

CASE 5656: DAVID FASKEN FOR AN
UNORTHODOX LOCATION AND SIMULTAN-
EOUS DEDICATION, EDDY COUNTY, NM

CASE NO.

5656

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 31, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of David Fasken for an un-) CASE
orthodox location and simultaneous) 5656
dedication, Eddy County, New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Fred C. Hannahs, Esq.
MONTGOMERY, FEDERICI, ANDREWS
HANNAHS & BUELL
Attorneys at Law
350 East Palace Avenue
Santa Fe, New Mexico

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I N D E X

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JAMES B. HENRY

Direct Examination by Mr. Hannahs

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EXHIBIT INDEX

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Applicant's Exhibit No. One, Tabulation

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Applicant's Exhibit No. Two, Structure Map

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Applicant's Exhibit No. Three, Electric Log

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Applicant's Exhibit No. Four, Isopach & Structure Map

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1 MR. STAMETS: We will call the next Case 5656.

2 MR. CARR: Case 5656, application of David Fasken
3 for an unorthodox location and simultaneous dedication, Eddy
4 County, New Mexico.

5 MR. HANNAHS: Mr. Examiner, my name is Fred Hannahs
6 of the law firm of Montgomery, Federici, Andrews, Hannahs and
7 Buell of Santa Fe appearing here on behalf of the applicant,
8 David Fasken. We have one witness whom we would like to have
9 sworn.

10 (THEREUPON, the witness was duly sworn.)

11
12 JAMES B. HENRY

13 called as a witness, having been first duly sworn, was
14 examined and testified as follows:

15
16 DIRECT EXAMINATION

17 BY MR. HANNAHS:

18 Q Would you please state your name, occupation and
19 your employer?

20 A I'm James B. Henry, Petroleum Engineer, Midland,
21 Texas, Henry Engineering, we represent David Fasken in his
22 drilling, producing and operating endeavors.

23 Q You are appearing here on behalf of Fasken, is that
24 correct?

25 A Yes, that is true.

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1 Q Have you previously testified before the Commission
2 or the Hearing Officer?

3 A Yes, I have.

4 Q And have your qualifications as an expert witness
5 been previously accepted?

6 A Yes, they have.

7 Q Are you familiar with the application filed in this
8 action?

9 A Yes, I am.

10 Q And are you familiar with the action sought by the
11 application?

12 A Yes.

13 MR. HANNAHS: Are the witness's qualifications
14 acceptable?

15 MR. STAMETS: They are.

16 Q (Mr. Hannahs continuing.) Do you have any exhibits
17 to submit in connection with your application?

18 A Yes, I have four exhibits.

19 Q Would you refer to your application and explain
20 the specific relief sought and the necessity therefor.

21 Q Referring to a drilling and spacing unit in the
22 Catclaw Draw Field, being Section 1 of Township --

23 MR. STAMETS: Excuse me, since these exhibits were
24 not marked, perhaps we should run through them at this time
25 and determine which is which.

1 A. All right, the tabulation is Exhibit One.

2 MR. STAMETS: That's this one?

3 A. Yes. The structure map of isopach superimposed
4 with the yellow coloring on it is Exhibit Two.

5 The electric log of Continental Levers Federal No. 2
6 is Exhibit Three and the net gas isopach and structure map
7 is Exhibit Four.

8 MR. STAMETS: Okay.

9 Q (Mr. Hannahs continuing.) Okay, would you go ahead
10 and proceed with your explanation of your application?

11 A. David Fasken is the operator of a drilling and
12 spacing unit in Section 1 of Township 21 South, Range 25 East
13 in the Catclaw Draw-Morrow Gas Pool designated at the Avalon
14 Federal Com No. 1. This is a non-standard gas unit, being an
15 entire governmental quarter section comprising eight hundred
16 and fifty-three point sixty-two acres. In this drilling and
17 spacing unit, Mr. Fasken has completed the No. 1 Avalon
18 Federal. It has been a very marginal well as the production
19 history of Exhibit Number One will show. At the top of the
20 sheet we show the cumulative condensate and gas production to
21 January 1, 1975, the hundred and thirty-eight barrels of
22 condensate, one hundred and twenty thousand, eight hundred and
23 twelve MCF of gas. The 1975 monthly production figures are
24 listed, the highest one being thirty-five hundred and five
25 MCF per day in November with five barrels of condensate for the

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1 month. The cumulative gas through February of 1976 has only
2 been a hundred and forty thousand and sixteen MCF. This is a
3 well that will never return its drilling and completion costs,
4 nor its completion cost but it is paying the operating
5 expenses on a day-to-day basis and is showing a very small
6 profit. The well is offset in all directions now by commercial
7 gas wells of substantial producing capability of over two point
8 nine million cubic feet per day in the Catclaw Draw Field.

9 The purpose of this application is to allow the
10 drilling of a well in the southwest corner of Section 1. That
11 will be an unorthodox location six hundred and sixty feet from
12 the south line and six hundred and sixty feet from the east
13 line with a primary target being the Upper A or Indian Hills
14 sand zone immediately below the top of the Morrow clastics.
15 The presently producing well is completed in the B zone or
16 middle Morrow sand.

17 Q Excuse me, you said six hundred and sixty feet from
18 the east line?

19 A Six hundred and sixty feet from the south line and
20 six hundred and sixty feet from the west line of Section 1.

21 Q Okay, would you proceed then and explain to us the
22 contents of Exhibit Two and what it purports to show?

23 A Exhibit Two is in the lightly printed dark lines, is
24 a structure map on the top of the Morrow Clastic zone in the
25 north end of the Catclaw Draw-Morrow Pool and a part of the

1 Avalon-Morrow Gas Pool.

2 The blue lines depict the net sand isopach of the
3 A zone of the field and that occurs immediately below the top
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6 on this map. It has been shaded in yellow, the area of sand
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8 The prospect was recently set out by the completion
9 of the Continental Levers Federal No. 2 immediately to the
10 west in Section 2, the location being sixteen hundred and
11 fifty feet from the south line and sixteen hundred and fifty
12 feet from the east line of Section 2 and Exhibit Three is a log
13 of that well that shows the pay sand that is isopached in
14 Exhibit Two, shaded in yellow on the gamma ray side of that
15 log. That is the interval that is being considered.

16 Also notice on Exhibit Three that Continental has
17 perforated this well in the interval from ten thousand, one
18 hundred and thirty-four feet to ten thousand, one hundred and
19 forty-two feet. They submitted a test to the Commission office
20 in Artesia showing that that well was tested for two point
21 nine million cubic feet per day on the twenty-two, sixty-fourth
22 choke, seven hundred and eighty-nine psig flowing tubing
23 pressure and no water.

24 This field is limited on the east by an area that is
25 underlain by, where this sand is completely saturated with water.

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1 In Section 7 on Exhibit Two, you will notice that
2 the David Fasken Avalon State No. 1 had nineteen feet of
3 porous water sand, the well recovered seven thousand, five
4 hundred feet of water on a drill stem test with no show of
5 oil or gas.

6 Now, the Continental well referred to and depicted
7 in Exhibit Number Three has a gas-water contact at a logged
8 depth of ten thousand, one hundred and fifty-four feet by log
9 analysis and in places it is at a subsea elevation of minus
10 sixty-eight, eighty-five feet.

11 Now, on Exhibit Number Four, the structure map again
12 on the top of the Morrow clastic and coincidentally the top
13 of the A sand, has been overlain with a net gas isopach map
14 honoring the gas-water contact in this sand, giving a net gas
15 isopachous map of the A sand which is the primary target for
16 the well Mr. Fasken seeks to drill. You will note that the
17 location six hundred and sixty feet from the west line of
18 Section 1 and six hundred and sixty feet from the south line
19 of section 1 gives an optimum location for completing a
20 water-free gas well in this section. The structural nosing
21 plunging to the north and east across Section 1 is an interpre-
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25 stantially altered that it would be to contract that nose to

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1 the south and west and we believe that the six hundred and
2 sixty foot location is the optimum location for that well to
3 assure production and the recovery of the gas underlying the
4 drilling and spacing unit in Section 1.

5 Q In your opinion do you believe that the granting
6 of this application will prevent waste and protect the correla-
7 tive rights?

8 A Yes, I believe that it will. The Fasken acreage is
9 not participating in the gas with the standard location that
10 is approved and producing on the lease because the sand is
11 simply not productive. There is no way to recover the reserves
12 from the present wellbore.

13 The Continental well has set up the productivity of
14 this sand, I might add, to the west and certainly draining
15 will be occurring. As of about two weeks ago there was a
16 pipeline being ditched and strung for connection to that well
17 and we believe it is expedient that this well be drilled at
18 the earliest possible date to minimize the drainage to
19 Continental.

20 To the south the Texaco Levers Federal Well in
21 Section 12 of Township 21 South, Range 25 East is producing
22 from a deeper interval than the Morrow and is not perforated
23 in the A sand, although by log analysis it would appear that
24 the well is productive in the A sand and that well has a
25 capability of being perforated and protecting the correlative

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1 rights of people in that section.

2 The section to the southwest, that would be Section
3 11, has a well completed in it, operated by Atlantic Richfield
4 and the well does not have the A sand development. It would
5 appear from the isopachous mapping of the the thing that a
6 commercial well in that section would be highly doubtful.

7 Q Were the Exhibits One through Four prepared by you
8 or under your supervision?

9 A Yes, they were.

10 MR. HANNAHS: We move the introduction of Exhibits
11 One through Four.

12 MR. STAMETS: Without objection these exhibits will
13 be admitted.

14 (THEREUPON, Applicant's Exhibits One through
15 Four were admitted into evidence.)

16 MR. HANNAHS: That completes our presentation.

17 MR. STAMETS: Are there any questions of this
18 witness. Mr. Hanagan?

19 MR. HANAGAN: Well, it may be more of a statement.
20 Would it be appropriate now or later?

21 MR. STAMETS: Well, let's see if there are any
22 questions first.

23 THE WITNESS; I might add, Mr. Examiner, that we
24 do propose to test the other Morrow sand zone in this well.
25 There is a gross interval in this area of approximately three

1 hundred and forty feet and we would also propose to test and
2 complete any sands that are found productive in the well.

3 MR. STAMETS: Originally, Mr. Henry, this was the
4 Avalon middle Morrow Pool and it was consolidated in the
5 Catclaw, is that correct?

6 THE WITNESS: That's right.

7 MR. STAMETS: Any other questions of the witness?

8 THE WITNESS: We would propose that the allowable
9 be simultaneously dedicated to the two wells.

10 MR. STAMETS: All right, the witness may be excused.

11 (THEREUPON, the witness was excused.)

12 MR. STAMETS: Mr. Hanagan, I believe you indicated
13 you had a statement?

14 MR. HANAGAN: Yes. My name is Hugh Hanagan from the
15 Hanagan Petroleum Corporation and we are an operator in the
16 Catclaw Draw Field. I just want to point out to the Commission
17 that the Catclaw Draw Field is under special field rules, six
18 hundred and forty acre spacing and a sixteen, fifty minimum
19 footage from the lease lines and I would like the Commission
20 to consider at least, based on Mr. Henry's geology, which I
21 haven't seen, if the location is possible to be drilled sixteen
22 fifty from the south and west line, which would make it an
23 orthodox instead of an unorthodox location, if that's possible
24 according to his geology then we would like to see it drilled
25 as a regular location.

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1 I also wish to point out that and I understand this
2 application to mean that if this well is drilled and completed
3 that the total section, in other words they are going to end
4 up with two wells in that section, I understand this applica-
5 tion to mean that they are only going to be assigned one
6 allowable, is that correct?

7 MR. STAMETS: That is correct.

8 MR. HANAGAN: That's all I have.

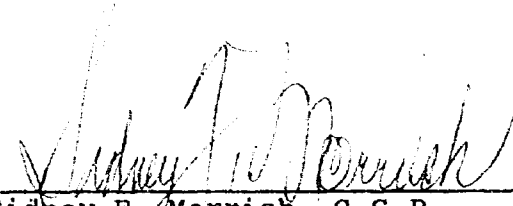
9 MR. STAMETS: Anything further in this case? We
10 will take the case under advisement.

11 At this time we will take a short recess.
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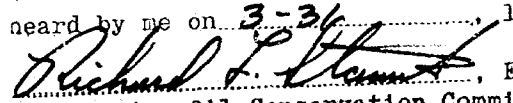
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5656
heard by me on 3-31, 1976
, Examiner
New Mexico Oil Conservation Commission

BEFORE THE
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I N D E X

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Direct Examination by Mr. Hannahs

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Applicant's Exhibit No. Four, Isopach & Structure Map

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7 tive rights?

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22 questions first.

23 THE WITNESS; I might add, Mr. Examiner, that we
24 do propose to test the other Morrow sand zone in this well.
25 There is a gross interval in this area of approximately three

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 Phone (505) 982-9212

1 hundred and forty feet and we would also propose to test and
 2 complete any sands that are found productive in the well.

3 MR. STAMETS: Originally, Mr. Henry, this was the
 4 Avalon middle Morrow Pool and it was consolidated in the
 5 Catclaw, is that correct?

6 THE WITNESS: That's right.

7 MR. STAMETS: Any other questions of the witness?

8 THE WITNESS: We would propose that the allowable
 9 be simultaneously dedicated to the two wells.

10 MR. STAMETS: All right, the witness may be excused.

11 (THEREUPON, the witness was excused.)

12 MR. STAMETS: Mr. Hanagan, I believe you indicated
 13 you had a statement?

14 MR. HANAGAN: Yes. My name is Hugh Hanagan from the
 15 Hanagan Petroleum Corporation and we are an operator in the
 16 Catclaw Draw Field. I just want to point out to the Commission
 17 that the Catclaw Draw Field is under special field rules, six
 18 hundred and forty acre spacing and a sixteen, fifty minimum
 19 footage from the lease lines and I would like the Commission
 20 to consider at least, based on Mr. Henry's geology, which I
 21 haven't seen, if the location is possible to be drilled sixteen
 22 fifty from the south and west line, which would make it an
 23 orthodox instead of an unorthodox location, if that's possible,
 24 according to his geology then we would like to see it drilled
 25 as a regular location.

1 I also wish to point out that and I understand this
2 application to mean that if this well is drilled and completed
3 that the total section, in other words they are going to end
4 up with two wells in that section, I understand this applica-
5 tion to mean that they are only going to be assigned one
6 allowable, is that correct?

7 MR. STAMETS: That is correct.

8 MR. HANAGAN: That's all I have.

9 MR. STAMETS: Anything further in this case? We
10 will take the case under advisement.

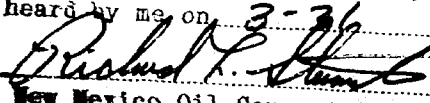
11 At this time we will take a short recess.
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sid morrish reporting service
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5656
heard by me on 3-31, 1976
, Examiner
New Mexico Oil Conservation Commission

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5656
Order No. R-5197

APPLICATION OF DAVID FASKEN FOR AN
UNORTHODOX GAS WELL LOCATION AND
SIMULTANEOUS DEDICATION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 31, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 20th day of April, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, David Fasken, seeks approval of an unorthodox gas well location of his Avalon Federal Com Well No. 2, 660 feet from the South line and 660 feet from the West line of Section 1, Township 21 South, Range 25 East, NMPM, to test the Morrow formation, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico.

(3) That applicant further seeks to simultaneously dedicate a previously approved 854-acre non-standard gas proration unit to said well and to applicant's Avalon Federal Com Well No. 1 located in Unit P of said Section 1.

(4) That all of said Section 1 is to be dedicated to the well.

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

(6) That no offset operator appeared and presented testimony against the proposed unorthodox location.

-2-

Case No. 5656
Order No. R-5197

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

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 660 feet from the South line and 660 feet from the West line of Section 1, Township 21 South, Range 25 East, NMPM, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to be simultaneously dedicated with applicant's Avalon Federal Com Well No. 1 located in Unit P of said Section 1 to a previously approved 854-acre non-standard gas proration unit consisting of all of said Section 1.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

jr/

Avalon Federal Comm. No. 1

Cumulative Production

Cumulative to January 1, 1975

<u>Condensate</u>	<u>Gas</u>
138 Bbls.	120,812 MCF

1975 Monthly Production

	<u>Condensate</u>	<u>Gas</u>
January	-0-	1193
February	-0-	568
March	-0-	519
April	-0-	810
May	-0-	333
June	-0-	606
July	-0-	542
August	7	808
September	-0-	1525
October	-0-	1166
November	5	3505
December	-0-	2890

Cumulative through 1975

<u>Condensate</u>	<u>Gas</u>
150 Bbls.	135,277 MCF

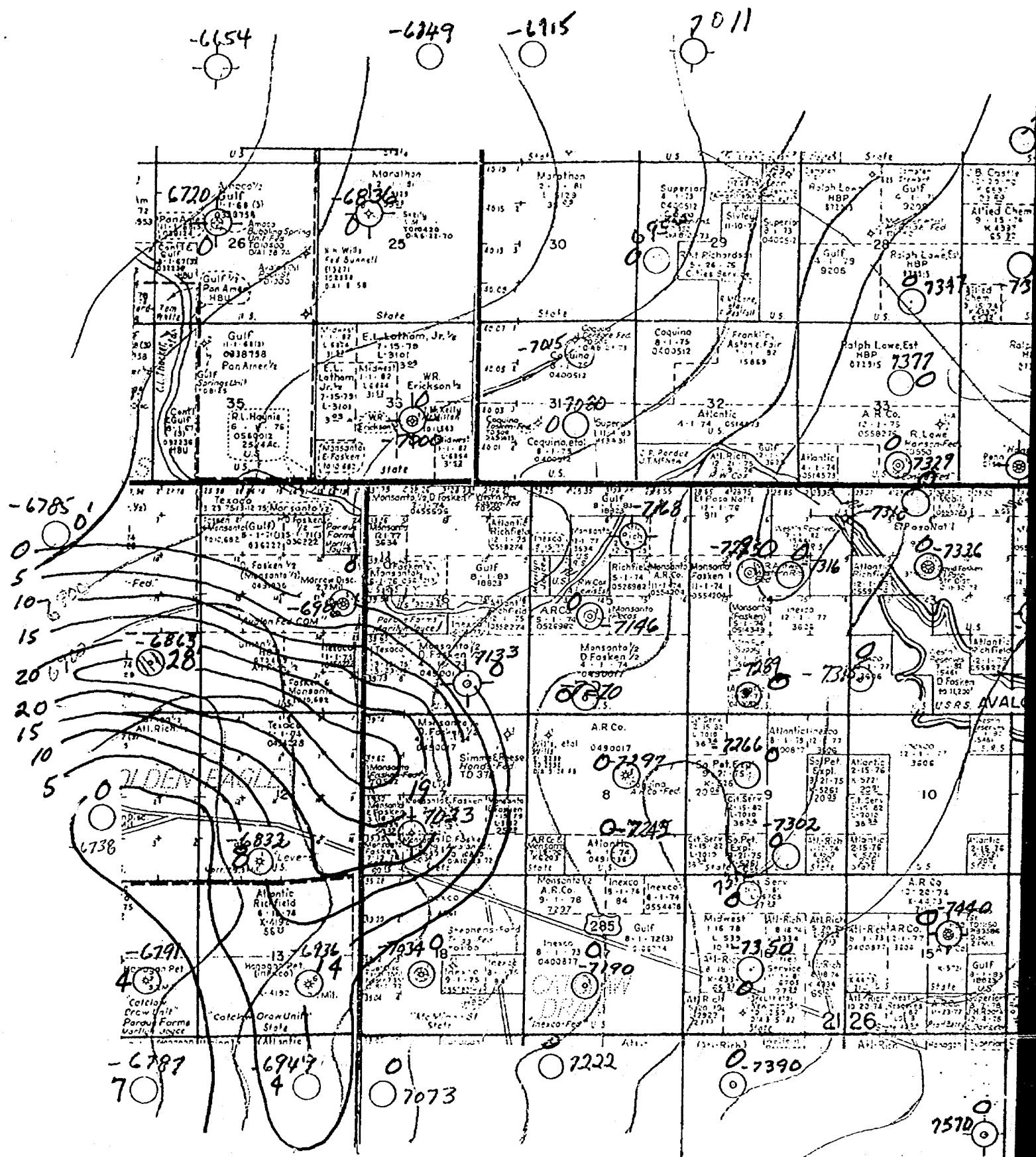
1976 Monthly Production

	<u>Condensate</u>	<u>Gas</u>
January	-0-	2430
February	-0-	2309

Cumulative Production through February, 1976

<u>Condensate</u>	<u>Gas</u>
150 Bbls.	140,016 MCF

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	1
CASE NO.	5656
Submitted by	
Hearing Date	



STUMBERGER

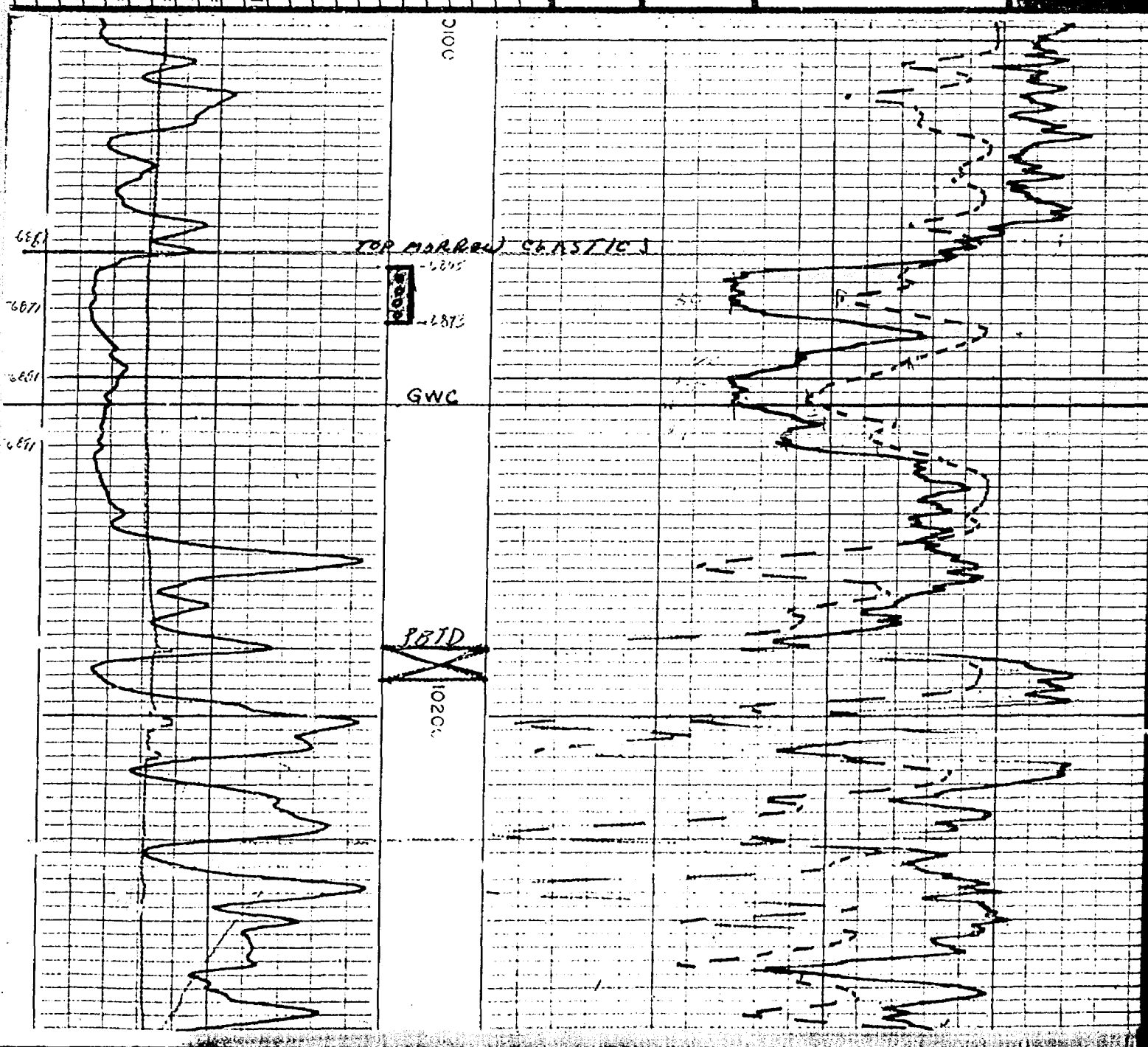
COMPENSATED NEUTRON-
FORMATION DENSITY

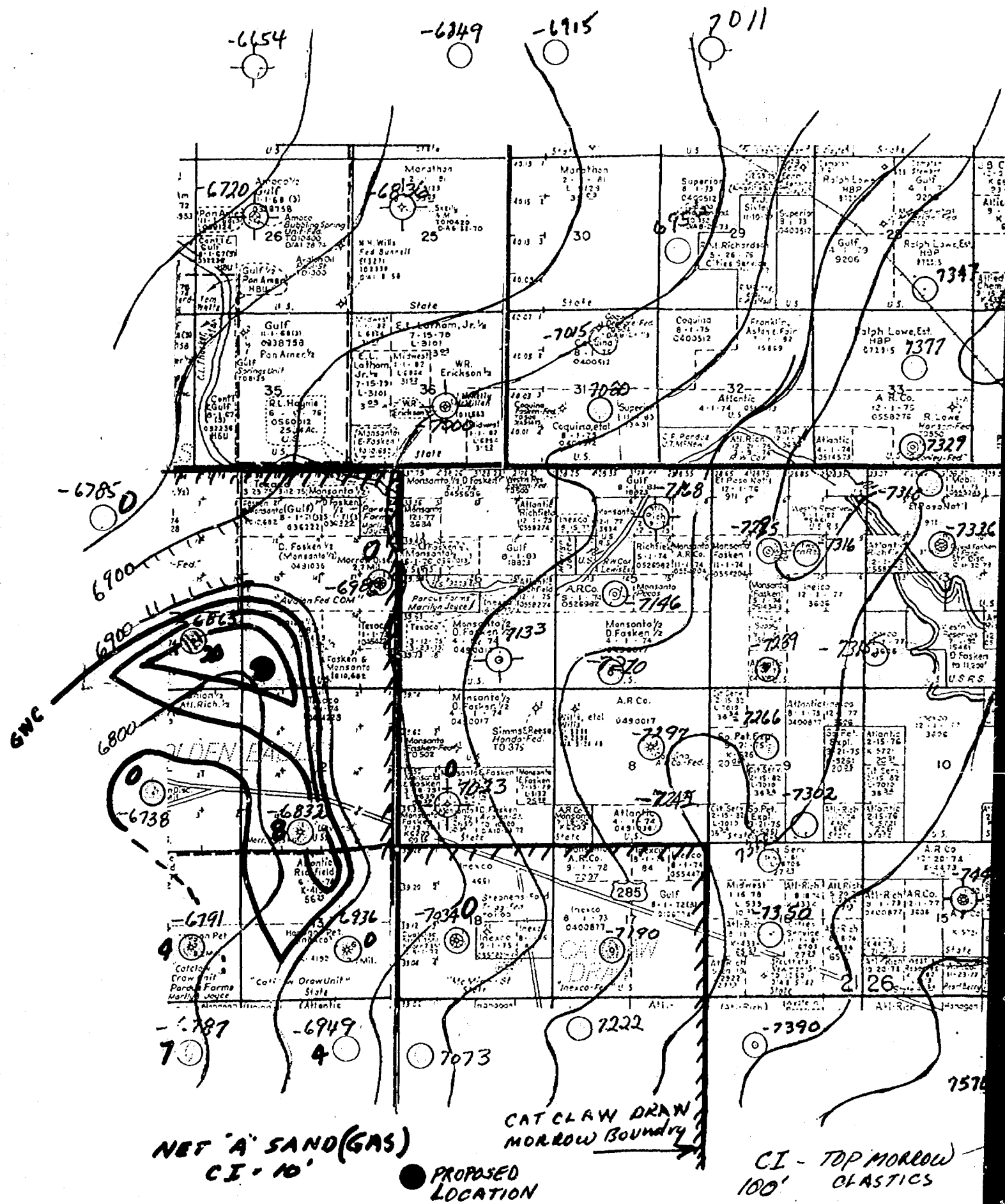
COUNTY 0007
FIELD or LOCATION CATCLAW DRAW
WELL LEVERS FEDERAL #2
COMPANY CONTINENTAL OIL

COMPANY CONTINENTAL OIL COMPANY
WELL LEVERS FEDERAL #2
FIELD CATCLAW DRAW
COUNTY EDDY STATE NEW MEXICO
Location: 1650' FSL & 1650' FEL,
Other Services: DLL
Sec. 2 Twp. 21-S Rge. 25-E

Measurement Datum: G.L. Elev.: 3257.5
Log Measured From K.B. 11.5ft. Above Perm. Datum Elev.: K.B. 3269
Log Measured From K.B. D.F. 3268
G.L. 3257.5

No.	1-7-74		
Driller	ONE		
Log-Logger	10512		
Log Interval	10516		
Log Interval	10515		
Log Interval	7000		
Log-Driller	9 5/8@ 2819	@	@
Log-Logger			
Size	8 3/4		
Log Fluid in Hole	SALT MUD		
Fluid Level	FULL		
Visc.	9.4	34	
Fluid Los	9.5	5	ml
Source of Sample	PIT		
Run @ Meas. Temp.	.085 @ 65 °F	@	@
Run @ Meas. Temp.	.07 @ 65 °F	@	@
Run @ Meas. Temp.	@ °F	@	@
Source: Rmf Rmc	M		
Run @ BHT	.04 @ 148 °F	@	@
Time Since Circ.	4 HOURS		
Max. Rec. Temp.	148 °F		
Equip. Location	3721 HOBS		
Recorded By	FREEMAN		





Dockets Nos. 12-76 and 13-76 are tentatively set for hearing on April 14 and 28, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 31, 1976

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

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

CASE 5641: (Continued from March 17, 1976 Examiner Hearing)

Application of John Yuronka for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection to the Queen formation through the open-hole interval from approximately 3800 to 3875 feet in his State JC "T" Well No. 1 located in Unit B of Section 16, Township 23 South, Range 36 East, Lanellie-Mattix Pool, Lea County, New Mexico.

CASE 5651: (Continued & Readvertised)

Application of Burmah Oil & Gas Co. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1780 feet from the South line and 660 feet from the West line of Section 11, Township 24 South, Range 28 East, Eddy County, New Mexico, the W/2 of said Section 11 to be dedicated to the well.

CASE 5655: Application of Apollo Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the lower Yates-Seven Rivers formation through the open-hole interval from 3289 to 3363 feet in its Brown Well No. 5, located in Unit F of Section 25, Township 25 South, Range 36 East, Jalnat Pool, Lea County, New Mexico.

CASE 5656: Application of David Fasken for an unorthodox location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Avalon Federal Com Well No. 2, to be drilled 660 feet from the South and West lines of Section 1, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, with all of said Section 1, a previously approved 854-acre non-standard gas proration unit, to be simultaneously dedicated to said well and to applicant's Avalon Federal Com Well No. 1, located in Unit P of said Section 1.

CASE 5657: Application of Inexco Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled 350 feet from the East line and 803 feet from the South line of Section 1, Township 21 South, Range 26 East, Burton Flat Field, Eddy County, New Mexico, the S/2 of said Section 1 to be dedicated to the well.

CASE 5658: Application of Inexco Oil 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 W/2 of Section 10, Township 21 South, Range 26 East, Avalon Field, Eddy County, New Mexico, to be dedicated to applicant's Inexco Federal-State Com Well No. 1-10, to be drilled at an orthodox location. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5659: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Penrose Skelly Grayburg and Drinkard production in the wellbore of its Mittie Weatherly Well No. 1, located in Unit F of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 5660: Application of Exxon Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Fairview Mills Unit Area comprising 3840 acres, more or less, of Federal and Fee lands in Township 25 South, Range 34 East, Lea County, New Mexico.

CASE 5661: Application of Randolph M. Richardson for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the CC Tank Unit Area comprising 10,550 acres, more or less, of Federal, State, and fee lands in Townships 19 and 20 South, Ranges 23 and 24 East, Eddy County, New Mexico.

Case 5656

J. O. SETH (1883-1963)

A. K. MONTGOMERY
WM. R. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS
SUMNER G. BUELL
SETH D. MONTGOMERY
FRANK ANDREWS III
OWEN M. LOPEZ
JEFFREY R. BRANNEN
JOHN BENNETT POUND
GARY R. KILPATRIC
THOMAS W. OLSON

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS & BUELL
ATTORNEYS AND COUNSELORS AT LAW
350 EAST PALACE AVENUE
SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 2307
AREA CODE 505
TELEPHONE 982-3875

February 27, 1976

William F. Carr, Esq.
Counsel
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application of David Fasken for an Unorthodox
Location - Avalon Federal Comm. No. 2
Eddy County, New Mexico; No. _____

Dear Bill:

I am enclosing for processing an Application for an unorthodox gas well location on behalf of David Fasken.

Best regards.

Sincerely,

SGB/vt
Enclosures
(original + 3 copies)

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APR 1 - 1976
CONSERVATION COMM.
Santa Fe

APPLICATION OF DAVID FASKEN
FOR AN UNORTHODOX LOCATION
IN SECTION 1, TOWNSHIP 21
SOUTH, RANGE 25 EAST, CATCLAW-
DRAW MORROW GAS POOL, EDDY
COUNTY, NEW MEXICO.

Case No. 5656

APPLICATION

COMES NOW DAVID FASKEN, by and through his attorneys, MONTGOMERY, FEDERICI, ANDREWS, HANNAHS & BUELL, asks the Commission to grant him an unorthodox location for a Catclaw-Draw Morrow Gas Well, and in support thereof, states:

1. Applicant is the designated operator for Section 1, Township 21 South, Range 25 East, Eddy County, New Mexico.
2. Applicant proposes to place his Avalon Federal Comm. No. 2 Well as a Morrow Gas Well 660 feet from the South line and 660 feet from the West line in Section 1, Township 21 South, Range 25 East, Eddy County, New Mexico.
3. Applicant also asks that a simultaneous dedication of Section 1, Township 21 South, Range 25 East, being 853.62 acres to the Avalon Federal No. 1 and the proposed Avalon Federal Comm. No. 2.
4. The granting of this Application will prevent waste and protect correlative rights.

WHEREFORE, Applicant asks that this matter be set before the Commission or one of its examiners as may be convenient for the hearing, and the granting of whatever relief may be proper in the premises.

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS
& BUELL

By *Sumner Buell*
Attorneys for Applicant
Post Office Box 2307
Santa Fe, New Mexico 87501
Telephone (505) 982-3873

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF DAVID FASKEN
FOR AN UNORTHODOX LOCATION
IN SECTION 1, TOWNSHIP 21
SOUTH, RANGE 25 EAST, CATCLAW-
DRAW MORROW GAS POOL, EDDY
COUNTY, NEW MEXICO.

Case No. 5656

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MONTGOMERY, FEDERICI, ANDREWS, HANNAHS
& BUELL

By *Samuel J. Buell*
Attorneys for Applicant
Post Office Box 2307
Santa Fe, New Mexico 87501
Telephone (505) 982-3873

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF DAVID FASKEN
FOR AN UNORTHODOX LOCATION
IN SECTION 1, TOWNSHIP 21
SOUTH, RANGE 25 EAST, CATCLAW-
DRAW MORROW GAS POOL, EDDY
COUNTY, NEW MEXICO.

Case No. 5656

APPLICATION

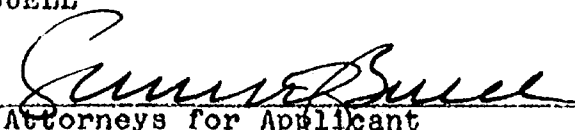
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MONTGOMERY, FEDERICI, ANDREWS, HANNAHS
& BUELL

By


Attorneys for Applicant
Post Office Box 2307
Santa Fe, New Mexico 87501
Telephone (505) 982-3873

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF DAVID FASKEN
FOR AN UNORTHODOX LOCATION
IN SECTION 1, TOWNSHIP 21
SOUTH, RANGE 25 EAST, CATCLAW-
DRAW MORROW GAS POOL, EDDY
COUNTY, NEW MEXICO.

Case No. 5656

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4. The granting of this Application will prevent waste and protect correlative rights.

WHEREFORE, Applicant asks that this matter be set before the Commission or one of its examiners as may be convenient for the hearing, and the granting of whatever relief may be proper in the premises.

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS
& BUELL

By _____
Attorneys for Applicant
Post Office Box 2307
Santa Fe, New Mexico 87501
Telephone (505) 982-3873

DRAFT

dr/

W

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

John CASE NO. 5656

Order No. R- 5197

APPLICATION OF DAVID FASKEN FOR
AN UNORTHODOX GAS WELL LOCATION AND
SIMULTANEOUS DEDICATION, EDDY COUNTY,
NEW MEXICO.

WFC *JLR*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 31,
19 76, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of April, 1976, the Commission,
a quorum being present, having considered the testimony, the record
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, David Fasken, seeks approval of an
unorthodox gas well location of his Avalon Federal Com Well No. 2,
660 feet from the South line and 660 feet from the West line of
Section 1, Township 21 South, Range 25 East, NMPM, to test the
Morrow formation, Catclaw Draw-Morrow Gas Pool, Eddy County, New
Mexico.

(3) That applicant further seeks to simultaneously dedicate a previously approved 854-acre non-standard gas proration unit to said well and to applicant's Avalon Federal Com Well No. 1 located in Unit P of said Section 1.

(4) That all of said Section 1 is to be dedicated to the well.

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

(6) That no offset operator ^{appeared and presented testimony against} ~~objected to~~ the proposed unorthodox location.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, ~~and~~ 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 South line and 660 feet from the West line of Section 1, Township 21 South, Range 25 East, NMPM, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to be simultaneously ^{with} dedicated ~~to~~ applicant's Avalon Federal Com Well No. 1 located in Unit P of said Section 1 ~~to~~ a previously approved 854-acre non-standard gas proration unit ^{consisting of all of said Section 1.}

~~(2) That all of said Section 1 shall be dedicated to the above-described well.~~

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

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