

CASE 5670: READ & STEVENS, INC.  
FOR AN UNORTHODOX LOCATION AND  
DIRECTIONAL DRILLING, CHAVES  
COUNTY, NEW MEXICO

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CASE NO.

5670

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.



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. 5670  
Order No. R-5230

APPLICATION OF READ & STEVENS, INC.  
FOR AN UNORTHODOX LOCATION AND DIRECTIONAL  
DRILLING, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 23, 1976,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 6th day of July, 1976, the Commission, a  
quorum being present, having considered the record and the  
recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 5670 is hereby dismissed.

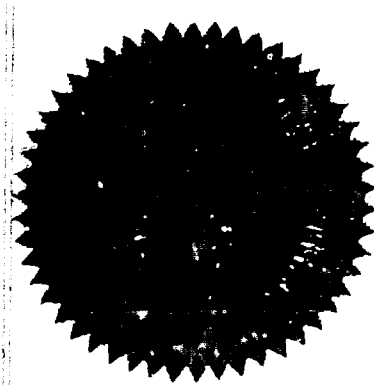
DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

  
S E A L

dr/

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 9, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens, Inc. for ) CASE  
an unorthodox location and directional ) 5670  
drilling, Chaves County, New Mexico. ) (Cont'd.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

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

1 MR. NUTTER: We will call Case Number 5670.

2 MR. CARR: Case 5670, application of Read & Stevens,  
3 Inc. for an unorthodox location and directional drilling,  
4 Chaves County, New Mexico.

5 MR. NUTTER: Are there any appearances in Case 5670?

6 We will call a fifteen minute recess.

7 (THEREUPON, the hearing was in recess.)

8

9 MR. NUTTER: The hearing will come to order, please.

10 At the request of the applicant in Case Number 5670

11 this case will be continued to the Examiner Hearing set to be

12 held at this same place at nine o'clock A.M., June 23rd, 1976.

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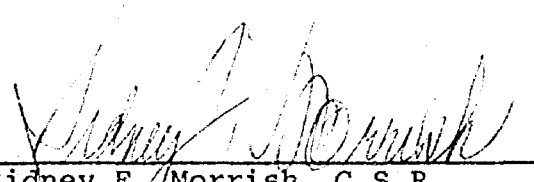
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**sid morrish reporting service**

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

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.

**sid morrish reporting service**

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

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5670  
heard by me on 4/9, 1976.

  
Examiner  
New Mexico Oil Conservation Commission

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 9, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens, Inc. for ) CASE  
an unorthodox location and directional ) 5670  
drilling, Chaves County, New Mexico. ) (Cont'd.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

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

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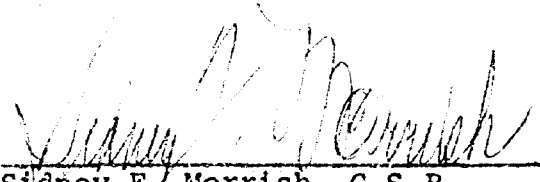
9 MR. NUTTER: The hearing will come to order, please.

10 At the request of the applicant in Case Number 5670  
11 this case will be continued to the Examiner Hearing set to be  
12 held at this same place at nine o'clock A.M., June 23rd, 1976.  
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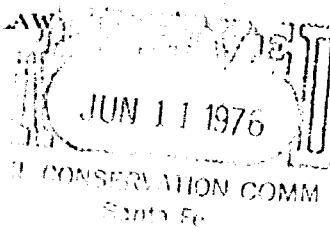
I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5270  
heard by me on 6/9, 1976.

 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) 982-9112

DONALD G. STEVENS · ATTORNEY AT LAW

P. O. Box 2244  
214 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501  
AREA CODE 505  
982-8583



*file -  
Case 5670*

June 10, 1976

New Mexico Oil Conservation Commission  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attn: Mr. Bill Carr

Re: Case #5670  
Read & Stevens, Inc.

Gentlemen:

Applicant in the above case hereby requests that this  
application and hearing be dismissed.

Yours very truly,

*Donald G. Stevens /wl*

Donald G. Stevens  
Attorney for Read & Stevens, Inc.

DGS/wl

CASE 5703: Application of Cities Service Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Tubb Gas Pool and Drinkard Oil Pool production in the wellbore of its State "S" Well No. 2 located in Unit F of Section 15, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 5670: (Continued from June 9, 1976 Examiner Hearing)

Application of Read & Stevens, Inc. for an unorthodox location and directional drilling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to deviate its Harris-Federal Well No. 3, the surface location of which is 660 feet from the South line and 1930 feet from the East line of Section 27, Township 15 South, Range 28 East, Chaves County, New Mexico, by directionally drilling said well from a kick-off point at approximately 6000 feet and bottoming it at an unorthodox location in the Pennsylvanian formation within 250 feet of a point 990 feet from the South line and 1650 feet from the East line of said Section 27, the S/2 of the Section to be dedicated to the well.

Dockets Nos. 17-76 and 18-76 are tentatively set for hearing on June 16 and June 23, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 9, 1976

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

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

- CASE 5690: Application of Mobil Oil Corporation for amendment of Order No. R-5120, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-5120, which order provided for the simultaneous dedication of a 320-acre non-standard gas proration unit, comprising the W/2 SW/4 and SE/4, SW/4 of Section 28 and the NW/4 and the SW/4, NE/4 of Section 33, Township 21 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to applicant's E. O. Carson Wells Nos. 4 and 22, located at unorthodox locations in Units H and L, respectively, of said Section 28. Applicant seeks amendment of said Order No. R-5120 by authorizing the simultaneous dedication of said unit to the previously approved E. O. Carson Wells Nos. 4 and 22 and to its E. O. Carson Well No. 23 located 1980 feet from the North line and 2640 feet from the West line of Section 33, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 5689: Application of Dalport Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jones Federal Well No. 4 to be drilled 990 feet from the South line and 1477 feet from the West line of Section 22, Township 15 South, Range 29 East, South Lucky Lake-Queen Pool, Chaves County, New Mexico.
- CASE 4843: (Reopened)
- In the matter of Case 4843 being reopened pursuant to the provisions of Order No. R-4435-A, which order extended the special pool rules for the Southeast Chaves Queen Gas Area, Chaves County, New Mexico, including a provision for 320-acre spacing and proration units for gas wells. All interested parties may appear and show cause why said Order No. R-4435 should not be rescinded.
- CASE 5691: Application of Hanson Oil Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 990 feet from the North line and 2600 feet from the West line of Section 25, Township 26 South, Range 31 East, North Mason-Delaware Pool, Eddy County, New Mexico.
- CASE 5692: Application of Cities Service Oil Company for a dual completion and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Owen "A" Well No. 1 located in Unit P of Section 35, Township 21 South, Range 37 East, Lea County, New Mexico, completing said well in such a manner as to commingle Blinberry and Drinkard oil production and to dually complete said zones with the Wantz-Granite Wash Pool.
- CASE 5670: (Continued from May 12, 1976 Examiner Hearing)
- Application of Read & Stevens, Inc. for an unorthodox location and directional drilling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to deviate its Harris-Federal Well No. 3, the surface location of which is 660 feet from the South line and 1980 feet from the East line of Section 27, Township 15 South, Range 28 East, Chaves County, New Mexico, by directionally drilling said well from a kick-off point at approximately 6000 feet and bottoming it at an unorthodox location in the Pennsylvanian formation within 250 feet of a point 990 feet from the South line and 1650 feet from the East line of said Section 27, the S/2 of the Section to be dedicated to the well.
- CASE 5688: Application of Dugan Production Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Tapacito-Pictured Cliffs and Blanco-Mesa Verde production in the wellbore of its Jicarilla E Well No. 1, located in Unit H of Section 21, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.
- CASE 5693: Application of Jerome P. McHugh for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to downhole commingle Fruitland and Pictured Cliffs production in that area described as being all of Township 24 through 28 North, Ranges 9 through 15 West, San Juan County, New Mexico, excluding however, those lands within the boundaries of the Ballard-, Fulcher Kutz-, and West Kutz- and also those lands within the boundary of the Gallegos Canyon Unit Area.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 12, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens, Inc. for ) CASE  
an unorthodox location and directional ) 5670  
drilling, Chaves County, New Mexico. ) (Cont'd.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

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

1 MR. NUTTER: We will call the next Case Number 5670.

2 MR. CARR: Case 5670, application of Read & Stevens,  
3 Inc. for an unorthodox location and directional drilling,  
4 Chaves County, New Mexico.

5 Mr. Examiner, we have received a request from the  
6 applicant that this case be continued to the June 9, 1976  
7 Examiner Hearing.

8 MR. NUTTER: Case Number 5670 will be contined to  
9 the Examiner Hearing scheduled to be held at this same place  
10 at nine o'clock A.M. June 9, 1976.

sid morrish reporting service  
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825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
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REPORTER'S CERTIFICATE

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do hereby certify that the foregoing and attached Transcript  
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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. 5670,  
heard by me on 5/12, 19 76.  
, Examiner  
New Mexico Oil Conservation Commission



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 12, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens, Inc. for ) CASE  
an unorthodox location and directional ) 5670  
drilling, Chaves County, New Mexico. ) (Cont'd.)

BEFORE: Daniel S. Nutter, Examiner

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4 Chaves County, New Mexico.

5 Mr. Examiner, we have received a request from the  
6 applicant that this case be continued to the June 9, 1976  
7 Examiner Hearing.

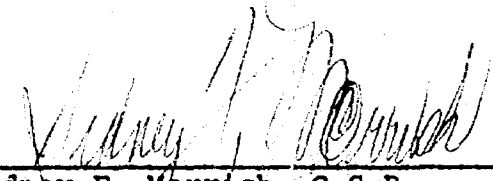
8 MR. NUTTER: Case Number 5670 will be contined to  
9 the Examiner Hearing scheduled to be held at this same place  
10 at nine o'clock A.M. June 9, 1976.

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

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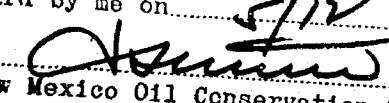
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Sidney F. Morrish, C.S.R.

**sid morrish reporting service**

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

I do hereby certify that the foregoing is  
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the Examiner hearing of Case No. 5670  
heard by me on 5/12, 19 76  
  
Examiner  
New Mexico Oil Conservation Commission

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
April 28, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens, Inc.  
for an unorthodox location and  
directional drilling, Chaves County,  
New Mexico.

CASE  
5670

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

**sid morrish reporting service**

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

1 MR. STAMETS: The hearing will please come to order.  
2 We will call first Case 5670.

3 MR. CARR: Case 5670, application of Read & Stevens,  
4 Inc. for an unorthodox location and directional drilling,  
5 Chaves County, New Mexico.

6 Mr. Examiner, we have received a request from the  
7 applicant that this case be continued to the May 12 Examiner  
8 Hearing.

9 MR. STAMETS: Case 5670 will be continued until  
10 May 12th.

**sid morish reporting service**

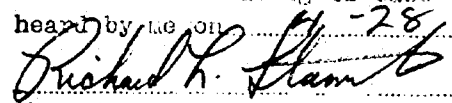
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I do hereby certify that the foregoing is  
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the Examiner hearing of case No. 5620,  
heard by me on 4-28-76, 19 76.  
, Examiner  
New Mexico Oil Conservation Commission

sid mor-ish reporting service  
General Court Reporting Service  
825 Calle Mejia, P.O. 122, Santa Fe, New Mexico 87501  
Phone (505) 932-9212

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
April 28, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens, Inc.  
for an unorthodox location and  
directional drilling, Chaves County,  
New Mexico.

CASE  
5670

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

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Conservation Commission:

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

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Phone (505) 982-9212

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5 Chaves County, New Mexico.

6 Mr. Examiner, we have received a request from the  
7 applicant that this case be continued to the May 12 Examiner  
8 Hearing.

9 MR. STAMETS: Case 5670 will be continued until  
10 May 12th.

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

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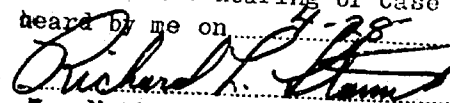


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Phone (505) 982-9212

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5670  
heard by me on 8-28, 1974.  
  
Richard H. Stamm, Examiner  
New Mexico Oil Conservation Commission

DONALD G. STEVENS · ATTORNEY AT LAW

P.O. Box 2244  
214 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501  
—  
AREA CODE 505  
982-8583

May 11, 1976

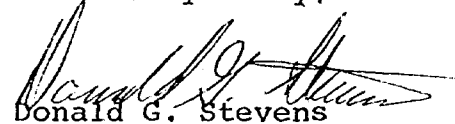
New Mexico Oil Conservation Commission  
State Land Office  
Santa Fe, New Mexico 87501

Attn: Mr. William Carr

Gentlemen:

Read & Stevens, Inc., acting through myself as their attorney, hereby request a continuance of Case No. 5670 scheduled for hearing May 12, 1976 to the hearing tentatively scheduled for June 9, 1976. If you approve this request we would appreciate your setting said case on your docket and advertising in your usual manner.

Yours very truly,

  
Donald G. Stevens

DGS/wl

CASE 5682: Application of Champlin Petroleum Company for three non-standard gas proration units, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the three following described 160-acre non-standard gas proration units in Township 22 South, Range 27 East, East Carlsbad-Wolfcamp Gas Pool, Eddy County, New Mexico:

the NW/4 of Section 1 to be dedicated to applicant's Pecos-Federal Well No. 1, located in Unit C of said Section 1;

the NE/4 of Section 1 to be dedicated to applicant's Wilson Gas Com Well No. 1, located in Unit G of said Section 1; and

the NE/4 of Section 2 to be dedicated to applicant's Nix-Yates Well No. 1, located in Unit G of said Section 2.

CASE 5122: (Reopened)

In the matter of Case 5122 being reopened pursuant to the provisions of Order No. R-4693-A, which order extended the special pool rules for the East Lusk-Wolfcamp Oil Pool, Lea County, New Mexico, including a provision for 160-acre proration units and a limiting oil-gas ratio of 4000 to 1. All interested parties may appear and show cause why said pool should not be developed on less than 160-acre spacing and why the special oil-gas ratio should remain in effect.

CASE 5670: (Continued from the April 28, 1976 Examiner Hearing)

Application of Read & Stevens, Inc. for an unorthodox location and directional drilling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to deviate its Harris-Federal Well No. 3, the surface location of which is 660 feet from the South line and 1980 feet from the East line of Section 27, Township 15 South, Range 28 East, Chaves County, New Mexico, by directionally drilling said well from a kick-off point at approximately 6000 feet and bottoming it at an unorthodox location in the Pennsylvanian formation within 250 feet of a point 990 feet from the South line and 1650 feet from the East line of said Section 27, the S/2 of the Section to be dedicated to the well.

CASE 5683: Southeastern Nomenclature case calling for the creation and extension of certain pools in Lea and Roosevelt 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 West Jal-Wolfcamp Pool. The discovery well is the Skelly Oil Company West Jal "B" Well No. 1 located in Unit J of Section 17, Township 25 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM  
Section 17: SE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Lusk-Morrow Gas Pool. The discovery well is the Petroleum Development Corporation McKay West Federal Well No. 1 located in Unit F of Section 34, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 34: All

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 3: W/2

- (c) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Fusselman production and designated as the Peterson-Fusselman Pool, and assign 39,205 barrels of discovery allowable to the discovery well, Amoco Production Company Swearingen "C" Well No. 1 located in Unit M of Section 18, Township 5 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM  
Section 18: SW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the East Shugart-Queen Pool. The discovery well is the Martindale Petroleum Corporation W. H. Peckham Well No. 1 located in Unit G of Section 6, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 6: NE/4

Dockets Nos. 14-76 and 15-76 are tentatively set for hearing on May 12 and May 26, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 28, 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. Nutter, Alternate Examiner:

- CASE 5670: Application of Read & Stevens, Inc. for an unorthodox location and directional drilling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to deviate its Harris-Federal Well No. 3, the surface location of which is 660 feet from the South line and 1980 feet from the East line of Section 27, Township 15 South, Range 28 East, Chaves County, New Mexico, by directionally drilling said well from a kick-off point at approximately 6000 feet and bottoming it at an unorthodox location in the Pennsylvanian formation within 250 feet of a point 990 feet from the South line and 1650 feet from the East line of said Section 27, the S/2 of the Section to be dedicated to the well.
- CASE 5671: Application of Ard Drilling Co. for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to deviate its State 10 Well No. 1, the surface location of which is 660 feet from the South and East lines of Section 10, Township 10 South, Range 32 East, North Mescalero-Cisco Pool, Lea County, New Mexico, by directionally drilling said well from a kick-off point at approximately 7800 feet and bottoming it in the Cisco formation within 100 feet of a point 810 feet from the South line and 660 feet from the East line of said Section 10.
- CASE 5672: Application of Horace F. McKay, Jr. for downhole commingling and simultaneous dedication, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Aztec-Fruitland and Aztec-Pictured Cliffs gas production in the wellbore of his Beardon "A" Well No. 1, located in Unit C of Section 19, Township 29 North, Range 10 West, San Juan County, New Mexico. Applicant further seeks approval for the simultaneous dedication of the NW/4 of said Section 19 to the above-described well and his Beardon Well No. 1 in Unit E of said Section 19.
- CASE 5673: Application of David Fasken for approval of 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 1980 feet from the South line and 660 feet from the West line of Section 32, Township 20 South, Range 25 East, Cemetery-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 32 to be dedicated to the well.
- CASE 5674: Application of Agua, Inc. for an extension of time and amendment of Orders Nos. R-4495-A and R-4495-B, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Orders Nos. R-4495-A and R-4495-B to permit disposal, after the current May 7, 1976, deadline, of produced salt water through perforations from 4230 feet to 4320 feet in its SWD Well No. C-2, located in Unit C of Section 2, Township 22 South, Range 37 East, Lea County, New Mexico. Applicant seeks the amendment of said orders to permit such disposal for an additional 90-day period after May 7, 1976, and thereafter until 30 days after the entry of an order favorable to the applicant in Case No. 5644.
- CASE 5675: Application of Merrion & Bayless for a dual completion and downhole commingling, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (combination) of its Jicarilla 428 Well No. 2, located in Unit A of Section 31, Township 23 North, Range 4 West, Sandoval County, New Mexico, by cementing parallel strings of 2 7/8-inch casing and 4 1/2-inch casing in a common wellbore, completing said well in such a manner as to commingle undesignated Pictured Cliffs and undesignated Chacon gas production in the 2 7/8-inch casing, and to commingle various undesignated Mesaverde, Mancos, Gallup, Carlisle, and Graneros gas stringers in the 4 1/2-inch casing.
- CASE 5443: (Reopened & Continued)
- In the matter of Case 5443 being reopened pursuant to the provisions of Order No. R-4994, which order established special rules and regulations for the East Lusk-Bone Spring Oil Pool, Lea County, New Mexico, including a provision for 160-acre spacing and proration units. All interested parties may appear and show cause why said pool should not be developed on less than 160-acre spacing units.

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF READ & STEVENS, INC.  
FOR AN ORDER APPROVING AN UNORTHODOX  
GAS WELL LOCATION AND DIRECTIONAL  
DRILLING FOR ITS #3 HARRIS-FED WILD-  
CAT WELL, CHAVES COUNTY, NEW MEXICO

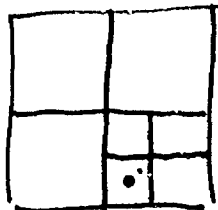
APPLICATION

Comes now Read & Stevens and applies to the Oil Conservation Commission of the State of New Mexico for the approval of an unorthodox gas well location and for directional drilling for its #3 Harris-Fed with a surface location 660 feet from the South line and 1980 feet from the East line and a proposed bottom hole location approximately 990 feet from the South line and 1650 feet from the East line of Section 27, Township 15 South, Range 28 East, Chaves County, New Mexico, as an exception to the Statewide Rules for Pennsylvanian gas well spacing and deviation tolerances, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill for, develop and produce from the Pennsylvanian formation in the South half of Section 27, above Township and Range.

2. Applicant has previously drilled its #3 Harris-Fed and completed it as a Pennsylvanian gas well on May 28, 1975. Said well has become uneconomic to produce, based on subsequent tests after completion, but information gained therefrom leads Operator to believe that commercial production may be encountered approximately 500 feet northeast.

3. Operator proposes to re-complete said well by plugging the bottom of the hole and pulling the casing from 5000 to 6000 feet, then directionally drilling said well approximately to the above stated bottom hole location and attempting completion at that location or within 250 feet thereof dependent upon the success of said directional drilling.



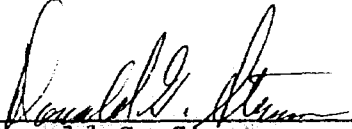
4. Unless Applicant is granted approval of an unorthodox gas well location and directional drilling as proposed herein, it will be denied its right to obtain its just and equitable share of the gas underlying its lands.

5. Approval of the application will result in the recovery of gas that probably would not otherwise be recovered, will prevent waste, and correlative rights of the other owners in the area will be protected.

THEREFORE Applicant requests that this matter be set for hearing before the Commission on April 28, 1976, or before the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order approving an unorthodox gas well location for Pennsylvanian production and directional drilling as requested above.

Respectfully submitted,

READ & STEVENS, INC.

By 

Donald G. Stevens  
P.O. Box 1797  
Santa Fe, New Mexico 87501

Attorney for Applicant

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF READ & STEVENS, INC.  
FOR AN ORDER APPROVING AN UNORTHODOX  
GAS WELL LOCATION AND DIRECTIONAL  
DRILLING FOR ITS #3 HARRIS-FED WILD-  
CAT WELL, CHAVES COUNTY, NEW MEXICO

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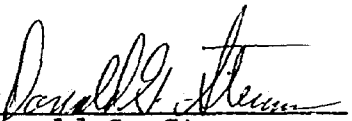
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Respectfully submitted,

READ & STEVENS, INC.

By   
Donald G. Stevens  
P.O. Box 1797  
Santa Fe, New Mexico 87501

Attorney for Applicant



DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 5670

Order No. R- 5230

APPLICATION OF READ & STEVENS, INC.  
FOR AN UNORTHODOX LOCATION AND  
DIRECTIONAL DRILLING, CHAVES COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 23, 19 76,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of July, 1976, the Commission,  
a quorum being present, having considered the record and the recom-  
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 5670 is hereby dismissed.

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

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 23, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens, Inc. for ) CASE  
an unorthodox location and directional ) 5670  
drilling, Chaves 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	William F. Carr, Esq.
Conservation Commission:	Legal Counsel for the Commission
	State Land Office Building
	Santa Fe, New Mexico

sid morriss reporting service

General Court Reporting Service  
825 Calle Mejia, No. 172, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

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MR. STAMETS: We will call Case 5670.

MR. CARR: Case 5670, application of Read & Stevens,  
Inc. for an unorthodox location and directional drilling,  
Chaves County, New Mexico.

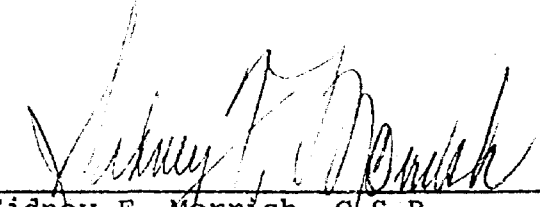
Mr. Examiner, we have received a request from the  
applicant that this case be dismissed.

MR. STAMETS: Case 5670 will be dismissed.

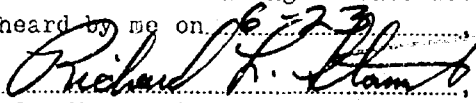
**sid morrish reporting service**  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

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.

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

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5676  
heard by me on 6-23-76  
 Examiner  
New Mexico Oil Conservation Commission

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 23, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens, Inc. for ) CASE  
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drilling, Chaves County, New Mexico. )

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

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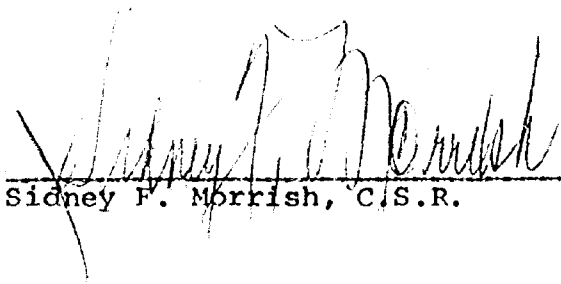
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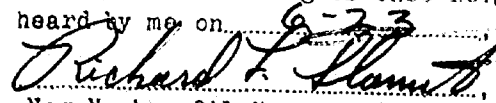
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, Examiner  
New Mexico Oil Conservation Commission