

CASE 4680: Application of MIDWEST
OIL CORP. for an unorthodox well
location & amendment of R-4254.

Case Number

4680

Application

Transcripts

Small Exhibits

ETC.



1 MR. NUTTER: Case No. 4676.

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

7 MR. NUTTER: Case No. 4676 will be dis-
8 missed, and we will call the next case, No. 4680.

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

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

17 (Whereupon the witness was sworn.)

18 (Whereupon, Exhibit No. 1

19 was marked for identification.)

20 BOB YEATES

21 A Witness, having been first duly sworn, was examined
22 and testified as follows:
23
24
25

dearnley-meier reporting

dearnley-meier reporting service

DIRECT EXAMINATION

BY 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.

dearnley-meier reporting service

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

dearnley-meier reporting service

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.

dearnley-meier reporting service

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 correct record of the proceedings in the above hearing of Case No. 4680-4674 heard by me on 3/15 1975

[Signature]
Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

March 21, 1972

GOVERNOR
BRUCE KING
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

Re: Case No. 4680

Mr. Owen Lopez
Montgomery, Federici
& Morris
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Order No. R-4254-A
Applicant:

Midwest Oil Corporation

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 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. 4680
Order No. R-4254-A

APPLICATION OF MIDWEST OIL CORPORATION
FOR AN UNORTHODOX WELL LOCATION AND
AMENDMENT OF ORDER NO. R-4254, EDDY
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. Mutter.

NOW, on this 21st day of March, 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 by Order No. R-4254, dated February 8, 1972, a 299.93-acre non-standard gas proration unit comprising the S/2 of Section 6, Township 18 South, Range 29 East, NMPM, undesignated Morrow gas pool, Eddy County, New Mexico, was established and dedicated to a well to be drilled 1980 feet from the South line and 1980 feet from the East line of said Section 6.

(3) That the applicant seeks the amendment of said Order No. R-4254 to permit the drilling of the well on the above-described non-standard unit at a non-standard location 1980 feet from the South line and 1900 feet from the West line of said Section 6.

(4) That a well drilled at the proposed non-standard location should encounter the Morrow formation at a more favorable position structurally than a well drilled 1980 feet from the

-2-

CASE No. 4680

Order No. R-4254-A

South line and 1980 feet from the East line of said Section 6 and should, therefore, result in greater ultimate recovery of gas, thereby preventing waste.

(5) That the evidence indicates that the entire S/2 of said Section 6 is productive of gas from the Morrow formation.

(6) That the entire S/2 of said Section 6 can be efficiently and economically drained and developed by a well drilled at the proposed non-standard location.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject 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 and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That Order (3) of Order No. R-4254 is hereby amended to read in its entirety as follows:

"(3) That a 299.93-acre non-standard gas proration unit in the subject undesignated Morrow gas pool comprising the S/2 of Section 6, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, is hereby established and dedicated to a well to be drilled at a non-standard location 1980 feet from the South line and 1900 feet from the West line of said Section 6."

(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. ARMIGO, Member


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

esr

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.

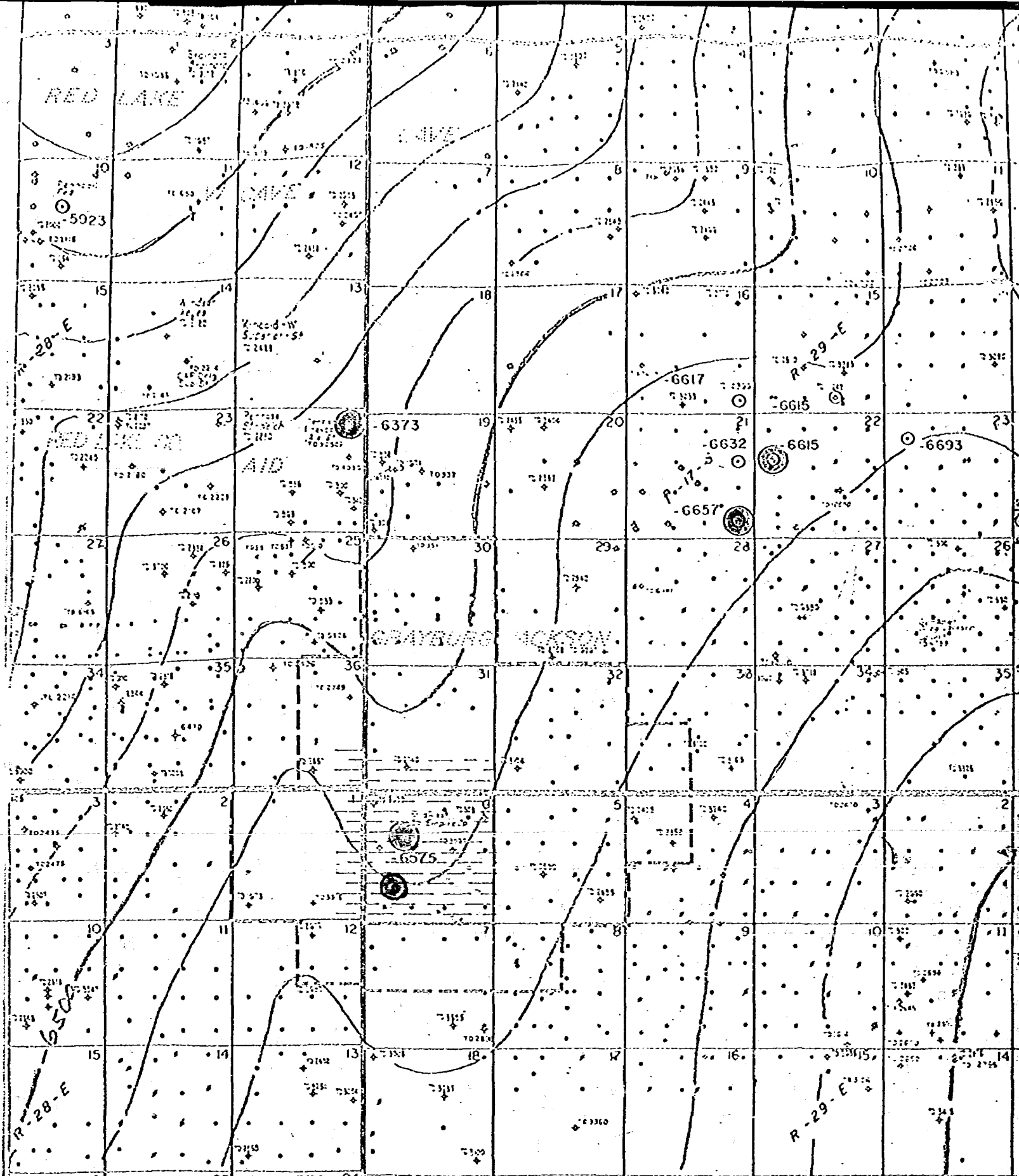
CASE 4680: Application of Midwest Oil Corporation for an unorthodox well location and amendment of Order No. R-4254, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for a well to be drilled 1980 feet from the South line and 1900 feet from 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

1980 FSL
1900 FNL
6-18-29



MIDWEST OIL CORPORATION

MIDLAND, TEXAS

SOUTH EMPIRE AREA

EDDY CO., NEW MEX.

CONTOURS T/ ATOKA SH.

EXHIBIT I

○ MORROW GAS
● PROPOSED LOC.

C.I. = 100'
SCALE: 1" = 5000'

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO. 4680

Submitted by Bob Yates

Hearing Date 3-15-72

DATE: 2-16-72
BY: W.G.T.

DRAFT

GMH/esr
3-16-72

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

ASD
CASE No. 4680

Order No. R-4254 *OK*

APPLICATION OF MIDWEST OIL CORPORATION
FOR AN UNORTHODOX WELL LOCATION AND
AMENDMENT OF ORDER NO. R-4254, EDDY
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 day of March, 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 by Order No. R-4254, dated February 8, 1972, a
299.93-acre non-standard gas proration unit comprising the S/2
of Section 6, Township 18 South, Range 29 East, NMPM, undesig-
nated Morrow gas pool, Eddy County, New Mexico, was established
and dedicated to a well to be drilled 1980 feet from the South
line and 1980 feet from the East line of said Section 6.

(3) That the applicant seeks the amendment of said Order
No. R-4254 to permit the drilling of the well on the above-
described non-standard unit ~~to be drilled~~ at a non-standard
location 1980 feet from the South line and 1900 feet from the
West line of said Section 6.

(4) That a well drilled at the proposed non-standard location should encounter the Morrow formation at a more favorable position structurally than a well drilled 1980 feet from the South line and 1980 feet from the East line of said Section 6 and should, therefore, result in greater ultimate recovery of gas, thereby preventing waste.

(5) That the evidence indicates that the entire S/2 of said Section 6 is productive of gas from the Morrow formation.

(6) That the entire S/2 of said Section 6 can be efficiently and economically drained and developed by a well drilled at the proposed non-standard location.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject 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 and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That Order (3) of Order No. R-4254 is hereby amended to read in its entirety as follows:

"(3) That a 299.93-acre non-standard gas proration unit in the subject undesignated Morrow gas pool comprising the S/2 of Section 6, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, is hereby established and dedicated to a well to be drilled *at a non-standard location* 1980 feet from the South line and 1900 feet from the West line of said Section 6."

(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 4681: Appli. of ANADARKO
PRODUCTION FOR WATERFLOOD EXPAN-
SION & DIRECTIONAL DRILLING.