Houston, Texas 77001

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. 4676
Order No. R-4280

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR A NON-STANDARD LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 15, 1972,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of March, 1972, the Commission, a
quorum being present, having considered the record and the recom-
mendations 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:

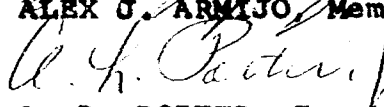
That Case No. 4676 is hereby dismissed.

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


esr/



RECEIVED

MAR 10 1972

AMOCO PRODUCTION COMPANY

500 Jefferson Building
P.O. Box 3092
Houston, Texas 77001

D. L. Ray
Division Engineer

March 8, 1972

File: TRM-986.521NM-1100

Re: Non-Standard Location
Ranger Lake-Bough Pool
Lea County, New Mexico

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Case 4676 on the Examiner Hearing Docket scheduled for March 15, 1972, is Amoco Production Company's Application for a non-standard location in the Ranger Lake-Bough Pool for its State AZ Well No. 4.

Amoco Production Company does not now intend to complete this well in the Ranger Lake-Bough Pool and therefore respectfully requests Case 4676 be dismissed.

Very truly yours,

D.L. Ray m

DRC:as

CASE 4676: Application of Amoco Production Company for a non-standard location, Lea County, New Mexico. Applicant in the above-styled cause, seeks approval to recomplete its State "AZ" Well No. 4 at an off-pattern unorthodox oil well location 990 feet from the North and East lines of Section 34, Township 12 South, Range 34 East, Ranger Lake-Bough Pool, Lea County, New Mexico.

CASE 4680: Application of Midwest Oil Corporation for an unorthodox well location and amendment of Order No. R-4254, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for a well to be drilled 1980 feet from the South line and 1900 feet from the West line of Section 6, Township 18 South, Range 29 East, undesignated Morrow Gas Pool, Eddy County, New Mexico, with the non-standard 299-acre proration unit comprising the S/2 of said Section 6 established by Order No. R-4254 to be dedicated to the well.

CASE 4657: (Continued from the February 16, 1972 Examiner Hearing; Will be dismissed)

Application of Chaparral Service, Inc. for an oil treating plant, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to install and operate a heat-treatment type oil treating plant in the SE/4 of Section 34, Township 21 South, Range 37 East, Lea County, New Mexico, for the reclamation of sediment oil.

CASE 4677: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Charles B. Read and all other interested persons to appear and show cause why the Charles B. Read Sinclair State Well No. 1, a salt

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 17, 1972

Case 4676

C
O
P
Y

Amoco Production Company
P. O. Box 68
Hobbs, New Mexico

Attention: Mr. V. E. Staley

Re: Application for Unorthodox
Well Location, State "AZ"
Well No. 4, Ranger Lake-Bough
Pool, Lea County, New Mexico

Gentlemen:

Since the above-captioned application is not eligible for administrative approval, we have set it for hearing on March 15, 1972. A copy of the docket will be mailed to you.

Yours very truly,

GEORGE M. HATCH
Attorney

GMH/dr

DOCKET MAILED

Date 3-3-72

*Not a legal for
advis. approval
set for hearing on March 15th
off - pattern*



Amoco Production Company

Post Office Box 68
Hobbs, New Mexico

February 16, 1972

File: VES-80-WF

Case 4676

Re: Application for Unorthodox Well Location
State "AZ" Well No. 4
Ranger Lake-Bough Pool
Lea County, New Mexico

New Mexico Oil Conservation Commission (3)
Post Office Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Amoco Production Company proposes to recomplete the State "AZ" Well No. 4, located 990' from the north line and 990' from the east line of Section 34, T-12-S, R-34-E, NMPM, Lea County, New Mexico from the West Ranger Lake Devonian Pool to the Ranger Lake Bough Pool. The well to be plugged back to a depth of 12,700'.

Under the provisions of Order No. R-4031 Rule 4 the subject well is at an unorthodox location. Therefore, Amoco Production Company respectfully requests administrative approval of this unorthodox location in accordance with Rule 5.

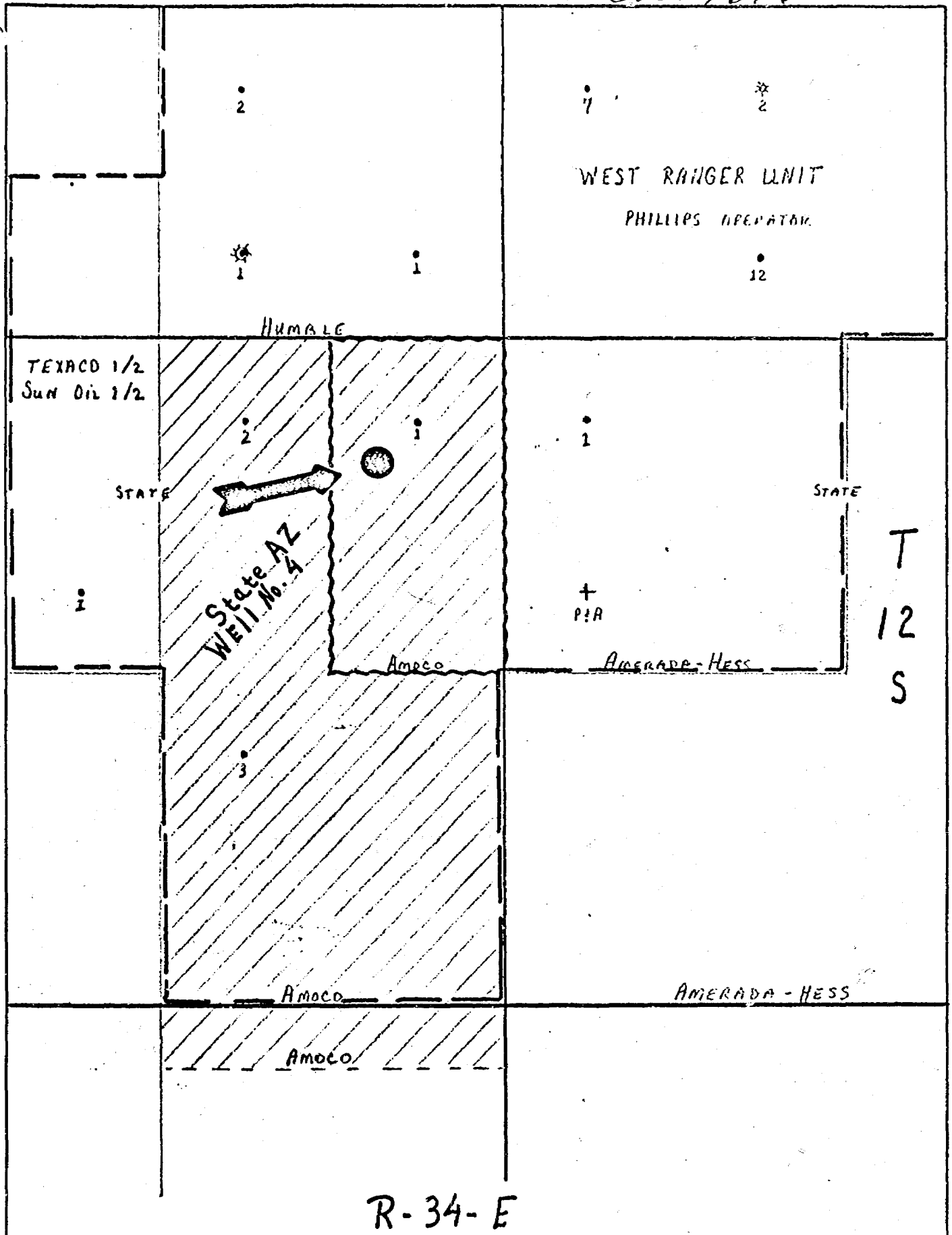
Attached is a plat showing well location, acreage dedication and names of the offset operators. All offset operators are being sent a copy of this application by certified mail.

Yours very truly,

V. E. Staley

V. E. STALEY
Area Superintendent

Attachments



Amoco Production Company		SCALE:
WELL LOCATION, ACREAGE DEDICATION & OFFSET OPERATORS		DRG. NO.
LEA CO. N.M. RANGER LAKE BOUGH		

MAILING LIST

Amerada - Hess
Drawer 817
Seminole, Texas 79360

Humble Oil Corporation
P. O. Box 1600
Midland, Texas 79701

Phillips Petroleum Co.
4th & Washington
Odessa, Texas 79760

Texaco, Inc.
P. O. Box 728
Hobbs, New Mexico 88240

Sun Oil Company
P. O. Box 1861
Midland, Texas 79701

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 4676

Order No. R- 4280

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR A NON-STANDARD LOCATION, LEA COUNTY,
NEW MEXICO.

Don
ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 15, 1972,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of March, 1972, the Commission,
a quorum being present, having considered the record and the recom-
mendations 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. 4676 is hereby dismissed.

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

CASE 4677: OCC MOTION FOR CHAS.
READ TO SHOW CAUSE - PROPERLY
EQUIP SALT WATER DISPOSAL WELL..

*Special letter -
Specified & Yes -
Dine*