

CASE 4879: Appli. of ATLANTIC
RICHFIELD FOR GAS PRORATION UNITS,
LEA COUNTY, NEW MEXICO.

Case Number

4879

Application
Transcripts.

Small Exhibits

ETC.

dearnley, meier & mc cormick

200 SIMMS BLDG., P.O. BOX 1092, PHONE 243-0691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87106

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

December 19, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield
Company for gas proration units,
Lea County, New Mexico.

Case No. 4879

BEFORE: Elvis A. Utz,
Examiner.

TRANSCRIPT OF HEARING

1 MR. UTZ: Case 4879: Application of Atlantic
2 Richfield Company for gas proration units, Lea County,
3 New Mexico.

4 MR. HINKLE: Clarence Hinkle, of Roswell, appearing
5 on behalf of Atlantic Richfield. We have one witness and
6 six exhibits that have been marked.

7 MR. UTZ: Are there other appearances?

8 (No response)

9 JERALD TWEED,

10 was called as a witness, and after being duly sworn, testified
11 as follows:

12 DIRECT EXAMINATION

13 BY MR. HINKLE:

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

16 A Jerry Tweed, I live in Midland, Texas, and I'm employed
17 by Atlantic Richfield Company.

18 Q Have you previously qualified before the Commission as
19 a petroleum engineer?

20 A Yes, I have.

21 Q And your qualifications are a matter of record with
22 the Commission?

23 A Yes, they are.

24 Q Are you familiar with the application of Atlantic
25 Richfield in this case?

dearnley, meier & mc cormick reporting service

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

1 A Yes, I am.

2 Q What is Atlantic Richfield seeking to accomplish?

3 A We are asking for three gas proration units in the
4 Jalmat Gas Pool in Lea County, New Mexico. The first
5 one being a non-standard 320-acre unit consisting of
6 the North half of Section 30, Township 23 South, Range
7 37 East, to be dedicated to our Eva Blinebry Wells
8 Numbers 2 and 7 in Units D and G.

9 The second unit we are asking for is a non-standard
10 gas proration unit consisting of 320 acres in the East
11 half of Section 26, Township 22 South, Range 36 East,
12 to be dedicated to our McDonald State Number 8 and
13 McDonald State Number 9 Wells, in Units P and G.

14 The third one is a 640-acre non-standard proration
15 unit consisting of Section 15, Township 22 South,
16 Range 36 East, and to be dedicated to our McDonald
17 Wells 13, 14 and 15 in Units P, G and L.

18 Q Are all these wells located in the Jalmat Pool?

19 A Yes, sir.

20 Q Have you made a study of the area?

21 A Yes, I have.

22 Q And you are familiar with all the wells?

23 A Yes, sir.

24 Q Have you prepared, or has there been prepared under
25 your direction, certain exhibits for introduction in

dearnley, meier & mc cornick reporting services

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1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

1 this case?

2 A Yes, sir.

3 Q And those are the exhibits which have been marked
4 Exhibits One through Six?

5 A Yes, sir.

6 Q What does Exhibit One show?

7 A Exhibit One is a plat of the area around the Eva
8 Blinbry lease. The green represents our present
9 proration unit assigned to the Number 7 Well. The
10 blue represents the acreage currently assigned to the
11 Number 2 Well. They are both currently on 160-acre
12 proration units. We now wish to form the 320-acre
13 unit outlined in red, to be assigned to both wells.

14 Q What is the producing capacity of these wells at the
15 present time?

16 A They're both classified as non-marginal wells. The
17 Number 7 Well currently won't quite make its allowable,
18 and the Number 2 Well is capable of making in excess
19 of its standard allowable.

20 Q In the event this application is approved, do you
21 intend to produce out of both wells and assign one
22 allowable to both wells?

23 A Yes. We would also like to have the overage and
24 underage on the two wells combined to one figure.

25 Q So you could straighten this out from January 1st, if

1 an order is entered by that date?

2 A Yes.

3 Q Turning to Exhibit Number Two, would you explain this?

4 A It's just a well location plat showing the distance
5 that the two wells are from the lease boundaries.

6 Q Would you explain Exhibit Number Three?

7 A Exhibit Number Three is a plat of the area around the
8 McDonald State leases. Shown in blue is the 160 acres
9 now dedicated to the McDonald State Number 9. The
10 green is the 160 acres dedicated to the McDonald State
11 Number 8. Outlined in red is the 320-acre proration
12 unit we are now asking be assigned to wells 8 and 9.

13 Again, both wells are now classified as non-
14 marginal wells, the Number 9 Well no longer quite makes
15 its allowable, while the Number 8 Well is capable of
16 making in excess of the normal allowable.

17 Q And you intend to produce the allowable in proportion
18 from both wells?

19 A Yes, sir. We would also like to have the overage and
20 underage on the two wells combined to one figure.

21 Q Would you explain Exhibit Number Four?

22 A Exhibit Number Four is a location plat showing the
23 distance the two wells are from the lease boundaries.

24 Q Will you explain what Exhibit Number Five is?

25 A Exhibit Five is another location-- or another plat

1 of the Marathon-McDonald State lease. Shown in
2 green is the 160 acres now dedicated to our Number 13
3 Well. The blue acreage is now dedicated to our Number
4 15 Well. The yellow is the 320 acres now dedicated
5 to our Number 14 Well. We are requesting a 640-acre
6 proration unit here, which is outlined in red, to be
7 dedicated to all three wells.

8 In this instance, all three wells are now
9 classified as non-marginal wells. The Number 13 Well
10 will no longer quite make its allowable, while the
11 other two are capable of making in excess of their
12 allowable.

13 Q And you intend to produce the allowable from all three
14 wells combined?

15 A Right.

16 Q And make up overage and underage--

17 A Right.

18 Q -- If there is any?

19 A Right. Again, we request overage or underage of these
20 wells be combined into one figure.

21 Q Calling your attention to Exhibit Number Six, will
22 you explain that?

23 A Exhibit Six is a location plat showing the footage of
24 each well from the lease boundaries.

25 Q In your opinion, will the approval of these units be

1 in the interest of conservation and the prevention of
2 waste?

3 A Yes, sir.

4 Q And tend to protect correlative rights?

5 A Yes, sir.

6 MR. HINKLE: We would like to offer Exhibits One
7 through Six.

8 MR. UTZ: Without objection, Exhibits One through
9 Six will be entered into the record of this case.

10 (Whereupon Applicant's Exhibits One through Six
11 were entered in evidence.)

12 MR. HINKLE: That's all we have on direct.

13 MR. UTZ: I have no questions, Mr. Tweed, I simply
14 want to commend you at this time for not waiting until after
15 the first of the year, and asking for reinstatement of
16 underage.

17 MR. TRAYWICK: Mr. Examiner, may I ask a question
18 at the proper time?

19 MR. UTZ: Proceed.

20 MR. TRAYWICK: Carl Traywick, USGS, Roswell.
21 Are these two different types of leases, either Federal,
22 State, or fee?

23 THE WITNESS: It's my understanding they're both
24 the same, Mr. Traywick.

25 MR. TRAYWICK: I believe the Northwest of Section

1 30 is Federal, and the Northeast of Section 30 is either
2 State or fee land.

3 THE WITNESS: I was under the impression-- it was
4 my understanding that they are both fee land. I will check
5 on it again, and in the event that we have different
6 royalty ownership under the two tracts, we will withdraw
7 the request for this one until it is straightened out. We
8 will just have to ask for another hearing on that if that's
9 the case.

10 MR. UTZ: You will advise me of this as soon as
11 possible?

12 THE WITNESS: Yes, tomorrow, if that will be
13 sufficient.

14 MR. UTZ: Fine. Are there any statements in this
15 case?

16 (No response)

17 MR. UTZ: The case will be taken under advisement.
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1 STATE OF NEW MEXICO)
2 COUNTY OF BERNALILLO } SS
3

4 I, RICHARD E. MCCORMICK, a Certified Shorthand
5 Reporter, in and for the County of Bernalillo, State of
6 New Mexico, do hereby certify that the foregoing and attached
7 Transcript of Hearing before the New Mexico Oil Conservation
8 Commission was reported by me; and that the same is a true
9 and correct record of the said proceedings to the best of
10 my knowledge, skill and ability.
11

12 *Richard E. McCormick*
13 CERTIFIED SHORTHAND REPORTER
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23 I do hereby certify that the foregoing is
24 a complete record of the proceedings in
25 the Examiner hearing of Case No. 4879
heard by me on *Dec 19 1972*
W. E. M. Examiner
New Mexico Oil Conservation Commission

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I N D E X

<u>WITNESS</u>	<u>PAGE</u>
JERALD TWEED	
Direct Examination by Mr. Hinkle	2

E X H I B I T S

<u>EXHIBIT</u>		<u>ADMITTED</u>	<u>OFFERED</u>
Exhibit #1	Plat	7	4
Exhibit #2	Plat	7	5
Exhibit #3	Plat	7	5
Exhibit #4	Plat	7	5
Exhibit #5	Plat	7	5
Exhibit #6	Plat	7	6



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

January 9, 1973

Mr. Clarence Hinkle
Hinkle, Bondurant, Cox & Eaton
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Re: Case No. 4879
Order No. R-4461
Applicant:
Atlantic Richfield Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

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. 4879
Order No. R-4461

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR GAS PRORATION UNITS,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of January, 1973, 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, Atlantic Richfield Company, seeks
approval of a 320-acre non-standard proration unit comprising
the N/2 of Section 30, Township 23 South, Range 37 East, to be
dedicated to its Eva Blinbry Wells Nos. 2 and 7 located in
Units D and G, respectively, of said Section 30; a 320-acre non-
standard proration unit comprising the E/2 of Section 26,
Township 22 South, Range 36 East, to be dedicated to its
McDonald State Wells Nos. 8 and 9 located in Units P and G,
respectively, of said Section 26; and a 640-acre standard gas
proration unit comprising all of Section 15, Township 22 South,
Range 36 East, to be dedicated to its McDonald State Wells Nos.
13, 14, and 15 located in Units P, G, and L, respectively, of
said Section 15, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the proposed non-standard gas proration units
can be efficiently and economically drained and developed by
the subject wells.

-2-

Case No. 4879

Order No. R-4461

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat 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 a 320-acre non-standard proration unit is hereby established comprising the N/2 of Section 30, Township 23 South, Range 37 East, to be dedicated to its Eva Blinbry Wells Nos. 2 and 7 located in Units D and G, respectively, of said Section 30; that a 320-acre non-standard proration unit is hereby established comprising the E/2 of Section 26, Township 22 South, Range 36 East to be dedicated to its McDonald State Wells Nos. 8 and 9 located in Units P and G, respectively, of said Section 26; and that a 640-acre standard gas proration unit is hereby established comprising all of Section 15, Township 22 South, Range 36 East, to be dedicated to its McDonald State Wells Nos. 13, 14, and 15 located in Units P, G, and L, respectively, of said Section 15.

(2) That the status for balancing purposes for each of the above-described proration units shall be the combined status of the proration units being consolidated to form said units as of the effective date of this order.

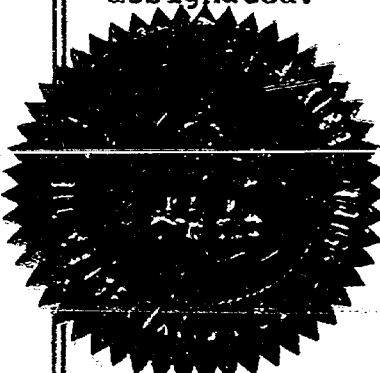
(3) That this order shall become effective at 7:00 a.m. January 1, 1973.

(4) That Administrative Order NSP-61, dated December 27, 1954, is hereby superseded.

(5) 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. ARMIJO, Member

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

SEAL

dr/

Case 4879

Legnd 12/19/72

Rec. 12/20/72

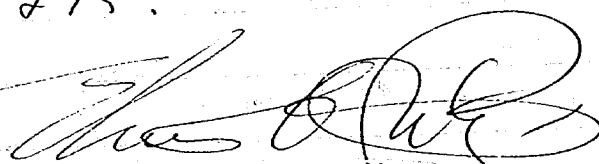
Grant Atlantic three NSTPs
as follows:

All in Jalmat Gas Pool.

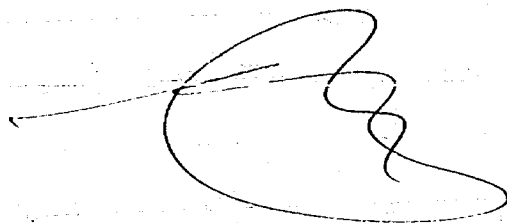
1. N/2 Sec. 30 - 235-37E. ded to.
their ~~to~~ Eva Blaney #5 2+7
Old units were 160 to each well.

2. E/2 Sec. 36 - 235-36E. to be ded to.
their M. Donald #5 8+9
units G + P resp.
Old units were 160 each well.

3. Sec. 15 - 225-36E. to be ded to
their St. M. Donald #13, 14, 15
units G + L resp.
Old units were N/2 to #14, 160 to
each #13 + 15.



States to be combined as g.
1-1-73.



DOCKET: EXAMINER HEARING - TUESDAY - DECEMBER 19, 1972

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for January, 1973, 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 January, 1973.

CASE 4608: (Reopened) (Continued from November 14, 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 4860: (Continued from the November 29, 1972 Examiner Hearing)

Application of Craig Folsom 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 4869: (Continued and Readvertised)

Application of Claude C. Kennedy for the amendment of Order No. R-4263, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4263 to prohibit the transfer of allowable to any well located closer than 1320 feet from the outer boundary of the Lone Pine Dakota "D" Unit Area, Lone Pine Dakota Pool, McKinley County, New Mexico.

CASE 4874: Application of Skelly Oil Company for a dual completion and water injection well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Skelly Waterflood Unit Well No. 3 located in Unit D of Section 22, Township 17 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Fren-Seven Rivers Pool and the injection of water into the Grayburg-Jackson Pool through parallel strings of tubing.

- CASE 4875: Application of ESH Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Lower San Andres formation in the perforated interval from 5144 feet to 5170 feet in its Hobbs State Well No. 5 located in Unit F of Section 29, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico.
- CASE 4876: Application of Gulf Oil Corporation for an unorthodox oil well location and amendment of Order No. R-2248, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its West Dollarhide Devonian Unit Well No. 118 at an unorthodox location 2540 feet from the South line and 1420 feet from the West line of Section 33, Township 24 South, Range 38 East, West Dollarhide-Devonian Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2248 to provide for administrative approval of additional production and injection wells in the aforesaid unit at unorthodox locations.
- CASE 4877: Application of Texas Pacific Oil Company, Inc. for two non-standard oil proration units and a non-standard location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 2 to be dedicated to its State "C" Well No. 1 located in Unit B and a 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 2 to be dedicated to its State "C" Well No. 2 located in Unit F of Section 2 and an 80-acre standard proration unit comprising the R/2 NE/4 of Section 2 to be dedicated to its State "D" Well No. 1 at an unorthodox location in Unit A of Section 2, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.
- CASE 4878: Application of Harding Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the E/2 SE/4 of Section 10, Township 17 South, Range 37 East, Lea County, New Mexico, to be dedicated to a Humble City Field extension well to be drilled at a standard location for said pools; 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 4879: Application of Atlantic Richfield Company for gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard proration unit comprising the N/2 of Section 30, Township 23 South, Range 37 East, to be dedicated to its Eva Blinbry Wells Nos. 2 and 7 located in Units D and G, respectively, of said Section 30; a 320-acre non-standard proration unit comprising the E/2 of Section 26, Township 22 South, Range 36 East to be dedicated to its McDonald State Wells Nos. 8 and 9 located in

(Case 4879 continued from page 2)

Units P and G, respectively, of said Section 26, and a 640-acre standard gas proration unit comprising all of Section 15, same township, to be dedicated to its McDonald State Wells Nos. 13, 14, and 15 located in Units P, G, and L, respectively, of said Section 15, Jalmat Gas Pool, Lea County, New Mexico.

CASE 4880: Application of Jake L. Hamon for the amendment of Order No. R-638-C, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-638-C which established 150 barrels of oil per day as the maximum allowable for the South Knowles-Devonian Pool. Applicant proposes that the regular 80-acre depth bracket allowable be applied to said pool.

CASE 4881: Application of Anadarko Production Company for two unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill two wells at unorthodox locations 1980 feet from the South line and 1310 feet from the West line of Section 9 and 1310 feet from the North line and 1980 feet from the East line of Section 16, both in Township 18 South, Range 29 East, Loco Hills Pool, Eddy County, New Mexico.

Applicant further seeks the adoption of a procedure for administrative approval of additional production and injection wells in its Far West Loco Hills Sand Unit at unorthodox locations.

CASE 4882: Application of Shell Oil Company for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation through the following five wells in the Cato-San Andres Pool, Chaves County, New Mexico: Amoco Federal Wells Nos. 4, 6, 7, and 8 in Units G, O, E, and M, respectively, of Section 33 and Hodges Federal B Well No. 4 in Unit M of Section 34, all in Township 8 South, Range 30 East.

CASE 4883: Application of El Paso Natural Gas Company for non-standard gas spacing units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following non-standard gas spacing units adjacent to the Blanco-Pictured Cliffs Pool in Township 31 North, Range 9 West, San Juan County, New Mexico:

A 145.6-acre unit comprising lots 9 and 10 and 15 through 18 of Section 31;

A 153.5-acre unit comprising lots 14 through 17 of Section 30 and lots 7 and 8 of Section 31;

A 156.5-acre unit comprising lots 17 and 18 of Section 19 and lots 6 through 9 of Section 30;

A 152.6-acre unit comprising lots 7 through 10 and 15 and 16 of Section 19.

CASE 4853: (Continued and Readvertised)

Application of El Paso Natural Gas Company for amendment of gas well testing procedures, San Juan Basin, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the gas well testing procedures for the San Juan Basin, New Mexico, promulgated by Order No. R-333-F, as amended, to remove the requirement for annual deliverability and shut-in pressure tests for marginal wells.

Applicant further requests the Commission to consider:

1. Other means of avoiding or minimizing the loss of pipeline availability attributable to the period wells in prorated pools are shut in in order to conduct the annually required deliverability and shut-in pressure tests;
2. Exempting wells in non-prorated pools from the annual deliverability and shut-in pressure requirements; and,
3. Exempting all wells in the San Juan Basin from the requirement for annual shut-in pressure tests as provided in the General Rules and Regulations.

CASE 4884: Application of Colorado Plateau Geological Services, Inc., for an extension of Order No. R-4227, McKinley County, New Mexico. Applicant, in the above-styled cause, as managing agent for oil and gas for the Henry Birdseye Estate, seeks a one-year extension to certain provisions of Order No. R-4227 which, as amended by Order No. R-4227-A, required that certain of the Birdseye wells in the Chaco Wash Mesaverde Oil Pool be placed on active production or water injection by December 31, 1972, or be plugged and abandoned. Applicant, or United States Fidelity and Guaranty Company, or any other interested party will be permitted to show cause why the effective date of the aforesaid order should not be enforced.

CASE 4885: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit John Lemley and Juanita Franks and Aetna Casualty and Surety Company and all other interested parties to appear and show cause why the Lemley and Franks Greathouse Well No. 1, located in Unit F of Section 10, Township 23 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

DOCKET: EXAMINER HEARING - TUESDAY - DECEMBER 19, 1972

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

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- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico for January, 1973.

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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 4860: (Continued from the November 29, 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 4869: (Continued and Readvertised)

Application of Claude C. Kennedy for the amendment of Order No. R-4263, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4263 to prohibit the transfer of allowable to any well located closer than 1320 feet from the outer boundary of the Lone Pine Dakota "D" Unit Area, Lone Pine Dakota "D" Pool, McKinley County, New Mexico.

CASE 4874: Application of Skelly Oil Company for a dual completion and water injection well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Skelly Waterflood Unit Well No. 3 located in Unit D of Section 22, Township 17 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Fren-Seven Rivers Pool and the injection of water into the Grayburg-Jackson Pool through parallel strings of tubing.

CASE 4875: Application of ESH Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Lower San Andres formation in the perforated interval from 5144 feet to 5170 feet in its Hobbs State Well No. 5 located in Unit F of Section 29, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico.

CASE 4876: Application of Gulf Oil Corporation for an unorthodox oil well location and amendment of Order No. R-2248, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its West Dollarhide Devonian Unit Well No. 118 at an unorthodox location 2540 feet from the South line and 1420 feet from the West line of Section 33, Township 24 South, Range 38 East, West Dollarhide-Devonian Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2248 to provide for administrative approval of additional production and injection wells in the aforesaid unit at unorthodox locations.

CASE 4877: Application of Texas Pacific Oil Company, Inc. for two non-standard oil proration units and a non-standard location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 2 to be dedicated to its State "C" Well No. 1 located in Unit B and a 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 2 to be dedicated to its State "C" Well No. 2 located in Unit F of Section 2 and an 80-acre standard proration unit comprising the E/2 NE/4 of Section 2 to be dedicated to its State "D" Well No. 1 at an unorthodox location in Unit A of Section 2, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

CASE 4878: Application of Harding Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the E/2 SE/4 of Section 10, Township 17 South, Range 37 East, Lea County, New Mexico, to be dedicated to a Humble City Field extension well to be drilled at a standard location for said pools; 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 4879: Application of Atlantic Richfield Company for gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard proration unit comprising the N/2 of Section 30, Township 23 South, Range 37 East, to be dedicated to its Eva Blinebry Wells Nos. 2 and 7 located in Units D and G, respectively, of said Section 30; a 320-acre non-standard proration unit comprising the E/2 of Section 26, Township 22 South, Range 36 East to be dedicated to its McDonald State Wells Nos. 8 and 9 located in

(Case 4879 continued from page 2)

Units P and G, respectively, of said Section 26, and a 640-acre standard gas proration unit comprising all of Section 15, same township, to be dedicated to its McDonald State Wells Nos. 13, 14, and 15 located in Units P, G, and L, respectively, of said Section 15, Jalmat Gas Pool, Lea County, New Mexico.

CASE 4880: Application of Jake L. Hamon for the amendment of Order No. R-638-C, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-638-C which established 150 barrels of oil per day as the maximum allowable for the South Knowles-Devonian Pool. Applicant proposes that the regular 80-acre depth bracket allowable be applied to said pool.

CASE 4881: Application of Anadarko Production Company for two unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill two wells at unorthodox locations 1980 feet from the South line and 1310 feet from the West line of Section 9 and 1310 feet from the North line and 1980 feet from the East line of Section 16, both in Township 18 South, Range 29 East, Loco Hills Pool, Eddy County, New Mexico.

Applicant further seeks the adoption of a procedure for administrative approval of additional production and injection wells in its Far West Loco Hills Sand Unit at unorthodox locations.

CASE 4882: Application of Shell Oil Company for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation through the following five wells in the Cato-San Andres Pool, Chaves County, New Mexico: Amoco Federal Wells Nos. 4, 6, 7, and 8 in Units G, O, E, and M, respectively, of Section 33 and Hodges Federal B Well No. 4 in Unit M of Section 34, all in Township 8 South, Range 30 East.

CASE 4883: Application of El Paso Natural Gas Company for non-standard gas spacing units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following non-standard gas spacing units adjacent to the Blanco-Pictured Cliffs Pool in Township 31 North, Range 9 West, San Juan County, New Mexico:

A 145.6-acre unit comprising lots 9 and 10 and 15 through 18 of Section 31;

A 153.5-acre unit comprising lots 14 through 17 of Section 30 and lots 7 and 8 of Section 31;

A 156.5-acre unit comprising lots 17 and 18 of Section 19 and lots 6 through 9 of Section 30;

A 152.6-acre unit comprising lots 7 through 10 and 15 and 16 of Section 19.

CASE 4853: (Continued and Readvertised)

Application of El Paso Natural Gas Company for amendment of gas well testing procedures, San Juan Basin, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the gas well testing procedures for the San Juan Basin, New Mexico, promulgated by Order No. R-333-F, as amended, to remove the requirement for annual deliverability and shut-in pressure tests for marginal wells.

Applicant further requests the Commission to consider:

1. Other means of avoiding or minimizing the loss of pipeline availability attributable to the period wells in prorated pools are shut in in order to conduct the annually required deliverability and shut-in pressure tests;
2. Exempting wells in non-prorated pools from the annual deliverability and shut-in pressure requirements; and,
3. Exempting all wells in the San Juan Basin from the requirement for annual shut-in pressure tests as provided in the General Rules and Regulations.

CASE 4884: Application of Colorado Plateau Geological Services, Inc., for an extension of Order No. R-4227, McKinley County, New Mexico. Applicant, in the above-styled cause, as managing agent for oil and gas for the Henry Birdseye Estate, seeks a one-year extension to certain provisions of Order No. R-4227 which, as amended by Order No. R-4227-A, required that certain of the Birdseye wells in the Chaco Wash Mesaverde Oil Pool be placed on active production or water injection by December 31, 1972, or be plugged and abandoned. Applicant, or United States Fidelity and Guaranty Company, or any other interested party will be permitted to show cause why the effective date of the aforesaid order should not be enforced.

CASE 4885: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit John Lemley and Juanita Franks and Aetna Casualty and Surety Company and all other interested parties to appear and show cause why the Lemley and Franks Greathouse Well No. 1, located in Unit F of Section 10, Township 23 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

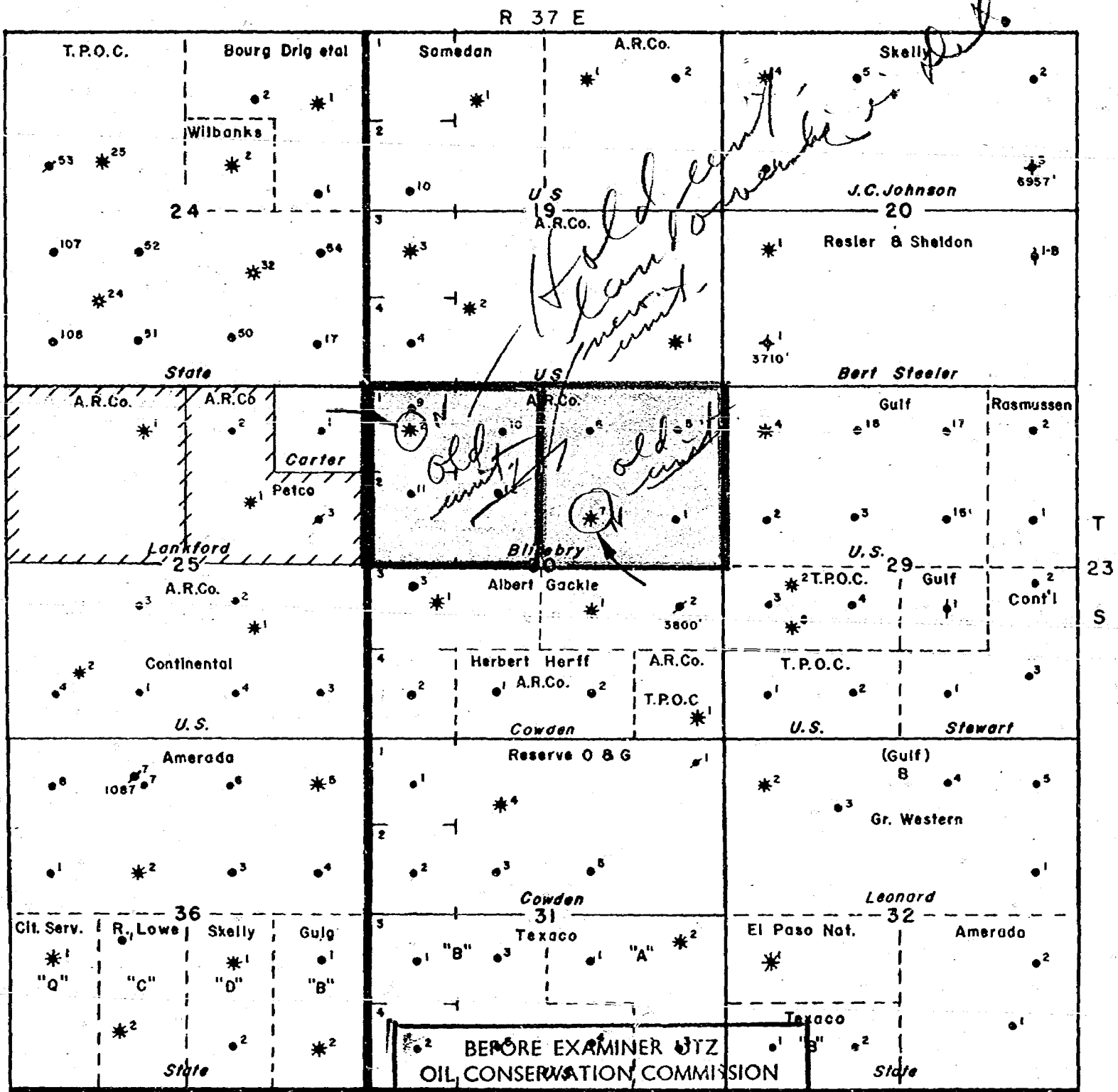


EXHIBIT NO. 1

CASE NO. 4879-

Submitter Oil-Richford

Hearing Date 12-19-72

EXHIBIT 1

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 Atlantic Richfield Company		Lease Eva Blinebry		Well No. 2 and 7
Unit Letter D & G	Section 30	Township 23-S	Range 37-E	County Lea
Actual Footage Location of Well:				
feet from the		line and	feet from the	
Ground Level Elev:	Producing Formation	Pool	Dedicated Acreage:	
	Yates & Seven Rivers	Jalmat	320 Acres	

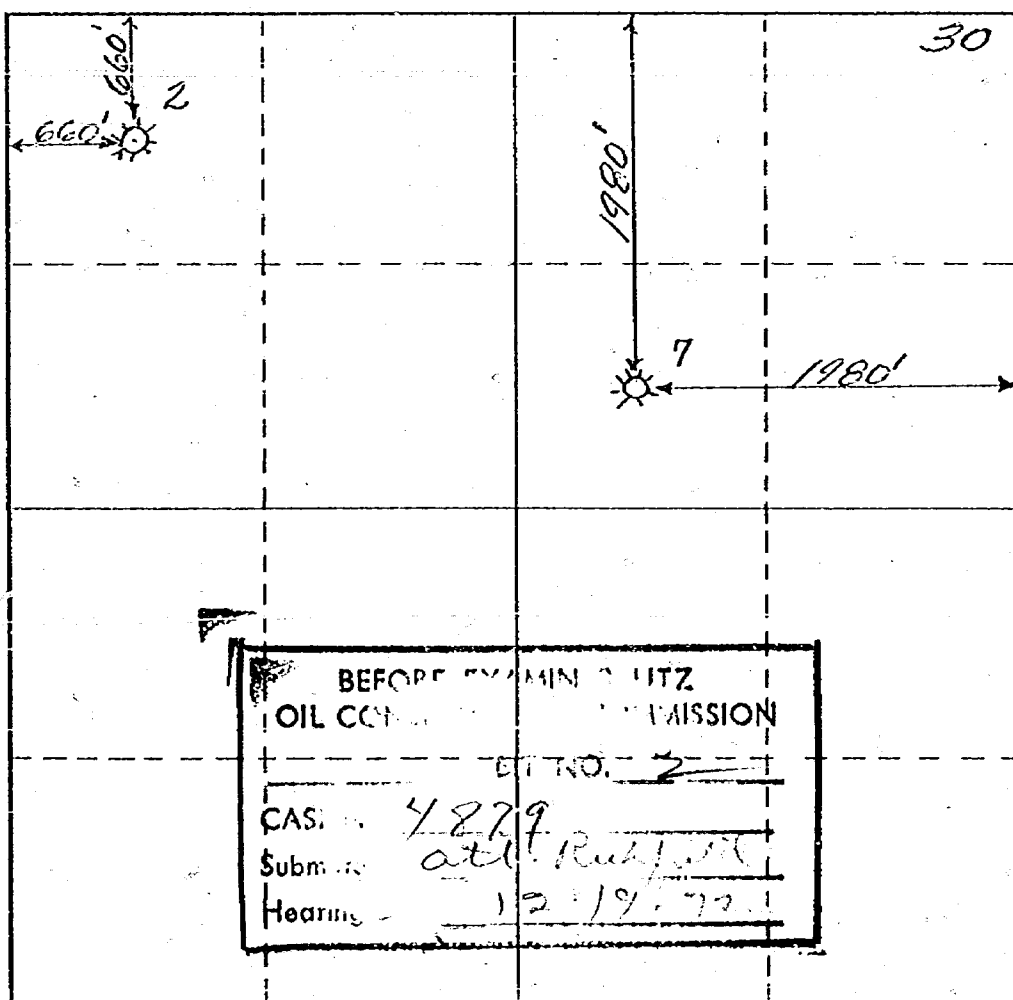
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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.

R 37 E



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name *Jerry L. Tweed*

Position **Jerry L. Tweed**

Company **Sr. Operations Engr.**

Date **Atlantic Richfield**

Date **11-15-72**

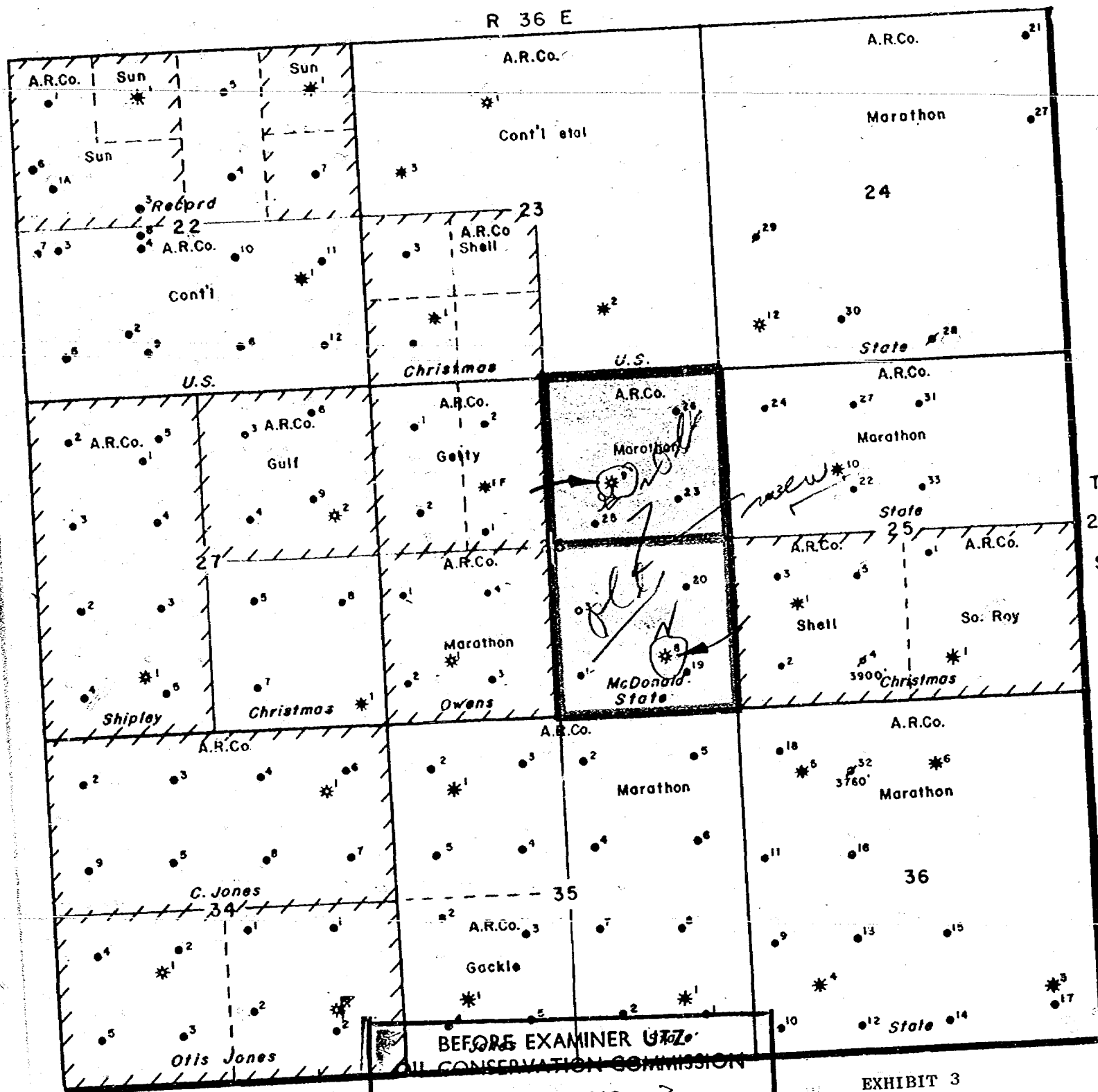
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

EXHIBIT 2



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE No. 4879

Summ. Citl - Ruckelshel

Hearing D. 12-19-72

EXHIBIT 3

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-120
Effective 1-1-65

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

Operator Atlantic Richfield Company		Lease McDonald State		Well No. 8 and 9
Unit Letter P & G	Section 26	Township 22-S	Range 36-E	County Lea
Actual Footage Location of Well:				
feet from the _____ line and _____		feet from the _____ line		
Ground Level Elev. _____	Producing Formation Yates & Seven Rivers	Pool Jalmat	Dedicated Acreage: 320 Acres	

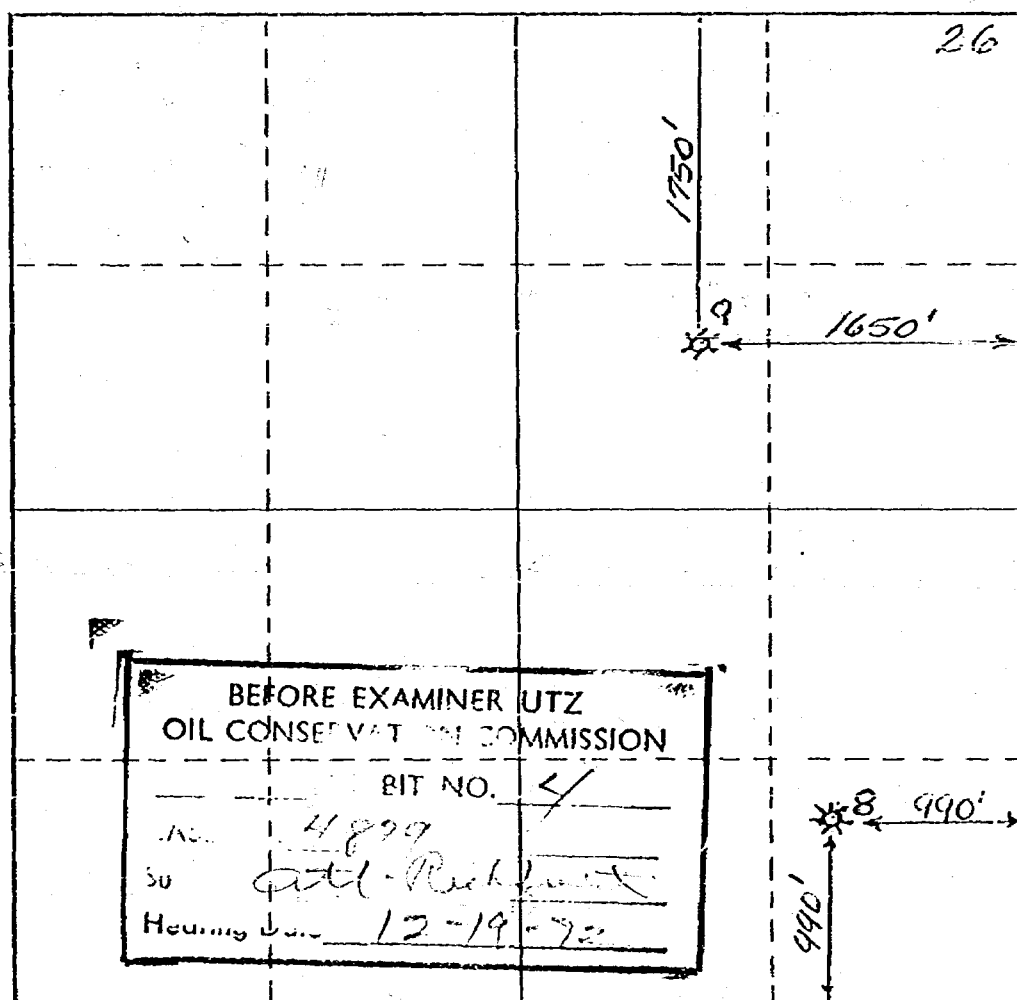
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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.

B-36-E



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Jerry L. Tweed
Name

Jerry L. Tweed

Position

Sr. Operations Engr.

Company

Atlantic Richfield

Date

11-15-72

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

Registered Professional Engineer and/or Land Surveyor

Certificate No.

EXHIBIT 4

22

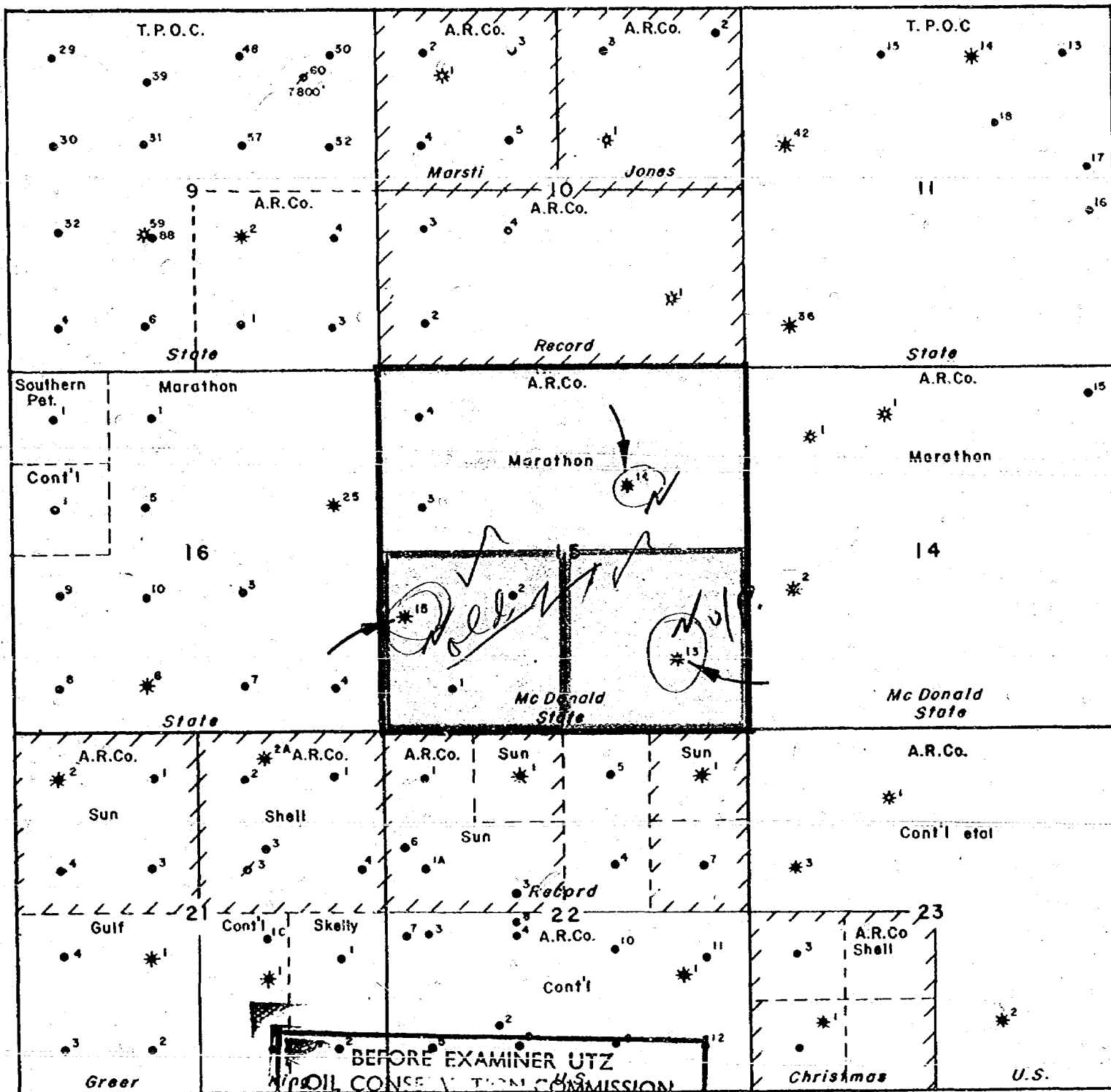


EXHIBIT 5

BEFORE EXAMINER UTZ
NIPOL CONSERVATION COMMISSION
EXP. NO. 5
#4879
att. Receipt
Date 12-19-72

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 Atlantic Richfield Company		Lease McDonald State		Well No. 13, 14, & 15
Unit Letter P, G, & L	Section 15	Township 22-S	Range 36-E	County Lea
Actual Footage Location of Well:				
Ground Level Elev. Yates & Seven Rivers	Producing Formation Yates & Seven Rivers	Pool Jalpat	Dedicated Acreage: 640 Acres	

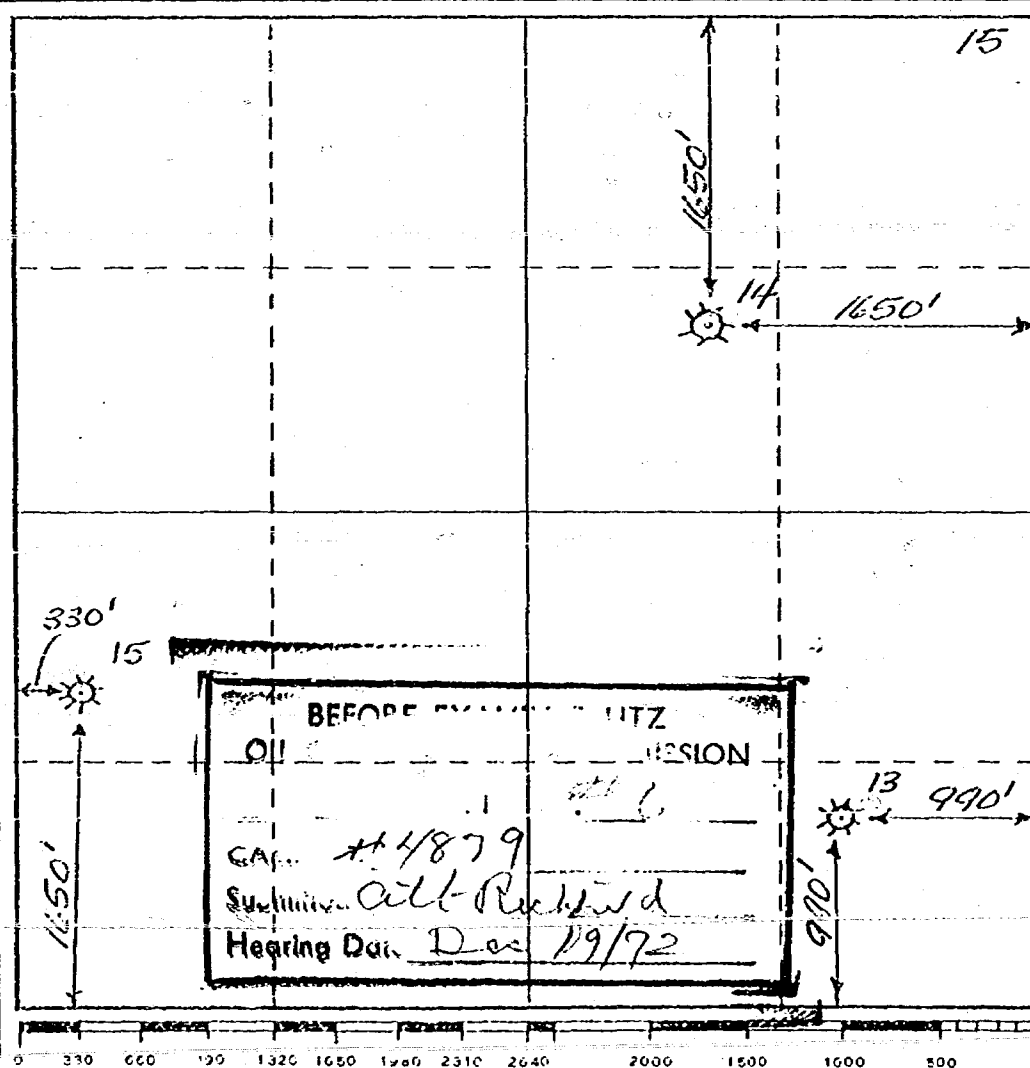
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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.

R-36-E



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Jerry L. Tweed
Name

Jerry L. Tweed

Position
Sr. Operations Engr.

Company
Atlantic Richfield

Date
11-15-72

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

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

Atlantic Richfield Company

Legal Division

~~XXXXXXXXXXXX~~

~~Midland Texas 79701~~

P. O. Box 2819
Dallas, Texas 75221



November 16, 1972

Case 4879

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

Re: Application of Atlantic Richfield
Company for Rededication of Acreage,
Jalmat Pool, Lea County, New Mexico

Gentlemen:

Enclosed in triplicate is application of Atlantic Richfield Company in the above matter and request that it be set for hearing before an examiner at Santa Fe, at the earliest convenient date which we understand will be Tuesday, December 19, 1972.

Very truly yours,

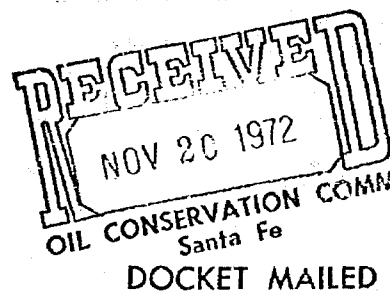
Horace N. Burton

Horace N. Burton
Attorney

HNB:11

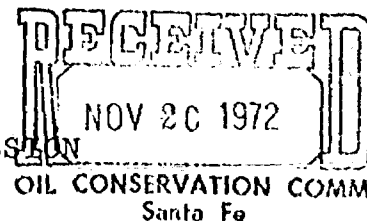
Enc.

cc: Mr. Clarence E. Hinkle (enc)
cc: Offset Operators (enc)



Date *12-6-72*

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO



APPLICATION OF ATLANTIC RICHFIELD COMPANY
FOR REDEDICATION OF ACREAGE, JALMAT POOL,
LEA COUNTY, NEW MEXICO

CASE NO. 4879

Atlantic Richfield Company hereby makes application to the Commission for an order amending existing rules or orders of the Commission pertaining to certain gas proration units to permit the rededication of the acreage to certain wells thereon and in support thereof would show:

1.

Atlantic Richfield Company is the operator of the acreage hereinafter described and the wells located thereon and hereinafter mentioned which are completed in the Jalmat Gas Pool and that certain of said wells are marginal as will be shown upon hearing hereof.

2.

Applicant hereby seeks an order to permit the combining of the following existing gas proration units and to permit the simultaneous dedication of the combined acreage to the wells located thereon as follows:

- A. Combine the Eva Blinebry Well No. 2 located on existing unit of 160 acres described as the NW/4 of Section 30, Township 23 South, Range 37 East, N.M.P.M. and the Eva Blinebry Well No. 7 located on existing unit of 160 acres described as the NE/4 of said Section 30 into one 320-acre unit with the allowable to be produced in any quantity from either well.
- B. Combine the McDonald State No. 8 Well located on existing unit of 160 acres described as the SE/4 of Section 26, Township 22 South, Range 36 East, N.M.P.M. and the McDonald State No. 9 Well located on existing unit of 160 acres described as the NE/4 of said Section 26 into one 320-acre unit with the allowable to be produced in any quantity from either well.

C. Combine the McDonald State Well No. 13 located on existing unit of 160 acres described as the SE/4 of Section 15, Township 22 South, Range 36 East, N.M.P.M. and the McDonald State Well No. 15 located on existing unit of 160 acres described as the SW/4 of said Section 15 and the McDonald State Well No. 14 located on existing unit of 320 acres described as the N/2 of said Section 15 into one 640-acre unit with the allowable to be produced in any quantity from any well.

Attached are maps of the proposed proration units.

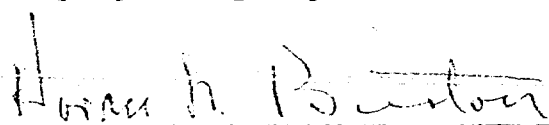
3.

That the subject gas proration units can be efficiently and economically drained and developed from the respective wells located thereon.

4.

That because of the marginal status of certain of the wells on each proposed proration unit, approval of this application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Gas Pool and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant prays that notice be issued on this application as required by law; that the application be set for hearing before an examiner at Santa Fe, New Mexico at the earliest convenient date and after hearing, a special order be entered approving this application for said proposed gas proration units.


Horace N. Burton
P. O. Box 2819, Dallas, Texas 75221

Clarence E. Hinkle
Hinkle, Bondurant, Cox & Eaton
P. O. Box 10, Roswell, New Mexico 88201

ATTORNEYS FOR APPLICANT
ATLANTIC RICHFIELD COMPANY

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 ATLANTIC RICHFIELD
COMPANY FOR GAS PRORATION UNITS,
LEA COUNTY, NEW MEXICO.

CASE NO. 4879

Order No. R-4461

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 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, Atlantic Richfield Company, seeks
approval of a 320-acre non-standard proration unit comprising the
N/2 of Section 30, Township 23 South, Range 37 East, to be
dedicated to its Eva Blinbry Wells Nos. 2 and 7 located in Units D
and G, respectively, of said Section 30; a 320-acre non-standard
proration unit comprising the E/2 of Section 26, Township 22 South,
Range 36 East, to be dedicated to its McDonald State Wells Nos. 8
and 9 located in Units P and G, respectively, of said Section 26;

-2-
Case No. 4879
Order No. R-

and a 640-acre standard gas proration unit comprising all of Section 15, ^{Township 22 South, Range 36 East,} ~~same township,~~ to be dedicated to its McDonald State Wells Nos. 13, 14, and 15 located in Units P, G, and L, respectively, of said Section 15, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the proposed non-standard gas proration units can be efficiently and economically drained and developed by the subject wells.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat 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 a 320-acre non-standard proration unit is hereby established comprising the N/2 of Section 30, Township 23 South, Range 37 East, to be dedicated to its Eva Blinbry Wells Nos. 2 and 7 located in Units D and G, respectively, of said Section 30; that a 320-acre non-standard proration unit is hereby established comprising the E/2 of Section 26, Township 22 South, Range 36 East to be dedicated to its McDonald State Wells Nos 8 and 9 located in Units P and G, respectively, of said Section 26; and that a 640-acre standard gas proration unit is hereby established comprising all of Section 15, Township ²²~~23~~ South, Range 36 East, to be dedicated to its McDonald State Wells Nos. 13, 14, and 15 located in Units P, G, and L, respectively, of said Section 15.

(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.

(4) That Administrative Order NSP-61 dated December 27, 1954, is hereby superseded

(2) That the status ^{for balancing purposes} for each of the above described proration units shall be the combined status of the proration units being consolidated to form said units as of the effective date of this order.

(3) That this order shall become effective at 7:00 am January 1, 1973.

CASE 4880: Application of JAKE A.
HANON FOR AMENDMENT OF ORDER NO.
R-688-C, LEE COUNTY, N. WY.