

CASE NO.

7495

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
3 March 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation  
for simultaneous dedication and  
an unorthodox location, Lea County,  
New Mexico.

CASE  
7495

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr, Esq.  
CAMPBELL, BYRD, & BLACK P.A.  
Jefferson Place  
Santa Fe, New Mexico 87501

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I N D E X

ALAN BOHLING

Direct Examination by Mr. Carr 3

Cross Examination by Mr. Nutter 9

E X H I B I T S

Applicant Exhibit One, Plat 6

Applicant Exhibit Two, Comparison 7

1  
2 MR. NUTTER: Call next Case 7495.

3 MR. PEARCE: Application of Gulf Oil  
4 Corporation for simultaneous dedication and an unorthodox  
5 location, Lea County, New Mexico.

6 MR. CARR: May it please the Examiner,  
7 my name is William F. Carr, with the law firm Campbell,  
8 Byrd, and Black, P. A., of Santa Fe, appearing on behalf of  
9 Gulf Oil Corporation, and I have one witness who needs to be  
10 sworn.

11  
12 (Witness sworn.)

13  
14 ALAN BOHLING  
15 being called as a witness and being duly sworn upon his oath,  
16 testified as follows, to-wit:

17  
18 DIRECT EXAMINATION

19 BY MR. CARR:

20 Q Please state your full name and place  
21 of residence.

22 A Alan W. Bohling. 1331 Whitney Lane,  
23 Odessa, Texas.

24 Q By whom are you employed and in what  
25 capacity?

1  
2 A. Gulf Oil Corporation as a petroleum  
3 engineer.

4 Q. Have you previously testified before  
5 this Commission or one of its Examiners?

6 A. No, sir, I haven't.

7 Q. Will you briefly summarize for Mr.  
8 Nutter your educational background and your work experience?

9 A. I graduated from Michigan Technological  
10 University with a Bachelor of Science degree in geological  
11 engineering in 1974.

12 I then served as a captain in the  
13 United States Army Corps of Engineers for approximately  
14 four and a half years.

15 I joined Gulf in June of 1979 in their  
16 Goldsmith Area Office. I have performed various petroleum  
17 engineering responsibilities within the Permian Basin area  
18 for approximately two and a half years; then was transferred  
19 to the District Staff Proration Section in Midland in October  
20 of '81, and that's where I'm at now.

21 Q. Do your responsibilities with Gulf in-  
22 clude Lea County, New Mexico?

23 A. Yes, sir, they do.

24 Q. Are you familiar with the application  
25 filed by Gulf in this case?

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A. Yes, sir.

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Q And are you familiar with the subject wells?

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A. Yes, I am.

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MR. CARR: Are the witness' qualifications acceptable?

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MR. NUTTER: They are.

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Q Will you briefly state what Gulf is seeking with this application?

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A. Gulf is seeking authority for number one, an unorthodox location for our Graham State NCT-C Com Well No. 9 in the Eumont Gas Pool at 990 feet from the north line and 1980 feet from the east line, Unit B, Section 25, Township 19 South, Range 35 East.

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And two, to simultaneously dedicate a previously approved 320-acre nonstandard proration unit, comprising the east half of Section 25 in the Eumont Gas Pool to Wells Nos. 8 and 9, and to produce the unit allowable in any proportion between these two wells.

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22

Q Are we talking about Township 19 South, Range 36 East?

23

A. Yes, sir, we are.

24

25

Q What is the status of the State NCT-C Com Well No. 9?

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2 A. Sir, approval for drilling Well No. 9  
3 was granted with the stipulation that prior to producing the  
4 well permission be obtained for simultaneous dedication with  
5 Well No. 8.

6 The well was drilled and completed and  
7 is now awaiting pipeline connections to a purchaser.

8 It was brought to our attention that the  
9 well is located 990 feet from the end boundary and therefore,  
10 an unorthodox location for a 320-acre unit.

11 Q And it should be 1980 from the end line?

12 A. Yes, sir, it should.

13 Q Do you have an exhibit which shows the  
14 Graham State NCT-C Com proration unit?

15 A. Yes, sir. Our Exhibit Number One is  
16 a plat showing Gulf's 320-acre proration unit, which is  
17 outlined in red. The acreage is presently dedicated to our  
18 Graham State NCT-C Com Well No. 8 in Unit J of Section 25.

19 The plat also shows the Eumont comple-  
20 tions in the immediate vicinity of our lease.

21 Q What is the current status of the Graham  
22 State NCT-C Com Well No. 8?

23 A. Well No. 8 is presently completed in  
24 the Eumont Gas Pool over the interval of 2460-3596 feet and  
25 produces gas through the tubing-casing annulus. It is still

1  
2 a dual with the Eunice-Monument Pool, producing oil through  
3 the tubing.

4 Q Have you prepared an exhibit comparing  
5 the producing capacity of the Well No. 8 to the top allowable  
6 of a non-marginal well in the Eumont Gas Pool?

7 A Yes, sir. Our Well No. 8 is currently  
8 classified as marginal and our Exhibit Number Two is a com-  
9 parison of production and top allowable data for Well No. 8  
10 over the last year.

11 It illustrates that Well No. 8 is under-  
12 produced by 45 percent from top allowable for 1981. Also,  
13 production for Well No. 8 for the month of December, 1981,  
14 averaged 669 Mcf per day, which is only 48 percent of the  
15 top allowable of 1386 Mcf per day for a 320-acre proration  
16 unit.

17 Q And how is the No. 9 Well completed?

18 A Well No. 9 was perforated from 3517  
19 to 3710 feet and then acidized. It is capable of producing  
20 approximately 1112 Mcf per day and simultaneously dedicating  
21 Wells Nos. 8 and 9 should make the unit non-marginal.

22 Q In your opinion is the request of Gulf  
23 in the best interest of protection of correlative rights?

24 A Yes, sir, it is. Approval of this re-  
25 quest will allow Gulf to produce as much of the top allowable



1  
2 a dual with the Eunice-Monument Pool, producing oil through  
3 the tubing.

4 Q Have you prepared an exhibit comparing  
5 the producing capacity of the Well No. 8 to the top allowable  
6 of a non-marginal well in the Eumont Gas Pool?

7 A Yes, sir. Our Well No. 8 is currently  
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19 to 3710 feet and then acidized. It is capable of producing  
20 approximately 1112 Mcf per day and simultaneously dedicating  
21 Wells Nos. 8 and 9 should make the unit non-marginal.

22 Q In your opinion is the request of Gulf  
23 in the best interest of protection of correlative rights?

24 A Yes, sir, it is. Approval of this re-  
25 quest will allow Gulf to produce as much of the top allowable

1  
2 as possible from our proration unit. It should not violate  
3 anyone else's correlative rights.

4 Q Has a precedent been set in the immediate  
5 vicinity for a second well on a nonstandard gas proration  
6 unit with simultaneous dedication of the acreage?

7 A Yes, sir. Our Exhibit Number One shows  
8 three nonstandard units with a second well in the immediate  
9 vicinity of Gulf's Graham State NCT-C Com proration unit.  
10 Only four other proration units within the immediate area  
11 are larger than 160 acres. The average density of the Eumont  
12 gas completions in this vicinity is one well to each 162  
13 acres.

14 Gulf would like to change the density  
15 on our proration unit from 320 acres per well to 160 acres  
16 per well.

17 Q Will you again summarize what Gulf is  
18 seeking with the application?

19 A Gulf is seeking authority for one, an  
20 unorthodox location for our Graham State NCT-C Com Well No.  
21 9 in the Eumont Gas Pool; and two, to simultaneously dedi-  
22 cate the previously approved 320-acre nonstandard proration  
23 unit in the Eumont Gas Pool to Wells Nos. 8 and 9; and to  
24 three, produce the unit allowable in any proportion between  
25 these two wells.

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Q In your opinion will granting the application cause waste?

A No, sir, it will not.

Q Will granting the application be in the best interest of conservation?

A Yes, sir, it will.

Q Were Exhibits One and Two prepared by you?

A Yes, sir, they were.

MR. CARR: At this time, Mr. Nutter, we would offer into evidence Gulf Exhibits One and Two.

MR. NUTTER: Gulf Exhibits One and Two will be admitted in evidence.

MR. CARR: We have nothing further on direct.

#### CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Bohling, this new No. 9 Well is a single completion in the Eumont?

A Yes, sir, it is.

Q And what did you give that COAF again as?

A Producing capacity --

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Q. Yes, sir.

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A. -- of approximately 1112 Mcf per day.

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Q. So the two wells together will make a

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nonmarginal 320-acre unit?

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A. Yes, sir, they will.

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MR. NUTTER: Any further questions of

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the witness? He may be excused.

9

Do you have anything further, Mr. Carr?

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MR. CARR: Nothing further, Mr. Nutter.

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MR. NUTTER: Does anyone have anything

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they wish to offer in Case Number 7495?

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We'll take the case under advisement.

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(Hearing concluded.)

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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. 7495  
heard by me on 7/3/82.

[Signature], Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 433-7409



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

POST OFFICE BOX 20018  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

March 16, 1962

Mr. William F. Carr  
Campbell, Byrd & Black  
Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico

Re: CASE NO. 7495  
ORDER NO. P-6921

Applicant:

Gulf Oil Corporation

Dear Sir:

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

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD           x            
Artesia OCD           x            
Aztec OCD                           

**Other**

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. 7495  
Order No. R-6921

APPLICATION OF GULF OIL CORPORATION  
FOR AN UNORTHODOX WELL LOCATION AND  
SIMULTANEOUS DEDICATION, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 3, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 1982, 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, Gulf Oil Corporation, seeks approval of an unorthodox gas well location for its Graham State Well No. 9 located 990 feet from the North line and 1980 feet from the East line of Section 25, Township 19 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

(3) That the applicant further seeks to simultaneously dedicate a previously approved 320-acre non-standard proration unit comprising the E/2 of said Section 25 to the above-described well and to its Graham State Well No. 8 located in Unit J of said Section 25.

(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 and simultaneous dedication.

-2-

Case No. 7495  
Order No. R-6921

(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.

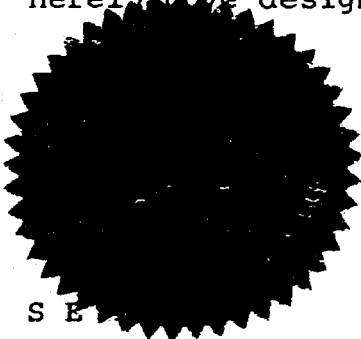
IT IS THEREFORE ORDERED:

(1) That the Gulf Oil Corporation Graham State Well No. 9 is hereby approved at an unorthodox location 990 feet from the North line and 1980 feet from the East line of Section 25, Township 19 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

(2) That the E/2 of said Section 25 shall be simultaneously dedicated to the above-described well and to applicant's Graham State Well No. 8 located in Unit J of said Section 25, and the allowable assigned to said proration unit may be produced from either well on the unit in any proportion.

(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.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY,  
Director

S E





PRODUCTION & TOP ALLOWABLE COMPARISON DATA  
OF  
GULF OIL CORPORATION'S  
GRAHAM STATE (NCT-C) COM WELL NO. 8  
IN  
EUMONT YATES 7-RIVERS QUEEN GAS POOL  
LEA COUNTY, NEW MEXICO

Month /Year	Production From Graham State (NCT-C) Com Well No. 8 (MCF)	320 Acre Top Allowable (MCF)
Jan 1981	28,721	48,506
Feb 1981	24,821	39,737
Mar 1981	26,490	45,076
Apr 1981	25,520	43,169
May 1981	25,812	44,197
Jun 1981	26,319	42,010
Jul 1981	25,520	44,175
Aug 1981	26,281	44,356
Sep 1981	24,573	43,457
Oct 1981	25,700	43,720
Nov 1981	6,839*	42,712
Dec 1981	20,751	42,957
1981 TOTAL	287,347	524,072

Notes: a) Under-Production from Top Allowable for 1981 = 236,725 MCF (45%)  
b) Percent of Top Allowable produced = 55%

Jan 1982	25,205	43,197
Feb 1982	--	38,990

\* Produced for only 7 days during Nov. 1981.

EXHIBIT NO. 2  
CASE NO. 7495  
Date: 3-3-82

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION

GULF EXHIBIT NO. 2

CASE NO. 7495

Dockets Nos. 8-82 and 9-82 are tentatively set for March 16 and March 31, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 3, 1982

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

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

CASE 7469: (Continued from February 3, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit H. M. Bailey & Associates, Commercial Union Insurance Company, and all other interested parties to appear and show cause why the following wells of the H. M. Bailey Lease, Township 21 South, Range 1 West, Dona Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program: In Section 10: Nos. 9 in Unit A; 9, 11, 12, and 13 in Unit B; 10 and 14 in Unit C; and No. 15 in Unit C of Section 9.

CASE 7494: Application of Bass Enterprises Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Humble City Unit Area, comprising 800 acres, more or less, of State lands in Township 17 South, Range 37 East.

CASE 7495: Application of Gulf Oil Corporation for simultaneous dedication and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a previously approved 320-acre non-standard Humont proration unit comprising the E/2 of Section 25, Township 19 South, Range 36 East, to its Graham State Wells Nos. 8 in Unit J and 9 at an unorthodox location 990 feet from the North line and 1980 feet from the East line of said Section 25.

CASE 7496: Application of Viking Petroleum, Inc. for an unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Abo gas well to be drilled 62 feet from the South line and 1984 feet from the East line of Section 29, Township 5 South, Range 24 East, the SE/4 of said Section to be dedicated to the well.

CASE 7476: (Continued from February 3, 1982, Examiner Hearing)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying two 160-acre gas spacing units, being the NE/4 and SE/4, respectively, of Section 12, Township 5 South, Range 24 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 7497: Application of Parabo, Inc. for an oil treatment plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at its salt water disposal site in the SE/4 of Section 29, Township 21 South, Range 38 East.

CASE 7458: (Continued from January 6, 1982, Examiner Hearing)

Application of Marks & Garner Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of salt water into the Bough C formation in the perforated interval from 9596 feet to 9616 feet in its Betenbough Well No. 2, located in Unit M of Section 12, Township 9 South, Range 35 East.

CASE 7498: Application of Wayne E. Hamilton for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Devonian formations underlying the S/2 of Section 5, Township 16 South, Range 35 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.

Page 2

Examiner Hearing - WEDNESDAY - MARCH 3, 1982

CASE 7499: Application of Amoco Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Devonian formations underlying the S/2 of Section 3, Township 23 South, Range 34 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 7073: (Continued from February 17, 1982, Examiner Hearing)

In the matter of Case 7073 being reopened pursuant to the provisions of Order No. R-6558, which order promulgated special rules for the South Elkins-Fusselman Pool in Chaves County, including provisions for 80-acre spacing units and a limiting gas-oil ratio of 3000 to one. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units with a limiting gas-oil ratio of 2000 to one.

CASE 7074: (Continued from February 17, 1982, Examiner Hearing)

In the matter of Case 7074 being reopened pursuant to the provisions of Orders Nos. R-6565 and R-6565-B, which created the South Elkins-Fusselman Gas Pool in Chaves County. All interested parties may appear and present evidence as to the exact nature of the reservoir, and more particularly, as to the proper rate of withdrawal from the reservoir if it is determined that said pool is producing from a retrograde gas condensate reservoir.

CASE 7500: Application of Read & Stevens, Inc. for an exception to the maximum allowable base price provisions of the New Mexico Natural Gas Pricing Act, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order of the Division prescribing the price allowed for production enhancement gas under Section 107 of the Natural Gas Policy Act as the maximum allowable base price if production enhancement work which qualifies under the NGPA is performed on its Hackberry Hills Unit Well No. 4 located in Section 22, Township 22 South, Range 26 East, Eddy County, New Mexico.

CASE 7485: (Continued from February 17, 1982, Examiner Hearing)

Application of Berge Exploration for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying two 160-acre proration units, the first being the NW/4 and the second being the SW/4 of Section 27, Township 7 South, Range 26 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 7501: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves, Eddy and Lea Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the North Caprock-Wolfcamp Pool. The discovery well is The Petroleum Corporation Landlady Well No. 1 located in Unit J of Section 8, Township 12 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM  
Section 8: SE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Morrow production and designated as the Feather-Morrow Pool. The discovery well is the Santa Fe Energy Company State UTP Well No. 1 located in Unit J of Section 21, Township 15 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM  
Section 21: SE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo Reef production and designated as the Garrett-Abo Reef Pool. The discovery well is the Marathon Oil Company Delmont L. Hatfield Well No. 1 located in Unit J of Section 23, Township 16 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM  
Section 23: SE/4

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn and Atoka production and designated as the Pronghorn Strawn-Atoka Gas Pool. The discovery well is the Yates Petroleum Corporation Pronghorn Unit Well No. 1 located in Unit G of Section 6, Township 23 South, Range 33 East, NMPM. Said Pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM  
Section 6: N/2

(e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Paddock production and designated as the Skaggs-Paddock Pool. The discovery well is the Conoco Inc. SEMU Burger Well No. 107 located in Unit J of Section 19, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 19: SE/4

(f) EXTEND the Angell Ranch Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 2: S/2  
Section 11: N/2

(g) EXTEND the Atoka-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 26: E/2 NW/4 and E/2 SW/4

(h) EXTEND the Austin-Mississippian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM  
Section 18: S/2

(i) EXTEND the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 3: E/2

(j) EXTEND the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM  
Section 14: S/2 SW/4  
Section 23: N/2 N/2  
Section 24: S/2 NW/4 and NE/4 NW/4

(k) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM  
Section 36: S/2

(l) EXTEND the Chaveroo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM  
Section 10: W/2  
Section 15: W/2

(m) EXTEND the Dark Canyon-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM  
Section 31: N/2

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Examiner Hearing - WEDNESDAY - MARCH 3, 1982

- (n) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 12: E/2

TOWNSHIP 21 SOUTH, RANGE 38 EAST, NMPM  
Section 7: NW/4

- (o) EXTEND the North Eidson-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM  
Section 6: Lots 3, 4, 5, 6, 11, 12, 13, 14, and SW/4

- (p) EXTEND the Happy Valley-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM  
Section 20: S/2

- (q) EXTEND the Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 29: NW/4 SW/4

- (r) EXTEND the Hobbs-Blincry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM  
Section 34: W/2

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM  
Section 3: NW/4

- (s) EXTEND the Jalmat Yates-Seven Rivers Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM  
Section 26: NE/4

- (t) EXTEND the South Kennitz Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 30: W/2

- (u) EXTEND the North Loving-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 20: E/2  
Section 21: All  
Section 22: S/2  
Section 27: All  
Section 28: All  
Section 29: All

- (v) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM  
Section 7: SW/4

- (w) EXTEND the North Lusk-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 35: All

Page 5  
Examiner Hearing - WEDNESDAY - MARCH 3, 1982

- (x) EXTEND the Oil Center-Glorieta Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 11: NW/4

- (y) EXTEND the San Simon-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM  
Section 5: NW/4

- (z) EXTEND the Sand Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM  
Section 26: All

- (aa) EXTEND the Tomahawk-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM  
Section 6: SW/4  
Section 7: NW/4

- (bb) EXTEND the Travis-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 12: S/2 SE/4

- (cc) EXTEND the Tulk-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM  
Section 35: SW/4

- (dd) EXTEND the Turkey Track-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 22: SE/4 SW/4

- (ee) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 8: S/2  
Section 9: W/2

# Gulf Oil Exploration and Production Company

J. M. TRACKET  
GENERAL MANAGER PRODUCTION  
SOUTHWEST DISTRICT

P. O. Drawer 1150  
Midland, TX 79702

February 9, 1982

New Mexico Energy & Minerals Dept.  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attn: Mr. Joe D. Ramey

Gentlemen:

Re: Request for Hearing  
Unorthodox Location &  
Simultaneous Dedication  
Eumont Gas Pool, Lea County,  
New Mexico.

This will confirm our request to place on your March 3, 1982 Examineers Docket our application for an unorthodox location 1980' FEL and 990' FNL (Unit B) of Section 25, T19S, R36E in Lea County, New Mexico for our Graham State (NCT-C) Com. No. 9. This well and well No. 8, which is located in Unit J, are to be simultaneously dedicated to the previously approved 320 acre non-standard proration unit in the Eumont Gas Pool comprising the east half of Section 25.

All offset operators are being notified by copy of this letter.

Yours very truly,

*F. H. Martin*  
F. H. Martin  
Technical Manager

CFK/da

cc: Offset Operators  
Texaco, Inc.  
Conoco  
Cities Service  
Amerada  
Shell  
ARCO



A DIVISION OF GULF OIL CORPORATION



For Mar 3 hearing

Application of Gulf Oil Corporation  
for Simultaneous Dedication,  
Lea Can

Application of Gulf Oil Corporation  
for Simultaneous Dedication  
and an Unorthodox location,  
Lea County, New Mexico

Applicant, in the above styled cause, seeks  
approval for the simultaneous dedication  
of a previously approved 320 - non standard  
Eumont location unit comprising the E/2 of Section  
25, Township 19 South, Range 36 East, to  
its Graham State Wells Nos. 8 in Unit 1 and  
~~Unit 2~~ 9 at an unorthodox location 990  
feet from the north line and 1980 feet  
from the East line of said Section 25.

called in by Chuck Katterer 2/8/82  
written appl. to Jolson

*Heckle  
To Love*

*Off*

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:

*JAR*

*For  
WPP*

CASE NO. 7495

Order No. R-6921

APPLICATION OF GULF OIL CORPORATION  
FOR AN UNORTHODOX WELL LOCATION AND  
SIMULTANEOUS DEDICATION, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 3, 1982,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of March, 1982, 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, Gulf Oil Corporation, seeks approval of an unorthodox gas well location for its Graham State Well No. 9 located 990 feet from the North line and 1980 feet from the East line of Section 25, Township 19 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

(3) That the applicant further seeks to simultaneously ~~dedicate~~ *a previously approved 320-acre non-standard proration unit comprising* the E/2 of said Section 25 to the above-described well and to its Graham State Well No. 6 located in Unit J of said Section 25.

(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 and simultaneous dedication.

(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 <sup>the</sup> Gulf Oil Corporation ~~is hereby authorized to~~  
~~drill its~~ Graham State Well No. 9 <sup>is hereby approved</sup> at an <sup>unorthodox</sup> location 990  
feet from the North line and 1980 feet from the East line of  
Section 25, Township 19 South, Range 36 East, NMPM, Eumont Gas  
Pool, Lea County, New Mexico..

(2) That the E/2 of said Section 25 shall be  
simultaneously dedicated to the above-described well and to  
applicant's Graham State Well No. 8 located in Unit J of said  
Section 25, *and the allowance assigned to said proration unit*  
*may be produced from either well on the unit in any proportion*

(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.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

JOE D. RAMEY,

Director

S E A L

CASE 7496: VIKING PETROLEUM, INC. FOR  
AN UNORTHODOX LOCATION, CHAVES COUNTY,  
NEW MEXICO

Not info before 16

DOCKET MAILED

Date 2/19/82  
3/5/82