

CASE 2322: Appli. of SOUTHWEST  
PRODUCTION CO. for an unorthodox  
oil well location.

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2322

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Application, Transcript,  
and Exhibits, Etc.

GOVERNOR  
EDWIN L. MECHEM  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission



LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

P. O. BOX 871  
SANTA FE

July 7, 1961

Re: CASE NO. 2322

ORDER NO. R-2011

APPLICANT:

Southwest Production Company

Mr. George Verity  
152 Petroleum Center Building  
Farmington, New Mexico

Dear Sir:

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

Very truly yours,

*A. L. Porter, Jr.*  
A. L. PORTER, Jr.  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC   

Aztec OCC X

OTHER

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. 2322  
Order No. R-2011

APPLICATION OF SOUTHWEST PRODUCTION  
COMPANY FOR AN UNCONFINED OIL WELL  
LOCATION, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
June 28, 1961, at Santa Fe, New Mexico, before Elvis A. Utz,  
Examiner duly appointed by the Oil Conservation Commission of  
New Mexico, hereinafter referred to as the "Commission," in  
accordance with Rule 1214 of the Commission Rules and Regula-  
tions.

NOW, on this 7th day of July, 1961, the Commission, a  
quorum being present, having considered the application and the  
recommendations of the Examiner, Elvis A. Utz, and being fully  
advised in the premises,

FINDS:

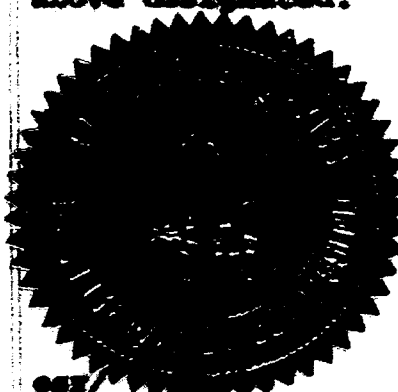
(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Southwest Production Company, has  
requested that Case No. 2322 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2322 is hereby dismissed.

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



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Mechem*  
EDWIN L. MECHEM, Chairman

*E. S. Walker*  
E. S. WALKER, Member

*A. L. Porter, Jr.*  
A. L. PORTER, JR., Member & Secretary

Case 2322

Heard. 6-25-61

Rec. 6-28-61

Dismiss Southwest Prod. case as  
requested by Applicant.

Shirley H. Day

GEO. L. VERITY  
ATTORNEY AT LAW  
SUITE 102 PETROLEUM CENTER BUILDING  
FARMINGTON, NEW MEXICO  
TELEPHONE DAVIS 5-0203

June 12, 1961

Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Gentlemen:

Re: Application for unorthodox  
well location in SW $\frac{1}{4}$ NW $\frac{1}{4}$ , Sec. 16,  
Twp. 29 N., R. 14 W., N.M.P.M.,  
San Juan County, New Mexico  
(My file #1320-L)

Southwest Production Company, as applicant, has an application for an unorthodox well location in the Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$ ) of Section 16, Township 29 North, Range 14 West, N.M.P.M., in San Juan County, New Mexico, presently pending before the New Mexico Oil Conservation Commission.

This letter is written to formally withdraw such application and to inform the Commission that the well heretofore mentioned in the application will be upon an orthodox location.

Yours very truly,

*Geo. L. Verity*

Geo. L. Verity  
Attorney for Southwest Production  
Company, applicant.

GLL/m

*Handled  
Mailed  
6-15-61  
[Signature]*

CEO. L. VERITY  
ATTORNEY AT LAW  
SUITE 152 PETROLEUM CENTER BUILDING  
FARMINGTON, NEW MEXICO

TELEPHONE DAVIS 5-0203

June 2, 1961

*2322*

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Gentlemen:

re: Our file 1320-L  
Applications of Southwest  
Production Company for non-  
standard gas proration  
units.

Enclosed herewith are originals and two copies each of  
applications for non-standard gas proration units in  
the Cha Cha-Gallup Pool of San Juan County. These ap-  
plications may be heard before the Trial Examiner.

Very truly yours,

*Geo. L. Verity*  
Geo. L. Verity

GLV:mts  
Encs.

*Docket  
Mailed  
6-15-61  
JL*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF -

THE APPLICATION OF SOUTHWEST PRODUCTION )  
COMPANY, a co-partnership, consisting )  
of JOHN H. HILL and JOSEPH P. DRISCOLL, )  
FOR AN UNORTHODOX WELL LOCATION IN THE )  
CHA CHA-GALLUP OIL POOL IN SAN JUAN )  
COUNTY, NEW MEXICO, SUCH LOCATION BEING )  
IN THE SOUTHWEST QUARTER OF THE NORTH- )  
WEST QUARTER (SW $\frac{1}{4}$ NW $\frac{1}{4}$ ) of SECTION 16, )  
T-29-N, R-14-W, N.M.P.M., San Juan )  
County, New Mexico. )

Case No. 2522

A P P L I C A T I O N

Comes now the applicant, Southwest Production Company, a co-partnership consisting of John H. Hill and Joseph P. Driscoll, and alleges and states:

1. That applicant is the owner of the oil and gas lease covering the SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 16, T-29-N, R-14-W, N.M.P.M.; that said land is a part of the Cha Cha-Gallup Oil Pool in the above described county and state.

2. That Order No. R-1800 promulgated by this Commission provided that each well completed in the above described pool should be located within 150 feet of the center of either quarter section in an 80 acre unit, but surface conditions in the SW $\frac{1}{4}$  of the above described Section 16 make it impracticable to locate a well within 150 feet of the center of said quarter section, and because of such surface hazards and conditions, applicant desires to drill a well in said quarter section at a location 330 feet from the West line of said Section 16 and 2260 feet from the North line of said Section.



3. That applicant is entitled to an Order of this Commission granting it permission to drill a well at the location described in the preceding Paragraph. That to deny applicant permission to drill such well at a non-standard location as indicated, would interfere with his correlative rights and cause waste, whereas the granting of permission to drill at the location requested will protect the correlative rights of the parties and prevent waste.

4. That the names and addresses of all parties known to the applicant who might be interested in this Application are set out in Exhibit "A" attached hereto and made a part hereof.

WHEREFORE, applicant prays that this Application be set for hearing, that due notice be given in accordance with the Rules of this Commission and the Laws of the State of New Mexico; that upon hearing such application and from the evidence to be adduced, the Commission enter an Order granting applicant the right to drill a well into the Cha Cha-Gallup Oil Pool at the unorthodox location above described.

SOUTHWEST PRODUCTION COMPANY,  
a co-partnership, consisting  
of John H. Hill and Joseph P.  
Driscoll,

By

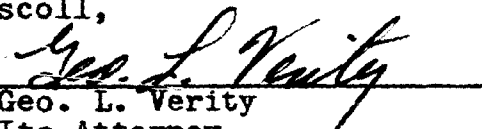
  
Geo. L. Verity  
Its Attorney  
152 Petroleum Center Building  
Farmington, New Mexico

EXHIBIT "A"

Pan American Petroleum Corp.	501 Airport Drive, Farmington, New Mexico
Pubco Petroleum Corp.	P.O.Box 1419, Albuquerque, New Mexico
Hondo Oil and Gas Co.	410 E. College Boulevard Roswell, New Mexico

DOCKET: EXAMINER HEARING - WEDNESDAY, JUNE 28, 1961

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

The following cases will be heard before Elvis A. Utz, Examiner or Daniel S. Nutter, as alternate Examiner:

CONTINUED CASE

CASE 2298: Application of Chambers & Kennedy for a gas-oil dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Monument State Well No. 1, located in Unit J, Section 34, Township 19 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool and the production of oil from the Eunice-Monument Pool through the 5½-inch by 2½-inch casing-tubing annulus and through 2½-inch tubing respectively.

NEW CASES

CASE 2309: Application of Texaco Inc. for an oil-oil-oil triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its C. P. Falby (a) Well No. 4, located in Unit E, Section 8, Township 22 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional) in the Eumont Gas Pool, the Penrose-Skelly Pool, and the Drinkard Pool, the production of oil from each pool to be through parallel strings of 2 3/8-inch tubing.

CASE 2310: Application of Standard Oil Company of Texas for permission to transfer allowables, Lea County, New Mexico. Applicant, in the above-styled cause, during vertical communication tests, seeks permission to transfer allowables in the Vacuum Abo Pool for a 120-day period from its Vac-Edge Unit Well No. 4, located in the NW/4 NE/4 of Section 4, Township 18 South, Range 35 East, Lea County, New Mexico, to its Vac-Edge Unit Wells Nos. 3 and 6, located in the NE/4 NW/4 of said Section 4 and in the NE/4 NE/4 of said Section 4, respectively.

CASE 2311: Application of Continental Oil Company for an oil-oil dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Britt B-15 Well No. 10, located in Unit F, Section 15, Township 20 South, Range 37 East, Lea County, New Mexico, as a dual completion (conventional) in an undesignated Blinebry Pool and in the Monument-Tubb Pool, the production of oil from each pool to be through parallel strings of 2-inch tubing.

CASE 2312:

Application of Continental Oil Company for an exception to Rule 309 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 309 (a) to permit the commingling, after separate measurement, of the Maljamar-Paddock Pool production from the William Mitchell "A" lease, consisting of the N/2 of Sections 19 and 20, and from the William Mitchell "B" lease, consisting of the W/2 and the W/2 E/2 of Section 17, the E/2 and the E/2 W/2 of Section 18, and the S/2 of Sections 19 and 20, all in Township 17 South, Range 32 East, Lea County, New Mexico.

CASE 2313:

Application of W. W. Holmes for an order fixing the spacing of wells, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an order fixing the spacing of wells producing from the Mesaverde formation in the N/2 of Section 11, Township 18 North, Range 3 West, Sandoval County, New Mexico. Applicant recommends the establishment of two and one-half acre well spacing with no increase in the allowable to be assigned a basic 40-acre oil proration unit.

CASE 2314:

Application of Shell Oil Company for an exception to the gas-oil ratio provisions of Rule 26 (A), Order No. R-1670, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the gas-oil ratio provisions of Rule 26 (A), Order No. R-1670, to permit its Shell State Well No. 1-A, located 380 feet from the North line and 380 feet from the West line of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico, to remain classified as a gas well in the Jalmat Gas Pool, with a gas-oil ratio below 100,000: 1.

CASE 2315:

Application of Pan American Petroleum Corporation for a non-standard oil proration unit and for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of an 86.62-acre non-standard oil proration unit in the Totah-Gallup Oil Pool consisting of Lots 2, 3 and 4 of Section 12, Township 28 North, Range 13 West, San Juan County, New Mexico, to be dedicated to the Gallegos Canyon Unit Well No. 100 at an unorthodox location 476 feet from the North line and 1980 feet from the West line of said Section 12.

CASE 2316:

Application of Pan American Petroleum Corporation for permission to dispose of salt water into the Wolfcamp formation, Lea County, New Mexico. Applicant, in the above-styled

CASE 2316:  
(Cont.)

cause, seeks permission to dispose of produced salt water into the Wolfcamp formation through its Lois Wingerd Well No. 8 located 660 feet from the South and East lines of Section 24, Township 12 South, Range 37 East, Gladiola-Wolfcamp Pool, Lea County, New Mexico.

CASE 2317:

Application of Pan American Petroleum Corporation for a pressure maintenance project in the Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, and for special rules governing said project. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project in the Horseshoe-Gallup Oil Pool by the injection of water into certain Northeast Hogback Unit wells in Sections 10, 11, 13, 14, 15 and 24, all in Township 30 North, Range 16 West, San Juan County, New Mexico. Applicant further seeks special rules governing the operation of said project.

CASE 2318:

Application of El Paso Natural Gas Products Company for an order force-pooling a non-standard oil proration unit in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Cha Cha-Gallup Oil Pool lying North of the mid-channel of the San Juan River in the SE/4 of Section 17, Township 29 North, Range 14 West, San Juan County, New Mexico. Interested parties include Humble Oil & Refining Company, Pan American Petroleum Corporation, and A. L. Duff.

CASE 2319:

Application of Tenneco Oil Company for a non-standard oil proration unit and for permission to commingle the production from separate leases, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 90.5-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool consisting of lots 3 and 4 and the E/2 SW/4 of Section 31, Township 29 North, Range 13 West, San Juan County, New Mexico. Applicant further seeks permission to commingle the Gallup oil production from the subject unit with other Gallup oil production from the E/2 W/2 and from the E/2 of said Section 31 after separately metering the production from each area.

CASE 2320:

Application of R. C. Banks for approval of the High Point Unit Agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the High Point Unit

CASE 2320:  
(Cont.)

Agreement, which unit embraces 1920 acres of State land in Township 11 South, Ranges 34 and 35 East, Lea County, New Mexico.

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The following cases will not be heard before 1:30 P.M.

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CASE 2321:

Application of Benson-Montin-Greer Drilling Corporation for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Cha Cha-Gallup Oil Pool for its Jones Well No. 7, located 1200 feet from the North line and 900 feet from the West line of Section 15, Township 28 North, Range 13 West, San Juan County, New Mexico.

CASE 2322:

Application of Southwest Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Cha Cha-Gallup Oil Pool for a well to be drilled 2260 feet from the North line and 330 feet from the West line of Section 16, Township 29 North, Range 14 West, San Juan County, New Mexico.

CASE 2323:

Application of Southwest Production Company for two non-standard oil proration units and for an unorthodox oil well location in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of two non-standard oil proration units in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, one unit consisting of the West 56.625 acres and one unit consisting of the East 56.625 acres of that portion of the SE/4 of Section 16, Township 29 North, Range 14 West, lying North of the mid-channel of the San Juan River; the West proration unit is to be dedicated to a well to be drilled at an unorthodox location 1912 feet from the South line and 2310 feet from the East line of said Section 16.

CASE 2324:

Application of Aztec Oil & Gas Company for an order force-pooling a standard 320-acre gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a standard 320-acre gas proration unit in the Basin-Dakota Gas Pool, consisting of the N/2 of Section 2, Township 29 North, Range 12 West, San Juan County, New Mexico.

CASE 2325:

Application of Aztec Oil & Gas Company for a non-standard oil proration unit in the Totah-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause,

CASE 2325:  
(Cont.)

seeks the establishment of an 86.13-acre non-standard oil proration unit in the Totah-Gallup Oil Pool, consisting of Lot 1, the NE/4 NW/4 and the NW/4 NE/4 of Section 30, Township 29 North, Range 13 West, San Juan County, New Mexico, to be dedicated to the Hagood Well No. 28-G located 765 feet from the North line and 3175 feet from the East line of said Section 30.

CASE 2326:

Application of David Fasken for permission to drill directionally, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks permission to sidetrack and recomplete the David Fasken-King-Davis Well No. 2, located 1980 feet from the North line and 1980 feet from the West line of Section 27, Township 8 South, Range 37 East, Roosevelt County, New Mexico, in such a manner as to locate the bottom of the hole in the Bough "C" formation of the Bluitt-Pennsylvanian Pool 300 feet West of said surface location.

CASE 2327:

Application of the Oil Conservation Commission on its own motion to consider the establishment of non-standard gas proration units for the Basin-Dakota Pool in Townships 29, 30, 31 and 32 North, Ranges 4, 5, 6, 7, 8, 9, 11, 12, 13 West, San Juan and Rio Arriba Counties, New Mexico. Said non-standard units are necessitated by irregular sections resulting from survey corrections in the United States Public Lands Survey.

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
JUNE 28, 1961

EXAMINER HEARING

IN THE MATTER OF

CASE 2322:

Application of Southwest Production  
Company for an unorthodox oil well  
location, San Juan County, New Mex-  
ico.

TRANSCRIPT OF HEARING



BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
JUNE 28, 1961

EXAMINER HEARING

IN THE MATTER OF:

CASE 2322      Application of Southwest Production  
Company for an unorthodox oil well  
location, San Juan County, New Mex-  
ico. Applicant, in the above-styled  
cause, seeks approval of an unortho-  
dox oil well location in the Cha Cha-  
Gallup Oil Pool for a well to be  
drilled 2260 feet from the North line  
and 330 feet from the West line of  
Section 16, Township 29 North, Range  
14 West, San Juan County, New Mexico.

BEFORE:

Mr. Elvis A. Utz, Examiner.

T R A N S C R I P T    O F    P R O C E E D I N G S

MR. UTZ: Case 2322.

MR. MORRIS: Case 2322. Application of Southwest Pro-  
duction Company for an unorthodox oil well location, San Juan  
County, New Mexico.

Mr. Examiner, the applicant in this case requests that it be  
dismissed.

MR. UTZ: Is there objection to the applicant's request?  
If not, Case 2322 will be dismissed.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6591

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO )  
 ) ss  
 COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in machine shorthand and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record, to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 2nd day of July, 1961, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

*Ada Dearnley*  
 NOTARY PUBLIC

My Commission expires:

June 19, 1963

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2322 heard by me on June 28, 1961.

*John A. [Signature]*, Examiner  
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



# END OF ROLL

58

ROLL NUMBER

DOCUMENT TYPE Case files 2254 to 2326 Oil Conservation Division

DATE OF FILMING 7-18-85

CAMERA OPERATOR H.L. Poirer

ENDING DOCUMENT Case file 2326



Resolution test chart patterns and values:

- 1.0
- 1.1
- 1.25
- 1.4
- 1.6
- 1.8
- 2.0
- 2.2
- 2.5
- 2.8
- 3.2
- 3.6
- 4.0
- 4.5
- 5.0
- 5.6
- 6.3
- 7.1

STATEMENT OF DOCUMENT CERTIFICATION

All microphotographics images of documents following this certificate are of authorized documents in the possession of this Agency. These documents are routinely microfilmed as a necessary operation in the generation of an inviolate document file.

R. David Ortiz  
SUPERVISOR

STATE OF NEW MEXICO    )  
                              )   SS.  
COUNTY OF VALENCIA    )

Sworn and Subscribed to me, A Notary Public,

This 1st day of December, 19 83

Stephen A. Craig  
NOTARY PUBLIC

MY COMMISSION EXPIRES: 10-2-86

CERTIFICATE OF AUTHENTICITY

THIS IS TO CERTIFY that the microphotographs appearing on this Roll of Film are accurate and complete reproductions of the records of the, S.L.O. Oil Conservation Division as delivered in the regular course of business for Micro Filming.

Al. L. Lina  
CAMERA OPERATOR

STATEMENT OF DOCUMENT CERTIFICATION

All microphotographs images of documents following this certificate are of authorized documents in the possession of this Agency. These documents are routinely microfilmed as a necessary operation in the generation of an inviolate document file.

R. David Ortiz  
SUPERVISOR

STATE OF NEW MEXICO    )  
                              )   SS.  
COUNTY OF VALENCIA    )

Sworn and Subscribed to me, A Notary Public,

This 1st day of December, 19 93

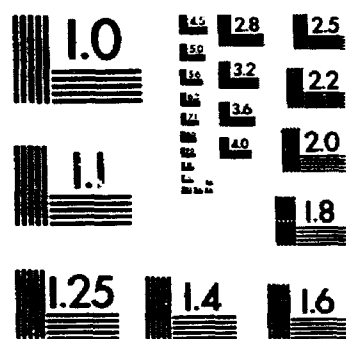
Agencia Aragon  
NOTARY PUBLIC

MY COMMISSION EXPIRES: 10-2-86

CERTIFICATE OF AUTHENTICITY

THIS IS TO CERTIFY that the microphotographs appearing on this Roll of Film are accurate and complete reproductions of the records of the, S.L.O. Oil Conservation Division as delivered in the regular course of business for Micro Filming.

Al. L. Lina  
CAMERA OPERATOR



MICROCOPY RESOLUTION TEST CHART  
 NATIONAL BUREAU OF STANDARDS  
 STANDARD REFERENCE MATERIAL 1010a  
 (ANSI and ISO TEST CHART No. 2)





# START OF ROLL

586  
ROLL NUMBER

DOCUMENT TYPE

Case files 2323 to 2326 Oil Conservation Division

DATE OF FILMING

7-18-55

CAMERA OPERATOR

H.L. Pinn

BEGINNING DOCUMENT

Case file #2323