

CASE 4857: Application of PERRY
R. BASS FOR AN UNORTHODOX
LOCATION, EDDY COUNTY.

Case Number

4857

Application
Transcripts.

Small Exhibits

ETC.

dearnley, meier & mc cornick reporting services

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1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87106

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
November 29, 1972

IN THE MATTER OF:

Application of Perry R. Bass for an
unorthodox location, Eddy County,
New Mexico.

Case No. 4857

BEFORE: Richard L. Stamets
Examiner

TRANSCRIPT OF HEARING

1 MR. STAMETS: Call next Case 4857. Call for
2 appearances.

3 MR. HINKLE: Hinkle of Hinkle, Bondurant, Cox and
4 Eaton of Roswell, New Mexico appearing on behalf of Perry R.
5 Bass. We have one witness we'd like to have sworn and five
6 exhibits. Here is the official exhibit that is already marked.

7 MR. STAMETS: Are there any other appearances in Case
8 4857?

9 JACK SEMON

10 a Witness, having been first duly sworn according to law, upon
11 his oath, was examined and testified as follows:

12 DIRECT EXAMINATION

13 BY MR. HINKLE:

14 Q State your name and your residence and by whom you are
15 employed.

16 A Jack Semon, residence is Monahans, Texas, employed by Perry
17 R. Bass.

18 Q What is your position with Perry R. Bass?

19 A Division Engineer.

20 Q Are you a graduate Petroleum Engineer?

21 A Yes, sir. Kansas State University.

22 Q Have you ever testified before the Commission?

23 A No, sir.

24 Q State briefly your educational background and experiences
25 as a Petroleum Engineer.

1 A I have a Bachelor Degree from Kansas State University. I
2 have been employed by Bass and Associated Interest every
3 since graduation in 1949. I have worked in all phases of
4 the oil industry.

5 Q Are you familiar with Bass' operations in New Mexico?

6 A Yes, sir.

7 Q Have you made a study of the area in which the subject's
8 well is located?

9 A Yes, I have.

10 MR. HINKLE: Are the qualifications of the witness
11 acceptable?

12 MR. STAMENS: They are.

13 Q Are you familiar with the application of Perry Bass in this
14 case?

15 A Yes, it's where we seek approval for an unorthodox gas
16 well location for the No. 7. This well is located 660 ft.
17 from the South line, 1980 from the East line of Section 19,
18 Township 27, Range 31 East, Maroon Cliffs-Morrow gas pool,
19 Eddy County, New Mexico.

20 Q Have you prepared or has there been prepared under your
21 direction certain exhibits for introduction in this case?

22 A Yes, sir.

23 Q Refer to Exhibit 1. Explain what this is and what it shows.

24 A This is a map of the area showing the Southeast quarter of
25 Section 19 which is showing the location of the well and

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1 wells around it, and there are no wells producing from the
2 Morrow formation within a three-mile radius.
3 Q What is the acreage colored in yellow?
4 A That is Bass-Interest Acreage.
5 Q Now, the application as filed in this case indicates that
6 you wanted to dedicate to the well all of the east half of
7 Section 19. On Exhibit 1, you only show the Southeast
8 quarter outlined in red.
9 A Yes, we'd like to amend this to just the Southeast quarter
10 of Section 19, and our further exhibits will show that this
11 is what we consider to be productive.
12 Q State briefly the history of the well which has been drilled
13 in the Southeast quarter of 19.
14 A This well was originally drilled and completed in the drawn
15 formation. It was drilled or it was completed in March of
16 1966.
17 Q Would you like to refer to Exhibit 2? Does that show that?
18 A Yes, Exhibit 2. That is a production curve showing the
19 history. The well was ceased to produce in July of 1970.
20 Q That is from the Strawn formation?
21 A Yes, and it was re-completed in the Morrow formation on
22 April 7, 1971 and has continued to produce in that
23 accumulative production as noted from the Strawn up through
24 September as 508,535 mcf with accumulative compensate
25 production of 66,616 barrels.

1 Q So it was actually drilled as an oil well and then converted
2 to a gas well, and the location as far as the gas well is
3 concerned is not a standard location; is that right?

4 A That is correct.

5 Q Refer to Exhibit 3 and explain what this means.

6 A This is simply a tabular production of the, or tabulation
7 of the production from the Big Eddy Strawn or the well as
8 a Strawn and also as a Morrow-gas well.

9 Q Refer to Exhibit 4.

10 A This is simply a Schlumberger sensitivity well log. There
11 are no tops marked on it.

12 Q Does that show the perforations?

13 A I don't believe it does.

14 Q Refer to Exhibit 5 of -

15 A This is a structural map on top of the Morrow. You will
16 note that, and I will refer to Township 20 South, Range 31
17 East, Section 19. The well in contention here is the #7
18 well, which is located in the Southeast quarter. There was
19 a well, the #9, drilled in the Northwest quarter of that
20 section that went dry. The drill went to the Morrow and
21 was tested and was dry. You will note that from the other
22 wells in the area that the Morrow-sands are productive
23 along the strike of the reservoir and not with the dip.
24 The yellow designates the area considered to be productive
25 of gas from the morrow. The red designates the limits.

- 1 Q The production in the Morrow is not dependent upon
2 structural condition, is it?
- 3 A No, sir.
- 4 Q Stratigraphic trap?
- 5 A Yes.
- 6 Q Because of the dry hole which has been drilled in the
7 Northeast quarter of 19, you only desire to dedicate the
8 Southeast quarter of 19 to the well?
- 9 A Yes, we believe this is where the production is coming
10 from. In fact, reservoir calculations indicate that the
11 ultimate production from this well will be in a range from
12 1.3 to 1.4 billion, and on the average the well from the
13 Morrow should produce about 2.3 or 4 billion based on 160
14 acres.
- 15 Q That in itself would indicate it probably doesn't cover
16 more than 160; is that right?
- 17 A Yes, sir.
- 18 Q Now, you intend to file with the Commission Form C102
19 dedicating the Southeast quarter of Section 19 to the well?
- 20 A Yes, we have diluted a copy of that in the -
- 21 Q Is there anything else that you would like to add to your
22 testimony?
- 23 A No, sir. That's it.
- 24 Q In your opinion would the approval of this application be
25 in the interest of conservation waste?

1 A Yes, sir.

2 Q Tend to protect the correlative rights?

3 A Yes, sir.

4 MR. HINKLE: We'd like to offer Exhibits 1 through 5.

5 MR. STAMETS: Without objection, they will be admitted
6 into evidence.

7 MR. HINKLE: That's all we have.

8 CROSS EXAMINATION

9 BY MR. STAMETS:

10 Q Mr. Semon, what acreage was dedicated to this well or filed
11 to this well?

12 A Originally the South half of the section.

13 Q South half?

14 A Yes.

15 Q And the application today was for the East half?

16 A Yes, sir.

17 Q And then you moved to amend that to the Southeast quarter?

18 A Yes, our study, as I had indicated, that was a maximum
19 production acreage to be considered.

20 Q What about the ownership and the royalty in the East half
21 of 19? Is it different between the Northeast and Southeast?

22 A No, the East half, Northeast quarter and Southeast quarters
23 are identical.

24 Q So there would be no royalty owner who would suffer because
25 of this -

1 A No, sir.

2 Q Change in dedication?

3 A No, sir.

4 MR. STAMETS: Mr. Hinkle, I imagine this would take a
5 re-advertisement.

6 MR. HINKLE: Well, in my opinion it would not, because
7 we have asked the East half and you are dedicating this, so I
8 think that's within your discretion.

9 MR. STAMETS: This is in opposition to the rules and
10 regulations for Pennsylvanian Gas completions. This would be
11 contrary to the State-wide rules, and I think it would have to
12 be advertised to the State-wide rules.

13 MR. HINKLE: All we are doing is asking for an unorth-
14 odox location.

15 MR. STAMETS: This is also a non-standard unit, the
16 Southeast quarter.

17 MR. HINKLE: The application doesn't apply for that,
18 though. They can dedicate the East half. The only thing is
19 they called me and I put in application for the East half. That's
20 what they thought they wanted to do; but when they started getting
21 up information on this dry hole in the Northeast quarter, they
22 said, "Well, we better dedicate the Southeast quarter to it then,
23 too".

24 MR. STAMETS: Since there is no difficulty in the
25 royalties, it would be much simpler to just go ahead -

1 MR. HINKLE: We didn't want - the only thing we wanted
2 was to dedicate what we considered as productive acreage in that
3 section, which would be the 160 acres.

4 MR. STAMETS: We can go either way. I think it would
5 take the re-advertisement for it.

6 MR. HINKLE: Can you dedicate the East half without
7 re-advertising?

8 MR. STAMETS: Yes.

9 MR. HINKLE: We will be satisfied with that.

10 MR. STAMETS: Are there any other questions of this
11 witness? If not, he may be excused. Any statements in this
12 case?

13 We will take Case 4857 under advisement and adjourn the
14 hearing until 1:00.
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1 STATE OF NEW MEXICO)
2) ss.
3 COUNTY OF BERNALILLO)

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

10 Janet Russell
11 COURT REPORTER

22 do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No. 4857
25 and by me on Nov 29, 1972
Richard H. Stamt, Examiner
New Mexico Oil Conservation Commission

dearnley, meier & mc cormick reporting service, inc.

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PAGE 2

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
Tuesday, November 14, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Perry R. Bass for an
unorthodox location, Eddy County,
New Mexico.

Case No. 4857

BEFORE: Daniel S. Nutter,
Examiner

TRANSCRIPT OF HEARING

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1 MR. NUTTER: We will call the next case, which is
2 Case 4857, the application of Perry R. Bass for an unorthodox
3 location, Eddy County, New Mexico.

4 At the request of the applicant in this case, we will
5 continue this case to the Examiner Hearing scheduled to be
6 held at this same place at 9:00 A.M., November 29, 1972.

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14 STATE OF NEW MEXICO)
15) ss
16 COUNTY OF BERNALILLO)

17 I, JOHN DE LA ROSA, a Court Reporter, in and for the
18 County of Bernalillo, State of New Mexico, do hereby certify
19 that the foregoing and attached Transcript of Hearing before
20 the New Mexico Oil Conservation Commission was reported by me;
21 and that the same is a true and correct record of the said
22 proceedings to the best of my knowledge, skill and ability.

23 I do hereby certify that the foregoing is
24 a complete record of the proceedings of John De La Rosa
25 the Examiner hearing of Case No. 4857
heard by me on 11/14, 1972
COURT REPORTER

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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. 4857
Order No. R-4448

APPLICATION OF PERRY R. BASS
FOR AN UNORTHODOX LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 14, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of December, 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, Perry R. Bass, seeks an exception to Rule 104 of the Commission Rules and Regulations for approval of an unorthodox gas well location for his Big Eddy Well No. 7, 660 feet from the South line and 1980 feet from the East line of Section 19, Township 20 South, Range 31 East, NMPM, Maroon Cliffs-Morrow Gas Pool, Eddy County, New Mexico.

(3) That said well is an old producing well recompleted from the Strawn formation into the Morrow formation.

(4) That the E/2 of said Section 19 is to be dedicated to the well.

(5) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Maroon Cliffs-Morrow 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 will otherwise prevent waste and protect correlative rights.

-2-

Case No. 4857
Order No. R-4448

IT IS THEREFORE ORDERED:

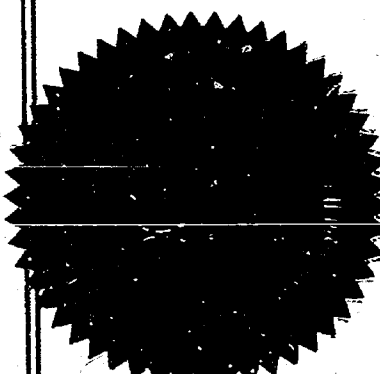
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Perry R. Bass Big Eddy Well No. 7, Maroon Cliffs-Morrow Gas Pool, at a point 660 feet from the South line and 1980 feet from the East line of said Section 19, Township 20 South, Range 31 East, NMPM, Eddy County, New Mexico, as an exception to Rule 104 of the Commission Rules and Regulations.

(2) That the E/2 of said Section 19 shall be dedicated to the above-described well.

(3) 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
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 29, 1972

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

The following cases will be heard before Richard L. Stamets, Examiner, or Elvis A. Utz, Alternate Examiner:

CASE 4854: (Continued from the November 1, 1972 Examiner Hearing)

Application of Dugan Production Corporation to commingle gas production prior to metering, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle gas produced from wells located in Sections 25, 26, 35, and 36, Township 28 North, Range 15 West, undesignated Pictured Cliffs gas pool, San Juan County, New Mexico, prior to metering said gas, as an exception to Rule 403 of the Commission Rules and Regulations.

CASE 4860: (Continued from the November 14, 1972 Examiner Hearing)

Application of Craig Polson for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well to test the Queen formation at an unorthodox oil well location 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

CASE 4857: (Continued to November 29, 1972 Examiner Hearing)

Application of Perry R. Bass for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for his Big Eddy Well No. 7 located 660 feet from the South line and 1980 feet from the East line of Section 19, Township 20 South, Range 31 East, Maroon Cliffs-Morrow Gas Pool, Eddy County, New Mexico, with the E/2 of said Section 19 to be dedicated to the well.

CASE 4866: Application of Roger C. Hanks for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Devonian formation through perforations between 13,000 to 13,300 feet in his Graham Well No. 1 located in Unit F of Section 29, Township 16 South, Range 36 East, East Shoe Bar-Devonian Pool, Lea County, New Mexico.

CASE 4867: Application of Superior Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 7, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a

(Case 4867 continued from page 1)

well to be drilled 810 feet from the South line and 1980 feet from the West line of said Section 7. 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.

CASE 4868: Application of The Wiser Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Drinkard formation through its Downes "D" Well No. 1 located in Unit K of Section 32, Township 21 South, Range 37 East, Drinkard Pool, Lea County, New Mexico.

CASE 4869: Application of Claude C. Kennedy for the amendment of Order No. R-4263 and for the revocation of Commission Order NSL-586, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4263 to require that all wells drilled within the Lone Pine Dakota "D" Unit be drilled on locations no closer than 330 feet from the boundary of the quarter-quarter section in which any such well is located, and to prohibit the transfer of allowable to any well located closer than 1320 feet from the outer boundary of the unit area. Applicant further requests the revocation of Commission Order No. NSL-586 dated November 1, 1972, which order authorized Tenneco Oil Company to drill its proposed Lone Pine Dakota "D" Unit No. 29 well at a location 2300 feet from the South line and 1450 feet from the West line of Section 8, Township 17 North, Range 8 West, Lone Pine-Dakota "D" Oil Pool, McKinley County, New Mexico.

CASE 4835: (Continued and readvertised)

Application of Texas Oil & Gas Corporation 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 Pennsylvanian formation underlying the S/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field area, Eddy County, New Mexico, to be dedicated to a well to be drilled 660 feet from the South line and 1980 feet from the East line of said Section 13. 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.

CASE 4870: Application of Sun Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed U. D. Sawyer Well No. 16 at an unorthodox location 986 feet from the South line and 1000.5 feet from the East line of Section 27, Township 9 South, Range 36 East, Crossroads-Devonian Pool, Lea County, New Mexico.

CASE 4871: Application of Samedan Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Langlie-Mattix "B-4" Penrose (Queen) Unit Area, comprising 240 acres, more or less, of Federal lands in Sections 17 and 18, Township 23 South, Range 37 East, Lea County, New Mexico.

CASE 4872: Application of Samedan Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation through two wells in its Langlie-Mattix "B-4" Unit Area, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 4862: (Continued and readvertised)

Application of Adobe Oil Company for a non-standard gas proration unit and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 520-acre non-standard gas proration unit comprising the NE/4, SE/4, E/2 SW/4, N/2 NW/4, and SE/4 NW/4 of Section 11, Township 23 South, Range 24 East, Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 330 feet from the East line of said Section 11.

CASE 4863: (Continued and readvertised)

Application of C & K Petroleum Inc. for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the South and West lines, or in the alternative, 990 feet from the South line and 660 feet from the West line of Section 18, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a standard proration unit comprising the S/2 of said Section 18.

CASE 4873: Application of Mountain States Petroleum Corporation for gas prorationing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the institution of gas prorationing in the West Atoka-Morrow Gas Pool, Eddy County, New Mexico.

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
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PAUL J. KELLY, JR.

LAW OFFICES
HINKLE, BONDURANT, COX & EATON

600 HINKLE BUILDING

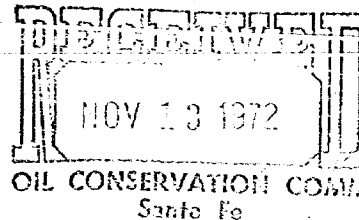
POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 822-6510

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(913) 683-4891

November 10, 1972



Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Attention: Ida Rodriguez

Gentlemen:

This will confirm the telephone conversation of today which Mr. Martin of our Midland office had with Ida Rodriguez relative to the continuance of Case No. 4857 on the docket for the November 14 examiner's hearing. This is the application of Perry R. Bass for an unorthodox gas well location in the Maroon Cliffs-Morrow Gas Pool. We understand that the matter will be placed on the November 29 docket.

This request for a continuance is occasioned by illness of some of Mr. Bass' personnel.

Your cooperation in this matter will be greatly appreciated.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By Charlotte Anderson
Secretary to Mr. Hinkle

CS

cc: Perry R. Bass
cc: C. D. Martin

*Placed on docket for
Nov. 29*

Docket No. 26-72

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 14, 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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for December, 1972, from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico for December, 1972.
- (3) Consideration of purchasers' nominations for the one-year period beginning January 1, 1973, for both of the above areas.

CASE 4608: (Reopened) (Continued from October 4, 1972)

In the matter of Case 4608 being reopened pursuant to the provisions of Order No. R-4213 which order established special rules and regulations for the Haystack Siluro-Devonian Pool, Chaves County, New Mexico, including a provision for 80-acre spacing units. All interested persons may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4855: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of oil production from the Cary-Montoya and South McCormack-Silurian Oil Pools in the wellbore of its R. E. Cole (NCT-A) Well No. 10 in Unit E of Section 16, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 4856: Application of Gulf Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Shugart Pool, Eddy County, New Mexico, by the injection of water into the Queen formation through three wells on its Federal Littlefield "AD" Lease in Section 22, Township 18 South, Range 31 East, Eddy County, New Mexico.

CASE 4857: Application of Perry R. Bass for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for his Big Eddy Well No. 7 located 660 feet from the South line and 1980 feet from the East line of Section 19, Township 20 South, Range 31 East, Maroon Cliffs-Morrow Gas Pool, Eddy County, New Mexico, with the E/2 of said Section 19 to be dedicated to the well.

CASE 4858: Application of Continental Oil Company for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the two following Blinebry Gas Pool non-standard gas proration units in Township 21 South, Range 37 East:

A 120-acre unit comprising the N/2 SW/4 and the SW/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 11 located in Unit L of said Section 21, and a 160-acre unit comprising the NW/4 SE/4, S/2 SE/4 and SE/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 8 located in Unit O of said Section 21.

CASE 4859: Application of Continental Oil Company for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the two following Blinebry Gas Pool non-standard proration units in Township 21 South, Range 37 East:

An 80-acre unit comprising the SW/4 NW/4 of Section 13 and the SE/4 NE/4 of Section 14, to be dedicated to applicant's Lockhart B-14 "A" Well No. 1 located in Unit H of Section 14, and a 160-acre unit comprising the NW/4 SE/4, N/2 SW/4, and SW/4 SW/4 of Section 13, to be simultaneously dedicated to applicant's Lockhart B-13 "A" Wells Nos. 1 and 8 located in Units M and L, respectively, of said Section 13.

CASE 4860: Application of Craig Polson for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well to test the Queen formation at an unorthodox oil well location 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

CASE 4861: Application of Cities Service Oil Company for the amendment of Order R-4239, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4239, which order pooled all mineral interests in the South Carlsbad-Morrow Gas Pool underlying the N/2 of Section 19, Township 22 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 2173 feet from the North line and 1200 feet from the East line of said Section 19 and provided \$60.00 per month as the charge for supervision (combined fixed rates). Applicant proposes that said order be amended to provide for the drilling of a well on the pooled unit at a standard well location and that \$200.00 a month be established as the charge for supervision.

CASE 4862: Application of Adobe Oil Company for a non-standard gas proration unit and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 520-acre non-standard

(Case 4862 continued from Page 2)

gas proration unit comprising the NE/4, SE/4, E/2 SW/4, N/2 NW/4, and SE/4 NW/4 of Section 11, Township 23 South, Range 24 East, Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools in Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 320 feet from the South and East lines of said Section 11.

CASE 4863: Application of C & K Petroleum Inc. for a non-standard gas proration unit and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 225.59-acre non-standard West Atoka-Morrow gas proration unit in Section 18, Township 18 South, Range 26 East, comprising the SW/4, the SW/4 SE/4, and that portion of the NW/4 SE/4 described as follows:

Beginning at the Northwest corner of said NW/4 SE/4, thence South 1320 feet, thence East 1193.4 feet, thence North 639 feet, thence West 242.2 feet, thence North 30 degrees West, 452.6 feet, thence West 267 feet, thence North 8 degrees East, 267 feet to the North line of said NW/4 SE/4, thence West 507.4 feet to the point of beginning.

Applicant further seeks authority to drill a well for said unit at an unorthodox location 990 feet from the South and West lines of said Section 18.

CASE 4864: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Chaves, Eddy and Lea Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Canyon production and designated as the South Carlsbad-Canyon Gas Pool. The discovery well is the Phillips Petroleum Company Drag B No. 1 located in Unit K of Section 18, Township 23 South, Range 27 East, NMPM. Said pool described as:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 18: S/2

(b) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Hat Mesa-Morrow Gas Pool. The discovery well is the Phillips Petroleum Company Hat Mesa No. 1 located in Unit G of Section 11, Township 21 South, Range 32 East, NMPM. Said pool described as:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 11: E/2

(Case 4864 continued from Page 3)

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Rocky Arroyo-Morrow Gas Pool. The discovery well is the El Paso Natural Gas Company Rocky Arroyo No. 1 located in Unit J of Section 8, Township 22 South, Range 22 East, NMPM. Said pool described as:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM

Section 8: E/2

Section 17: N/2

(d) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Rocky Arroyo-Wolfcamp Gas Pool. The discovery well is the El Paso Natural Gas Company Rocky Arroyo No. 1 located in Unit J of Section 8, Township 22 South, Range 22 East, NMPM. Said pool described as:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM

Section 8: SE/4

(e) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Lower Pennsylvanian production and designated as the South Sand Dunes-Lower Pennsylvanian Gas Pool. The discovery well is the El Paso Natural Gas Company Sundance Federal No. 1 located in Unit F of Section 4, Township 24 South, Range 31 East, NMPM. Said pool described as:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 4: N/2

(f) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Winchester-Morrow Gas Pool. The discovery well is the Penroc Oil Corporation Dero Federal No. 1 located in Unit P of Section 35, Township 19 South, Range 28 East, NMPM. Said pool described as:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 35: S/2

(g) Extend the Blinebry Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 25: SW/4

(h) Extend the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

(Case 4864, Paragraph (h) continued from Page 4)

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 7: S/2
Section 18: N/2

- (i) Extend the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 18: S/2

- (j) Extend the East Chisum-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM
Section 16: NW/4 NE/4

- (k) Extend the North Eunice-San Andres Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 17: NW/4
Section 18: NE/4

- (l) Extend the Grayburg Jackson Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 7: SE/4

- (m) Extend the Haystack-Cisco Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 27 EAST, NMPM
Section 9: All
Section 16: N/2

- (n) Extend the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 5: SW/4
Section 6: S/2

- (o) Extend the Red Lake Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 23: SE/4 NW/4, NE/4 SW/4, and
N/2 SE/4
Section 24: SE/4 and N/2 SW/4

(Case 4864 continued from Page 5)

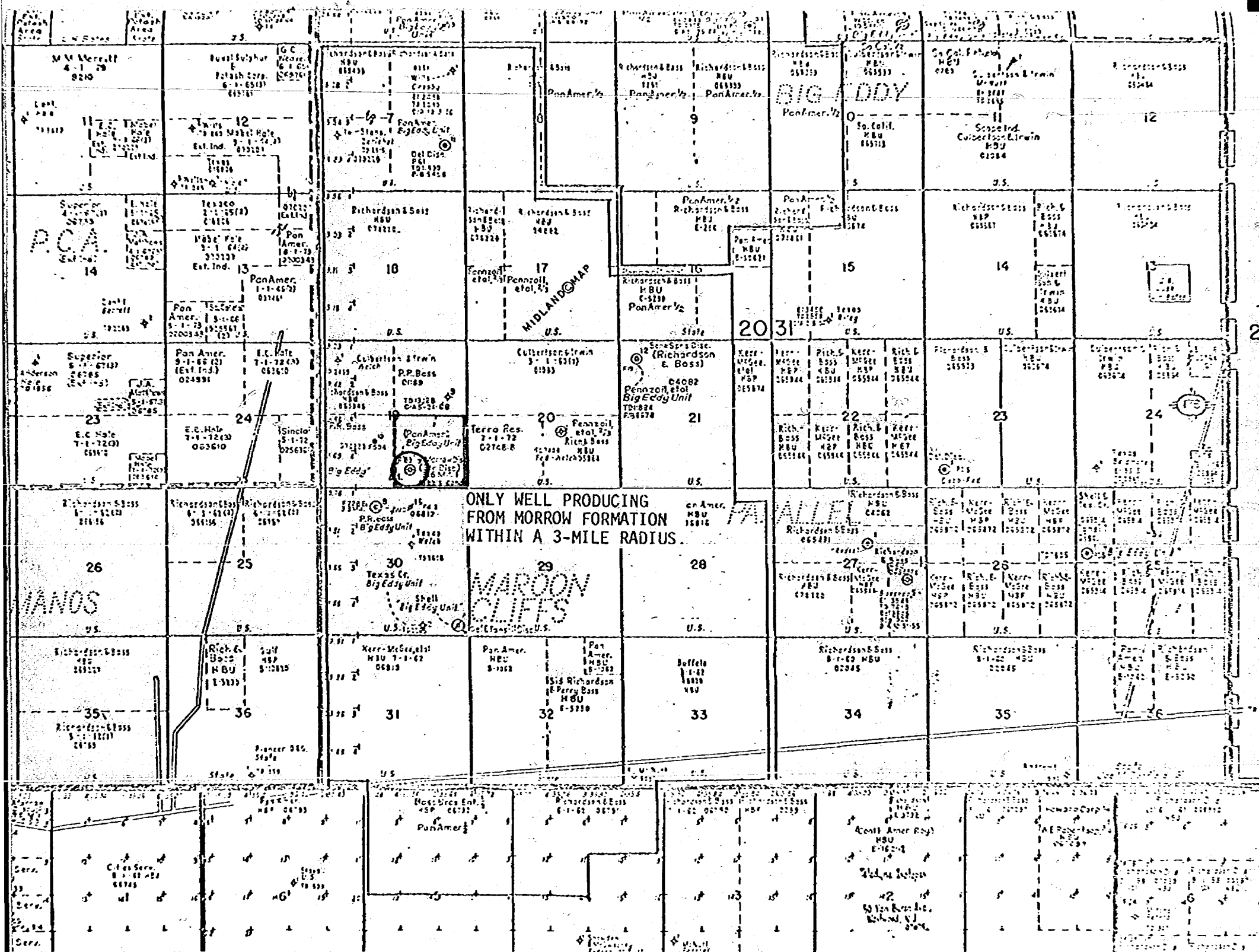
(p) Extend the East Shoebar-Devonian Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 29: NW/4

(q) Extend the Shugart Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 36: NW/4

(r) Extend the West Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 30: NE/4

(s) Extend the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM
Section 2: W/2
Section 11: All

(t) Extend the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 32: All



BIG EDDY #7 STRAWN PRODUCTION - WELL DEAD 10-5-70

PRODUCTION BY MONTHS

[illegible]

PRODUCTION BY MONTHS

OPERATOR	WELL NO.	LEASE	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTALS	TO 10-1-72 ACCUMULATED
MCEG	1971					1,792	43,835	43,809	43,444	37,290	33,431	34,648	28,090	23,383	289,802	
	1972		28,701	27,443	27,157	25,331	26,799	23,412	21,155	19,484	19,251				218,733	508,535
B0	1971					22	633	584	525	493	444	496	401	325	3,923	
	1972		411	395	332	330	319	247	238	233	188				2,693	6,616

Revised acreage
dedication.

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 Bass, Perry R.		Lease Big Eddy Unit		Well No. 7
Unit Letter 0	Section 19	Township 20 S	Range 31 E	County Eddy
Actual Footage Location of Well: 660 feet from the South line and 1980 feet from the East line				
Ground Level Elev. 3546' DF	Producing Formation Morrow	Pool Maroon Cliffs - Morrow Gas Pool	Dedicated Acreage: 160 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>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?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes," type of consolidation _____</p> <p>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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.</p>				
				CERTIFICATION
				<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>H. F. Wurtz, Jr.</i></p> <p>Name H. F. Wurtz, Jr.</p> <p>Position Div. Prod. Clerk</p> <p>Company Perry R. Bass</p> <p>Date Nov. 28, 1972</p> <p>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.</p> <p>Date Surveyed _____</p> <p>Registered Professional Engineer and/or Land Surveyor _____</p> <p>Certificate No. _____</p>

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.

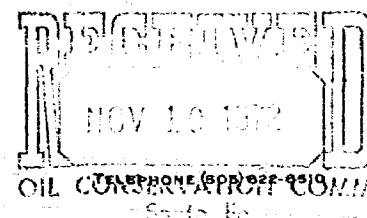
LAW OFFICES
HINKLE, BONDURANT, COX & EATON

600 HINKLE BUILDING

POST OFFICE BOX 10

ROSWELL, NEW MEXICO 86201

November 9, 1972



MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) 683-4601

Case 4857

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We enclose herewith in triplicate application of Perry R. Bass for an unorthodox gas well location in Section 19, Township 20 South, Range 31 East. We have previously arranged for this matter to be placed on the examiner's docket for November 14.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By Clarence E. Hinkle
CEH

CEH:cs
Enc.

DOCKET MAILED

Date 11-17-72

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF PERRY R. BASS FOR
AN UNORTHODOX WELL LOCATION, EDDY
COUNTY, NEW MEXICO. APPLICANT
SEEKS APPROVAL FOR AN UNORTHODOX
GAS WELL LOCATION FOR HIS BIG
EDDY WELL NO. 7 LOCATED 660 FEET
FROM THE SOUTH LINE AND 1980 FEET
FROM THE EAST LINE OF SECTION 19,
TOWNSHIP 20 SOUTH, RANGE 31 EAST,
IN THE MAROON CLIFFS-MORROW GAS
POOL, EDDY COUNTY, AND THE DEDI-
CATION OF THE E $\frac{1}{2}$ SAID SECTION 19
TO SAID WELL.

Case 4857

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Perry R. Bass, acting by and through the undersigned attorneys, and hereby makes application for an unorthodox well location, Eddy County, New Mexico. Applicant seeks approval for an unorthodox gas well location for the Big Eddy Well No. 7 located 660 feet from the south line and 1980 feet from the east line of Section 19, Township 20 South, Range 31 East, in the Maroon Cliffs-Morrow Gas Pool, Eddy County, and the dedication of the E $\frac{1}{2}$ of said Section 19 to said well, and in support thereof respectfully shows:

1. There is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A", a plat showing the location of the Big Eddy Well No. 7 in Section 19, Township 20 South Range 31 East, together with the 320 acres which applicant seeks to have dedicated to said well. SAID plat also shows the ownership of all oil and gas leases within 2 miles of the 320 acres to be dedicated to said well. The Maroon Cliffs-Morrow Gas Pool was established by Order R-4194 of the Commission on October 1, 1971.

2. The Big Eddy No. 7 well is located 660 feet from the south line and 1980 feet from the east line of Section 19, Township 20 South, Range 31 East which is an unorthodox location for a gas well. The well was initially drilled to a total depth of 14,208 feet and completed on March 18, 1966 for an initial potential of

579 barrels of oil per day from the Strawn formation. The production from the Strawn formation depleted and the last production was in May 1970. On May 5, 1971, the well was recompleted in the Morrow formation for a calculated absolute open flow of 3800 MCF of gas per day.

3. Although the well was drilled and initially completed as an oil well at a regular location, recompleting the well as a gas well at an unorthodox location has not been approved by the Commission and it is the purpose of this application to complete the records by having such location approved and the E $\frac{1}{2}$ Section 19 dedicated to said well.

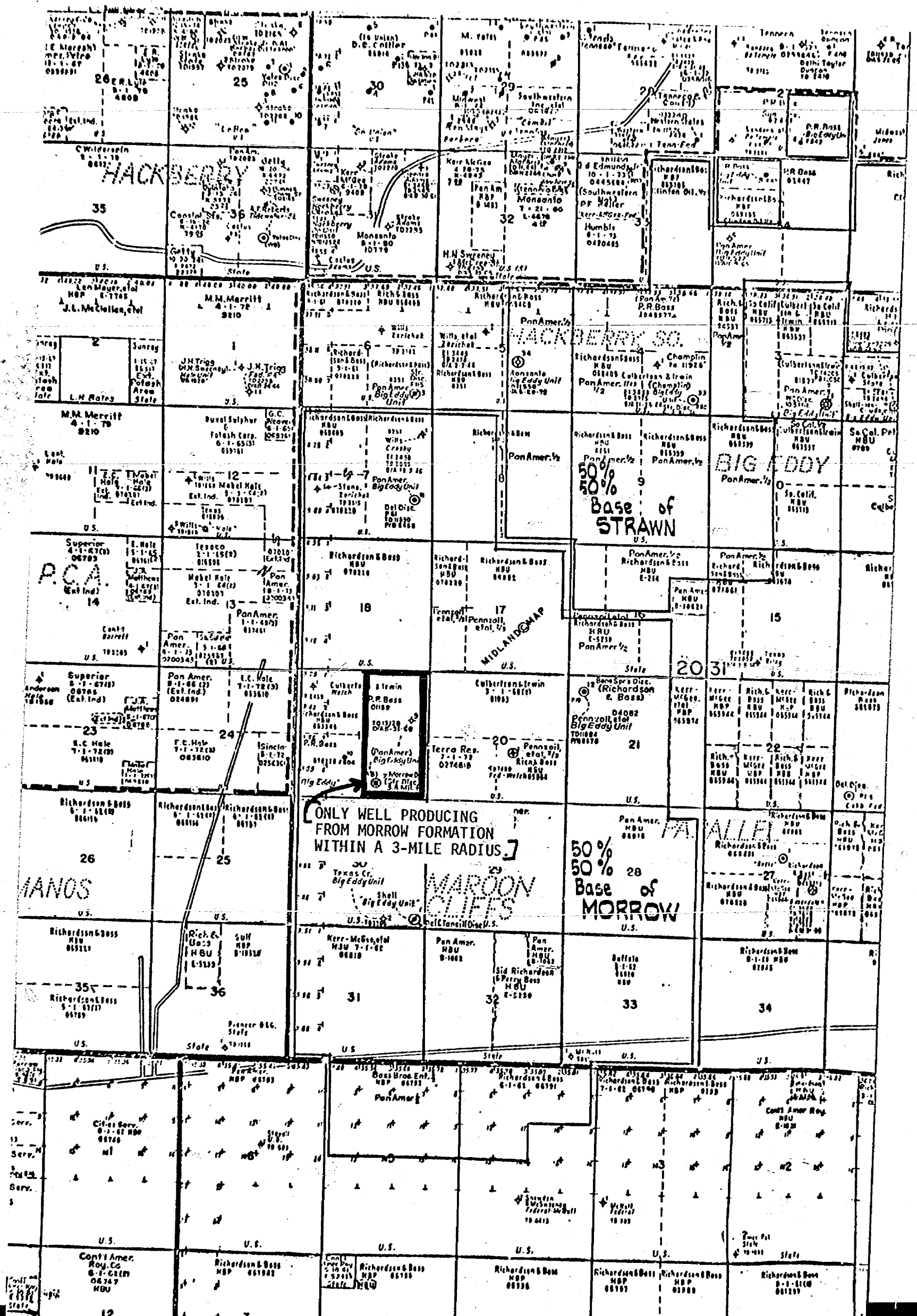
4. Applicant is of the opinion that the approval of the unorthodox location will be in the interest of conservation and the prevention of waste.

5. Applicant requests that this matter be set down for hearing at the examiner's hearing on November 14, 1972.

Respectfully submitted,

PERRY R. BASS

BY Clarence E. Hinkle es
HINKLE, BONDURANT, COX & EATON
Attorneys for Applicant
P.O. Box 10
Roswell, New Mexico 88201



HACKBERRY

HACKBERRY 30

BIG EDDY

50% Base of STRAWN

P.C.A.

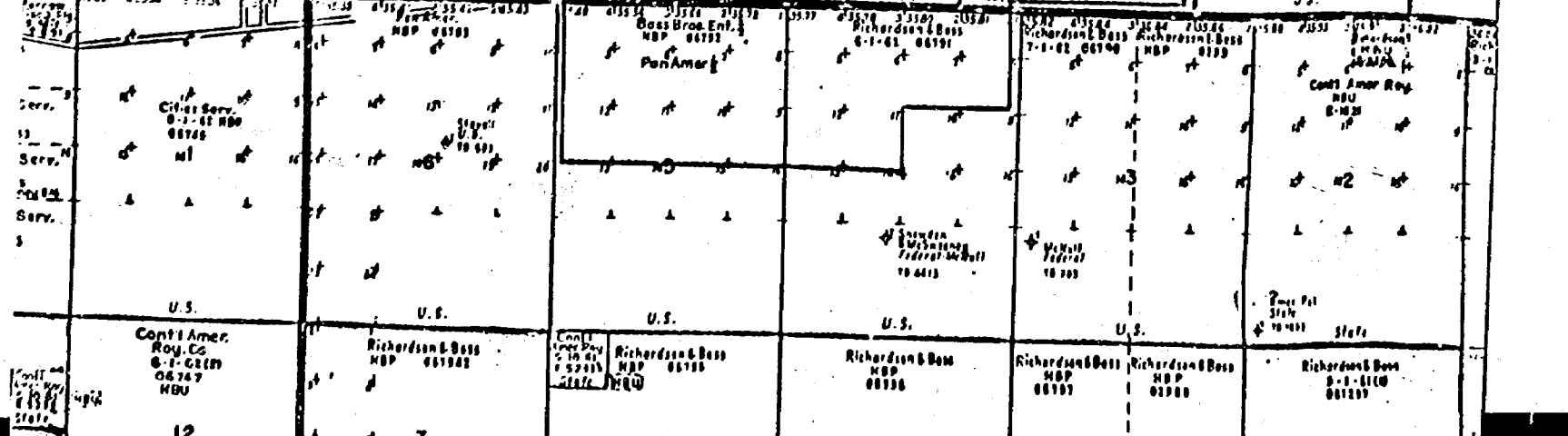
MIDLAND MAP

ONLY WELL PRODUCING FROM MORROW FORMATION WITHIN A 3-MILE RADIUS

MAROON CLIFFS

50% Base of MORROW

IANOS



DRAFT

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:

APPLICATION OF PERRY R. BASS FOR
AN UNORTHODOX LOCATION, EDDY
COUNTY, NEW MEXICO.

CASE NO. 4857

Order No. R-4448

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 14, 1972,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of November, 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, Perry R. Bass, seeks an exception
to Rule 104 of the Commission Rules and Regulations for approval
of an unorthodox gas well location for his Big Eddy Well No. 7,
660 feet from the South line and 1980 feet from the East line
of Section 19, Township 20 South, Range 31 East, NMPM, to test
~~the Morrow formation within one mile of the Maroon Cliffs-Morrow~~
Gas Pool, Eddy County, New Mexico.

(3) That said well is an old producing well recomplected from the Strawn formation into the Morrow formation.

-2-

Case No. 4857
Order No. R-

4(x) That the E/2 of said Section 19 is to be dedicated to the well.

(4) That a well drilled at the proposed location should encounter the subject formation structurally higher than a well drilled at a standard location.

(5) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the ~~subject~~ Maroon Cliffs-Morrow 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 will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Perry R. Bass Big Eddy Well No. 7, ~~within one mile of the~~ Maroon Cliffs-Morrow Gas Pool, at a point 660 feet from the South line and 1980 feet from the East line of said Section 19, Township 20 South, Range 31 East, NMPM, Eddy County, New Mexico, as an exception to Rule 104 of the Commission Rules and Regulations.

(2) That the E/2 of said Section 19 ^{shall} ~~is to~~ be dedicated to the above-described well.

(3) 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.

Nov. 29

Case

Application of Perry R. Bass for an
unorthodox location, Eddy County, New
Mexico.

Applicant, in the above-styled case,
seeks approval for an unorthodox
gas well location for his Big Eddy well
No. 7 located 660 feet from the south
line and 1980 feet from the East line of
Section 19, Township 20 South, Range
31 East, Maroon Cliffs - Maroon Hot
Pool, Eddy County, New Mexico, with
the E/2 of said Section 19 to be dedicated
to the well.

Set for Nov. 29

10-13-72

Clarence Hinkle
unorthodox location

App. of Perry R. Bass ^{Op.} of Big Eddy

un oiled gas well loc.

Big Eddy well no. 7 located

660 FSL + 1980 FEL of

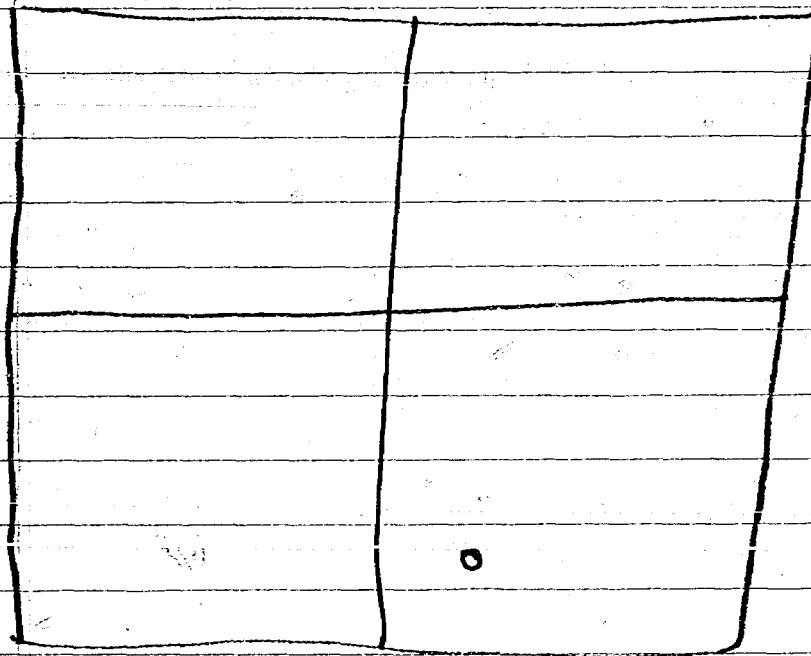
Sec 19, T20-S1E - Eddy
County -

- From Morrow -

- Dedicated to well -

undesignated
morrow

drilled as an oil well
but completed as a gas
well —



CASE 4858: Appli. of CONTINENTAL
FOR TWO NON-STANDARD GAS PRORA-
TION UNITS, LEA COUNTY.