

CASE 7266: TENNECO OIL COMPANY FOR AN
UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO

Case No.

7266

Application

Transcripts

Small Exhibits

ETC

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7266
Order No. R-6709

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 3, 1981,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of June, 1981, the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Tenneco Oil Company, seeks approval
of an unorthodox gas well location 660 feet from the North line
and 1650 feet from the East line of Section 14, Township 21
South, Range 25 East, NMPM, to test the Morrow formation, Catolaw
Draw-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the N/2 of said Section 14 is to be dedicated to
the well.

(4) That a well at said unorthodox location will better
enable applicant to produce the gas underlying the proration
unit.

(5) That no offset operator objected to the proposed un-
orthodox location.

-2-

Case No. 7266
Order No. R-6709

(6) 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.

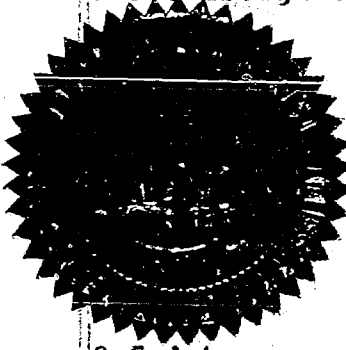
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 660 feet from the North line and 1650 feet from the East line of Section 14, Township 21 South, Range 25 East, NMPN, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the N/2 of said Section 14 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 Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 June 1931

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company
for an unorthodox gas well location,
Eddy County, New Mexico.

BEFORE: Richard L. Stamets

CASE
7265
and
7266

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Jason Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

MICHAEL CLEMENSON

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E X H I B I T S

Applicant Exhibit One, Map	5
Applicant Exhibit Two, Isolith	8
Applicant Exhibit Three, Isopach	8
Applicant Exhibit Four, Structure Map	8
Applicant Exhibit Five, Cross Section	9

MR. STAMETS: We'll call next Case 7265.

MR. PADILLA: Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin, representing the applicant.

I at this time would like to move that Case 7265 be consolidated for purposes of the hearing with 7266.

MR. STAMETS: Let's call Case 7266.

MR. PADILLA: Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico.

MR. STAMETS: There being no objection, these cases will be consolidated for purposes of testimony.

MR. KELLAHIN: We have one witness to be sworn, Mr. Stamets.

(Witness sworn.)

MICHAEL CLEMENSON

being called as a witness and being duly sworn upon his oath,
testified as follows, to wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Michael Clemenson.

Q By whom are you employed and in what
capacity, Mr. Clemenson?

A Tenneco Oil Company. I'm a geological
engineer.

Q Have you ever testified before the Oil
Conservation ---

A No, sir.

Q --- Commission or one of its examiners?

A No, sir.

Q For the benefit of the Examiner, would
you briefly outline your education and experience as a geolo-
gical engineer?

A Graduated from Texas A&I University in
Kingsville, Texas, in May of 1978; went to work for Exxon
Company, U.S.A., as a development geologist in that same month
and changed companies to Tenneco Oil Company in October, 1979.

1

2

Currently employed as a geological engineer.

3

Q And where are you located?

4

A San Antonio, Texas.

5

Q Is that within the area in which you

6

serve Tenneco as a geological engineer, does that involve the

7

area involved in this application?

8

A Yes, sir.

9

Q Are you familiar with the application

10

of Tenneco in Cases 7265 and 7266?

11

A Yes, sir.

12

Q Briefly, what does Tenneco propose in

13

these two cases?

14

A An application for two unorthodox loca-

15

tions in the Catclaw Draw Morrow Gas Pool.

16

Q Are you familiar with the history of

17

the Catclaw Draw Morrow Gas Pool?

18

A Yes, sir. It was originally 640-acre

19

proration units and we later had them changed to 320-acre

20

proration units.

21

Q Now if you would refer to what has been

22

marked as the applicant's Exhibit Number One in the consoli-

23

dated cases, would you identify that exhibit, please?

24

A Exhibit Number One is a topographic map

25

of the West Carlsbad Quadrangle, showing two well locations

1

6

2 in green, the State FP 13-2 in Section 13, and the FP 14-2
3 in Section 14.

4 Q Now, in the Section 14 there appears to
5 be a blue line drawn on the exhibit. What does that indicate?

6 A Yes, sir, that is Spencer Draw, a topo-
7 graphic depression with steep sides. We originally tried to
8 make a location 660 feet from the north line and 1980 feet
9 from the east line and this location was on the side of a
10 hill near that draw.

11 We later tried to make a location 860
12 feet from the north line and 2100 feet from the east line;
13 however, this location was in the actually wash valley itself,
14 and moreover, it was over two gas gathering lines.

15 Q Is that what occasioned, then, the
16 application for the unorthodox location in this case?

17 A Yes, sir.

18 Q Now, in Section 13, what is the situa-
19 tion on that location?

20 A In Section 13 we originally applied for
21 a standup location in the west half of Section 13.

22 Q You also applied for a standup location
23 in the east half of 14, did you not?

24 A Oh --

25 Q Or considered that, I should say.

1

2

A. Yes, sir.

3

Q

4

But you did apply for a standup location in Section 13, consisting of the west half of the section.

5

A. Yes, sir.

6

Q

7

Would the location of the well as indicated here then be a standard location for that unit?

8

A. Yes, sir.

9

Q

10

A

11

What happened to your standup location? The State Land Office wished for us to make it a laydown location in the northern half, by making it an unorthodox location.

12

13

Q

14

Prior to that occurrence had you had your well location approved by the Oil Conservation Division?

15

A. Yes, sir.

16

Q

17

A

18

Q

19

And was the well drilled? Yes, sir. What's the situation in the well at the present time?

20

A

21

The well is presently drilling and will log either today or tomorrow.

22

Q

23

You should reach total depth today or tomorrow?

24

A

25

Q

Yes, sir. So it was an orthodox location when you

1
2 drilled it; because of the requirement on the dedication of the
3 acreage that became an unorthodox location, is this the
4 situation?

5 A. Yes, sir.

6 Q Now turning to what has been marked as
7 Exhibit Number Two, would you identify that exhibit, please?

8 A. Exhibit Number Two is an Isolith map
9 of the gross Upper Morrow "B" interval. It shows that the two
10 wells, FP-14-2 and FP 13-2, can be expected to encounter the
11 maximum thickness of sand in those particular locations.

12 Going to the east in Section 13 the sand
13 starts to pinch out and going west in Section 14 the sand
14 also pinches out.

15 A. Exhibit Number Three is an Isopach map
16 of the gross Lower Morrow "B" interval. Once again it shows
17 that the wells, FP 14-2 and FP 13-2 can be expected to en-
18 counter the maximum thickness of sand, and once again, going
19 to the east in Section 13, the sand pinches out; going to the
20 west in Section 14, the sand also pinches out.

21 Q Now would you refer to Exhibit Number
22 Four and discuss that exhibit, please?

23 A. Exhibit Number Four what does that
24 exhibit show?

25 A. Exhibit Number Four is a structure map

1
2
3 contoured on the Middle Morrow marker a correlative shale
4 marker through the Catclaw Draw area. It shows the thrust of
5 structure and that our wells, the FP-14-2 and the FP 13-2,
6 are in the best structural positions that we can get them.

7 Q Now is that another reason for the loca-
8 tions in the two sections that you have chosen?

9 A Yes, sir.

10 Q Now referring to Exhibit Number Five,
11 would you identify that exhibit please?

12 A Exhibit Number Five is a structural
13 cross section in the Catclaw Draw area. It simply reinforces
14 the map. It shows that our two wells, FP 14-2 and FP 13-2,
15 are in good structural positions, as well as good stratigraphic
16 positions.

17 Q Now both those locations are shown on
18 the exhibit in comparison to the existing logs. Is that cor-
19 rect?

20 A Yes, sir.

21 Q To show their structural location?

22 A Yes sir.

23 Q On that basis should you encounter the
24 Lower Morrow productive zones in those two wells?

25 A We should encounter in the FP 13-2
and FP 14-2, correct.

1
2 Q And if there's any production in the
3 upper zones, you should also encounter that, too, would you
4 not?

5 A Yes, sir.

6 Q Were Exhibits One through Five, inclusive,
7 prepared by you or under your supervision?

8 A Yes, sir.

9 MR. KELLAHIN: At this time I would
10 like to offer Exhibits One through Five, inclusive.

11 MR. STAMETS: These exhibits will be
12 admitted.

13 Q Now, Mr. Clemenson, at least on your
14 Exhibits Two, Three, Four, and Five, you've indicated that you
15 have good structural position. Does that indicate that the
16 acreage you propose to dedicate to these wells is not pro-
17 ductive throughout the entire area? In other words, you're
18 going to dedicate the north half of Section 14, the north
19 half of Section 13, to the respective wells.

20 A Yes, sir.

21 Q Do you think the entire area of 320
22 acres is productive from the Morrow there?

23 A Yes, sir.

24 Q The only problem is it does pinch out
25 from the west in 14 and to the east in 13. Would that then

1

11

2

give you a lesser chance of getting a good well?

3

A. That's correct.

4

Q Will these two locations impair the

5

correlative rights of any offsetting operators?

6

A. No, sir.

7

Q Now in Section 13 who controls the

8

south half of Section 13?

9

A. The south half of Section 13 is in the

10

Catclaw Draw.

11

Q But that is your Tenneco acreage, is

12

it not?

13

A. Yes, sir.

14

Q Now in Section 14 you are getting

15

closer to that ARCO well in the section immediately to the

16

north, are you not?

17

A. Yes, sir.

18

Q Has there been any objection from ARCO

19

in connection with your well location?

20

A. No, sir, they're participating with us

21

in the well in Section 14.

22

Q They recognize that that will challenge

23

the other well.

24

A. Yes, sir.

25

Q But they are in favor of drilling it,

1
2 is this correct?

3 A Yes, sir, that's correct.

4 MR. KELLAHIN: That's all I have Mr.
5 Stamets.

6
7 CROSS EXAMINATION

8 BY MR. STAMETS:

9 Q Mr. Clemenson, are both of these wells
10 inside the Catclaw Draw Unit?

11 A No, sir.

12 Q They're outside the unit? Where is the
13 unit boundary relative to Section 13 and 14?

14 A The unit boundary runs through the
15 middle of Section 13 and 14, east/west.

16 Q All right, and that would tend to ex-
17 plain then why the Land Office desired that you dedicate the
18 north half.

19 A Yes, sir.

20 Q So that the south half will be dedicated
21 to an existing unit well.

22 A Yes, sir.

23 Q Now, is there any significance to the
24 designation you've put on here of "FP"? Is that going to be
25 the lease name for these wells?

1
2 A "FP" is a designation that we use in-
3 ternally, in Tenneco.

4 Q I see. So it may have some other lease
5 name if you get the application approved.

6 A I don't know myself, but that may be
7 true.

8 Q Okay.

9 MR. STAMETS: Any other questions of
10 this witness?

11 MR. KELLAHIN: No, sir, we have nothing
12 else.

13 MR. STAMETS: He may be excused.

14 If there is nothing further the case
15 will be taken under advisement.

16
17 (Hearing concluded.)
18
19
20
21
22
23
24
25

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

age

14

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

Docket No. 17-81

Dockets Nos. 19-81 and 20-81 are tentatively set for June 17 and July 2, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 3, 1981

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

The following cases will be heard before Richard L. Scanets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 7261: Application of Robert N. Enfield for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Pecos River Bluff Unit Area, comprising 4789 acres, more or less, of State and Federal lands in Township 13 South, Range 27 East.
- CASE 7262: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Berry State Unit Area, comprising 2,228 acres, more or less, of State lands in Township 21 South, Ranges 33 and 34 East.
- CASE 7263: Application of Yates Petroleum Corporation for amendment of Order No. R-5527, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-5527, which approved an unorthodox Morrow location, to permit the recompletion of its Blevins "IK" Well No. 1 in Unit D of Section 35, Township 17 South, Range 26 East, as an unorthodox gas well location in all Wolfcamp and Pennsylvanian formations.
- CASE 7238: (Continued from May 6, 1981, Examiner Hearing)
- Application of Holly Energy, Inc. for directional drilling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Salt Lake South Deep Well No. 1, the surface location of which is 2189 feet from the North line and 500 feet from the East line of Section 6, Township 21 South, Range 32 East, South Salt Lake-Morrow Gas Pool, in a northerly direction to bottom it within 150 feet of the center of Unit A (Lot 1) of said Section 6, Lots 1 thru 8 to be dedicated to the well.
- CASE 7217: (Continued and Readvertised)
- Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Pennsylvanian location of its Travis Ohio State Com Well No. 1 to be drilled 760 feet from the South line and 660 feet from the West line of Section 13, Township 18 South, Range 28 East, the S/2 of said Section 13 to be dedicated to the well.
- CASE 7251: (Continued from May 6, 1981, Examiner Hearing)
- Application of Southern Union Exploration Company of Texas for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 36, Township 24 North, Range 1 West, to be dedicated to its Mobil Federal Well No. 1 drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7264: Application of Cities Service Company for a salt water disposal well, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Entrada formation at a depth of 5200 feet to 5350 feet in its Federal "E" Well No. 2 in Unit H of Section 28, Township 19 North, Range 5 West.
- CASE 7265: Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2310 feet from the North line and 990 feet from the West line of Section 13, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, the N/2 of said Section 13 to be dedicated to the well.
- CASE 7266: Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the North line and 1650 feet from the East line of Section 14, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, the N/2 of said Section 14 to be dedicated to the well.

CASE 7237: (Continued and Readvertised)

Application of Conoco Inc. for a dual completion and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "F-1" Well No. 10 located in Unit V of Section 1, Township 21 South, Range 36 East, to produce oil from the Hardy-Blinebry Pool and commingled Hardy-Drinkard and undesignated Tubb production.

CASE 7267: Application of Conoco Inc. for a dual completion and unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its SEMU Burger Well No. 107 to produce oil from the Skaggs-Grayburg and an undesignated Paddock Pool at an unorthodox location 2615 feet from the South and East lines of Section 19, Township 20 South, Range 38 East.

CASE 7268: Application of Conoco Inc. for pool extension and contraction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the upward extension of the vertical limits of the Skaggs-Grayburg Pool to include the lowermost 100 feet of the Queen formation underlying all of Section 13, the E/2 of Section 24, and NE/4 of Section 25, Township 20 South, Range 37 East, and the W/2 of Section 18, all of Section 19, NW/4 of Section 20, and N/2 of Section 30, Township 20 South, Range 38 East. Applicant also proposes the contraction of the vertical limits of the Eumont Pool by deletion of the lowermost 100 feet of the Queen formation underlying the NW/4 of Section 13 and E/2 of Section 24, Township 20 South, Range 37 East, and the W/2 of Section 18 and W/2 of Section 19, Township 20 South, Range 38 East.

CASE 7248: (Continued from May 6, 1981, Examiner Hearing)

Application of Inesco Oil Company for pool creation, special pool rules, and an oil discovery allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Federal 10 State Com. Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, and the promulgation of special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of approximately 42,290 barrels of discovery allowable to the aforesaid well.

CASE 7269: Application of Alpha Twenty-One Production Company for an unorthodox gas well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the E/2 SW/4 and the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, Eumont Gas Pool, to be dedicated to its Lansford Well No. 4 at an unorthodox location 810 feet from the South line and 1880 feet from the East line of said Section 21.

CASE 7270: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 21, Township 19 South, Range 27 East, to be dedicated to its Pecos River Federal 21-A Com Well No. 1 drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7250: (Continued from May 6, 1981, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 22, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

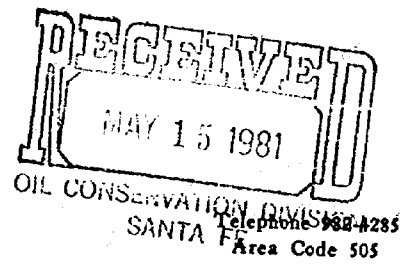
CASE 7271: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through the Drinkard formation underlying the NW/4 SE/4 of Section 5, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7086: (Continued from May 20, 1981, Examiner Hearing)

Application of Blackwood & Nichols Company, Ltd. for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 30 and 31 North, Ranges 6, 7, and 8 West, containing 33,500 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
500 Don Gaspar Avenue
Post Office Box 1769
Santa Fe, New Mexico 87501



May 13, 1981

Mr. Joe Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Case 7266

RE: Tenneco Oil Company

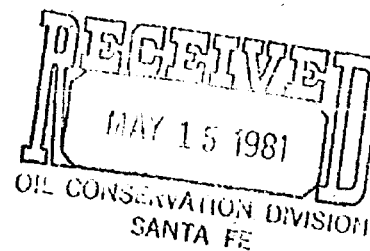
Dear Joe:

Please substitute the enclosed amended application
for that application filed for June 3, 1981.

Very truly yours,

WTK
W. Thomas Kellahin

WTK:jm
Enclosure
cc: David Motloch
Bill Gressett
Ray Graham



STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
TENNECO OIL COMPANY FOR APPROVAL
OF AN UNORTHODOX WELL LOCATION, EDDY
COUNTY NEW MEXICO.

Case 7266

A P P L I C A T I O N

COMES NOW TENNECO OIL COMPANY by and through its Attorneys, KELLAHIN & KELLAHIN, and applies to the Oil Conservation Division of New Mexico for approval of an unorthodox well location 1650 feet from the East line and 660 feet from the North line of Section 14, T21S, R25E, Catclaw Draw Morrow Gas Pool, Eddy County New Mexico and in support thereof would show:

1. Applicant is the owner of the right to drill and develop the Morrow formation underlying the N/2 of said Section 14 and proposes to dedicate the N/2 of Section 14 to the well.
2. Applicant proposes to drill a well to test the Morrow formation at a location 1650 feet from the East line and 660 feet from the North line of Section 14, T21S, R25E, NMPM.
3. A well located as proposed will recover gas that would not otherwise be recovered at a standard location, is in the interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant prays that this application be set for hearing and that after notice and hearing the application be granted as requested.

KELLAHIN & KELLAHIN

By 

W. Thomas Kellahin
P.O. Box 1769
Santa Fe, New Mexico 87501
(505) 982-4285

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
500 Don Gaspar Avenue
Post Office Box 1769
Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

May 6, 1981

OIL CONSERVATION DIVISION

MAY 6 1981

RECEIVED

Case 7266

Mr. Joe Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Tenneco Oil Company

Dear Joe:

Please set the enclosed application for hearing at
the next available examiner hearing set for June 3, 1981.

Very truly yours,


W. Thomas Kellahin

WTK/rr

cc: Mr. David Motloch, Esq, Tenneco, San Antonio
Mr. Bill Gressett, OCD, Drawer DD, Artesia N.M. 88210
Mr. Ray Graham, Land Office, P.O. Box 1148, Santa Fe, N.M. 87501

Tom Kellahin called.

Sec. 14

1650/E

660/N

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF TENNECO OIL COMPANY FOR
APPROVAL OF AN UNORTHODOX WELL
LOCATION, EDDY COUNTY NEW MEXICO

OIL CONSERVATION DIVISION
JUL 10 8 1981
RECEIVED

CASE 7266

A P P L I C A T I O N

COMES NOW TENNECO OIL COMPANY by and through its Attorneys, KELLAHIN & KELLAHIN, and applies to the Oil Conservation Division of New Mexico for approval of an unorthodox well location 2100 feet from the East line and 860 feet from the North line of Section 14 T21S, R25E, Catclaw Draw Morrow Gas Pool, Eddy County New Mexico and in support thereof would show:

1. Applicant is the owner of the right to drill and develop the Morrow formation underlying the N/2 of said Section 14 and proposes to dedicate the N/2 of Section 14 to the well.

2. Applicant proposes to drill a well to test the Morrow formation at a location 2100 feet from the East line and 860 feet from the North line of Section 14, T21S, R25E, NMPM.

3. A well located as proposed will recover gas that would not otherwise be recovered at a standard location, is in the interests of conversation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant prays that this application be set for hearing and that after notice and hearing the application be granted as requested.

KELLAHIN & KELLAHIN

By: 

W. Thomas Kellahin
P.O. Box 1769
Santa Fe, New Mexico 87501
(505) 982-4285

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

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RECEIVED

IN THE MATTER OF THE APPLICATION
OF TENNECO OIL COMPANY FOR
APPROVAL OF AN UNORTHODOX WELL
LOCATION, EDDY COUNTY NEW MEXICO

CASE 7266

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1. Applicant is the owner of the right to drill and develop the Morrow formation underlying the N/2 of said Section 14 and proposes to dedicate the N/2 of Section 14 to the well.

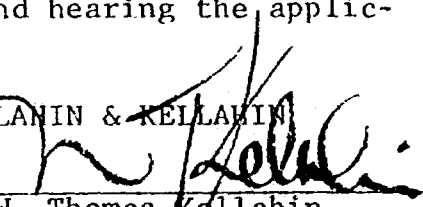
2. Applicant proposes to drill a well to test the Morrow formation at a location 2100 feet from the East line and 860 feet from the North line of Section 14, T21S, R25E, NMPM.

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STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS OIL CONSERVATION DIVISION
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JUL 8 1981

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OF TENNECO OIL COMPANY FOR
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CASE 7266

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W. Thomas Kellahin
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Santa Fe, New Mexico 87501
(505) 982-4285

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7266

ORDER NO. R- 6709

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 3,
19 81, at Santa Fe, New Mexico, before Examiner Richard L. Stamey

NOW, on this day of June, 19 81, the Division
Director, 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 Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Tenneco Oil Company,
seeks approval of an unorthodox gas well location 660
feet from the North line and 1650 feet from the
East line of Section 14, Township 21 South
Range 25 East, NMPM, to test the Morrow
formation, Catclaw Draw-Morrow Gas Pool, Eddy
County, New Mexico.

(3) That the N/2 of said Section 14 is to be
dedicated to the well.

(4) That a well at said unorthodox location will better
enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox
location.

-2-

Case No. _____
Order No. R- _____

(6) 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 660 feet from the North line and 1650 feet from the East line of Section 14, Township 21 South, Range 25 East NMPM, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the N/2 of said Section 14 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 Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.