

CASE 4242: Appli. OF TEXAS WEST
OIL & GAS CORP. FOR AN UNDERGROUND
GAS WELL LOCATION, LRA COUNTY.

CASE No.

4942

Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & mc cormick

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87104

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
April 11, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas West Oil & Gas
Corporation for an unorthodox
gas well location, Lea County, New
Mexico.

Case No. 4942

BEFORE: Elvis A. Utz
Examiner

TRANSCRIPT OF HEARING

1 MR. UTZ: Call next case, 4942.

2 MR. CARR: Case 4942, Application of Texas West Oil &
3 Gas Corporation for an unorthodox gas well location, Lea
4 County, New Mexico.

5 MR. EATON: If the Examiner please, I'm Paul Eaton of
6 Hinkle, Bondurant, Cox & Eaton representing the Applicant.
7 We have one witness.

8 MR. UTZ: Are there any other appearances?

9 (No response)

10 MR. UTZ: You may proceed.

11 ROY K. VALLA

12 appeared as a witness, and after being duly sworn, testified
13 as follows:

14 DIRECT EXAMINATION

15 BY MR. EATON:

16 Q Please state your name and occupation.

17 A My name is Roy K. Valla. I am Chief Engineer for Texas
18 West Oil & Gas Corporation in Midland, Texas.

19 Q Do you have an official position with Texas West Oil &
20 Gas?

21 A Yes, I am Chief Engineer, Petroleum Engineer.

22 Q Mr. Valla, have you previously testified before this
23 Commission as a petroleum engineer?

24 A Yes, sir, I have.

25 Q And have you testified before other regulatory commissions

1 in the same capacity?

2 A Yes, I have.

3 MR. EATON: Are the witness' qualifications satis-
4 factory and acceptable?

5 MR. UTZ: Yes, they are.

6 Q (By Mr. Eaton) You are familiar with the application of
7 Texas West in this matter?

8 A Yes, I am.

9 Q Will you please state what your company seeks by the
10 application?

11 A Texas West seeks approval for an unorthodox location of
12 its State "2" Com Well Number 1 at a point 2310 feet from
13 the North line, 660 feet from the West line of Section
14 2, Township 24 South, Range 34 East, Lea County, New
15 Mexico.

16 Q Have you prepared a brochure which has been marked for
17 identification as your Exhibit 1, which contains certain
18 exhibits on which you wish to testify?

19 A Yes, I have.

20 Q Will you please refer to the brochure, particularly to the
21 second page and state what that is?

22 A This is an ownership map of the area with the North half
23 of Section 2 colored in red; this being a lease owned by
24 Texas West Oil & Gas Corporation on which the State "2"
25 Com Number 1 Well was drilled and completed.

1 Q Who are the offset owners to the North half of Section 2?

2 A The offset operators in this case are Shell, which is the
3 operator of the Antelope Ridge Unit to the West, and
4 Aztec Oil & Gas Company to the North and South of this
5 half section.

6 Q And Kewanee to the East, is that correct?

7 A That is correct?

8 Q Would you please state why you are seeking the approval
9 for the unorthodox gas well location?

10 A This well was originally anticipated as a Devonian test,
11 and the Northwest quarter of Section 2 and the Southwest
12 quarter of Section 2 were communitized. The South half
13 of Section 2 was obtained by Texas West Oil & Gas Corpora-
14 tion on a format from Aztec Oil and Gas Company. The
15 terms of this format stated that the well must penetrate
16 the Morrow formation or to a depth of approximately 14,000
17 feet. The proration unit that was originally to be assigned
18 to this well was the West half of Section 2.

19 Q Is that for the Morrow test?

20 A That is correct. That was as originally set up for a
21 Devonian test at this location.

22 Q Now, go ahead, please.

23 A The well encountered abnormally high pressures at approxi-
24 mately 12,300 feet. The well was continued to a total
25 depth of 12,473 feet at which time it was determined that

1 to continue further could provide a hazardous situation.
2 So, the well pipe was run, the well was completed and the
3 tubing formation through perforations from 12,288 feet to
4 12,302 feet.

5 Q By reason of that completion, did Texas West earn any
6 interest in the South half of Section 2, under that Aztec
7 format?

8 A No, we did not. We did not reach the objective depth.

9 Q Does your brochure contain information with respect to this
10 particular well?

11 A Yes, these forms, the C-105 and the form C-122 are attached,
12 the last four pages in the brochure.

13 Q Do you wish to summarize any material information from
14 the C-105 report, Mr. Valla?

15 A No, in this it states that our casing program and a 5
16 and a half liner was set at a depth of 12,464 feet and
17 cemented at this point. The well was perforated at an
18 interval from 12,288 feet to 12,302 feet. The well
19 potentialized going -- going to C-122 -- potentialized for
20 21.499 cubic feet of gas per day.

21 Q Staying with your brochure and going back to what I
22 referred to as the fourth and fifth pages, which are two
23 letters, the one letter addressed by the OCC to Mr.
24 Donovan and the second letter dated March 19, 1973, from
25 Mr. Donovan to the Commission, are these letters placed

1 in here simply to represent the application of Texas
2 West?

3 A That is correct.

4 Q Have you discussed with the offset operators the fact that
5 you are seeking this unorthodox location?

6 A Yes, we have and we do have written waivers or letters,
7 waiver letters, from both Shell Oil Company and Aztec Oil
8 and Gas Corporation.

9 Q Are those letters reflected in the brochure?

10 A They are.

11 Q Now, Mr. Valla, you stated, I believe that by the drilling
12 of this well, or I should say by your inability to go
13 beyond the tubing, you are not able to earn any interest
14 in the South half of Section 2 under your Aztec format,
15 is that correct?

16 A That is correct.

17 Q Have you made additional arrangements with Aztec to earn
18 any rights in the South half of Section 2?

19 A Yes, we have amended the commencement dates on the original
20 format agreement so that we have until May 5th, 1973, to
21 commence a well on the South half of Section 2, but the
22 original depth is still in the format. In other words,
23 we still have to penetrate at least the Morrow formation
24 or to a depth of approximately 14,000 feet.

25 Q Do you plan to commence that well by May 5, 1973?

1 A Yes, we do.

2 Q What depth do you propose to drill the well to?

3 A We plan on penetrating and testing the Devonian formation
4 which, at this location, will be approximately 14,800
5 feet.

6 Q At the present time, what is your proposed location in the
7 South half of Section 2?

8 A It would be 1980 from the South and 1980 from the West
9 line.

10 Q Which would put it in the Northeast quarter of the South-
11 west quarter of Section 2?

12 A That is correct.

13 Q What formations do you propose or plan to test in the
14 drilling of that well?

15 A We propose, of course, to test all potential producing
16 formations, the Bone Spring, Atoka, Morrow, and Devonian.
17 Our original well program, as it now stands, we are anti-
18 cipating a Devonian-Morrow dual completion at this location.

19 Q Now, if the Atoka or the Morrow, if the Atoka tests out as
20 capable of producing and if the well is dry in the Devonian
21 but is capable of producing from the Morrow, what would
22 your plans be?

23 A We would plan then on a Morrow-Atoka dual completion, if
24 the Devonian is dry.

25 Q Would you then dedicate to the Atoka and the Morrow the

1 South half of Section 2?

2 A Yes, we would.

3 Q Going back up to your existing well, which is your State
4 "2" Com Number 1 Well.

5 A Yes.

6 Q Do you have an opinion whether the entire North half of
7 Section 2 will be contributed to this well?

8 A I believe that it will.

9 Q What is the basis for your opinion?

10 A The high productivity attributed in this well and also
11 the data obtained from logs on this well.

12 Q In connection with the logs, are the logs presently under
13 a classified category?

14 A That is correct.

15 Q If it were necessary for the Commission to look at the
16 logs, would your company have any objection to that?

17 A No, we would not. In fact, we did submit one copy with
18 the original completion.

19 Q In your opinion, will the granting of your application
20 have any adverse effect upon anyone else?

21 A Possibly the only adverse effect would be Shell Oil
22 Company to the West. However, we have discussed this
23 and they do have a waiver of objection from Shell in this
24 case.

25 Q Do you have any knowledge as to whether or not Shell is

1 going to drill a well in Section 3?

2 A It is my understanding that they are formulating a program
3 right now to drill a well in Section 3. The exact loca-
4 tion is unknown in that section at this time.

5 MR. EATON: I have no further questions, Mr. Examiner.

6 MR. UTZ: Are there questions of the witness?

7 CROSS EXAMINATION

8 BY MR. UTZ:

9 Q This well is located 330 feet from the South line of the
10 unit, is that correct?

11 A That is correct.

12 Q You had a blow-out in the Atoka and had to stop there?

13 A Yes.

14 Q So you are expecting an oil well?

15 A Well, no, we are expecting Devonian gas. The other
16 Devonian wells are over -- Shell is the operator in the
17 Antelope Ridge and they are gas wells.

18 Q Did you originally have a non-standard location for a
19 Devonian well here?

20 A I believe we did. You see, it encompassed the West half,
21 it was 660 from the West line.

22 Q I see. You've changed the direction of the unit?

23 A Yes. The original unit and the original survey plats
24 included the West half of this Section. We were much
25 surprised when the well blew-out in the Atoka; this was

1 not anticipated to say the least.

2 Q Why are you changing the direction of your unit?

3 A Because we did not earn any rights in the South half,
4 by the drilling of this. We had to penetrate the Morrow
5 or approximately a depth of 14,000 feet. We only got to
6 12,473 feet.

7 Q Really, it is a change of direction in the unit that's
8 caused your non-standard location?

9 A That is correct.

10 MR. UTZ: Are there other questions of the witness?

11 (No response)

12 MR. UTZ: He may be excused. Are there statements in
13 the case?

14 MR. CASTLE: Mr. Utz, I am John Castle, Penroc Company,
15 in Midland, Texas, owning a lease in Section 11, 24 South,
16 34 East, one half mile South of the Texas well proposed unit,
17 and would like to make a statement.

18 MR. UTZ: You may make your statement.

19 MR. CASTLE: In Case 4939, heard by the Commission
20 earlier today, Penroc also asked for an unorthodox location
21 in the same field and to produce from the same zone as the
22 Texas West well. Mr. Valla at that hearing objected to Penroc's
23 location for Aztec, which, in reality, was for Texas West and
24 Aztec both, since Texas West will earn the South half of
25 Section 2. Under this format agreement, in this proposed

1 second well, he is going to drill. Now, he asks that they
2 not be penalized for their non-standard unit. Penroc's
3 well would be 330 feet closer to a formal location than
4 Texas West's well is. So Penroc would object to a ruling
5 which would give Texas West a greater allowable on their well
6 than would be allowed on Penroc's proposed well.

7 MR. UTZ: In other words, if we give them a full
8 allowable, you want a full allowable?

9 MR. CASTLE: Right.

10 MR. UTZ: Are there other statements in the case?

11 (No response)

12 MR. UTZ: Case will be taken under advisement and
13 the hearing is adjourned.

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I N D E X

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WITNESSPAGE

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ROY K. VALLA

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Direct Examination by Mr. Eaton

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Cross Examination by Mr. Utz

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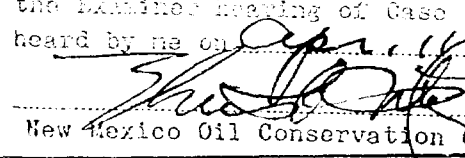
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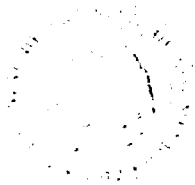
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1 STATE OF NEW MEXICO)
) ss.
 2 COUNTY OF BERNALILLO)

3 I, JOHN DE LA ROSA, a Certified Shorthand Reporter, do
 4 hereby certify that the foregoing and attached Transcript of
 5 Hearing before the New Mexico Oil Conservation Commission was
 6 reported by me; and that the same is a true and correct
 7 record of the said proceedings, to the best of my knowledge,
 8 skill and ability.

9
 10 
 11 CERTIFIED SHORTHAND REPORTER

12
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 23 I do hereby certify that the foregoing is
 24 a complete record of the proceedings in
 the Examiner hearing of Case No. 4942,
 heard by me on April 14, 1923.
 25 , Examiner
 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMJO
MEMBER

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

May 21, 1973

Re: Case No. 4942

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

Order No. R-4534

Applicant:

Texas West Oil & Gas Corp.

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X
Artesia OCC
Aztec OCC

OTHER Mr. John Castle, Penroc Oil Corporation, Drawer 831,
Midland, Texas

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. 4942
Order No. R-4534

APPLICATION OF TEXAS WEST OIL &
GAS CORPORATION FOR AN UNORTHODOX
GAS WELL LOCATION, LEA 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, Texas West Oil & Gas Corporation, seeks approval of its State "2" Com Well No. 1 at a point 2310 feet from the North line and 660 feet from the West line of Section 2, Township 24 South, Range 34 East, NMPM, as an apparent extension to the Antelope Ridge-Atoka Gas Pool, Lea County, New Mexico.

(3) That said well was originally planned to penetrate the Devonian and Morrow formations as a dual completion, and the W/2 of said Section 2 was to be dedicated to the well.

(4) That unusually high pressure was encountered in the Atoka formation at a depth of 12,300 feet and the well was completed in that zone.

(5) That the N/2 of said Section 2 is proposed to be dedicated to the well, thereby rendering the well location unorthodox.

(6) That no objection to this unorthodox location was raised by offset operators.

-2-

Case No. 4942
Order No. R-4534

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

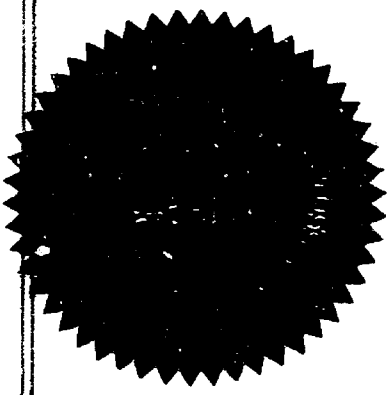
(1) That an unorthodox gas well location for the Atoka formation is hereby approved for the State "2" Com Well No. 1, to be located at a point 2310 feet from the North line and 660 feet from the West line of Section 2, Township 24 South, Range 34 East, NMPM, Antelope Ridge-Atoka Gas Pool extension, Lea County, New Mexico.

(2) That the N/2 of said Section 2 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



I. R. Trujillo
I. R. TRUJILLO, Chairman

Alex J. Armijo
ALEX J. ARMILLO, Member

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

S E A L

dr/

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 4942
Submitted by APPLICANT
Hearing Date 4/11/73

Application of Texas West Oil & Gas Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above styled cause, seeks approval for the unorthodox location of its State "2" Com. Well #1 at a point 2310' FNL & 660' FWL of Sec. 2, T-24-S, R-34-E, Antelope Ridge-Atoka Gas Pool extension, Lea County, New Mexico, the N/2 of said Section 2 being dedicated to the well.

[illegible]



OIL CONSERVATION COMMISSION

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

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

March 20, 1973

Mr. L. N. Dunnavant, President
Texas West Oil & Gas Corporation
609 Midland National Bank Building
Midland, Texas 79701

Dear Mr. Dunnavant:

Reference is made to your application dated March 19, 1973, requesting administrative approval for the unorthodox location of your State "2" Com Well No. 1 2310 feet from the North line and 660 feet from the West line of Section 2, Township 24 South, Range 34 East, Lea County, New Mexico.

Inasmuch as this location is not eligible for administrative approval it is being docketed for hearing on April 11, 1973.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/ir

RECEIVED MAR 22 1973

19 March 1973

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

Re: Request for Administrative Approval of
Exception to Statewide Spacing Rules,
Texas West Oil & Gas Corporation
State "2" Com. #1, 2310' FNL & 660" FWL
of Section 2, T-24-S, R-34-E, Lea County,
New Mexico.

Attention: Mr. Jim Kapteina

Gentlemen:

Texas West Oil & Gas Corporation requests administrative approval of
an exception to statewide spacing rules for the subject well.

When this well was commenced it was planned to penetrate the Devonian
formation at approximately 14,800 feet and dual complete with the
Morrow formation at approximately 13,400 feet. The proration unit for
the Morrow zone was to be unitized with the NW/4 and the SW/4 (320 \pm
acres) and the proration unit for the Devonian zone was to be unitized to
include the entire section (640 \pm acres). Shell Oil Company, offset
operator to the west, had provided Texas West Oil & Gas Corporation
with a waiver letter approving the non-standard Devonian location. However,
abnormally high pressure was encountered in the Atoka formation at a depth
of 12,300 feet and the well was completed in this zone as a discovery.

New Mexico Oil Conservation Commission
Santa Fe, New Mexico
3/19/73

Page Two

Texas West owns a lease on the N/2 of Section 2 and has the option to earn the S/2 of Section 2 from Aztec Oil & Gas Company. The N/2 of Section 2 will be assigned to subject well as a standard proration unit for the Atoka (discovery) zone. This procedure and the non-standard location was approved by Aztec Oil & Gas Company and Shell Oil Company, offset operators, waiver letters attached. Texas West plans to start a well on the S/2 of Section 2 at a standard location in the very near future.

Texas West is currently negotiating a gas contract with several gas purchasers for the gas to be produced from subject well. The gas purchase contract should be executed within ten (10) days such that the well will be ready for gas sales in the very near future. Therefore, it would be appreciated if this request is given your immediate attention.

Yours very truly,

TEXAS WEST OIL & GAS CORPORATION

L. N. Dunnavant
President

LND:aa

Attachments



TEXAS WEST OIL & GAS CORPORATION

600 MIDLAND NATIONAL BANK BUILDING

MIDLAND, TEXAS 79701

L. N. DUNNAVANT, President

(915) 684-5836

DISTRICT OFFICE:

Lafayette, Louisiana 70501
F. L. Dischler, Manager
Oil Center Station, Box 52332
(318) 232-8367

2 March 1973

Shell Oil Company
Antelope Ridge Unit Operator
P. O. Box 1509
Midland, Texas 79701

Re: Texas West Oil & Gas Corporation
State "2" #1 Well, 2310' FNL &
660' FWL of Section 2, T-24-S,
R-34-E, Atoka Discovery, Antelope
Ridge Field Area, Lea County,
New Mexico; Waiver Letter.

Attention: Mr. Lane Taylor, Land Department.

Gentlemen:

Texas West Oil & Gas Corporation is in the process of submitting an application to the New Mexico Oil Conservation Commission requesting a discovery allowable and an exception to the state-wide spacing rules, to permit the drilling (completion) of subject discovery well at the above described location. Texas West Oil & Gas hereby requests your approval of this procedure and, further, your approval of the subject location by waiving formal hearing on the subject application.

Please indicate your approval by executing in the space provided, below, for that purpose.

Yours very truly,

TEXAS WEST OIL & GAS CORPORATION

L. N. Dunnivant
President

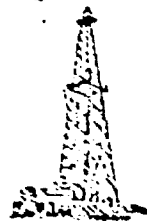
LND:SW

APPROVED BY:

Shell Oil Company

3-8-73
Date

acm



TEXAS WEST OIL & GAS CORPORATION

808 MIDLAND NATIONAL BANK BUILDING

MIDLAND, TEXAS 79701

L. N. DUNNAVANT, President

(915) 684-5836

DISTRICT OFFICE:

Lafayette, Louisiana 70501

F. L. Dischler, Manager

Oil Center Station, Box 52332

(915) 232-8387

8 March 1973

Aztec Oil & Gas Company
2000 First National Bank Building
Dallas, Texas 75202

Attn: Mr. Joe E. Starks

Re: Texas West Oil & Gas Corporation
State "2" #1 Well, 2310' FNL &
660' FWL of Section 2, T-24-S,
R-34-E, Atoka Discovery, Antelope
Ridge Field Area, Lea County,
New Mexico; Waiver Letter.

Gentlemen:

Texas West Oil & Gas Corporation is in the process of submitting an application to the New Mexico Oil Conservation Commission requesting a discovery allowable and an exception to the statewide spacing rules, to permit the drilling (completion) of subject discovery well at the above described location. Texas West Oil & Gas hereby requests your approval of this procedure and, further, your approval of the subject location by waiving formal hearing on the subject application.

Please indicate your approval by executing in the space provided, below, for that purpose.

Yours very truly,

TEXAS WEST OIL & GAS CORPORATION

L. N. Dunnavant
President

LND:sw

Aztec Oil & Gas Company
Dallas, Texas 75202
3/8/73

Page Two

TEXAS WEST OIL & GAS CORPORATION
State "2" Com. #1: Waiver Letter

APPROVED THIS 9th DAY OF March, 1973.

AZTEC OIL & GAS COMPANY

By: Kenneth G. Swanson *KGS*
Vice President

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LAND OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

Form C-105
Revised 1-1-65

10. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>	
6. TYPE OF COMPLETION NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESERV. <input type="checkbox"/> OTHER _____		6. State Oil & Gas Lease No. L-7040 & L-3882	
2. Name of Operator Texas West Oil & Gas Corporation		7. Unit Agreement Name	
3. Address of Operator 609 Midland National Bank Building - Midland, Texas 79701		8. Farm or Lease Name State "2" Com.	
4. Location of Well UNIT LETTER E LOCATED 2310 FEET FROM THE North LINE AND 660 FEET FROM _____		9. Well No. 1	
THE West LINE OF SEC. 2 TWP. 24-S RGE. 34-E NMPM _____		10. Field and Pool, or Wildcat Wildcat	
15. Date Spudded 12/16/73		16. Date T.D. Reached 3/1/73	
17. Date Compl. (Ready to Prod.) 3/6/73		18. Elevations (DF, RKB, RT, GR, etc.) 3465.5 GR	
19. Elev. Casinghead 3465'		20. Total Depth 12,473'	
21. Plug Back T.D. 12,350'		22. If Multiple Compl., How Many 1	
23. Intervals Drilled By Rotary Tools		24. Producing Interval(s), of this completion - Top, Bottom, Name Atoka Formation 12,288' to 12,302'.	
25. Was Directional Survey Made No		26. Type Electric and Other Logs Run Compensated Neutron-Formation Density-Gamma Ray, Dual Induction-	
27. Was Well Cored No		28. CASING RECORD (Report all strings set in well) Laterolog.	
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE
16"	65#	383'	20"
10-3/4"	45#	5213'	13-3/4"
7-5/8"	26.40#; 29.70#	11,900'	9-1/2"
CEMENTING RECORD		AMOUNT PULLED	
550 sx.-Circulated		None	
3125 sx.-Circulated		None	
1170 sx.		None	
29. LINER RECORD		30. TUBING RECORD	
SIZE	TOP	BOTTOM	SACKS CEMENT
5-1/2"	11,463'	12,464'	150 sx.
SCREEN		PACKER SET	
none		12,240'	
31. Perforation Record (Interval, size and number) 12,288' to 12,302' (28-0.42" Holes)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED None	
33. PRODUCTION Date First Production Production Method (Flowing, gas lift, pumping - Size and type pump) Well Status (Prod. or Shut-in) Shut In Flowing - Gas Well Shut In			
Date of Test 2-24-73	Hours Tested 13.2	Choke Size Various	Prod'n. For Test Period 240
Oil - Bbl. 240	Gas - MCF 3,948	Water - Bbl. None	Gas - Oil Ratio 16,395
Flow Tubing Press. Various	Casing Pressure None-Pkr	Calculated 24-Hour Rate 450 Bbls	Oil Gravity - API (Corr.) 57.2
34. Disposition of Gas (Sold, used for fuel, vented, etc.) To be sold.		Test Witnessed By	
35. List of Attachments C-122, C-103, C-104, Inclination Report, 4-Point Chart, 1 set/Logs.			
36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.			
SIGNED <u>Roy K. Valla</u>		TITLE Vice-President DATE 3/6/73	

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or reamed well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

Southeastern New Mexico

Northwestern New Mexico

T. Anhy <u>960'</u>	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt <u>4108'</u>	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
T. Salt _____	T. Atoka <u>11,955'</u>	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Qizte _____
T. Glorieta _____	T. McKee _____	T. Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinobry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Delaware Sand <u>5220'</u>	T. Entrada _____	T. _____
T. Abo _____	T. Bone Springs <u>8726'</u>	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

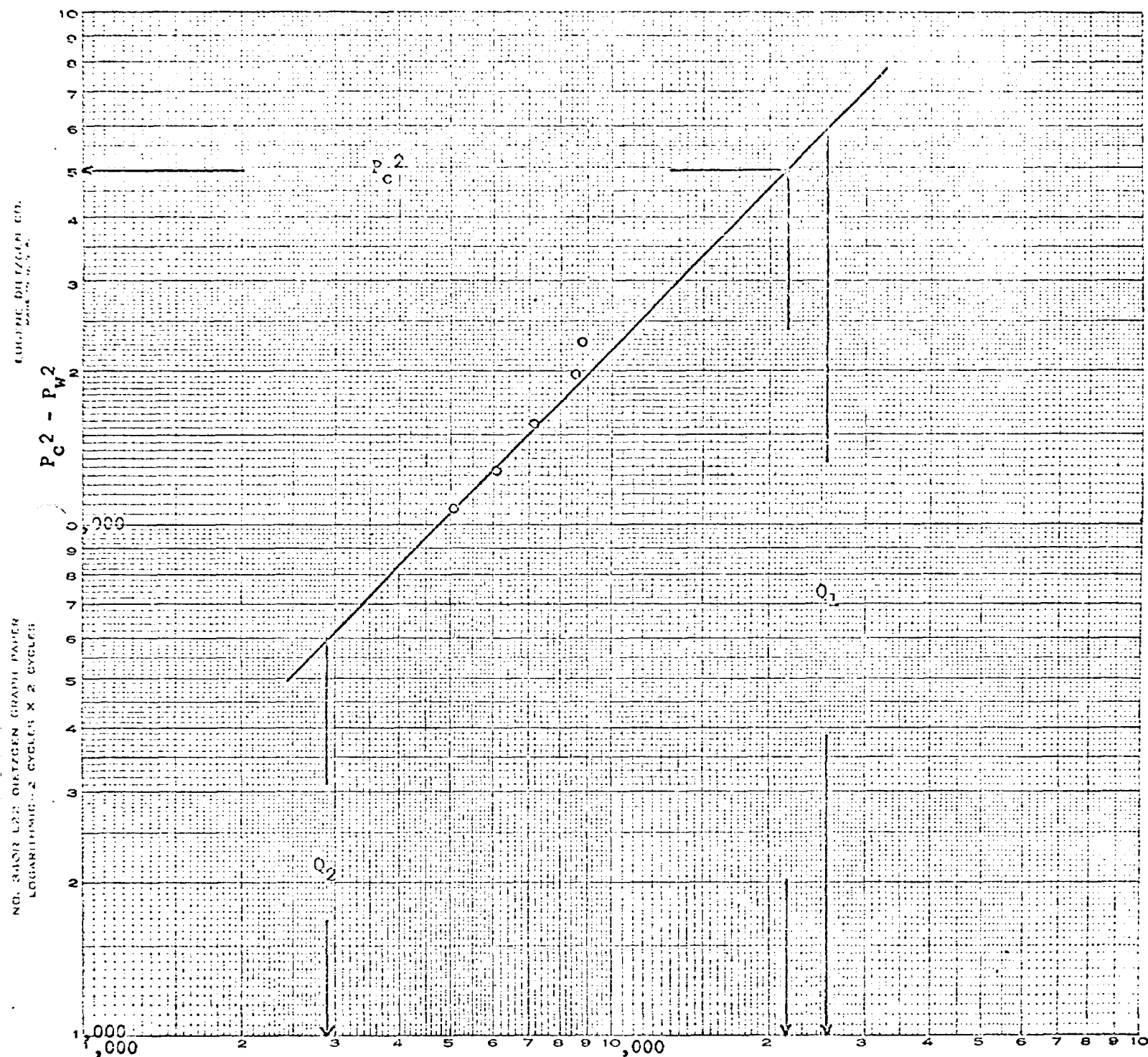
FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0'	960'	960'	Red Beds	0'	960'	960'	Red Beds
960'	4108'	3148'	Anhydrite	960'	4108'	3148'	Anhydrite
4108'	5155'	1047'	Salt	4108'	5155'	1047'	Salt
5155'	5220'	65'	Delaware Lime	5155'	5220'	65'	Delaware Lime
5220'	8726'	3506'	Delaware Sand	5220'	8726'	3506'	Delaware Sand
8726'	11,959'	3233'	Bone Springs	8726'	11,959'	3233'	Bone Springs
11,959'	12,473'	514'	Atoka - Pennsylvanian	11,959'	12,473'	514'	Atoka - Pennsylvanian

Form C-122
Revised 7-1-65

RECEIVED MAR 17 1973

OPERATOR Texas West Oil & Gas Co.
 LEASE State '2'
 WELL NO. 1
 FIELD Antelope Ridge
 COUNTY Eddy
 STATE New Mexico
 DATE February 24, 1973



$Q_1 = 25500$ $\log Q_1 = 4.40654$
 $Q_2 = 2900$ $\log Q_2 = 3.46240$
 $\frac{.94414}{.94414}$

$n = .944$
 $\theta = 46^\circ 39'$

Absolute Open Flow 21499 Mcf/Day

RECEIVED MAR 17 1973

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 20, 1973

Case 4942

Mr. L. N. Dunnavant, President
Texas West Oil & Gas Corporation
609 Midland National Bank Building
Midland, Texas 79701

DOCKET MAILED

Date 3/28/73

Dear Mr. Dunnavant:

Reference is made to your application dated March 19, 1973, requesting administrative approval for the unorthodox location of your State "2" Com Well No. 1 2310 feet from the North line and 660 feet from the West line of Section 2, Township 24 South, Range 34 East, Lea County, New Mexico.

Inasmuch as this location is not eligible for administrative approval it is being docketed for hearing on April 11, 1973.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/ir

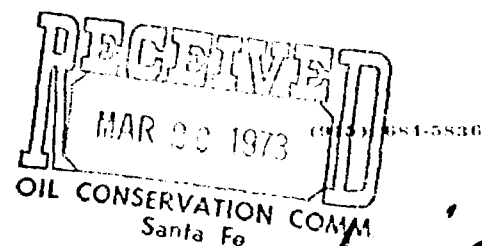


TEXAS WEST OIL & GAS CORPORATION

609 MIDLAND NATIONAL BANK BUILDING
MIDLAND, TEXAS 79701

L. N. DUBOIS, President

DISTRICT OFFICE:
Lafayette, Louisiana 70501
F. L. Dischler, Manager
Oil Center Station, Box 52332
(318) 232 8387



Correct 4/9/72
Ref for hearing
Uncor. Holiday
Location,

19 March 1973

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

Re: Request for Administrative Approval of
Exception to Statewide Spacing Rules,
Texas West Oil & Gas Corporation
State "2" Com. #1, 2310' FNL & 660" FWL
of Section 2, T-24-S, R-34-E, Lea County,
New Mexico.

Attention: Mr. Jim Kapteina

Gentlemen:

Texas West Oil & Gas Corporation requests administrative approval of
an exception to statewide spacing rules for the subject well.

When this well was commenced it was planned to penetrate the Devonian
formation at approximately 14,800 feet and dual complete with the
Morrow formation at approximately 13,400 feet. The proration unit for
the Morrow zone was to be unitized with the NW/4 and the SW/4 (320 \pm
acres) and the proration unit for the Devonian zone was to be unitized to
include the entire section (640 \pm acres). Shell Oil Company, offset
operator to the west, had provided Texas West Oil & Gas Corporation
with a waiver letter approving the non-standard Devonian location. However,
abnormally high pressure was encountered in the Atoka formation at a depth
of 12,300 feet and the well was completed in this zone as a discovery.

DOCKET MAILED

Date 3/27/73

New Mexico Oil Conservation Commission
Santa Fe, New Mexico
3/19/73

Page Two

Texas West owns a lease on the N/2 of Section 2 and has the option to earn the S/2 of Section 2 from Aztec Oil & Gas Company. The N/2 of Section 2 will be assigned to subject well as a standard proration unit for the Atoka (discovery) zone. This procedure and the non-standard location was approved by Aztec Oil & Gas Company and Shell Oil Company, offset operators, waiver letters attached. Texas West plans to start a well on the S/2 of Section 2 at a standard location in the very near future.

Texas West is currently negotiating a gas contract with several gas purchasers for the gas to be produced from subject well. The gas purchase contract should be executed within ten (10) days such that the well will be ready for gas sales in the very near future. Therefore, it would be appreciated if this request is given your immediate attention.

Yours very truly,

TEXAS WEST OIL & GAS CORPORATION

A handwritten signature in black ink, appearing to read "L. N. Dunnavant", written in a cursive style.

L. N. Dunnavant
President

LND:aa

Attachments



TEXAS WEST OIL & GAS CORPORATION

609 MIDLAND NATIONAL BANK BUILDING
MIDLAND, TEXAS 79701

L. N. DUNNAVANT, President

(915) 684-5836

DISTRICT OFFICE:
Lafayette, Louisiana 70501
F. L. Dischler, Manager
Oil Center Station, Box 52332
CIS: 202-6387

Case 4942

8 March 1973

Aztec Oil & Gas Company
2000 First National Bank Building
Dallas, Texas 75202

Attn: Mr. Joe E. Starks

Re: Texas West Oil & Gas Corporation
State "2" #1 Well, 2310' FNL &
660' FWL of Section 2, T-24-S,
R-34-E, Atoka Discovery, Antelope
Ridge Field Area, Lea County,
New Mexico; Waiver Letter.

Gentlemen:

Texas West Oil & Gas Corporation is in the process of submitting an application to the New Mexico Oil Conservation Commission requesting a discovery allowable and an exception to the statewide spacing rules, to permit the drilling (completion) of subject discovery well at the above described location. Texas West Oil & Gas hereby requests your approval of this procedure and, further, your approval of the subject location by waiving formal hearing on the subject application.

Please indicate your approval by executing in the space provided, below, for that purpose.

Yours very truly,

TEXAS WEST OIL & GAS CORPORATION

L. N. Dunnavant
President

LND:sw



RECEIVED MAR 17 1973

Aztec Oil & Gas Company
Dallas, Texas 75202
3/8/73

Page Two

TEXAS WEST OIL & GAS CORPORATION
State "2" Com. #1: Waiver Letter

APPROVED THIS 9th DAY OF March, 1973.

AZTEC OIL & GAS COMPANY

By: Kenneth A. Swanson *KAS*
Vice President

TEXAS WEST OIL & GAS CORPORATION

609 MIDLAND NATIONAL BANK BUILDING
MIDLAND, TEXAS 79701

L. N. DUNNAVANT, President

(915) 681-5836

DISTRICT OFFICE:
Lafayette, Louisiana 70501
F. L. Dischler, Manager
Oil Center Station, Box 52332
(518) 232-8357

Case 4942

2 March 1973

Shell Oil Company
Antelope Ridge Unit Operator
P. O. Box 1509
Midland, Texas 79701

Re: Texas West Oil & Gas Corporation
State "2" #1 Well, 2310' FNL &
660' FWL of Section 2, T-24-S,
R-34-E, Atoka Discovery, Antelope
Ridge Field Area, Lea County,
New Mexico; Waiver Letter.

Attention: Mr. Lane Taylor, Land Department

Gentlemen:

Texas West Oil & Gas Corporation is in the process of submitting an application to the New Mexico Oil Conservation Commission requesting a discovery allowable and an exception to the state-wide spacing rules, to permit the drilling (completion) of subject discovery well at the above described location. Texas West Oil & Gas hereby requests your approval of this procedure and, further, your approval of the subject location by waiving formal hearing on the subject application.

Please indicate your approval by executing in the space provided, below, for that purpose.

Yours very truly,

TEXAS WEST OIL & GAS CORPORATION

L. N. Dunnivant

L. N. Dunnivant
President

LND:sw

APPROVED BY:

D. S. Curtis
Shell Oil Company

3-8-73

Date

RECEIVED MAR 17 1973

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-4-65

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

Case 4942

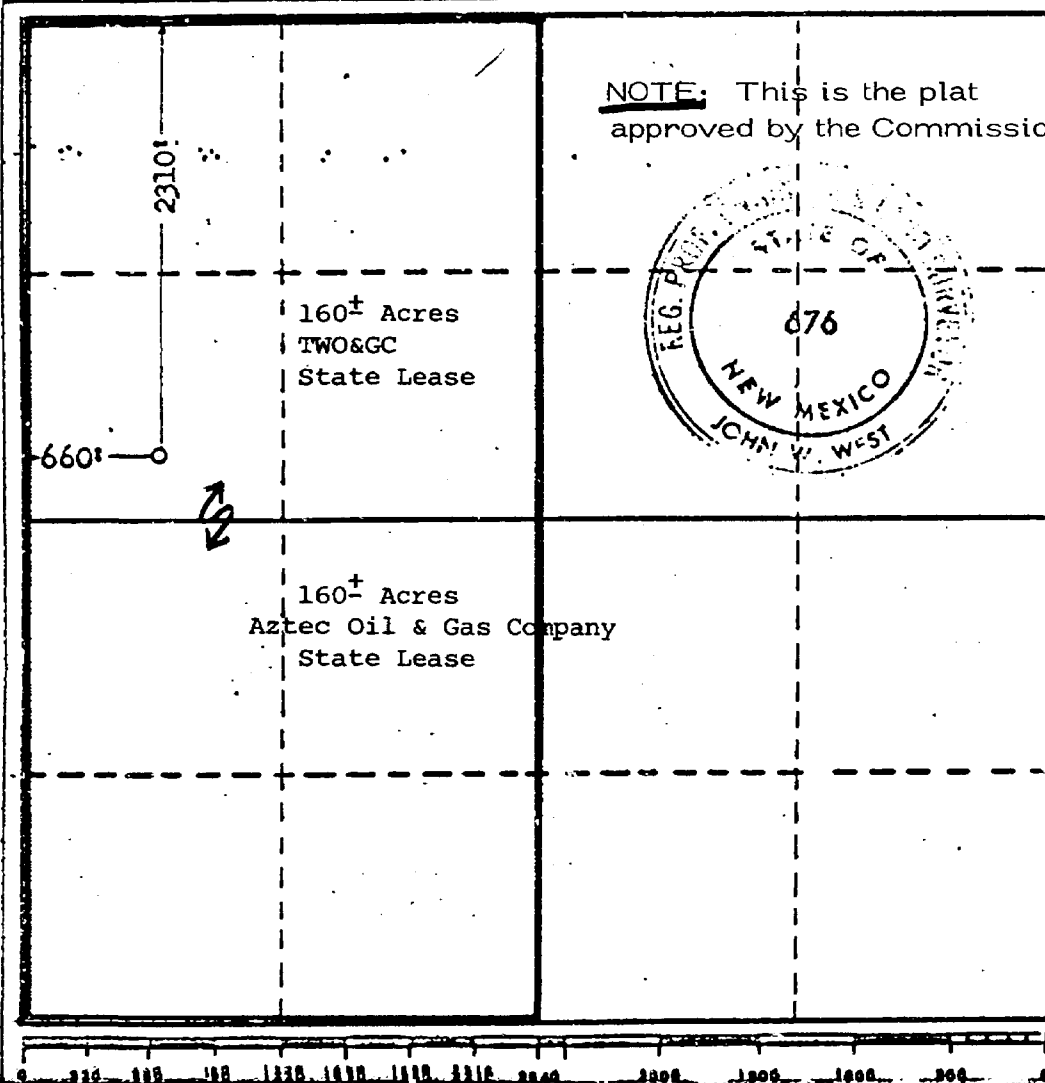
Operator TEXAS WEST OIL & GAS CORP.			Lease State 2		Well No. 1
Unit Letter E	Section 2	Township 24 South	Range 34 East	County Lea	
Actual Footage Location of Well: 2310 feet from the north line and 660 feet from the west line					
Ground Level Elev. 3465.5	Producing Formation Morrow		Pool Antelope Ridge		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?

TWO&GC is owner of or has a farmout from Aztec Oil & Gas Company on dedicated acreage.
☒ 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.



CERTIFICATION

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

Name *John W. West*
Position

President

Company
Texas West Oil & Gas Corporation

Date
12-8-72

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
Dec 2, 1972

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. **676**

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.

Case 4942

Operator TEXAS WEST OIL & GAS CORP.		Lease State "2" Com.		Well No. 1
Unit Letter E	Section 2	Township 24 South	Range 34 East	County Lea
Actual Footage Location of Well: 2310 feet from the north line and 660 feet from the west line				
Ground Level Elev. 3465.5	Producing Formation Atoka	Pool Wildcat	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.

NOTE: This is the revised plat depicting the acreage in the attached letter requesting administrative approval of exception to Statewide Spacing Rules.

[Handwritten Signature]

CERTIFICATION

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

[Signature: Roy K. Valla]
Name **Roy K. Valla**

Vice-President

Position

Texas West Oil & Gas Corp.

Company

7 March 1973

Date

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

Dec 2, 1972

Registered Professional Engineer and/or Land Surveyor

[Signature: John W. West]
Certificate No. **676**

0 320 640 960 1280 1600 1920 2240 2560 2880 3200 3520 3840 4160 4480 4800 5120 5440 5760 6080 6400 6720 7040 7360 7680 8000 8320 8640 8960 9280 9600 9920 10240 10560 10880 11200 11520 11840 12160 12480 12800 13120 13440 13760 14080 14400 14720 15040 15360 15680 16000

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:

CASE NO. 4942

Order No. R-4534

APPLICATION OF TEXAS WEST OIL
& GAS CORPORATION FOR AN UNORTHODOX
GAS WELL LOCATION, LEA 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 11th day of April, 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, Texas West Oil & Gas Corporation,
~~seeks approval of its State "2" Com Well No. 1 at a point 2310~~
feet from the North line and 660 feet from the West line of
Section 2, Township 24 South, Range 34 East, NMPM, Antelope
~~Ridge-Atoka Gas Pool, extension, Lea County, New Mexico.~~
as an apparent extension to the

proposed

COMPLETION, and the 45/2 of said Section 2 was to be dedicated to the well.

~~(5) THAT THE UNORTHODOX LOCATION WAS NECESSARY TO EFFECTIVELY DRAIN THE DEVONIAN ACREAGE TO BE DEDICATED TO SAID WELL.~~

(4)(A) THAT UNUSUALLY HIGH PRESSURE WAS ENCOUNTERED IN THE ATOKA FORMATION AT A DEPTH OF 12,300 FEET AND THE WELL WAS COMPLETED IN THAT ZONE

(6) (1) THAT NO OBJECTION TO THIS UNORTHODOX LOCATION WAS RAISED BY OFFSET OPERATORS.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Atoka formation is hereby approved for the State "2" Com Well No. 1, to be located at a point 2310 feet from the North line and 660 feet from the West line of Section 2, Township 24 South, Range 34 East, NMPM, Antelope Ridge-Atoka Gas Pool extension, Lea County, New Mexico.

(2) That the N/2 of said Section 2 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

Case 4242

Recd. 4-11-73.

Rev. 4-24-73.

Letter from W. J. O. & on
NSL for the 1st 12' Com #1,
2310-660W, Antelope Ridge-Atoka.

N/2 of sec. 2. Dedication causes
the NSL.

No objection

Thos. M. J.