

CASE 5046: Appli. of DAVID FASKEN
FOR AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, N. MEX.

CASE No.

5046

Application,

Transcripts,

Small Exhibits

ETC.

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ETC.

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

August 22, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of David Fasken for
an unorthodox gas well location,
Eddy County, New Mexico.

Case No. 5046

BEFORE: Richard L. Stamets,
Examiner.

TRANSCRIPT OF HEARING

dearnley, meier & associates

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1 MR. STAMETS: The hearing will come to order,
2 please. We will call next Case 5046.

3 MR. DERRYBERRY: Case 5046: Application of David
4 Fasken for an unorthodox gas well location, Eddy County,
5 New Mexico.

6 MR. MORRIS: Dick Morris, of Montgomery, Federici,
7 Andrews, Hannahs and Morris, Santa Fe, appearing on behalf
8 of the Applicant in this case. We have one witness, Mr.
9 Jim Henry.

10 MR. STAMETS: Are there other appearances in this
11 case?

12 (No response)

13 MR. STAMETS: Mr. Henry, will you stand and be sworn?

14 * * * *

15 JAMES HENRY,

16 was called as a witness, and after being duly sworn according
17 to law, testified as follows:

18 DIRECT EXAMINATION

19 BY MR. MORRIS:

20 Q Mr. Henry, please state your name and where you reside.

21 A James Henry, Midland, Texas.

22 Q What is your profession, Mr. Henry?

23 A Consulting petroleum engineer.

24 Q And what is the name of the firm that you are with?

25 A Henry Engineering.

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1 Q What is your relationship to the Applicant in this case?

2 A I am on retainer to Mr. Fasken to furnish geological
3 and engineering recommendations. I also operate his
4 producing properties, and supervise the drilling
5 completions of his wells.

6 Q And have you previously testified before the Commission
7 or one of its examiners and had your qualifications
8 established and accepted of record?

9 A Yes, I have.

10 Q Are you familiar with the application of David Fasken
11 in this case?

12 A Yes, I am.

13 Q In general, Mr. Henry, what is sought by David Fasken
14 in Case 5046?

15 A In this case, Mr. Fasken seeks an unorthodox location
16 for a well to be drilled in the South half of Section
17 7, Township 18 South, Range 26 East, Eddy County, New
18 Mexico. This South half of Section 7 has tentatively
19 agreed to communitization by all parties. The
20 agreement has not been signed, but there has been no
21 opposition, and pooling is anticipated to be completed
22 with the circulation of the document.

23 The application is necessitated by the fact that
24 the geometry of the sand reservoir in the West Atoka
25 field does not lend itself to development on 320-acre

1 spacing as to protecting the correlative rights of
2 the owners, of the leases, and the mineral interests
3 in the various sections.

4 Q Please refer to the plat which has been marked as Exhibit
5 Number One, and point out the location of the proposed
6 well and the other pertinent features of that exhibit.

7 A In Section 7, the second tier of sections down from
8 the top of the plat outlined in brown is the drilling
9 unit proposed for the David Fasken Vanderveer 7 No. 1.

10 The proposed location is shown as 660 feet from
11 the west line and 660 feet from the south line of that
12 section. This is outlined in brown. To the south
13 are six proration units outlined in yellow, these being
14 the existing spacing units for the West Atoka non-
15 prorated gas pool. These spacing units have been
16 established, and two of these, the most southerly two,
17 were drilled under Atoka field rules, and the locations
18 of the wells are shown in red there.

19 They were spaced in accordance with those field
20 rules. It was later determined that those two wells
21 were in a separate reservoir by reason of having virgin
22 pressure of 3106 pounds compared with the pressure in
23 the Atoka at that time, which was some 1000 pounds less.

24 Because of this, the Commission saw fit to set
25 up a new field, the West Atoka Gas Field, and those

1 wells are shown in red.

2 The wells to the right of the lower center of the
3 map shown in orange are producers in the Atoka-
4 Pennsylvanian Gas Pool.

5 The green dots enclosing the well locations on
6 the rest of the plat are dryholes that have been drilled
7 that penetrated the Morrow zones. Some were dryholes,
8 and some produced small amounts of gas and have been
9 abandoned.

10 At the very north edge of the map is a non-producer
11 from the Morrow. It is shown in red with a red line
12 delineating the drilling and spacing unit. In Section
13 11, 8 South, 25 East, is the Coquina Superior Federal
14 No. 1, which we do not believe at this time is connected
15 to either the West Atoka or the Atoka-Pennsylvanian Pool.

16 Q We will come back to the plat in a while and talk about
17 unorthodox locations. Going to your Exhibit Number Two,
18 your structure and isopack map, would you identify this
19 exhibit and discuss it?

20 A This is a structure map on the top of the Morrow Clastics
21 interval in the West Atoka and Atoka-Pennsylvanian Gas
22 Pool area. The contours are on 50-foot intervals and
23 are shown by the heavy black lines on this plat. The
24 net sand thicknesses for the West Atoka pay zone are
25 shown on what I would call a pseudo-isopackus map of

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1 this sand trend, the interval from 10 to 50 feet being
2 shown in orange, and from 50 to 100 feet being shown
3 in green, and that in excess of 100 feet being shown
4 in yellow.

5 Q Why do you call it a pseudo-isopackus map?

6 A It's not been specifically contoured on a fixed contour
7 interval. I have just shown the trend of these sands.

8 In the zero to 50 foot range, you see very tight
9 sands, which are not at all compatible. The thicker
10 sands do have permeability and porosity. The area in
11 green has a somewhat better developed permeability,
12 very good permeability. The area in yellow has good
13 permeability, and is also very thick.

14 Q This plat also shows some lines of the cross section.

15 A Yes. There is a light green circle encompassing two
16 rows of wells starting at the north end immediately
17 adjacent to the area where we are requesting the
18 unorthodox location, which goes across Section 13 of
19 Township 18 South, Range 25 East from the Pennzoil
20 Vanderveer No. 1 through the Pennzoil Vanderveer No. 2,
21 and into the Yates Petroleum Corporation Vanderveer
22 No. 1. This has been prepared and is offered, I
23 believe, as Exhibit No. 3.

24 Exhibit Number Four is a similar cross section
25 from the south running from the Fasken Pennzoil 13

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1 Federal No. 1 through the Vanderveer No. 1 into the
2 Fundamental Oil Corporation No. 1.

3 Q If you would refer as you wish to Exhibits Two, Three
4 and Four, would you describe in a little more detail
5 the structure and the geology of this area?

6 A The top of the Morrow Clastics in this stratographic
7 cross section has been used as the marker on which the
8 depths have been listed for all of these wells. This
9 is a new line stringer that occurs right at the top
10 or right above the Morrow Clastics interval in this
11 cross section marked Exhibit Number Three, which goes
12 from the Pennzoil Vanderveer No. 1 to the Pennzoil
13 Vanderveer No. 2, and into the Yates Petroleum VCN No. 1.

14 You can see that the brown line at the bottom
15 here is used to pick the Barnett shale. The brown band
16 coming in an easterly direction is showing substantial
17 thinning into the area where the thicker sands are
18 developed. Immediately below that, outlined in blue,
19 is the base of the Barnett line contact.

20 These lower bonds are generally necessary in order
21 to correlate within the Morrow section above to know
22 where your sands are occurring. The narrow brown band
23 some thirty to fifty feet above the other brown band
24 depicts the B shale interval of the West Atoka field.
25 It is very thin in the area, particularly in the base

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1 of this trough area.

2 The C sand between the two brown bands, or the
3 C Zone, is quite thick in this channel environment or
4 trough environment. The sands are tight and limey, and
5 a few of them have substantial amounts of net pay,
6 usually from eight to ten feet of net pay in a couple
7 of the wells in the C interval here.

8 I think it is obvious from looking at these maps
9 of the West Atoka field that the very bottom eight to
10 ten feet of net pay here represent the normal C Zone
11 that we see in the West Atoka field out of the channel
12 environment where we find this C sand to be two to ten
13 feet thick.

14 In here (indicating), some of these are running
15 up to thirty, forty, and fifty feet thick, which says
16 that probably during the forming of the C interval,
17 this was channel at that time, or a trough, or a valley,
18 which accounts for these thicker sediments in the
19 C section.

20 Superimposed over that, as you can see, coming
21 eastward from the east end of the cross section at
22 the Yates No. 1 is a very thick section of sand saturated
23 with gas, making a very fine well.

24 The west offset to the location, approximately
25 1400 feet a little bit south of a westerly direction,

1 is about twelve feet of sand, and the average job
2 potential of 1,029,000 MCF per day. So this sand can
3 decrease very rapidly both in quality and in thickness
4 as you go from this channel trough environment to the
5 normal beach sand areas of the Atoka field area.

6 Now, in many places in the Atoka field, these beet
7 sands are quite productive. They are usually fairly
8 thin, and they are not thick like we see in the trough
9 area of the West Atoka field.

10 To the south, we have one which shows this trough.
11 There are no wells east of the Yates VC in tight. You
12 can see that the Fasken Pennzoil 13 Federal on the
13 left or west end of this cross section is very similar
14 in appearance to the VCK. It has a slightly thinner
15 C Zone. I think this C Zone channel is probably more
16 extensive in the east-west direction than is the B
17 Zone channel or trough.

18 When you come down to the C.K. Petroleum No. 1
19 located in Section 18, Township 18 South, Range 26 East,
20 that section is a very beautiful, thick section of
21 Morrow sand completely gas productive. It has ten
22 to fifteen feet of productive sand in the B Zone by
23 log analysis. I don't believe it was tested by drill
24 stem test in that well, but by log analysis, it would
25 be productive.

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1 Over to the east of that well is the well drilled
2 earlier by Fundamental Oil Corporation, which is very
3 similar to the Fasken Pennzoil 13 Federal on the west
4 side of this trough. The sands are very correlative
5 and very similar in nature, and would correlate very
6 nicely without this thick sand in the middle.

7 This well was drill stem tested at around 200
8 MCF per day, and pipe was not run on it.

9 Coming from the north to the south, from the Yates
10 well to the CTK Petroleum Well, there is a thick shale
11 section above this brown line that we have-- band that
12 we have denoted as the B shale. This shale has been
13 observed on dip meter logs, not on this well, but on
14 nearby wells to the south, to what we call a high
15 energy profile on the dip meter. By that, it shows
16 patterns, current patterns, similar to the sands, and
17 not like the B shale or the Barnett shale which normally
18 have structural dips reflected in quiet, even deposition
19 of the shale.

20 You will notice the Yates well in this interval
21 down here (indicating) is equivalent to the higher
22 energy shale section here (indicating). So part of
23 this trough was filled in with a re-worked shale, we
24 think, and we think this is channel sand within the
25 interval down here that is encompassed by this high

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1 energy shale.

2 If you will refer back to Exhibit Two, in the very
3 south end of the isopackus section of that plat, there
4 are two wells which appear to be twin wells. The first
5 one is located 1980 feet from the north and 660 feet
6 from the east line of Section 25, 18, 25. This is the
7 David Fasken Yates Hornbacker No. 1. The sands in
8 this well were very tight, and did not produce any
9 fluid on drill stem test of any consequence, only a
10 few feet of gas cut mud and a little gas to the surface,
11 but at a non-commercial rate too small to measure.

12 On the basis of a dip meter log, this well was
13 sidetracked 300 feet to the east and encountered 104
14 feet of very permeable porous sand, unfortunately filled
15 with water predominantly. This shows that in a distance
16 of 300 feet that the net pay went from poor quality,
17 42 feet, to excellent quality, 104 feet.

18 Now, in constructing this isopackus type map here,
19 we picked the interval from the Yates CNV to the
20 Pennzoil V No. 2, going from a total of 80 feet that
21 included some pay in the C interval, and we are referring
22 to the total Morrow in the isopack numbers, but the
23 major part of it being in the B trough accumulation.

24 The sands go from zero to 12 feet-- I mean from
25 80 to 12 feet, so we put the interval in here at 10

1 feet, that being the minimum that well will probably
2 make.

3 Over here, we put an orange line up to what I
4 have called the 50-foot interval, being just outside
5 of the Yates well and faced at 50 to 100 foot contours.

6 This green line goes through the C.K. Well and
7 just touches the Fasken Yates Well in Section 24 of
8 18, 25.

9 Over on the east flank, there is one producer,
10 that being the Mountain States Petroleum Gas Unit, being
11 located in the Southeast of the Northwest quarter of
12 Section 26. This well had 26 feet of pay and potentialed
13 for 8,600,000 after a small acid job, and is a very
14 good producing well.

15 So on the basis of that being 26 feet thick, a
16 similar orange band which parallels the other was
17 placed across it, and a similar green line spaced in
18 there identical with that on the west side. I think
19 indication for that is shown in Exhibit Number Four,
20 showing the symmetry of this trough in the area where
21 control is complete across the channel or trough area.

22 The wells I would like to call your attention to
23 at this time as to the chronology of their development
24 are the Yates McCall in Section 19, the Mountain States
25 McCall Well-- Excuse me, that was drilled pursuant

1 to the West Atoka field rules. The David Fasken Yates
2 No. 1 in Section 24 was drilled pursuant to those same
3 field rules before it was separated. At that time,
4 they were within one mile of the Atoka-Pennsylvanian
5 Gas Pool, and it was approved under those rules.

6 MR. STAMETS: That's the Pennsylvanian-Atoka pool
7 rules, not the West Atoka rules?

8 THE WITNESS: Right.

9 A (Continuing) Since that time, there have been a number
10 of standard orthodox locations drilled in the field,
11 one being in Section 25 approximately 1600 feet from
12 the north line and 1980 from the west line, with a
13 dryhole, the David Fasken Yates Federal No. 2.

14 There was the Hornbraker well which I referred to
15 in Section 25, which again was at a standard location
16 for a north-south unit in the east half of Section 25.
17 It was a dryhole, and the sidetrack effort was a dryhole.

18 The Yates Petroleum Company Kincaid drilled in
19 the northeast of the northeast of that section was also
20 a dryhole.

21 So this sand is very much confined to the area east
22 of the section line, and is predominantly water bearing
23 from this elevation going on up to the north. The
24 David Fasken Pennzoil 13 Federal was drilled and
25 producing at a standard location, and is making, as I

1 testified earlier, about eighty MCF of gas a day.

2 It is out of the channel trough sequence here,
3 and it is confined to these beet sands, and is not
4 producing despite a 40,000 gallon frack job.

5 The Pennzoil Vanderveer No. 1 in the North half
6 of Section 13 was drilled at a standard location 1980
7 feet from the north and west lines of that spacing
8 unit. It was a marginal producer, and was abandoned
9 early this year.

10 The Commission granted an unorthodox location for
11 the Vanderveer No. 2, 660 feet from the south and east
12 lines of that section. McKnight ran pipe in, and this
13 well had a potential of 1,000,000 MCF of gas per day.

14 The CM Petroleum well in the south half of Section
15 18 was approved 660 feet from the east and west lines,
16 and I believe 860 feet from the south line--

17 Q Excuse me, I believe that was 990 feet from the south
18 line.

19 A All right. The order in that case will show that
20 approval. The Yates well was approved at 1650 feet from
21 the north line and 660 feet from the west line, giving
22 them an unorthodox location to stay within the confines
23 of this main sand.

24 At the present time, those wells in the main sand
25 produce between 7,000,000 and 11,000,000 MCF per day.

1 Those outside of it produce 80 MCF per day. In the
2 Yates well, the CNV, in the North half of 18, that has
3 not been put on the line, but it has the capability of
4 delivering 20,000,000 cubic feet of gas a day.

5 So this leaves us with the proposition that if
6 you are out of this sand and it crosses your lease, you
7 are not going to be able to recover the reserves under
8 your lease competitively unless you are within the main
9 sand development.

10 Q Mr. Henry, have you also prepared an exhibit showing
11 production history from this pool?

12 A Yes.

13 Q Just briefly, has that been marked as Exhibit Five?

14 A Yes.

15 Q Would you just point out the main features of that exhibit?

16 A Mr. Examiner, on Exhibit Five, we have a production
17 curve at the bottom of that exhibit showing the monthly
18 production from the West Atoka Gas Pool. It has
19 increased with production commencing in February of
20 1971 to approximately 650,000 MCF per month at this time.

21 This reflects production from the Mountain States
22 McCall Gas unit, the Fasken Brown Yates No. 1, and the
23 Fasken Pennzoil 13 Federal for the time up until April--
24 through April of 1973.

25 At that time, the CK Petroleum well has gone on

1 string in addition to the Yates well and the Bronson
2 well, and because of this, we anticipate this curve will
3 increase to about 13-- Excuse me. Let me back up. About
4 1,300,000 MCF per month.

5 As you can see, this is going to greatly accelerate
6 the depletion rate in this field as the pressure has
7 dropped from the original 3,631 to approximately 2800
8 pounds at the present time.

9 You will note on this curve that there is excellent
10 communication exhibited in this sand.

11 Q Mr. Henry, did you prepare Exhibits One through Five?

12 A Yes, I did.

13 MR. MORRIS: We offer David Fasken Exhibits One
14 through Five in evidence.

15 MR. STAMETS: Without objection, these exhibits
16 will be admitted into evidence.

17 (Whereupon Applicant's Exhibits One through Five
18 were admitted in evidence.)

19 MR. MORRIS: Mr. Examiner, we would ask that you
20 take administrative notice of Order Number R-4455 dated
21 December 19th, 1972, in Case 4863, which approved the
22 unorthodox location for the CK Petroleum Well in Section 18.

23 Also, we would request that you take administrative
24 notice of Order R-5408, dated April 19th, 1973, in Case 4930,
25 approving the unorthodox location for the Yates Well in

1 Section 18.

2 And Order Number R-4514, dated May 17th, 1973,
3 in Case 4941, which approved the unorthodox location for
4 the Pennzoil well in Section 13.

5 MR. STAMETS: Does that conclude your direct
6 examination?

MR. MORRIS: Yes.

MR. STAMETS: The Commission will note those orders

7 and cases.

* * *
CROSS EXAMINATION

10 BY MR. STAMETS:

11 Q Mr. Henry, I don't think we have to add very much more
12 to the record, but I would like to clarify a couple
13 of points here. Is David Fasken the working interest
14 owner in the Northwest quarter of Section 7?

15 The Northwest?

16 A Yes, the section we are concerned with here today.

17 Q He has a farm-out from John Yates with respect to
18 partial interest in the South half of the Northwest.

19 A I wondered why you chose not to drill a well at a
20 standard location 1980 from the south and 660 from the
21 west in Section 7 and dedicate the west half of the
22 section to the well?

23 A First of all, it was because the working interest owners
24
25

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1 and my client formed this unit in the South half of
2 Section 7, and I do not know all of the thinking in that
3 except that it was the desire of that group to put it
4 in as a spacing unit and farm-out agreement.

5 As an engineer, I might specify another reason--
6 another point of view is that if you look back to the
7 east on the map, you will note that in Section 13 and
8 Section 18 of the isopackus map, there are in effect
9 in the north-south direction two wells in each section.

10 Q You have basically 160-acre spacing and 320-acre
11 dedication?

12 A That's correct. The two proration units to the south
13 are limited to approximately 320 acres, which
14 substantially are productive, and only one well. To
15 protect correlative rights here, I think it dictates
16 that these be placed in this pattern.

17 Q To protect the correlative rights of the owners in the
18 South half of Section 7, it is your feeling that you
19 do need to complete this well in or as near to the
20 channel as you possibly can?

21 A Yes. We realize that all the knowledge is imperfect,
22 and we may catch this thing in a different meander than
23 we have depicted. However, if we shoot for the center
24 of the thing, chances of finding a favorable location
25 are better than if we shoot for the edges.

1 Q Can you conceive of any waste occurring from this
2 particular spacing which seems to be developing?

3 A I can see no waste developing, but as long as we have
4 private ownership there, there are going to be unnecessary
5 wells drilled, and the field could be drained by any
6 one of these high capacity wells. But I know no way
7 of protecting the correlative rights of these people
8 with individual ownerships in here without drilling
9 the wells.

10 Q The formation assigned to the West Atoka Pool is the
11 total Morrow section, and the principal objective is
12 the channel sand, is that right?

13 A That has not been the principal objective, but that
14 has been the principal producer. We did not recognize
15 this channel until the Hornbreaker Well.

16 Q But that is the main objective for this well?

17 A Right.

18 MR. STAMETS: Are there other questions of the
19 witness?

20 (No response)

21 MR. STAMETS: He may be excused.

22 (Witness excused.)

23 MR. STAMETS: Is there anything further in this case?

24 MR. MORRIS: No, sir.

25 MR. STAMETS: Case 5046 will be taken under

1 advisement.

2 * * * *

3
4 STATE OF NEW MEXICO)
5) SS
6 COUNTY OF BERNALILLO)

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

14
15 Richard E. McCormick
16 CERTIFIED SHORTHAND REPORTER
17
18
19
20
21

22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner's hearing of Case No. 5046,
25 heard by me on August 22, 1973.
Richard P. Hamel, Examiner
New Mexico Oil Conservation Commission

I N D E XWITNESSPAGE

JAMES HENRY

Direct Examination by Mr. Morris

3

Cross Examination by Mr. Stamets

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E X H I B I T SEXHIBITADMITTEDOFFERED

Applicant's #1 Plat

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Applicant's #2 Structure and isopack map

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Applicant's #3 Cross section

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Applicant's #4 Cross section

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Applicant's #5 Production history

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OIL CONSERVATION COMMISSION

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

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

September 17, 1973

Mr. Richard S. Morris
Montgomery, Federici, Andrews,
Hanna & Morris
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: CASE NO. 5046
ORDER NO. R-4626
Applicant:
David Fasken

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	<u>x</u>
Artesia OCC	<u>x</u>
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. 5046
Order No. R-4626

APPLICATION OF DAVID FASKEN 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 August 22, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of September, 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, David Fasken, seeks authority to drill a gas well at an unorthodox location 660 feet from the South line and 660 feet from the West line of Section 7, Township 18 South, Range 26 East, NMPM, West Atoka-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the S/2 of said Section 7 is proposed to be dedicated to the well, thereby rendering the well location unorthodox.

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

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

-2-
Case No. 5046
Order No. R-4626

IT IS THEREFORE ORDERED:

(1) That David Fasken is hereby authorized to drill a gas well at an unorthodox location 660 feet from the South line and 660 feet from the West line of Section 7, Township 18 South, Range 26 East, NMPM, West Atoka-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 7 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. ARMILLO, Member

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

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 22, 1973

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

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

CASE 4548: (Reopened) (Continued from the August 9, 1973, Examiner Hearing)

In the matter of Case No. 4548 being reopened pursuant to the provisions of Order No. R-4157, which order established special rules and regulations for the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, including a provision for 640-acre proration units. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

CASE 5046: Application of David Fasken for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a gas well at an unorthodox location 660 feet from the South and West lines of Section 7, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico, to which well the S/2 of said Section 7 would be dedicated.

CASE 5047: Application of Chace Oil Company for the amendment of Order No. R-4555, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the special rules and regulations for the South Lindrith Gallup-Dakota Pool, Rio Arriba County, New Mexico, as promulgated by Order No. R-4555, to provide for the classification of oil wells and gas wells, the assignment of 320-acre units to gas wells, and to provide for approval of unorthodox locations for wells drilled as oil wells but classified as gas wells upon completion.

CASE 5048: Application of Roger C. Hanks for creation of a pool and special rules therefor, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the South Dagger Draw-Upper Pennsylvanian Pool for his Preston Federal Well No. 1 located in Unit L of Section 35, Township 20 South, Range 24 East, Eddy County, New Mexico. Applicant further seeks the promulgation of special rules for said pool, including a provision for 320-acre spacing for all wells in said pool, for the classification of oil wells and gas wells, for a limiting gas-oil ratio of 8,000 to 1, and for the assignment of a depth bracket allowable for oil wells of 267 barrels of oil per day.

CASE 5049: Application of Mobil Oil Corporation for a triple completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion (conventional) of its Federal "LL" Well No. 1 located in Unit N of Section 13, Township 23 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to produce gas from the Canyon, Atoka, and Morrow formations through three strings of tubing.

CASE 5050: Application of Read and Stevens, Inc. for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority

(Case 5050 continued from Page 1)

to dispose of produced salt water into the Montoya formation in the perforated interval from 6225 feet to 6245 feet in its Federal "I." Well No. 1, located in Unit B of Section 21, Township 6 South, Range 27 East, Haystack-Cisco Pool, Chaves County, New Mexico.

CASE 5051: Application of Hillin Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Winchester-Morrow Gas Pool, Eddy County, New Mexico, including a provision for 320-acre spacing and specified well locations.

CASE 5052: Application of Atlantic Richfield Company for a non-standard gas proration unit and simultaneous well dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard 320-acre gas proration unit comprising the NW/4, E/2 NE/4, SW/4 NE/4, and NE/4 SE/4, of Section 35, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its J. P. Combest Wells Nos. 1 and 4 located in Units H and E, respectively, of said Section 35.

CASE 5053: Southeast nomenclature case calling for the creation, extension and contraction of certain pools in Eddy and Lea Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Burton Flat-Atoka Gas Pool. The discovery well is the Monsanto Company Miller Federal No. 1 located in Unit C of Section 3, Township 21 South, Range 27 East, NMPM. Said pool described as:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 3: Lots 1 through 8

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Burton Flat-Strawn Gas Pool. The discovery well is the Monsanto Company, Burton Flat Deep Unit No. 3 located in Unit V of Section 3, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 3: S/2

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Canyon production and designated as the Carlsbad-Canyon Gas Pool. The discovery well is the Morris R. Antweil Randall No. 1 located in Unit K of Section 21, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 21: S/2

(d) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Happy Valley-Morrow

(Case 5053 continued from Page 2)

Gas Pool. The discovery well is The Superior Oil Company State Q Com No. 1 located in Unit L of Section 34, Township 21 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 34: W/2

(e) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the LaHuerta-Morrow Gas Pool. The discovery well is the Cities Service Oil Company Cawley A Com No. 1 located in Unit K of Section 28, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 28: S/2

(f) Extend the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 28: NE/4 SE/4

(g) Extend the Fowler-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 10: SE/4

(h) Extend the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 1: S/2
Section 2: All

(i) Extend the Lea-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 24: SE/4

(j) Extend the Parrish Ranch-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 13: E/2 SE/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 18: N/2 S/2 and SE/4 NE/4



(Case 5053 continued from Page 3)

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

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 32: W/2

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 5: W/2 NW/4 and NE/4 NW/4

- (l) Extend the Rock Tank-Lower Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 11: E/2, E/2 SW/4, S/2 SE/4 NW/4
and NE/4 SE/4 NW/4

- (m) Extend the Round Tank-Queen Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 36: NE/4

- (n) Extend the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: E/2 NE/4

- (o) Extend the Winchester-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 34: E/2

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 2: N/2

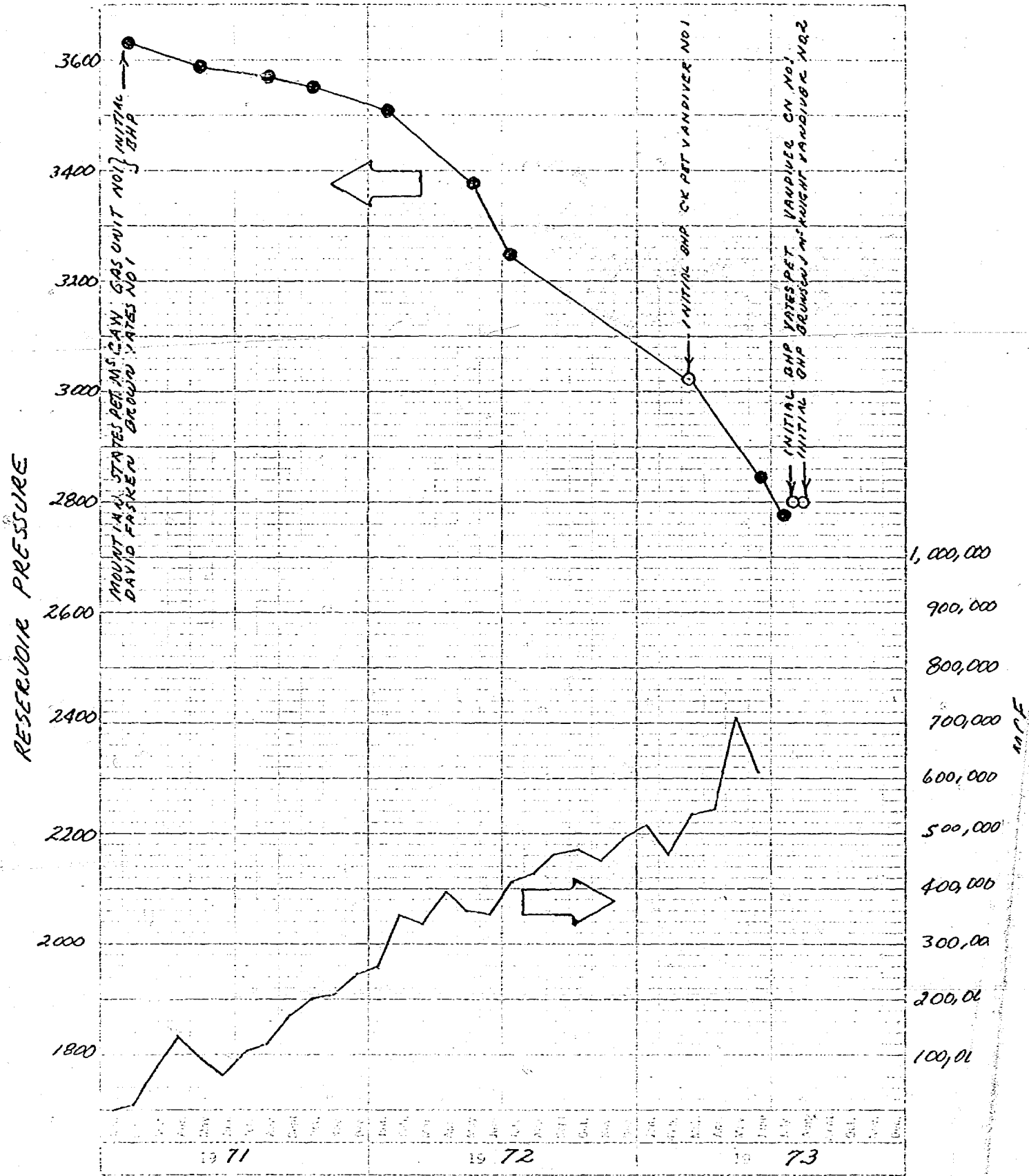
- (p) Contract the vertical limits of the Townsend Pennsylvanian Pool in Lea County, New Mexico, to include the Cisco formation only and redesignate said pool the Townsend-Cisco Pool comprising:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 4: SW/4

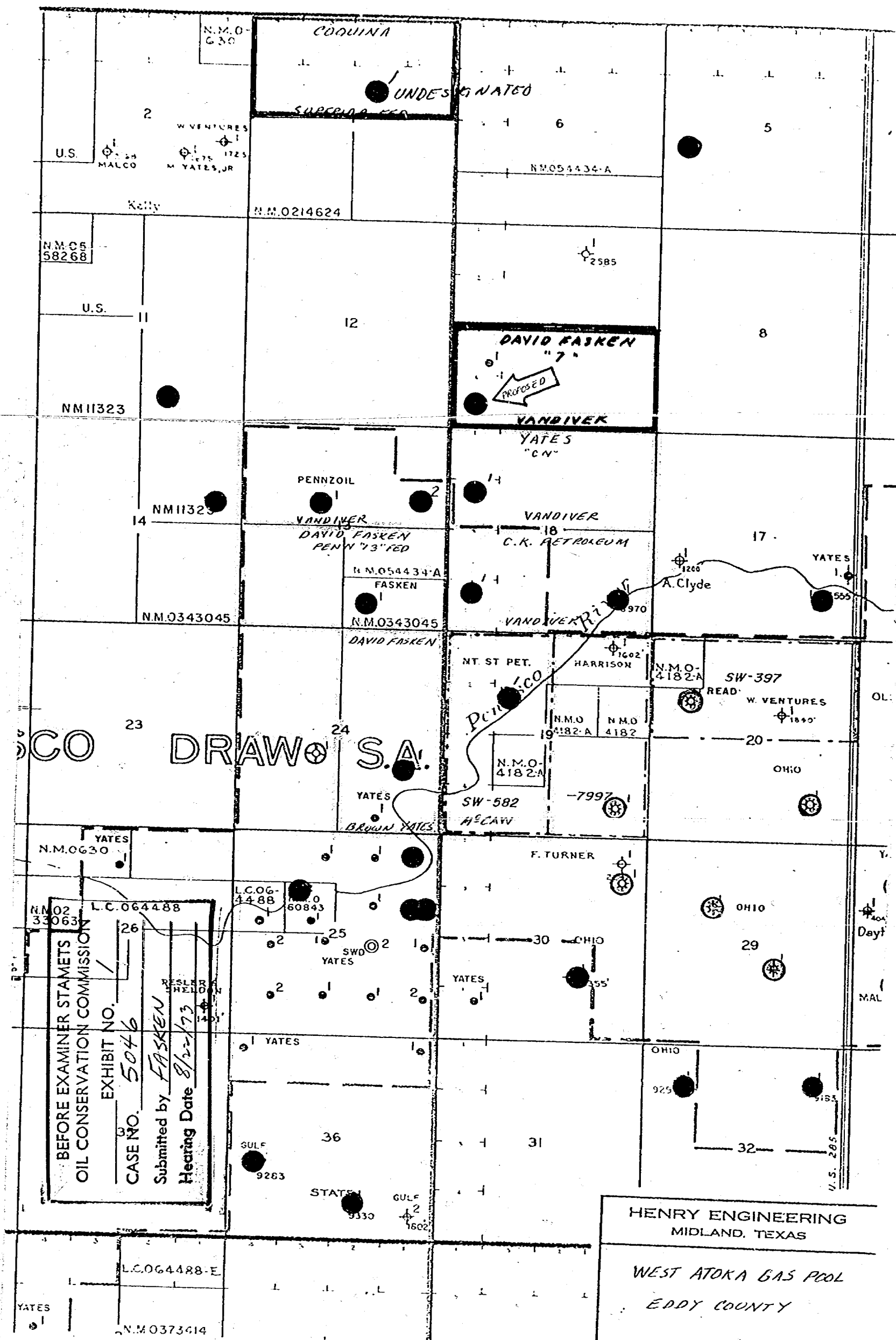
CASE 4745: (Reopened) (Continued from the August 9, 1973, Examiner Hearing)

In the matter of Case No. 4745 being reopened pursuant to the provisions of Order No. R-4365, which order established special rules and regulations for the Penasco Draw San Andres-Yeso Pool, Eddy County, New Mexico, including a provision for classification of oil wells and gas wells, the spacing thereof, and a limiting gas-oil ratio of 3000 to 1. All interested parties may appear and show cause why said pool rules should remain in effect.

WEST ATOKA MORROW GAS POOL



3 YEARS BY MONTHS 46 3290
X 100 DIVISIONS
NEWELL & ESSER CO.

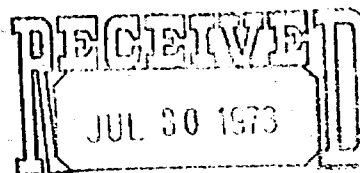


ABANDONED IN MORROW

WEST ATOKA GAS WELL

☐ WEST ATOKA GAS UNITS

① ATOKA PENN GAS WELL



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe

APPLICATION OF DAVID FASKEN
FOR APPROVAL OF AN UNORTHODOX
GAS WELL LOCATION, WEST
ATOKA-MORROW GAS POOL, EDDY
COUNTY, NEW MEXICO

Case No. 5046

APPLICATION

Comes now David Fasken, by his attorneys, and applies to the New Mexico Oil Conservation Commission for approval of an unorthodox gas well location in the West Atoka-Morrow Gas Pool, Eddy County, New Mexico, and in support of his application states:

1. Applicant is the owner and operator of the South half of Section 7, Township 18 South, Range 26 East, Eddy County, New Mexico.

2. Applicant proposes to drill a well in the West Atoka-Morrow Gas Pool at an unorthodox location 660 feet from the South line and 660 feet from the West line of said Section 7, to which well the south half of said Section 7 would be dedicated.

3. Approval of this Application will prevent waste and protect correlative rights.

WHEREFORE, the applicant requests that this Application be set for hearing before the Commission, or one of its examiners, at the earliest practicable date, and that the Commission enter its Order approving the unorthodox location as requested herein.

MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & MORRIS

By Richard S. Morris
Post Office Box 2307
Santa Fe, New Mexico
Attorneys for David Fasken

DOCKET MAILED

Date 8-9-73

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. 5046

Order No. R-4626

APPLICATION OF DAVID FASKEN 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 August 22, 1973,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of August, 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, David Fasken, seeks authority to
drill a gas well at an unorthodox location 660 feet from the
South line and 660 feet from the West line of Section 7, Town-
ship 18 South, Range 26 East, NMPM, West Atoka-Morrow Gas Pool,
Eddy County, New Mexico.

(3) That the S/2 of said Section 7 is proposed to be dedicated to the well, thereby rendering the well location unorthodox.

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

(5) That approval of the subject application will afford the applicant the opportunity to produce ~~his~~ just and equitable share of the gas in the subject 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 David Fasken is hereby authorized to drill a gas well at an unorthodox location 660 feet from the South line and 660 feet from the West line of Section 7, Township 18 South, Range 26 East, NMPM, West Atoka-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 7 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.