

CASE NO.

7549

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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  
14 April 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of H. L. Brown for an  
unorthodox gas well location, Lea  
County, New Mexico.

CASE  
7549

BEFORE: Richard L. Stamets

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:

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

1		2
2	I N D E X	
3		
4	BILL W. WELLS	
5	Direct Examination by Mr. Kellahin	3
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12	E X H I B I T S	
13		
14	Applicant Exhibit One, Plugging Record	4
15	Applicant Exhibit Two, AFE	5
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22		
23		
24		
25		

1  
2 MR. STAMETS: We will call next Case 7549.

3 MR. PEARCE: That is the application of  
4 H. L. Brown for an unorthodox gas well location, Lea County,  
5 New Mexico.

6 MR. KELLAHIN: If the Examiner please,  
7 I'm Tom Kellahin of Santa Fe, New Mexico, appearing on behalf  
8 of the applicant, and I have one witness.

9  
10 (Witness sworn.)

11  
12 BILL W. WELLS

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

15  
16 DIRECT EXAMINATION

17 BY MR. KELLAHIN:

18 Q Mr. Wells, will you please state your  
19 name and occupation?

20 A My names Bill Wells. I'm a production  
21 geologist for H. L. Brown, Junior, in Midland.

22 Q Mr. Wells, have you previously testified  
23 before the Division as a production geologist?

24 A Yes, I have.

25 Q And have those qualifications been accepted

1  
2 and made a matter of record?

3 A They have.

4 Q Mr. Wells, would you summarize briefly  
5 what Mr. Brown seeks to accomplish by this application?

6 A Yes. We would like to re-enter the well  
7 originally drilled by King Resources, the No. 1 Shell State,  
8 located in the southwest of the southeast of Section 32, 15  
9 South, 32 East. We first deepened --

10 Q That well was --

11 A -- re-entered that well. It was origi-  
12 nally drilled to 9900 feet to test the Wolfcamp, which is  
13 one of the major pays of the Anderson Field, Anderson Ranch  
14 Field, and we want to deepen it to test the Morrow, which  
15 also produces in the South Anderson Ranch, or in the Anderson  
16 Ranch, and produces in the Feather, which is two miles to the  
17 northwest.

18 Q All right, sir, let me direct your atten-  
19 tion to Exhibit Number One and have you identify that for us.

20 A All right, it's the plugging record for  
21 the King Resources No. 1 King State, which we got when we were  
22 looking at this. We bought the lease at the December sale,  
23 which encompasses, I think, about 400 acres. Anyway, it's --

24 Q It's a State of New Mexico lease?

25 A State of New Mexico lease sale. True.

1  
2 There are one, two, three, four, five, six 40's that were not  
3 included in that section, so the lease is one, two, three, four,  
4 well, it's 240 and 120, whatever that is.

5 Q What is the proposed proration unit for  
6 this well?

7 A The proposed unit is the south half of  
8 Section 32.

9 Q Okay, and this well, then, is located on  
10 the 240 acres of State lease in this proration unit?

11 A Yes, that's true.

12 Q All right.

13 A That we bought at the sale in December.

14 Q All right.

15 A The plugging record we obtained before we  
16 actually went into this because we wanted to be reasonably  
17 sure that we could -- that we might have a chance to re-enter  
18 that well, and it does appear that there is a good possibility  
19 that the well can be re-entered. The 3500 feet of 8-5/8ths  
20 that was run was not pulled and we hope is in condition to be  
21 re-entered.

22 Q All right, sir, let's turn to Exhibit  
23 Number Two.

24 A Okay, this is --

25 Q Which is the AFE?

1

2

A For re-entry?

3

Q Yes.

4

A Okay, that is an AFE for the re-entry of

5

this well and the deepening to 12,300 feet, prepared by Robert

6

Fraley (sic), who is the drilling superintendent for H. L.

7

Brown.

8

Q Let's compare that with the next exhibit,

9

which is Exhibit Number Three.

10

A This is another AFE for the drilling of

11

a new well to do the same thing, or to a depth of 12,300 feet

12

and you'll note under Remarks there is a saving in excess of

13

\$400,000 if we can re-enter this well, as compared with

14

drilling from the surface.

15

Q Economic savings to Mr. Brown is the prin-

16

cipal justification you have in trying to seek the re-entry --

17

A Yes, it is.

18

Q -- of this well? All right.

19

Let's look at Exhibit Number Four and

20

have you identify that for us.

21

A All right, that's a schematic --

22

Q Just a minute, I'm not sure we're on the

23

same Number Four.

24

MR. STAMETS: That's Number Five.

25

Q All right, let's go to the ownership plat --

1

2

A All right, to the land plat?

3

Q -- which is marked as Number Four.

4

A This is a lease ownership plat showing

5

the location of the proposed re-entry and our leasehold interest,

6

as well as the proration unit that will be assigned to the

7

well.

8

We have verbal approval from Gulf that

9

they will join us in this re-entry. We have reasonable as-

10

surance tht Union will join us, Union and their partners, al-

11

though we do not have that as a full confirmation. When we

12

talked to them on Monday they said that they had about 75 per-

13

cent of the other owners in that unit who had replied to the

14

request and there had been no negative responses to that

15

point.

16

Q A proration unit of the south half, then,

17

is going to consist of three separate State of New Mexico

18

oil and gas leases?

19

A Yes, it would.

20

Q And you're seeking to accomplish the

21

spacing and proration unit of the south half by a communitiza-

22

tion agreement, aren't you?

23

A That's true.

24

Q All right, sir.

25

All right, let's turn to Exhibit Number



1  
2 Five, then, and have you identify that for me.

3 A That is a diagram, schematic diagram, of  
4 the downhole situation in this hole. As you can see, we have  
5 13-3/8ths inch casing at 400 feet and 8-5/8ths casing at 3500  
6 feet. That, incidentally, was cemented with, I think, 550  
7 sacks.

8 Then we have open hole, 7-7/8ths open  
9 hole, on to the total depth of 9900 feet with plugs placed at  
10 the indicated places along there.

11 It's our hope, of course, that we can just  
12 go in and drill those plugs and get to the bottom. That's --  
13 the \$400,000 savings certainly is contingent upon us being  
14 able to that, and we think that we can.

15 Q All right, sir, let's look at some of  
16 your geology. If you'll turn to Exhibit Number Six, which is  
17 the cross section, Mr. --

18 A All right.

19 Q -- Wells, and identify that for us.

20 A This is a cross section and we need to  
21 look at the map, also, to see the line of section. The  
22 southernmost well in this group is the Continental Anderson  
23 Ranch No. 7, which is a Morrow gas well in the Anderson Ranch  
24 Field, shown at this very bottom of the map. You can see the  
25 Morrow section that produces there. It's at about 12,100 to

12,150.

Then coming north to the -- what was originally drilled as the Sunray-MidContinent State 76 No. 1, likewise a Morrow producer, having produced -- each of these wells produced approximately 4-billion cubic feet of gas with substantial quantities of condensate.

Then the third well on the cross section is the Magnolia New Mexico State No. 1, which is located in the northeast quarter of that section. This well has never been -- it has not produced from the Morrow. It does have the porous section as indicated on the microlog in the Morrow, and is really what set up the prospect and why we're seeking to do what we want to do.

Q Does this Magnolia well produce from any formation?

A Yes. It's produced from the Devonian and the Wolfcamp.

Q Then the next well on the cross section is --

A Is the --

Q -- your location?

A Well, the next well is our location, yes, and then the northernmost well is the Texas Pacific Coal and Oil No. 1 Lone Mill Unit. You see there that the Morrow sec-

1  
2 tion that does produce from the south has essentially, for  
3 all practical purposes, disappeared and the porosity has dis-  
4 appeared. There's no porosity to be found in that section  
5 there, the correlative section.

6 It's not in the line of section, but you can  
7 go on up to the north looking at the structure and Isopach map  
8 and see the -- what is now the Santa Fe Energy No. 1 UTP  
9 State Well, which was a deepening, a well that was deepened  
10 by Santa Fe, and which, incidentally was originally drilled  
11 by H. L. Brown, Junior, and a Morrow completion was made in  
12 that well.

13 Q Notwithstanding the economic savings, Mr.  
14 Wells, in your opinion as a geologist, based upon your study  
15 of the geology of this area, in your opinion will the re-entry  
16 of this location for the Pennsylvanian test result in a well  
17 being located within a proration unit at an optimum location?

18 A It's -- it's close enough to an optimum  
19 location, we feel, to be worth doing it, and with the savings  
20 that we can see, yes.

21 Q Okay. All right, sir, you've referred  
22 to the Isopach and the structure map, Exhibit Number Seven.

23 Were Exhibits One through Seven prepared  
24 by you or compiled under your direction and supervision?

25 A Yes, they were.

1

2

Q

3

4

5

And in your opinion, Mr. Wells, will approval of this application be in the best interest of conservation, the prevention of waste, and the protection of correlative rights?

6

A

Yes, it will.

7

8

9

MR. KELLAHIN: That concludes our examination of Mr. Wells. We move the introduction of Exhibits One through Seven.

10

11

MR. STAMETS: These exhibits will be admitted.

12

13

Any questions of the witness? He may be excused.

14

15

16

17

18

19

20

21

22

23

24

25

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

## 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 Conservation 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. 7549, heard by me on 4-14 19 82.  
Richard A. Lane, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87301  
Phone (505) 455-7409



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

**BRUCE KING**  
**GOVERNOR**

LARRY KENUE  
SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-8434

April 28, 1982

Mr. Thomas Kellahin  
Kellahin & Kellahin  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: CASE NO. 7549  
ORDER NO. R-6960

**Applicant:**

H. L. Brown

**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/ed

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
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. 7549  
Order No. R-6960

APPLICATION OF H. L. BROWN FOR AN  
UNORTHODOX GAS WELL LOCATION, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 14, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of April, 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, H. L. Brown, seeks approval of an unorthodox gas well location resulting from an existing well located 609 feet from the South line and 1665 feet from the East line of Section 32, Township 15 South, Range 32 East, NMPM, which is to be deepened to test the Pennsylvanian formation, Lea County, New Mexico.

(3) That the S/2 of said Section 32 is to be dedicated to the well.

(4) That no offset operator objected to the proposed deepening of the above-described well at this unorthodox location.

(5) 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

-2-

Case No. 7549

Order No. R-6960

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 application of H. L. Brown for the deepening of an existing well at an unorthodox gas well location for the Pennsylvanian formation is hereby approved, said well being located at a point 609 feet from the South line and 1665 feet from the East line of Section 32, Township 15 South, Range 32 East, NMPM, Lea County, New Mexico.

(2) That the S/2 of said Section 32 shall be dedicated to the above-described well.

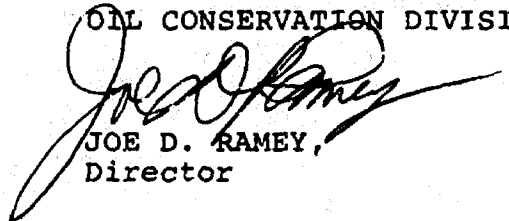
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



S E

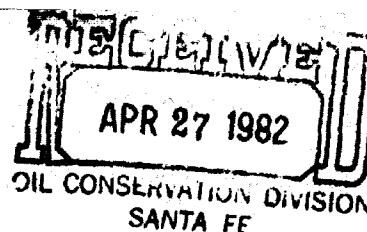
STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY,  
Director



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

April 26, 1982

Mr. Richard Stamets  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: H. L. Brown, Jr.  
Case 7549

A large, stylized handwritten signature, likely of W. Thomas Kellahin, written in dark ink.

Dear Dick:

I have consulted with Mr. Bill Wells of H. L. Brown, Jr., concerning the question about the exact location of the well to be re-entered in the above referenced case.

The old Plugging notice shows a footage location of 495 FSL and 1650 FEL.

Our application, the advertisement, and the enclosed new survey all show that the well should be located 609 FLS and 1665 FEL.

Very truly yours,

A handwritten signature of W. Thomas Kellahin, written in dark ink, positioned above the typed name.

W. Thomas Kellahin

WTK:rb  
Enclosure  
cc: Mr. Bill Wells

NL MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-182  
Supersedes C-128  
Effective 1-4-85

All distances must be from the outer boundaries of the Section

APR 27 1982

Name <b>H. L. BROWN, JR.</b>			Location <b>SHELL STATE</b>			Oil Conservation Division <b>SANTA FE</b>		
Section <b>32</b>	Township <b>T-15-S</b>	Range <b>R-32-E</b>	County <b>LEA</b>					
Well Location <b>609</b> feet from the <b>SOUTH</b> line and <b>1665</b> feet from the <b>EAST</b> line								
Producing Formation			Dedicated Acreage			Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

RE-ENTRY  
LOCATION IN WATER  
ELEV: 4292' TOP OF EXISTING CASING

609'  
1665'

CERTIFICATION

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

*R. E. Lindsay*  
Name  
*D. E. Supt.*  
Position  
*H. L. Brown Jr.*  
Company  
*12-21-81*  
Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

December 1, 1981

Date Surveyed  
*Gary D. Boswell*  
Registered Professional Engineer  
and/or Land Surveyor

*Gary D. Boswell*  
Certificate No.

6689

NO. OF COPIES RECEIVED:	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103  
Supersedes Old  
C-102 and C-103  
Effective 1-1-63

No. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input type="checkbox"/>
X 2797 & Gas Lease No.	

## SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT DEPTH. USE "APPLICATION FOR PERMIT TO DRILL OR TO DEEPEN OR PLUG BACK" FOR SUCH PROPOSALS.)

1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		7. Unit Agreement Name
2. Name of Operator <b>King Resources Company</b>		8. Shell State No. 1
3. Address of Operator <b>Security Life Building Denver, Colo 80202</b>		9. Well No. 1
4. Location of Well UNIT LETTER <b>0</b> <b>495</b> FEET FROM THE <b>south</b> LINE AND <b>1650</b> FEET FROM <b>East</b> LINE, SECTION <b>32</b> TOWNSHIP <b>15-S</b> RANGE <b>32-E</b> N.M.P.M.		10. Name of Land Owner <b>N. Anderson Ranch</b>
11. Elevation (Show whether <b>4298 D.C. Ft.</b> )		12. Lease

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPER. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1708.

We have plugged and abandoned this well according to instructions from your office. Since we had a water flow at 2300 feet the 8 5/8" pipe was not pulled and was left in the well. The well was drilled to a total depth of 9900 feet and plugs were put at the following places:

25 sx at 9700 feet  
25 sx at 7550 feet  
25 sx at 5700 feet  
25 sx at 3500 feet at base and in the intermediate pipe which was not pulled.

15 sx in top of pipe with cemented marker. As soon as the ground has dried out we will level this location and you will be notified so it can be inspected. Attached is a cementing certificate on this work from Dowell.

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION  
**Baker** EXHIBIT NO. 1

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

SIGNED **Don B. Burman**

FILE

CASE NO.

Submitted by **7549**

Hearing Date

DATE

**Dec. 2, 1967**

# OIL CONSERVATION COMMISSION

DISTINCTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

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

No. (Ind. Dist. Well File)	State <input checked="" type="checkbox"/> <input type="checkbox"/>	Fee <input type="checkbox"/>
State <input checked="" type="checkbox"/> 2797		

1. TYPE OF WELL	
OIL WELL <input type="checkbox"/>	GAS WELL <input type="checkbox"/>
NEW WELL <input type="checkbox"/>	WORK OVER <input type="checkbox"/>
DEEPEN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>
DIFF. BEAR <input type="checkbox"/>	OTHER <input type="checkbox"/>

2. Unit Agreement Name
3. Name of Lease Name
Shell-State
4. Well No.
No. 1
5. Field and Loc., or Address
N. Anderson Ranch

6. Name of Operator
King Resources Company
7. Address of Operator
Security Life Building Denver, Colo. 80202

8. Location of Well
UNIT LETTER 0 LOCATED 495 FEET FROM THE south LINE AND 1650 FEET FROM
THE East LINE OF SEC. 32 TWP. 15-S. R. 32-E

12. County
------------

11. Date Started	16. Date T.D. Reached	17. Date Compl. (Ready to Prod.)	18. Elevations (DF, RAB, KT, GR, etc.)	19. Elev. Casinghead
Oct. 20, '67	Nov. 18, '67	Nov. 19, 1967	4283 Gr.	4398'
20. Total Depth	21. Plug Back T.D.	22. If Multiple Compl., How Many	23. Intervals Drilled By	Rotary Tools
9900				X
24. Directional Survey, or this completion - Top, Bottom, None				25. Was Directional Survey Made
none				No

26. Type Electric and other Logs Run	27. Was Well Cased
Sonic, Lateralog, and Micro-Lateralog	No

CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8	48 #	400'	17 1/2"	370 sx circ.	none
8 5/8"	24 & 32 #	3500'	11"	550 sx	none

LINER RECORD				TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SIZE	DEPTH SET	PACKER SET

28. Perforation Record (Interval, size and number)	29. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
	DEPTH INTERVAL
	AMOUNT AND KIND MATERIAL USED

PRODUCTION							
30. First Production	Production from (Flowing, gas lift, pumping - Size and type pump)					Well Status (Producing, Shut-in)	
Date of Test	Hours Tested	Test Rate	Duration, Per Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Loss - Oil Bbl.
Flow Testing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API Gravity	

34. Disposition of Gas (Sold, used for fuel, vented, etc.)	Test Witnessed By
--	-------------------

35. List of Attachments
I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.
Signature <i>Le B. Baker</i> TITLE <i>Agent</i> DATE <i>Dec. 19, 1967</i>

H. L. BROWN, JR.  
AUTHORITY FOR DRILLING

P O BOX 2237  
MIDLAND TEXAS 79701  
AC 915 683 5216

DATE PREPARED November 19, 1981

PROSPECT NAME S. Feather "394"

LEASE NUMBER \_\_\_\_\_

LEASE Shell State

TO DRILL X

RECOMPLETE \_\_\_\_\_

WELL NO 1

LOCATION 495 FSL 1650 FEL

Sec. 32, T-15-S, R-32-E

Lea

COUNTY/PARISH \_\_\_\_\_

STATE New Mexico

FIELD Wildcat

WILDCAT X DEVELOPMENT

TYPE OF WELL Gas

SPACING PATTERN 320

PROJECTED DEPTH 12,300'

PRODUCTION FORMATION \_\_\_\_\_

Morrow

AVAILABLE P. L. OUTLET \_\_\_\_\_

DRILLING CONTRACTOR \_\_\_\_\_

N/A

MUST COMMENCE OPERATIONS DRILLING BY \_\_\_\_\_

INTANGIBLE DRILLING COSTS

PRODUCING  
WELL COST

DRY  
HOLE COST

1. FOOTAGE	FT. @ \$	PER FT.		
2. DAYWORK	<u>25</u> DAYS WDP @ \$	<u>6,800</u>	DAY	
	DAYS WODP @ \$		DAY	
3. CORING	FEET AT \$	PER FT.		
	CORT ANALYSIS \$	SIDE WALL CORES \$		
4. WELL SURVEYS & TEST SERVICES				
	DRILLSTEM TESTS			
	ELECTRIC LOGGING			
	MICROLOGGING			
	RADIOACTIVITY LOGGING			
	MUD LOGGING	<u>10 X 550</u>		
	OTHER SURVEYS			
5. EQUIPMENT RENTALS				
6. LABOR: CONTRACT \$	<u>1,000</u>	COMPANY \$	<u>500</u>	
7. FUEL \$	<u>17,000</u>	WATER \$	<u>2,000</u>	
8. DIGGING PITS \$	<u>10,000</u>	FILLING PITS \$	<u>1,000</u>	
9. GRADING: LOCATION \$	<u>50,000</u>	ROADS \$	<u>20,000</u>	
10. TRANSPORTATION				
11. CEMENTING: CONDUCTOR				
	SURFACE \$	INTERMEDIATE \$		
	PRODUCTION STRING \$	<u>10,000</u>	LINER \$	
12. DRILLING MUD & CHEMICALS				
13. PERFORATING				
14. ACIDIZING \$	<u>8,000</u>	FRACTURING \$	<u>30,000</u>	
15. BITS				
16. SUPERVISION & OVERHEAD				
	ENGINEERING	<u>25 X 400</u>		
	GEOLOGICAL	<u>5 X 400</u>		
	DISTRICT EXPENSE & OVERHEAD			
17. LOSS AND DAMAGES				
18. MISCELLANEOUS:				
	FLOATING EQUIPMENT			
	SCRATCHERS & CENTRALIZERS			
	WELDING			
	COMPLETION UNIT	<u>10 X 1800</u>		
	OTHER			
	Contingencies @ 10%			
19. CONTRIBUTIONS TO BE RECEIVED				
TOTAL INTANGIBLE DRILLING COSTS				

\$ 509,960 \$ 457,490

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

Ben EXHIBIT NO. 3

CASE NO. 7549

Submitted by \_\_\_\_\_

Hearing Date \_\_\_\_\_

W.N.M.C.F. MICROGRAPHICS

H. L. BROWN, JR.  
AUTHORITY FOR DRILLING

PAGE 2

WELL EQUIPMENT					PRODUCING WELL COST	DRY HOLE COST
1. CASING:						
1100	FT. OF	5 1/2, 17.00#, K-55, LT&C	@ \$	8.67	/FT.	9,537
9700	FT. OF	5 1/2, 15.5#, K-55, LT&C	@ \$	8.02	/FT.	77,794
1500	FT. OF	5 1/2, 17.00#, K-55, LT&C	@ \$	8.67	/FT.	13,005
	FT. OF		@ \$		/FT.	
	FT. OF		@ \$		/FT.	
	FT. OF		@ \$		/FT.	
	FT. OF		@ \$		/FT.	
	FT. OF		@ \$		/FT.	
	FT. OF		@ \$		/FT.	
2. TUBING:						
12,000	FT. OF	2 3/8" N-80 EUE 467# tbg	@ \$	6.83	/FT.	81,960
	FT. OF		@ \$		/FT.	
3. RODS:						
	FT. OF		@ \$		/FT.	
	FT. OF		@ \$		/FT.	
	FT. OF		@ \$		/FT.	
4. PUMP & SUBSURFACE EQUIPMENT						
						6,000
5. WELL HEAD EQUIPMENT:						
		CASING HEAD ASSEMBLY				6,500
		TUBING HEAD ASSEMBLY				5,000
		MANIFOLD & FLOW CONTROL ASSEMBLY				
6. PUMPING UNIT						
		ENGINE				
7. INSTALLATION COSTS & NON-CONTROLLABLE EQUIP.						
TOTAL WELL EQUIPMENT						\$ 199,796
TOTAL COST OF WELL						\$ 709,796
LEASE EQUIPMENT						
8. TANKS: NO. _____ SIZE & TYPE _____						\$ 10,000
9. SEPARATORS \$ _____						40,000
10. HEATER TREATER \$ _____						
11. FLOW LINE: _____						
	FT. OF		@ \$		/FT.	2,000
12. OTHER MAJOR EQUIP. _____						
13. INSTALLATION COSTS & NON-CONTROLLABLE EQUIP. _____						8,000
TOTAL LEASE EQUIPMENT						\$ 60,000
TOTAL EQUIPMENT						\$ 259,796
TOTAL COST						\$ 769,796
						\$ 4,000
						\$ 461,500

REMARKS:

PREPARED BY: R. E. Frailey Drilling Supt.

NON-OPERATORS APPROVAL

COMPANY \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

APPROVED BY: H. L. Brown, Jr.



NEW AVAILABLE COPY

# H. L. BROWN, JR. AUTHORITY FOR DRILLING

P. O. BOX 2237  
MIDLAND, TEXAS 79701  
AC 915 683-5216

DATE PREPARED November 19, 1981

PROSPECT NAME S. Feather "394"

LEASE NUMBER \_\_\_\_\_

LEASE Shell State

TO DRILL X RECOMPLETE \_\_\_\_\_

WELL NO 1

LOCATION 495 FSL, 1650 FEL, Sec. 32, T15S, R32

Lea

COUNTY/PARISH \_\_\_\_\_

STATE New Mexico

FIELD Wildcat

WILDCAT X DEVELOPMENT \_\_\_\_\_

TYPE OF WELL Gas

SPACING PATTERN 320

PROJECTED DEPTH 12,300

PRODUCTION FORMATION Morrow

AVAILABLE P. L. OUTLET \_\_\_\_\_

DRILLING CONTRACTOR NA

MUST COMMENCE OPERATIONS ☐ DRILLING ☐ BY \_\_\_\_\_

## INTANGIBLE DRILLING COSTS

			PRODUCING WELL COST	DRY HOLE COST
1. FOOTAGE	FT. & \$	PER FT.		
2. DAYWORK	<u>60</u> DAYS WDP & \$ <u>6800</u>	DAY	<u>408,000</u>	<u>408,000</u>
	DAYS WDDP & \$ _____	DAY		
3. CORING	FEET AT \$ _____	PER FT.		
	CORE ANALYSIS \$ _____	SIDE WALL CORES \$ _____		
4. WELL SURVEYS & TEST SERVICES				
	DRILLSTEM TESTS _____			
	ELECTRIC LOGGING _____		<u>30,000</u>	<u>30,000</u>
	MICROLOGGING _____			
	RADIOACTIVITY LOGGING _____			
	MUD LOGGING <u>20 x 550</u>		<u>11,000</u>	<u>11,000</u>
	OTHER SURVEYS <u>Temperature</u>		<u>2,500</u>	<u>2,000</u>
5. EQUIPMENT RENTALS:			<u>12,000</u>	<u>12,000</u>
6. LABOR: CONTRACT \$ <u>2500</u>	COMPANY \$ <u>1000</u>		<u>3,500</u>	<u>3,500</u>
7. FUEL \$ <u>36,000</u>	WATER \$ <u>6,000</u>		<u>42,000</u>	<u>42,000</u>
8. DIGGING PITS \$ <u>10,000</u>	FILLING PITS \$ <u>1000</u>		<u>11,000</u>	<u>11,000</u>
9. GRADING: LOCATION \$ <u>50,000</u>	ROADS \$ <u>20,000</u>		<u>70,000</u>	<u>70,000</u>
10. TRANSPORTATION			<u>15,000</u>	<u>15,000</u>
11. CEMENTING: CONDUCTOR _____			<u>1,000</u>	<u>1,000</u>
	SURFACE \$ <u>4200</u>	INTERMEDIATE \$ <u>3000</u>	<u>12,200</u>	<u>12,200</u>
	PRODUCTION STRING \$ <u>10,000</u>	LINER \$ _____	<u>10,000</u>	
12. DRILLING MUD & CHEMICALS			<u>18,000</u>	<u>18,000</u>
13. PERFORATING			<u>5,000</u>	
14. ACIDIZING \$ <u>8000</u>	FRACTURING \$ <u>30,000</u>		<u>38,000</u>	
15. BITS			<u>28,000</u>	<u>28,000</u>
16. SUPERVISION & OVERHEAD:				
	ENGINEERING <u>60 x 400</u>		<u>24,000</u>	<u>24,000</u>
	GEOLOGICAL <u>10 x 400</u>		<u>4,000</u>	<u>4,000</u>
	DISTRICT EXPENSE & OVERHEAD _____		<u>5,000</u>	<u>2,000</u>
17. LOSS AND DAMAGES			<u>10,000</u>	<u>10,000</u>
18. MISCELLANEOUS:				
	FLOATING EQUIPMENT _____		<u>2,800</u>	<u>1,900</u>
	SCRATCHERS & CENTRALIZERS _____		<u>600</u>	<u>200</u>
	WELDING _____		<u>1,500</u>	<u>500</u>
	COMPLETION UNIT <u>10 x 1800</u>		<u>18,000</u>	
	OTHER _____			
	<u>contingencies @ .10%</u>		<u>78,310</u>	<u>70,630</u>
19. CONTRIBUTIONS TO BE RECEIVED				
TOTAL INTANGIBLE DRILLING COSTS			<u>\$61,410</u>	<u>\$776,930</u>

W.N.M.C.F. MICROGRAPHICS



BEFORE EXAMINER STATES  
OIL CONSERVATION DIVISION  
EXHIBIT NO. 3

CASE NO. \_\_\_\_\_

Submitted by \_\_\_\_\_

Hearing Date \_\_\_\_\_

**PAGE 2**

**PRODUCING WELL COST**

DRY  
MOLE COST  
10.400

REMARKS:

**PREPARED BY:**

**NON-OPERATORS APPROVAL**

**COMPANY**

BY

DATE \_\_\_\_\_

APPROVED BY

H. L. Brown, Jr.



**N.B.C.F. MICROGRAPHICS**

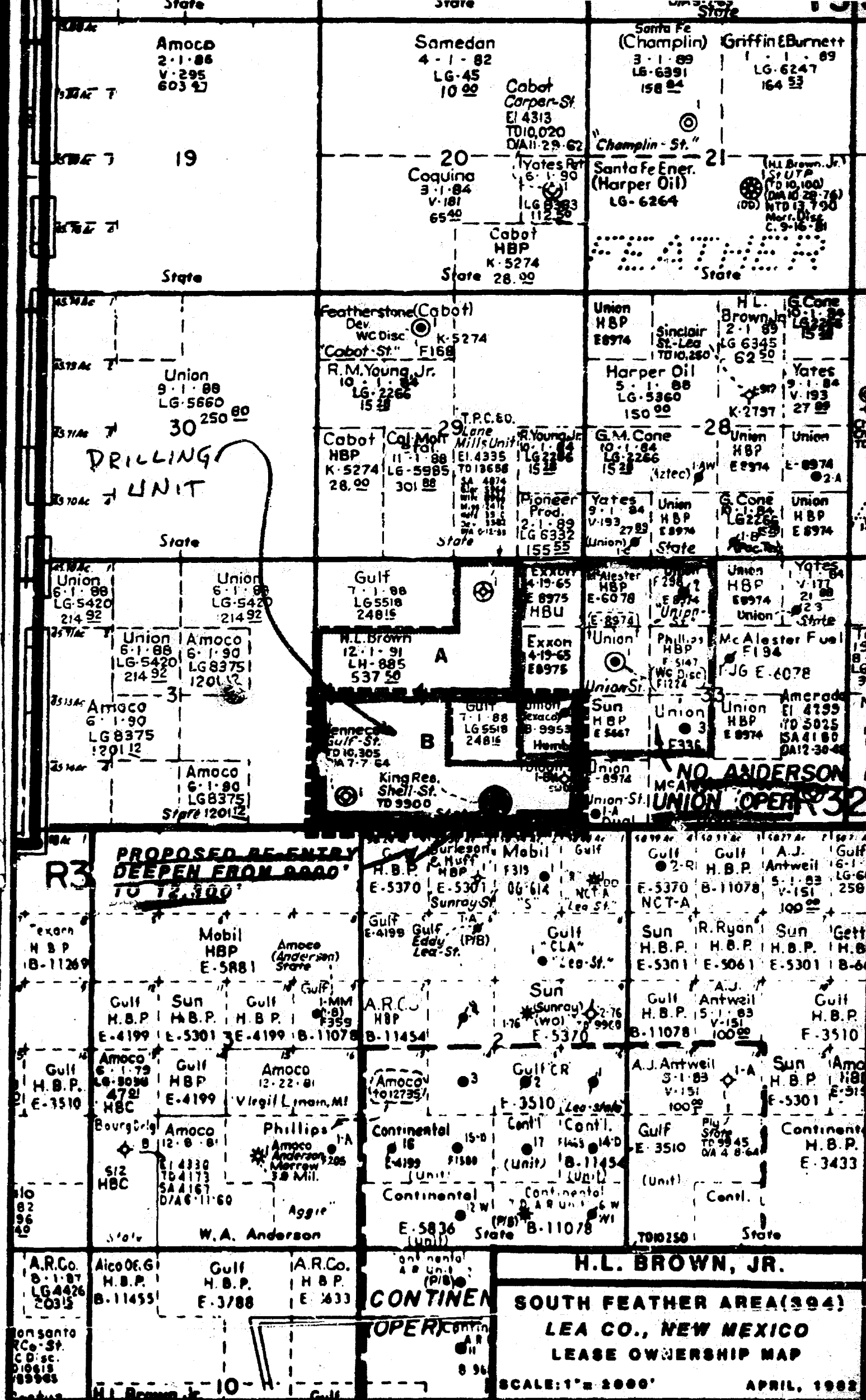
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N.C.F. MICROGRAPHICS



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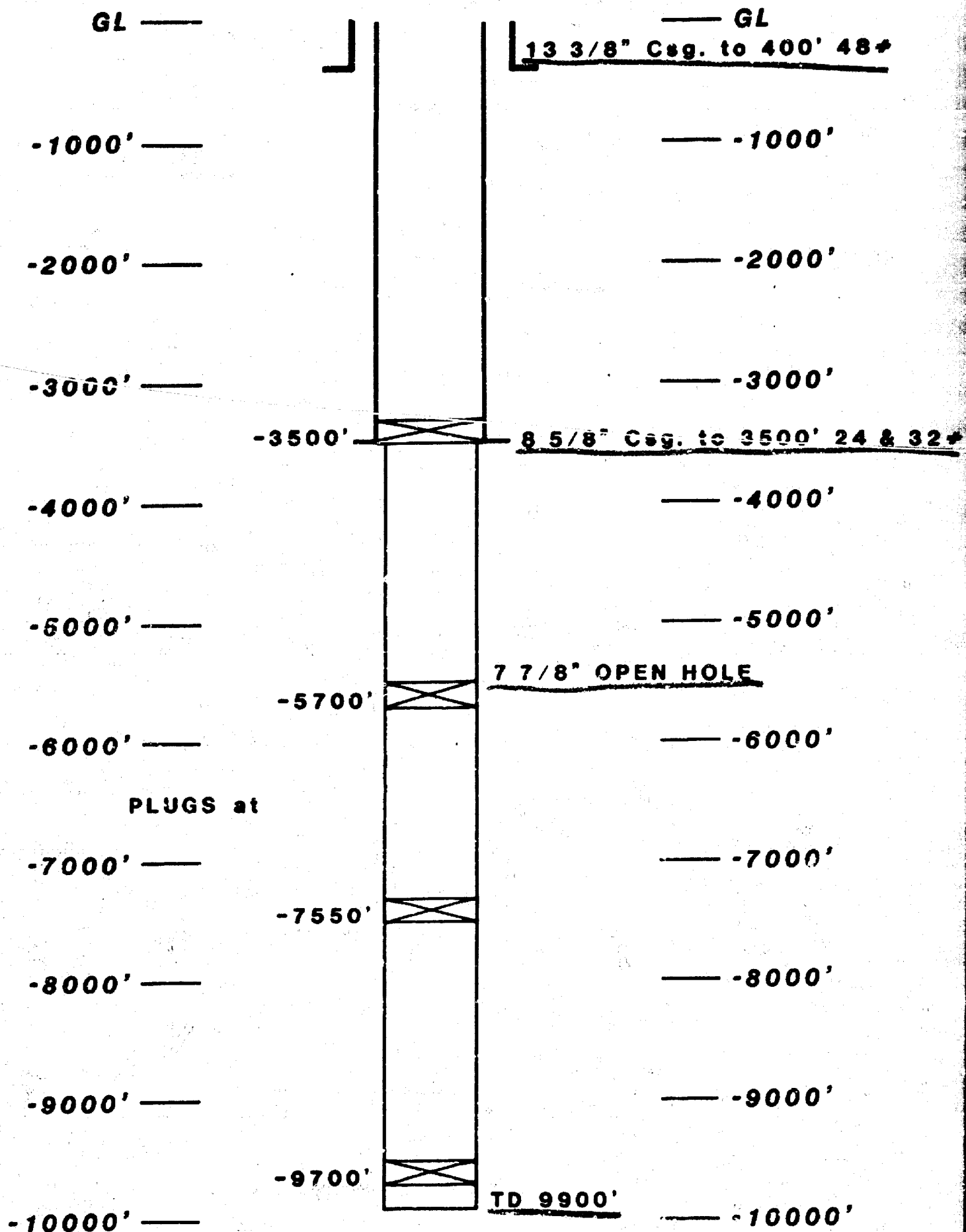
**BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION**

EXHIBIT NO. 4

CASE NO. \_\_\_\_\_

Submitted by \_\_\_\_\_

Hearing Date \_\_\_\_\_



BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION  
EXHIBIT NO. 5  
CASE NO. \_\_\_\_\_  
Submitted by \_\_\_\_\_  
Hearing Date \_\_\_\_\_

S. FEATHER  
LEA CO., NEW MEXICO  
KING RESOURCES  
#1-"SHELL-STATE"  
HORIZ. SCALE: 1" = 10'  
PLUGS: NTS VERT. SCALE: 1" = 1000'

Dockets No. 11-82 and 12-82 are tentatively set for April 28 and May 12, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 14, 1982

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. Stamets, Examiner, or Daniel S. Wutter, Alternate Examiner:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for May, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for May, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7536:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit A. H. Bernstein and all other interested parties to appear and show cause why the Allan Well No. 1 located in Unit F, Section 23, Township 29 North, Range 13 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7537:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit F. K. Umbarger, Trustee and all other interested parties to appear and show cause why the Davis Pooled Unit Well No. 1, located in Unit I, Section 27, Township 29 North, Range 11 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7538:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Francis L. Harvey and all other interested parties to appear and show cause why the Pinkstaff Estate Well No. 1, located in Unit A, Section 29, Township 29 North, Range 10 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7539:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit E.M.N.S. Company, American Employers Insurance and all other interested parties to appear and show cause why the following wells: Waggoner No. 1, Brown No. 2, Wyper No. 2, located in Units K, M, and O, respectively, of Section 29, Township 30 North, Range 12 West, San Juan County, should not be plugged and abandoned in accordance with Division-approved plugging programs.
- CASE 7540:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Pauly-Anderson-Pritchard and all other interested parties to appear and show cause why the Maloy Well No. 1, located in Unit P, Section 16, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7541:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit E. J. Miley and all other interested parties to appear and show cause why the Hare (Ransom) Well No. 1, located in Unit W, Section 14, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7542:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Benson-Montin-Greer Drilling Corporation, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the following wells: Dustin No. 1, located in Unit K, Section 6, and the Gallegos Canyon Unit No. 2, located in Unit K, Section 35, both in Township 29 North, Range 12 West, and the Segal No. 1, located in Unit K, Section 10, and the Price No. 1, located in Unit W, Section 15, both in Township 31 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with Division-approved plugging programs.
- CASE 7543:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Calvin Petroleum Corporation, United States Fidelity and Guar. Co., and all other interested parties to appear and show cause why the Kaempf SMD Well No. 1, located in Unit W, Section 19, Township 30 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

- CASE 7544:** Application of Dinero Operating 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 and East lines of Section 20, Township 22 South, Range 28 East, Morrow formation, the N/2 of said Section 20, to be dedicated to the well.
- CASE 7545:** Application of Baker Engineering for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 258.16-acre non-standard gas proration unit for the Morrow formation comprising all of partial Section 32, Township 26 South, Range 30 East.
- CASE 7546:** Application of Sonny's Oil Field Services, Inc. for an oil treating 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 NW/4 NE/4 of Section 29, Township 18 South, Range 18 East.
- CASE 7547:** Application of Anadarko Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 2550 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, Penrose Skelly Pool, the SE/4 NW/4 of said Section 15 to be dedicated to the well.
- CASE 7517:** (Continued from March 31, 1982, Examiner Hearing)  
Application of Anadarko Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 1450 feet from the South line and 1400 feet from the West line of Section 15, Township 22 South, Range 37 East, Penrose Skelly Pool, the NE/4 SW/4 of said Section 15 to be dedicated to the well.
- CASE 7548:** Application of Tahoe Oil & Cattle Co. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4932 feet to 4992 feet in its Schwalbe Well No. 1, located in Unit F of Section 21, Township 9 South, Range 37 East, West Sawyer-San Andres Pool.
- CASE 7549:** Application of H. L. Brown for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Pennsylvanian gas well location 609 feet from the South line and 1665 feet from the East line of Section 32, Township 15 South, Range 32 East, the S/2 of said Section 32 to be dedicated to the well, an existing well which is to be deepened.
- CASE 7550:** Application of Harvey E. Yates Company for the Rescission of Order No. R-6918, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-6918, which compulsorily pooled the Atoka-Morrow formation underlying the N/2 of Section 19, Township 8 South, Range 30 East, Chaves County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Applicant now seeks the rededication of the E/2 of said Section 19 to the aforesaid well without compulsory pooling.
- CASE 7551:** Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 21, Township 11 South, Range 31 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 7552:** Application of Merrion Oil & Gas Company for compulsory pooling, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Gallup formation underlying the S/2 SE/4 of Section 20, Township 23 North, Range 6 West, 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 7553:** Application of Fred Pool Drilling Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation, underlying the SW/4 of Section 17, Township 6 South, Range 25 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 7520: (Continued and Readvertised)

Application of Lewis B. Burleson, Inc. for compulsory pooling and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Pool underlying a 30-acre non-standard oil proration unit comprising the W/2 of the Easternmost 60 acres of the NW/4 of Section 15, Township 24 South, Range 36 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 7554: 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 from the surface to the top of the Drinkard formation underlying the NW/4 SW/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 7555: 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 from the surface to the top of the Drinkard formation underlying the SW/4 NW/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 7556: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the San Andres formation underlying the NE/4 NW/4 of Section 5, Township 20 South, Range 39 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 7557: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the SW/4 of Section 32, Township 19 South, Range 39 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 7558: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the SE/4 of Section 31, Township 19 South, Range 39 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 7515: (Continued from March 31, 1982 Examiner Hearing)

Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying all or portions of Townships 26 and 27 North, Range 12 and 13 West, Township 28 North, Range 13 West, Township 29 North, Ranges 13 through 15 West, and Township 30 North, Ranges 14 and 15 West, containing 164,120 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.

Page 4 of 5

Examiner Hearing - WEDNESDAY - APRIL 14, 1982

**CASE 7559:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Lea and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the Caudill-Mississippian Gas Pool. The discovery well is the Moran Exploration, Inc. Gann Well No. 1 located in Unit D of Section 9, Township 15 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM  
Section 9: NW/4

(b) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the North Dora-Pennsylvanian Pool. The discovery well is the Ensarch Exploration, Inc. Collier Well No. 1 located in Unit I of Section 29, Township 4 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM  
Section 29: E/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Johnson Ranch-Morrow Gas Pool. The discovery well is the Mesa Petroleum Company Jackson Unit Well No. 1 located in Unit G of Section 22, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM  
Section 22: E/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the East Triste Draw-Delaware Pool. The discovery well is the Getty Oil Company Getty 28 State Well No. 1 located in Unit J of Section 28, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM  
Section 28: SE/4

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Triste Draw-Morrow Gas Pool. The discovery well is the Amoco Production Company State IG Com Well No. 1 located in Unit B of Section 32, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM  
Section 32: W/2

(f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Vaca Draw-Wolfcamp Gas Pool. The discovery well is the HNG Oil Company Bell Lake 11 Federal Well #1 located in Unit B of Section 11, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM  
Section 11: N/2

(g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the West Vacuum-Bone Spring Pool. The discovery well is the Amoco Production Company State HS Com Well No. 1 located in Unit K of Section 9, Township 18 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 9: SW/4

(h) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for Granite Wash production and designated as the South Tanneyhill-Granite Wash Gas Pool. The discovery well is the Threshold Development Company Harris 14 Well No. 1 located in Unit B of Section 14, Township 6 South, Range 33 East, NMPM, currently classified as producing from the Pennsylvanian formation and in the Tanneyhill-Pennsylvanian Gas Pool. The well has been re-evaluated and the producing interval is more correctly defined as Granite Wash. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM  
Section 14: N/2

- (i) ABOLISH the Tannehill-Pennsylvanian Gas Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described as:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM  
Section 14: All

- (j) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM  
Section 7: SE/4

- (k) EXTEND the Bilbrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM  
Section 4: N/2  
Section 5: NE/4

- (l) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 33: NW/4

- (m) EXTEND the Bootleg Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM  
Section 17: W/2

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 9: N/2

- (o) EXTEND the North Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM  
Section 16: SE/4  
Section 20: NE/4

- (p) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM  
Section 14: All

- (q) EXTEND the Sowell-Morrow Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM  
Section 11: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 9: NE/4



KELLAHIN and KELLAHIN

*Attorneys at Law*

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Santa Fe, New Mexico 87501

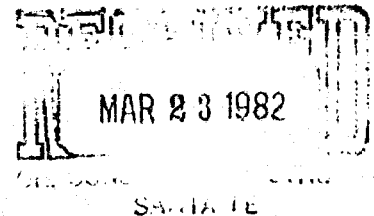
Jason Kellahin  
W. Thomas Kellahin

Karen Aubrey

Telephone 982-4283  
Area Code 505

March 23, 1982

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



Re: H. L. BROWN  
Shell State #1  
Sec. 32, T15S, R37E  
Lea County, New Mexico

*Case 7549*

Dear Mr. Ramey:

Please set the enclosed application for hearing  
at the April 14, 1982, Examiner Docket.

Very truly yours,

KELLAHIN & KELLAHIN

*W. Thomas Kellahin*  
W. Thomas Kellahin

WTK:rb  
Enclosure  
cc: Mr. Bob Frailey,  
H. L. BROWN

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

MAR 23 1922

IN THE MATTER OF THE APPLICATION  
OF H. L. BROWN FOR APPROVAL OF  
AN UNORTHODOX WELL LOCATION,  
LEA COUNTY, NEW MEXICO

Case 7549

APPLICATION

COMES NOW, H. L. BROWN, by and through its attorneys, KELLAHIN & KELLAHIN, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location for his Shell State Well #1 to be located 1665 feet from the East line and 609 feet from the South line of Section 32, T15S, R32E, NMPM, Lea County, New Mexico with a south half dedication of 320 acres and in support thereof would show:

1. Applicant has the right to drill and develop the Pennsylvanian formations underlying the S/2 of Section 32, T15S, R32E, NMPM, Lea County, New Mexico, and will dedicate the S/2 to this well.
2. Applicant desires to recomplete the Shell State #1 well in Unit O at an unorthodox location 1665 feet from the East line and 609 feet from the South line of Section 32.
3. The recompletion and deepening of the existing well will result in a substantial economic savings to the operator.
4. The approval of the application will prevent waste, protect correlative rights and promote conservation.

WHEREFORE, Applicant requests that this application be set for hearing before the Division's examiner and that after notice and hearing the application be granted as requested.

Respectfully submitted,

H. L. BROWN

By

  
KELLAHIN & KELLAHIN  
P. O. Box 1769  
Santa Fe, New Mexico 87501  
(505) 982-4285

ATTORNEYS FOR APPLICANT

*Verdict  
Orders*

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*

*[Signature]*

*Don*  
*ms*

CASE NO. 7549

Order No. *A-6960*  
*[Signature]*

APPLICATION OF H. L. BROWN FOR AN  
UNORTHODOX GAS WELL LOCATION, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 14, 1982,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of April, 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, H. L. Brown, seeks approval of an ~~existing~~ unorthodox gas well, <sup>location resulting from an existing well</sup> ~~which is to be deepened~~ located 609 feet from the South line and 1665 feet from the East line of Section 32, Township 15 South, Range 32 East, NMPM, <sup>which is to be deepened</sup> to test the Pennsylvanian formation, \_\_\_\_\_ <sup>Edge</sup>, Lea County, New Mexico.

(3) That the S/2 of said Section 32 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 deepening of the above-described well at this unorthodox location.

(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 application of H. L. Brown for the deepening of an existing well at an unorthodox <sup>gas well</sup> location for the Pennsylvanian formation is hereby approved, said well being located at a point 609 feet from the South line and 1665 feet from the East line of Section 32, Township 15 South, Range 32 East, NMPM, Lea County, New Mexico.

(2) That the S/2 of said Section 32 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.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

JOE D. KAMEY,

Director

S E A L

