Appli. of PRESENT CO.

No. As USONTHODOX GAS WELL

LOCATION, MEDY COUNTY, H. MEX.

CASE 10.

Application,

Transcripts,

Small Ekhibts

1	BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION OIL CONSERVATION COMMISSION CONFERENCE ROOM
2	STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO
3	Wednesday, April 11, 1973
4	EXAMINER HEARING
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7	IN THE MATTER OF:
8	Application of Pennzoil Company for an) unorthodox gas well location, Eddy) Case #4941
9	County, New Mexico.
10	<u> </u>
11	BEFORE: Elvis A. Utz
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18	TRANSCRIPT OF HEARING
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1	MR. UT7: Case 4941.
2	MR. CARR: Case 4941, application of Pennzoil Company
3	for an unorthodox gas well location, Eddy County, New
4	Mexico.
5	MR. KELLAHIN: If the Fxaminer please, Jason Kellahin
6	Kellahin & Fox, Santa Fe, appearing for the applicant.
7	May the record show that Mr. J. D. Ramey, the witness,
8	has been sworn and his qualifications have been accepted.
9	MR. WATKINS: May the record show that Lon P.
10	Watkins of Carlsbad is appearing for Michael Grace.
11	JOE D. RAMEY
12	called as a witness and having been previously sworn according
13	to law, testified as follows:
14	DIRECT EXAMINATION
15	BY MR. KELLAHIN:
16	O Are you the same Mr. Ramey who testified in the preceding
17	case?
18	A Yes, sir.
19	Q Are you familiar with the application of Pennzoil
20	Company in Case 4941?
21	A Yes, sir.
22	Q Briefly what is proposed by the applicant in this case?
23	A Pennzoil Company respectfully requests approval of the
24	proposed unorthodox location of 1980 feet from the North
25	line and 660 feet from the East line of Section 13,

18 South, Range 26 East. 1 Twenty-six East? 2 Twenty-five Fast, I'm sorry. The proposed proration unit 3 will be Fast, West with the North half of Section 13 dedicated to this well. 5 Referring to what has been marked as Exhibit Number 1, 6 would you identify that Exhibit, please? 7 Yes, sir. This is a structure map on top of the Morrow 8 C sand, as will be noted, the proposed location on the 9 East side of Section 13 and also noted the well in the 10 West half of the North half of Section 13 is shown as 11 a Morrow gas well; but also note the notation immediately 12 above, this well is in the process of being recompleted 13 to the Canyon-Cisco interval and that the Morrow interval 14 has been temporarily plugged off by means of plug and 15 cement. 16 Has the Morrow been depleted in that well? 17 Yes, sir. Of a different quality, but it's in the same 18 reservoir. It was an economical well, but we felt after 19 the completion of Cokena Well to the West as a Canyon-20 Cisco Well, that the economics were much better in the 21 Canyon. 22 You don't mean to say, though, that the Morrow has been 23 depleted? 24

No, sir.

O Okay. Now, turning to Exhibit Number 2, would you identify that exhibit, please? A Exhibit Number 2 is an isopachus map of the Morrow sand, namely the C sand. The interval along the area between Section 13 and 18 there is colored in red. This is the interval which we consider the channel or massive Morrow sand. The interval in the hatched area is considered broken Morrow sand; and by broken, this is broken by channels in and out there; and the area as far as the cross-hatched area, the area that is left out is strictly by interpretation by the geologist. O But again, the Morrow is present throughout the entire proposed proration unit, or is it? Yes. We feel like the entire North half of Section 18 would contribute to the recoverable reserves at the proposed location. O Now, turning to Exhibit Number 3, would you identify that exhibit, please? Yes. Exhibit Number 3 is a New Mexico Oil Conservation Commission Form C-101, application for a permit to drill at the proposed location with a design of the proposed location program and the blow-out preventor program that will be used on this well. O And is this the same type of depletion generally used in	H		
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Q And is this the same type of depletion generally used in	23		location program and the blow-out preventor program that
Q And is this the same type of depletion generally used in	24		will be used on this well.
	25	Q	And is this the same type of depletion generally used in

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1		the Morrow in this area?
2	λ	Yes, sir, same type of casing and cementing program.
3	Ω	And is it common practice to use blow-out preventors?
4	λ	Yes, sir.
5	Ú	Turning to Exhibit Number 4, would you identify that
6		exhibit, please?
7	Α	Exhibit Number 4 is the New Mexico Oil Conservation
8		Commission Form C-102 Well Location and Acreage Dedication
9		Plat. It will be noted that this is not a certified
10		surveyor's plat, but merely a certification by myself
11		that the information contained hereon is true and correct
12		to the best of my knowledge and that a certified
13		surveyor's plat will be submitted as soon as it is
14		available from the surveyor.
15	Ω	That is required by the Commission?
16	A	Yes, sir.
17	Ω	That will be prior to drilling the well; is that correct?
18	A	Yes, sir.
19	Ω	Now, turn to Exhibit Number 5. Would you identify that
20		exhibit?
21	A	Yes, sir. These are the letters of waivers of objecting
22		from the offset operators to the drilling of the proposed
23		location by Pennzoil.
24	Ö	Now, who do you have letters from?
25	A	I have one from Yates.

1	Ŏ	And they offset the location to the East; is that correct?
2	λ	Yes, sir. Then Chambers and Kennedy to the Southeast
3		and the South half of Section 18. Suburban Propane who
4		is an interest owner in the North half of Section 18
5		just immediately East of our lease. Cokena Oil Corporation
5		who is the owner and operator immediately to the West and
7		Northwest, and American Trading and Production Corporation
8		who is a working interest owner in the well immediately
9		East in Section 18.
10	δ	Immediately East, and that's the Yates well?
11	A	Yes, sir.
12	δ	What formation is that well completed in?
13	A	The well has not been drilled. It was a Commission
14		Hearing two weeks ago today for this unorthodox location
15		that is proposed as a Morrow test.
16	Ő	And that has not yet been approved as an unorthodox
17		location, has it?
18	A	No, sir. It has not. It's shown as a Morrow location.
19	Ď	Now, you have waivers from all of the offset operators
20		with the exception then of David Fasken; is that correct?
21	A	Yes, sir.
22	Ď	And did Mr. Fasken refuse to give you a waiver?
23	A	No, sir. It was an oversight on my part and our Land
24		Department to ask David Fasken for a waiver.
25	Q	Does Pennzoil own an interest in the Fasken well?

1	Λ	Yes, sir. This is a format from Pennzoil known as the
2		Pennzoil 13 Federal located 1980 from the East and 660
3		from the South line of Section 13.
4	Q	Now, as I understand your testimony, your proposed well
5		will be a replacement well for the Vandiver Number 1 Well?
6	A	Yes, sir.
7	Ö	Which is a Morrow producer at the present time?
8	A	It was a Morrow producer. We have received approval to
9		recomplete this well into the Canyon-Cisco interval.
10	Q	Is that work in progress now?
11	A	Yes, sir. We are flowing it down the line through one
12		set of perforations in the Canyon-Cisco which we were
13		testing down the line.
14	Q	At the time it was shut in on the Morrow production, was
15		it an economical well from the Morrow?
16	A	Yes, sir.
17	Ö	Now, what advantage will you gain by locating your well
18		as you propose?
19	A	Well, we feel like that we will get into a better
20		developed part of Morrow sand although we do feel that
21		the entire North half of Section 13 will contribute to
22		the recoverable reserves.
23		And by moving to our proposed location, this will
24		protect our lease boundary as well as offer us a better
25		possibility of encountering the cleaner sand and better
	11	•

1		porosity in the channels that is known to exist up through
2		here.
3	Q	Now, you say by protecting your lease boundary. Are you
4		talking about unorthodox location of Yates Petroleum
5		Company?
6	A	Yes, which has not been approved; but there has been one
7		approved, a similar application without penalty; and this
8		is namely the Chambers and Kennedy Vandiver Number 1
9		located in the Southwest guarter of Section 18 South,
10		26 East.
11	Ω	Now, in your opinion, will any waste occur as a result of
12		locating the well as you propose?
. 13	A	No, sir.
14	Ď	Do you have any estimate of the amount of gas that will
15		be recovered?
16	A	Estimated that a total ultimate recovery of the well from
17		this proposed location would be four billion cubic feet
18		and approximately 3500 barrels of condensate.
19	Ö	In your opinion, will the entire North half of Section
20		14 contribute to the production from this well?
21	A	Yes, sir.
22	Õ	And you say that the Commission Order Number 4455 which
23		approved the Chambers and Kennedy location did not impose
24		a penalty on the well; is that correct?
25	A	No, sir. This is my knowledge.

1	Q	And would you suggest that no penalty he accessed against
2		Pennzoil?
3	A	Yes, sir. I would suggest that it not be imposed.
4	Ŏ	Were Exhibits 1 through 4 prepared by you or under your
5		supervision?
6	A	Yes, sir.
7	Ö	And Exhibit 5, a series of letters from the offsetting
8		operators, was received by you in response to a request
9		for waivers?
10	A	Yes, sir, to our Land Department. Most of these are
11		written to James A. Davidson who is the Division Land
12		Man and whom we work on matters like this.
13		MR. KELLAHIN: At this time I'd like to offer in
14		evidence Fxhibits 1 through 5 inclusive.
15		MR. UTZ: Without objection Exhibits 1 through 5
16		will be entered into the record of this case.
17		MR. KELLAHIN: That's all we have, Mr. Utz.
18		CROSS-FX AMINATION
19	BY N	AR. UTZ:
20	Ŏ	Mr. Ramey, what was your reason for not wanting a penalty,
21		not believing that you should have a penalty?
22	A	We feel like that this offers us an opportunity to
23		recover our recoverable gas at the proposed location from
24		the entire North half of Section 13. It offers a smaller
25		amount of risk involved there, but we are entitled to this
	1	

	#	
1		gas and to the protection of our lease line.
2	Ω	Is there another non-standard location?
3	A	It's, another one?
4	Q	In this vicinity, yes.
5	A	Yes, sir, approximately 330 feet North and 1320 feet East
6		in Section 18. That's proposed now, and it has been
7		heard.
8	Q	That's the Yates Well?
9	A	Yes, sir. It's been proposed and the well in the Southwest
10		quarter of Section 18 which is located 990 from the South
11		line and 660 from the West line of Section 18.
12	δ	The Vandiver Well?
13	A	Yes, sir. The Chambers and Kennedy Vandiver Number 1
14		has been completed.
15	δ	And that had no penalty?
16	A	No, sir.
17	Q	Fasken does not object to that location or have you
18		contacted Fasken at all or at least verbally?
19	A	We talked to him on other matters concerning this well,
20		and he voiced no objections to us. We have had 3 or 4
21		locations along this line. This was a compromise within
22		our company.
23		MR. UTZ: Other questions?
24		MR. WATKINS: Mr. Fxaminer, I don't know whether
25		this is the proper time. I have no questions of this

witness. MR. UTZ: You want to make a statement? MR. WATKINS: Yes. MR. UTZ: I'll call for statements very soon. No further questions of this witness? You may be excused. THE WITNESS: May I ask one question on this Form C-102? This needs to be in as soon as available. It's not certified by a surveyor in the State of New Mexico. The information is certified to be correct but --MR. UTZ: You mean do I want what will be required to be correct? THE WITNESS: Yes, sir. Monday be all right? MR. UTZ: Yes, sure. I won't be here for a week so it will be perfectly all right. Statements in this case? MR. WATKINS: Mr. Examiner, I'm Lon Watkins representing Mr. Grace; and for the record, we wish to state that we are strenuously opposed to the granting of any permits for wells at unorthodox locations without penalty being accessed against them. We would like in that line to know what the Commission's attitude would be to an unorthodox location if we move off the airports, the Graces, I mean, in

Carlsbad. This may not be a proper guestion.

MR. UTZ: No, it certainly is not; and I'm not in

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be a penalty-free move? stand on its own.

in a position to give you an answer on that as far as Commission policy is concerned. I can say that any time we have any opposition to a non-standard location then we have to consider a penalty.

That's as far as I care to go. If you want official ruling from Mr. Porter, why, you can write him and ask.

MR. WATKINS: I thank you, sir. Will you bear with me just a moment while my leading counsel tells me what to do? For the record, can I ask this?

With this in mind, we under FAA regulations are going to be such that the Grace, some of the Grace wells are, a Grace well will have to move off of its location and move probably to an unorthodox location and will such be a penalty-free move?

MR. UTZ: This is not the time or place to consider that particular case at all. When the time comes that you have to drill that well, well, then that case will stand on its own.

This is in the West Atoka Field. It has nothing to do with the Carlsbad Airport area.

MR. WATKINS: I see, sir. One further question for my information. Would you suggest that we write Mr. Porter about this particular thing?

MR. UTZ: I think it would be appropriate to ask him about it. I think he will tell you just what I've told

you, however, that you bring the case before the Commission 1 and it will stand on its own merits. 2 MR. WATKINS: Thank you very much. 3 MR. UTZ: You bet. Any further statements in this case? The case will be taken under advisement. 7 STATE OF NEW MEXICO 8) ss. COUNTY OF BERNALILLO) 9 I, JANET RUSSELL, a Notary Public, in and for the 10 County of Bernalillo, State of New Mexico do hereby certify 11 that the foregoing and attached Transcript of Hearing before 12 the New Mexico Oil Conservation Commission was reported by 13 me; and that the same is a true and correct record of the 14 said proceedings to the best of my knowledge, skill and 15 ability. 16 17 18 19 20 21 22 I do hereby cart by that the foregoing is a complete record of the proceedings in 23 the Examiner hearing of Case No. 424 beard by me on 4 - 11 - 2 24 ... Examiner 25 New Mexico Oil Conservation Commission

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1	ĪNDI	<u> </u>
2	WITNESS	PAGE
3	JOE. D. RAMEY	
4	Direct Fxamination by Mr. Kellahir	3
5	Cross-Examination by Mr. Utz	10
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13	<u> </u>	<u>I T S</u>
14	Offe:	red Admitted
15	Applicant's Exhibit #1 10	10
16	Applicant's Exhibit #2 1	10
17	Applicant's Exhibit #3	10
18	Applicant's Exhibit #4	10
19	Applicant's Exhibit #5	10
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(June 4941 Heart 4-11-23 Mee. 4-24-73 Lecul Françoi Es reguest lor un NSL in Elis Wiltolse Morrow De Port ou their House #2 198/0/ N-660/5 - Cinery of sec. 13-18-25 Reason in Kestogical structure.

CASE 4937: Application of Continental Oil Company for special pool rules,
Lea County, New Mexico. Applicant, in the above-styled cause, seeks
the promulgation of special pool rules for the Bell Lake-Bone Spring
Pool, Lea County, New Mexico, including a provision for 160-acre
proration units.

CASE 4683: (Reopened)

CASE 4941:

In the matter of Case 4683 being reopened pursuant to the provisions of Order No. R-4286, which order established special rules and regulations for the West Tres Papalotes-Pennsylvanian Pool, Lea County, New Mexico, including a provision for 160-acre proration units. All interested parties may appear and show cause why said pool should not be developed on less than 160-acre units.

CASE 4938: Application of Hanson Oil Corporation for an unorthodox location,
Lea County, New Mexico. Applicant, in the above-styled cause, seeks
authority to drill a producing oil well at an unorthodox location 990
feet from the South line and 1650 feet from the West line of Section 2,
Township 9 South, Range 33 East, Vada-Pennsylvanian Pool, Lea County,
New Mexico.

CASE 4939: Application of Penroc Oil Corporation for compulsory pooling, a non-standard proration unit, an unorthodox gas well location, and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Atoka and Morrow formations underlying the E/2 W/2 and the W/2 E/2 of Section 11, Township 24 South, Range 34 East, Antelope Ridge Gas Field extension, Lea County, New Mexico, to form a 320-acre non-standard gas proration unit in said pools to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1980 feet from the West line of said Section 11. Also to be considered will be the cost 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. Applicant further seeks authority to dually complete said well in the above-named formations.

CASE 4940: Application of Pennzoil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to dually complete its Mobil 12-Federal Well No. 1 located in Unit B of Section 12, Township 23 South, Range 26 East, Eddy County, New Mexico, in such a manner as to produce gas from the South Carlsbad-Canyon Pool extension and from the South Carlsbad-Morrow Gas Pool through parallel strings of tubing.

Application of Pennzoil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing gas well at an unorthodox location 1980 feet from the North line and 660 feet from the East line of Section 13, Township 18 South, Range 25 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 13 to be dedicated to said well.



OIL CONSERVATION COMMISSION

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

87501

May 21, 1973

GOVERNOR BRUCE KING CHAIRMAN

LAND COMMISSIONER ALEX J. ARMIJO MEMBER

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

	Re:	Case No	4941
Mr. Jason Kellahin Kellahin & Fox		Order No.	P-4514
Mr. Jason Kellahin Kellahin & Fox Post Office Box 1769 Santa Fe, New Mexico		Applicant:	
Santa re, New Mexico		PENNZOIL	COMPANY

Dear Sir:

ALP/ir

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 2.

Copy of order also sent to: Hobbs OCC Artesia OCC Aztec OCC Mr. Lon Watkins, 1120 No. Canyon, Carlsbad, N. M. 88220

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. 4941 Order No. R-4514

APPLICATION OF PENNZOIL COMPANY FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 11, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 17th day of May, 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, Pennzoil Company, seeks approval of a gas well location 1980 feet from the North line and 660 feet from the East line of Section 13, Township 18 South, Range 25 East, NMPM, to test the Morrow formation, West Atoka-Morrow Gas Pool, Eddy County, New Mexico.
- (3) That the N/2 of said Section 13 is to be dedicated to the well.
- (4) That the proposed well will be a replacement well for the well to which the unit is presently dedicated.
- (5) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.
- (6) That no offset operator objected to the proposed unorthodox location.
- (7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic

-2-Case No. 4941 Order No. R-4514

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 a well to be located at a point 1980 feet from the North line and 660 feet from the East line of Section 13, Township 18 South, Range 25 East, NMPM, West Atoka-Morrow Gas Pool, Eddy County, New Mexico.
- (2) That the N/2 of said Section 13 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 herein-above designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

a. K. Okatur h.

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

SEAL

WESTERN DIVISION OFFICE • WALL TOWERS WEST-MIDLAND, TEXAS, • PHONE {915} 682-73!4

MAILING ADDRESS: P. O. DRAWER 1828

MIDLAND, YEXAS 79701

APR 20 1973

OIL CONSERVATION COMM

Santa Fe

April 17, 1973

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

Attention: Mr. E. A. Utz

Re: Certified Surveyor Plat

Pennzoil Company Vandiver No. 2

Sec. 13, T-18-S, R-25-E Eddy County, New Mexico

Gentlemen:

Attached is the New Mexico Oil Conservation Commission Form C-102 which is certified by a registered land surveyor. These copies replace the Form C-102 which was submitted at the Examiner Hearing - Case No. 4941 on April 11, 1973.

Yours very truly,

J. C. Raney

Petroleum Engineer

JCR:tb Attachments

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Date Surveyed

and/or Land Surveyor

APRIL 13, 1973
Registered Professional Engineer

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APPROVED BY			. TITLE				DATE		
CONDITIONS OF APPROVAL, IF	ANY:								

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101 Revised 1-1-65

NO. OF COPIES RECEIVED

SANTA FE

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 Well No. Lease Pennzoil Company Vandiver Unit Letter Section Township Range County 25-E H 13 18-S Eddy Actual Footage Location of Well: 1980 feet from the North 660 East line and feet from the line Ground Leve! Elev: Producing Formation Pool Dedicated Acreage: Est. 3760 Morrow Atoka, West Morrow 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? Pooling Agreement filed and If answer is "yes," type of consolidation _ already in effect 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 Commis-CERTIFICATION I hereby certify that the information contrue and complete to the edae and belief. J. c. Rane Petroleum Engineer 660 Pennzoil Company 4-9-73 I hereby certify that the well location n 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

1500

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330

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1320 1650 1980. 2310 2640

Certificate No.



MARTIN YATES, III VICE PRESIDENT JOHN A. YATES VICE PRESIDENT B. W. HARPER SEC.TREAS.

Promise of the contract of the

S. P. YATES PRESIDENT

YATES BUILDING - 207 SOUTH 4TH ST. ARTESIA, NEW MEXICO - 88210

March 20, 1973

Pennzoil Company Post Office Drawer 1828 Midland, Texas 79701

Attention: Mr. James A. Davidson

Re: Waiver of Objection to Unorthodox Location

Gentlemen:

This letter is to advise that we have no objections to your proposed unorthodox location 1980' FNL and 660' FEL of Section 13, Township 18 South, Range 25 East, Eddy County, New Mexico.

Yours very truly,

YATES PETROLEUM CORPORATION

cc: Wainoco, Inc. 1435 Bank of Southwest Bldg. Houston, Texas 77002 Attention: Mr. Gary Diamond

BEFORE EXAMINER UTZ OIL CONSERVATION COMMISSION PARALLETT NO. 5 CASE NO. 4-9-1

Submitted by L.C. Rancy

Hearing Duto 4:11-73



Pennzoil United, Inc. P. O. Box 1828 Midland, Texas 79701

Attn: Mr. James A. Davidson

Re: Waiver of Objection to

Unorthodox Location

Gentlemen:

This letter is to advise that we have no objection to your proposed unorthodox location 1980' FNL and 660' FEL of Section 13, T-18-S, R-25-E, Eddy County, New Mexico.

Yours very truly,

C & K PETROLEUM, INC.

(Mrs.) Danie Lebow Petroleum Landwoman

/dml

cc: Yates Petroleum Corporation 207 South 4th Street Artesia, New Mexico 88210 Attn: Mr. Jack McCaw

SUBURBAN PROPANE

Exploration and Production Division

2120 Alamo National Building San Antonio, Texas 78205



March 26, 1973

Pennzoil Company P. O. Drawer 1828 Midland, Texas 79701

Attention: Mr. James A. Davidson

RE: Waiver of Objection to

Unorthodox Location

Gentlemen:

This letter is to advise you that we have no objections to your proposed unorthodox location 1980' FNL and 660' FEL of Section 13, T-18-S, R-25-E, Eddy County, New Mexico.

Very truly yours,

√. C. Eldred Land Manager

JCE/ji

cc: Wainco Inc. C&K Petroleum

Yates Petroleum Corporation

American Trading and Production Corp.

AMERICAN TRADING AND PRODUCTION CORPORATION

WESTERN UNITED LIFE BUILDING POST OFFICE DRAWER 992 MIDLAND, TEXAS 79701

A. C. 915 684-4463

March 23, 1973

Pennzoil Company P. O. Drawer 1828 Midland, Texas 79701

Attention: Mr. James A. Davidson

Re: Waiver of Objection to Unorthodox Location

Gentlemen:

This letter is to advise you that we have no objections to your proposed unorthodox location 1980' FNL and 660' FEL of Section 13, T-18-S, R-25-E, Eddy County, New Mexico.

Yours very truly,

AMERICAN TRADING AND PRODUCTION CORPORATION

IM Mill

Jim W. Wilson District Landman

JWW:rd

cc: Wainco Inc.

C & K Petroleum

Suburban Propane Gas Corp. Yates Petroleum Corporation

BUILDING OF THE SOUTHWEST MIDLAND, TEXAS 79701

March 20, 1973

Re: Waiver of Objection to Unorthodox Location

Pennzoil Company
Drawer 1828
Midland, Texas 79701
Attn: Mr. James A. Davidson

Wainoco, Inc. 1435 Bank of the Southwest Bldg. Houston, Texas 77002 Attn: Mr. Gary Diamond

Gentlemen:

This letter is to advise that we have no objections to your proposed unorthodox location 1980' FN and 660' FEL of Section 13, T-18-S, R-25-E, Eddy County, New Mexico.

Sincerely,

COQUINA OIL CORPORATION, Operator

By: Fency P Ellert

OIL CONSERVATION COMMISSION OF NEW MEXICO

Can 4941

IN THE MATTER OF THE APPLICATION OF PENNZOIL COMPANY FOR APPROVAL OF AN UNORTHODOX WELL LOCATION, WEST ATOKA-MORROW GAS POOL, EDDY COUNTY, NEW MEXICO

APPLICATION

COMES NOW PENNZOIL COMPANY and applies to the Oil Conservation Commission of New Mexico for approval of a well, to be drilled to the West Atoka-Morrow Gas Pool, Eddy County, New Mexico, and in support there of would show the Commission:

- 1. Applicant proposes to drill a well, to be located 1980 feet from the North line, and 660 feet from the East line of Section 13, Township 18 South, Range 25 East, N.M.P.M., dedicating the North half of said Section 13 to the well.
- 2. The proposed well will be a replacement well for the well to which the unit is presently dedicated, which well is located 1980 feet from the North and West lines of Section 13.
- 3. A well located as applicant proposes will better enable applicant to produce the gas underlying the proration unit, and the correlative rights of offsetting operators will not be impaired by the well located as proposed.

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

Respectfully submitted,

PENNZOIL COMPANY

By Jason W. Kullahn
KELLAHIN & FOX

P. O. Box 1769 Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT MAILER

3/28/13

dr/ (0)/

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. 4941

Order No. R- 4514

APPLICATION OF PENNZOIL COMPANY FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY.

NEW MEXICO.

V wx

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 11 , 193 at Santa Fe, New Mexico, before Examiner Elvis A. Utz

NOW, on this day of April , 193, 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, Pennzoil Company, seeks approval of a gas well location 1980 feet from the North line and 660 feet from the East line of Section 13, Township 18 South, Range 25 East, NMPM, to test the Morrow formation, West Atoka-Morrow Gas Pool, Eddy County, New Mexico.
- (3) That the N/2 of said Section 13 is to be dedicated to the well.

A

(4) THAT THE PROPOSED WELL WILL
BE A REPLACEMENT WELL FOR THE WELL
TO WHICH THE UNIT IS PRESENTLY DEDICATED

LOCATION WILL BETTER ENABLE APPLICANT TO

PRODUCE THE GAS UNDERLYING THE PROPATION

THE PROPOSED UNOR HOLDS LOCATION.

OF OFFSETHUS OFFSETTURS WILL NOT BE IMPRISED BY SAID UNDETHOOOK

CAGHADES.

That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and 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 a well to be located at a point 1980 feet from the North line and 660 feet from the East line of Section 13, Township 18 South, Range 25 East, NMPM, West Atoka-Morrow Gas Pool, Eddy County, New Mexico.
- (2) That the N/2 of said Section 13 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.