

CASE 5934: HNG OIL COMPANY FOR AN
UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO

Case Number

5934

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 25, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of HNG Oil Company for an) CASE
unorthodox gas well location, Eddy) 5934
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: Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: William F. Carr, Esq.
CATRON, CATRON & SAWTELL
Attorneys at Law
53 Old Santa Fe Trail
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

I N D E X

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Page

THOMAS A. PICKERING

Direct Examination by Mr. Carr

3

Cross Examination by Mr. Stamets

7

EXHIBIT INDEX

Offered

Admitted

HNG Exhibit One, Letter

4

7

HNG Exhibit Two, Plat

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1 MR. STAMETS: Is there anybody here from Yates
2 Petroleum Corporation? Okay, we will proceed then with Case
3 5934.

4 MS. TESCHENDORF: Case 5934, application of HNG Oil
5 Company for an unorthodox gas well location, Eddy County,
6 New Mexico.

7 MR. CARR: Mr. Examiner, I'm William F. Carr of Catron,
8 Catron and Sawtell appearing on behalf of the applicant, HNG
9 Oil Company. I have one witness to be sworn.

10 (THEREUPON, the witness was duly sworn.)
11

12 THOMAS A. PICKERING

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

15
16 DIRECT EXAMINATION

17 BY MR. CARR:

18 Q Will you state your name and place of residence?

19 A My name is Thomas A. Pickering from Midland, Texas.

20 Q Mr. Pickering, by whom are you employed and in what
21 position?

22 A I'm employed by HNG Oil Company as Administrative
23 Supervisor in charge of filing all Commission forms and Federal
24 forms.

25 Q Have you ever testified before the Commission and had

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1 your credentials accepted and made a matter of record?

2 A. No.

3 Q. Would you please briefly summarize for the Examiner
 4 your education and work experience?

5 A. I hold a BBA degree from the University of Texas. I
 6 worked for the Texas Railroad Commission for four years as a
 7 proration analyst and for the last two years I have worked
 8 for HNG Oil Company.

9 Q. Mr. Pickering, are you familiar with the application
 10 of HNG in this case?

11 A. Yes, I am.

12 Q. Are you familiar with the El Paso Federal 29 Well No. 1
 13 and also the circumstances surrounding this application?

14 A. Yes, I am.

15 Q. What does HNG seek with its application?

16 A. To have an unorthodox location approved and not to
 17 be required to move it back to the original location.

18 MR. CARR: Mr. Examiner, are the witness' qualifica-
 19 tions acceptable?

20 MR. STAMETS: Yes, they are.

21 Q. (Mr. Carr continuing.) Would you please refer to
 22 what has been marked as Applicant's Exhibit Number One and
 23 explain to the Examiner what it reflects?

24 A. This is a letter from John West Engineering Company,
 25 signed by Mr. John West, whereby he states that in error by

1 not having good reference points the well was mis-staked, I guess
2 would be the term. Instead of being six sixty from the west
3 line and nineteen eighty from the north line, it was his
4 error by taking a mis-reference point and it turned out to be
5 too close to the quarter-quarter section line, however, but
6 still within the boundaries, you know, of the half section. The
7 actual location turned out to be nine hundred and four feet
8 from the west line and two thousand four hundred and twenty-
9 seven feet from the north line. This resulted in the unortho-
10 dox location.

11 Q Mr. Pickering, relying on this incorrect survey
12 has HNG incurred any costs?

13 A Yes, this is a Federal land and we have made an
14 archeological study and all of the requirements from the
15 USGS and the Bureau of Land Management. We have also spent
16 approximately, a little over twenty thousand dollars in building
17 our drilling pad.

18 Q Has this unorthodox location been approved by the
19 USGS?

20 A Yes, it has.

21 Q From what formation do you plan to produce this well?

22 A From the Morrow formation.

23 Q How deep do you intend to drill?

24 A Approximately twelve thousand feet.

25 Q Will you please refer to what has been marked as

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1 Exhibit Two and summarize for the Examiner what it shows?

2 A. This first exhibit here shows the proposed location,
3 which is where the well is staked and the drill pad is con-
4 structed now. The yellow area is the HNG leases. The section
5 in question is a farmout from El Paso Natural Gas and we plan to
6 dedicate, of course, the west half of Section 29 to the well.

7 The nearest Morrow production is a well owned and
8 operated by HNG Oil Company in Section 25 and that is the
9 nearest Morrow production to this location.

10 Q Has El Paso farmed out all of Section 29 to you?

11 A Yes, sir.

12 Q And you have indicated that this is a Federal lease?

13 A Right.

14 Q Have you notified offsetting owners of your unortho-
15 dox location?

16 A Yes. Of course, El Paso and ourselves are the
17 offsetting operators to this section.

18 Q Mr. Pickering, in moving from a standard location to
19 the proposed location will you be closer to any offset
20 owners than if you were drilling at other standard locations
21 within the west half of Section 29?

22 A No, we would not.

23 Q In your opinion would the granting of this applica-
24 tion be in the interest of conservation and the prevention
25 of waste?

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1 A Yes.

2 Q In your opinion would the granting of the application
3 protect correlative rights?

4 A Yes.

5 Q Do you have any other testimony that you would like
6 to add at this time?

7 A No, I do not.

8 Q Were Exhibits One and Two prepared by you or under
9 your direction and supervision?

10 A Yes, sir.

11 Q And the letter from Mr. West you have reviewed and
12 from your own personal knowledge can verify that it is correct?

13 A That is true.

14 MR. CARR: Mr. Examiner, I would offer HNG Exhibits
15 One and Two.

16 MR. STAMETS: They will be admitted.

17 (THEREUPON, HNG Exhibits One and Two were
18 admitted into evidence.)

19 MR. CARR: I have no further questions on direct.

20

21 CROSS EXAMINATION

22 BY MR. STAMETS:

23 Q Mr. Pickering, what acreage will be dedicated to
24 this well?

25 A It will be the three hundred and twenty acres, the

1 west half of Section 29.

2 Q And I believe you indicated that the nonstandard
3 location was not closer to any other operator's lease but was
4 more toward the center of that proration unit?

5 A That is correct.

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

7 He may be excused.

8 (THEREUPON, the witness was excused.)

9 MR. CARR: Nothing further.

10 MR. STAMETS: We will take the case under advisement.
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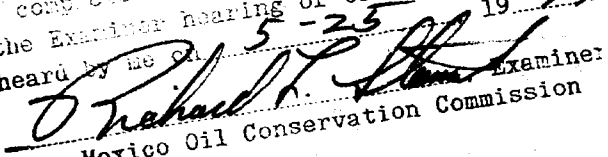
REPORTER'S CERTIFICATE

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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) 962-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5934
heard by me on 5-25-77

New Mexico Oil Conservation Commission

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. 5934
Order No. R-5447

APPLICATION OF HNG OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 25, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 8th day of June, 1977, 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, HNG Oil Company, seeks approval
of an unorthodox gas well location for its El Paso Federal 29
Well No. 1 to be located 2427 feet from the North line and
904 feet from the West line of Section 29, Township 24 South,
Range 27 East, NMPM, to test the Morrow formation, Eddy County,
New Mexico.

(3) That the W/2 of said Section 29 is to be dedicated
to the well.

(4) That said unorthodox location resulted from an error
in surveying.

(5) That no offset operator objected to the proposed
unorthodox location.

(6) That approval of the subject application will afford
the applicant the opportunity to produce its just and equitable

-2-

Case No. 5934
Order No. R-5447

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 the HNG Oil Company El Paso Federal 29 Well No. 1 to be located at a point 2427 feet from the North line and 904 feet from the West line of Section 29, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico.

(2) That the W/2 of said Section 29 shall be dedicated to the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the 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
EMERY C. ARNOLD, Member

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

S E A L

dr/



John West
Engineering
Company

412 North Del Paso
Hobbs, New Mexico 88240

MAY 20, 1977

HNG OIL COMPANY
P.O. Box 2267
MIDLAND, TEXAS 79702

ATT: MR. FRANK BROWNSON

RE: LOCATION EL PASO FED. 29 No 1

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
Applicant's EXHIBIT NO.	1.
CASE NO.	5934
Submitted by	HNG
Hearing Date	5/25/77

DEAR SIR:

WE STAKED THE CAPTIONED LOCATION FOR YOU ON JANUARY 31, 1977, AT A POINT WE THOUGHT TO BE 1980 FEET FROM NORTH LINE AND 660 FEET FROM WEST LINE OF SEC. 29, TWP 24 SOUTH, RANGE 24 EAST, EDDY COUNTY, NEW MEXICO.

ABOUT APRIL 15, 1977, THE SURVEYOR FROM EL PASO NATURAL GAS COMPANY CALLED ME AND SAID THAT HE THOUGHT THE STONE MOUNDS WE HAD USED FOR SECTION CORNERS WERE OFF AND THAT WE HAD THE LOCATION STAKED AT DIFFERENT COORDINATES THAN WE HAD REPORTED. HE HAD BEEN SURVEYING A LINE FROM OUTSIDE THIS TOWNSHIP AND HAD GOOD "BRASS CAP" CORNERS TO WORK FROM. IN PROJECTING HIS LINE FROM THE CORNERS IN TWP. 24 SOUTH, RANGE 23 EAST, HE WAS MISSING OUR LOCATION. WHEN THIS WAS REPORTED TO US WE WENT BACK TO CHECK THE STONE MOUNDS WE HAD USED.

BY SEARCHING IN DIFFERENT DIRECTIONS WE FOUND ENOUGH "STONE MOUNDS" IN PLACE TO RE-CHECK THE MOUNDS WE HAD USED. DURING OUR SEARCH WE TALKED WITH MR. OGDON, THE RANCHER WHO GRAZES THIS AREA. HE SAID THAT HE HAD NEVER SEEN STONE MOUND OR MONUMENT FOR THE NORTHWEST CORNER OF SECTION 29. HE DID, HOWEVER, SAY THAT HE HAD BUILT THE MOUND WE USED TO HELP HIM LOCATE A VALVE ON HIS WATER LINE.

WHEN WE REESTABLISHED THE NORTHWEST CORNER OF SECTION 29, BY COMING FROM STONE MOUNDS TO THE NORTH AND CHECKING IN ON A FENCE TO THE EAST, WE FOUND THAT MR. OGDON'S MOUND THAT WE HAD MISTAKENLY USED WAS 268 FEET EAST AND 448 FEET SOUTH OF THE ACTUAL CORNER.

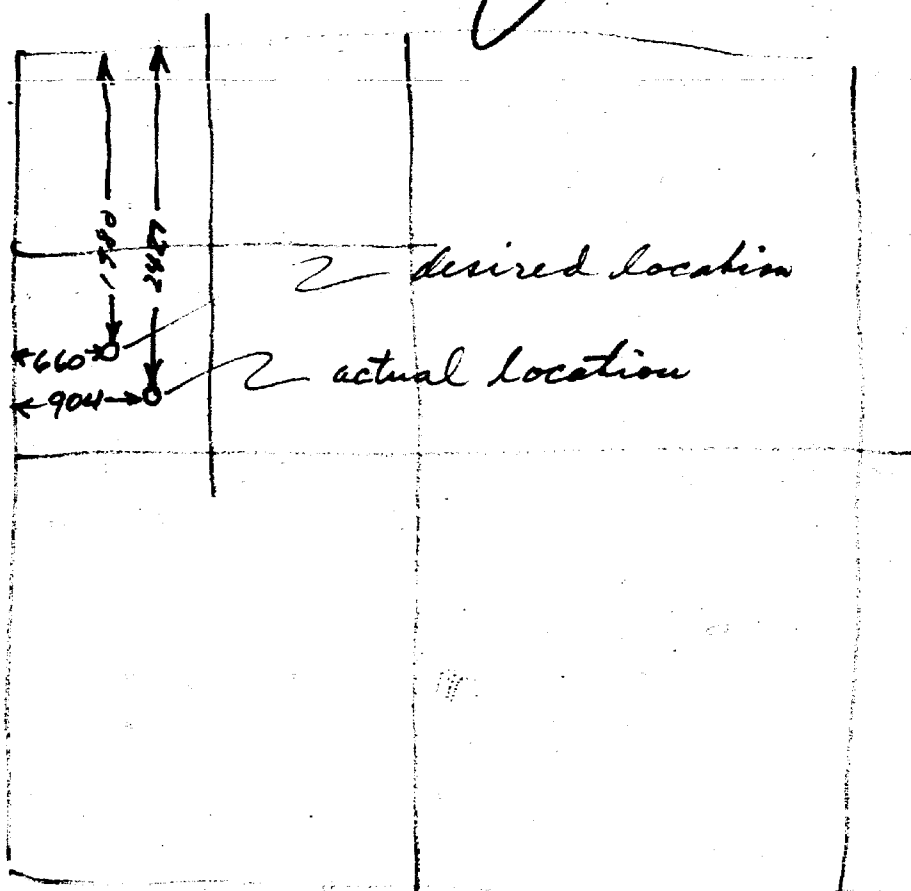
AFTER HAVING RE-ESTABLISHED THE CORNER WE TIED IN THE LOCATION AS WE HAD STAKED IT ON THE DRILLING PAD THAT HAD BEEN BUILT. THE CORRECTED COORDINATES ARE 904 FEET FROM WEST LINE AND 2427 FEET FROM THE NORTH LINE OF SAID SECTION 29, TWP. 24 SOUTH, RANGE 24 EAST, EDDY COUNTY, NEW MEXICO.

THESE ARE THE HISTORICAL FACTS OF WHAT HAPPENED THAT CAUSED THE LOCATION TO BE IN THE DIFFERENT LOCATION THAN WAS ORIGINALLY PROPOSED.

YOURS VERY TRULY,

John W. West

JOHN W. WEST, P.E. & L.S.





John West
Engineering
Company

412 North Dal Paso
Hobbs, New Mexico 88240

MAY 20, 1977

HNG OIL COMPANY
P.O. Box 2267
MIDLAND, TEXAS 79702

ATT: MR. FRANK BROWNSON

RE: LOCATION EL PASO FED. 29 No 1

DEAR SIR:

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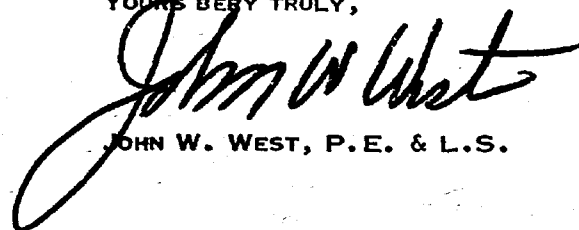
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BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
APPLICANTS EXHIBIT NO. 1
CASE NO. 5934
Submitted by HNG
Hearing Date 5/25/77

AFTER HAVING RE-ESTABLISHED THE CORNER WE TIED IN THE LOCATION AS WE HAD STAKED IT ON THE DRILLING PAD THAT HAD BEEN BUILT. THE CORRECTED COORDINATES ARE 904 FEET FROM WEST LINE AND 2427 FEET FROM THE NORTH LINE OF SAID SECTION 29, TWP. 24 SOUTH, RANGE 24 EAST, EDDY COUNTY, NEW MEXICO.

THESE ARE THE HISTORICAL FACTS OF WHAT HAPPENED THAT CAUSED THE LOCATION TO BE IN THE DIFFERENT LOCATION THAN WAS ORIGINALLY PROPOSED.

YOURS BERY TRULY,

A handwritten signature in cursive script, appearing to read "John W. West". The signature is written in dark ink and is positioned above the printed name.

JOHN W. WEST, P.E. & L.S.



John West
Engineering
Company

412 North Dal Paso
Hobbs, New Mexico 88240

MAY 20, 1977

HNG OIL COMPANY
P.O. Box 2267
MIDLAND, TEXAS 79702

ATT: MR. FRANK BROWNSON

RE: LOCATION EL PASO FED. 29 No 1

DEAR SIR:

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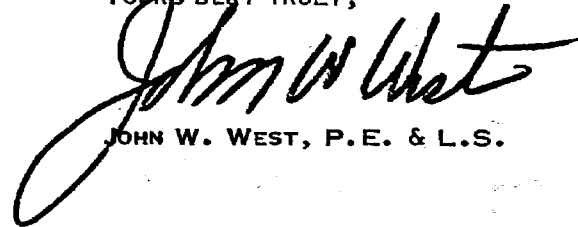
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BEFORE EXAMINATION	
OIL COMPANY REGISTRATION	
APPLICANTS	1
CASE NO.	5934
Submitted by	HNG
Heard by	5/25/77

AFTER HAVING RE-ESTABLISHED THE CORNER WE TIED IN THE LOCATION AS WE HAD STAKED IT ON THE DRILLING PAD THAT HAD BEEN BUILT. THE CORRECTED COORDINATES ARE 904 FEET FROM WEST LINE AND 2427 FEET FROM THE NORTH LINE OF SAID SECTION 29, TWP. 24 SOUTH, RANGE 24 EAST, EDDY COUNTY, NEW MEXICO.

THESE ARE THE HISTORICAL FACTS OF WHAT HAPPENED THAT CAUSED THE LOCATION TO BE IN THE DIFFERENT LOCATION THAN WAS ORIGINALLY PROPOSED.

YOURS VERY TRULY,

A handwritten signature in cursive script, appearing to read "John W. West". The signature is written in dark ink and is positioned above the printed name.

JOHN W. WEST, P.E. & L.S.

- CASE 5932: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 19, Township 20 South, Range 25 East, Eddy County, New Mexico, to be dedicated to it's Moore "FQ" Well No. 1 located in Unit F of said Section 19. 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 5933: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 15, Township 17 South, Range 26 East, Eddy County, New Mexico, to be dedicated to it's Hunter "FL" Well No. 1 located in Unit F of said Section 15. 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 5934: Application of HNG Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its El Paso Federal 29 Well No. 1 to be located 2427 feet from the North line and 904 feet from the West line of Section 29, Township 24 South, Range 27 East, Eddy County, New Mexico, the W/2 of said Section 29 to be dedicated to the well.
- CASE 5935: Application of Union Texas Petroleum for a non-standard proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the E/2 W/2 and W/2 E/2 of Section 7, Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's Britt Well Nos. 3 and 12 located at unorthodox locations in Units G and C of said Section 7, respectively.
- CASE 5936: Application of El Paso Natural Gas Company for a dual completion and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its San Juan 27-4 Unit Well No. 109 to be located at an unorthodox location 990 feet from the South line and 1840 feet from the East line of Section 23, Township 27 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Tapacito-Pictured Cliffs and Blanco-Mesaverde Pools.
- CASE 5937: Application of Sun Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Lusk-Morrow, East Lusk-Wolfcamp and East Lusk-Bone Springs production in the wellbore of its Shearn Federal Well No. 1, located in Unit L of Section 15, Township 19 South, Range 32 East, Lea County, New Mexico.
- CASE 5938: Application of V-F Petroleum, Inc., for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Landreth State Well No. 1 to be drilled 330 feet from the South line and 1100 feet from the West line of Section 15, Township 10 South, Range 36 East, South Crossroads-Devonian Pool, Lea County, New Mexico, the S/2 SW/4 of said Section 15 to be dedicated to the well.
- CASE 5939: Application of C&K Petroleum, Inc., for compulsory pooling and an unorthodox location, 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 7, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to it's Carlsbad Well No. 7 to be located at an unorthodox location 760 feet from the South line and 690 feet from the West line of said Section 7. 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 5940: Application of C&K Petroleum, Inc., for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 6, Township 19 South, Range 32 East, Lea County, New Mexico, to be dedicated to it's Federal Well No. 6 to be located at an unorthodox location 600 feet from the South line and 2012 feet from the West line of said Section 6. 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 5934

CATRON, CATRON & SAWTELL

THOMAS B. CATRON, 1840-1921
FLETCHER A. CATRON, 1890-1964

THOMAS B. CATRON, III
JOHN S. CATRON
WILLIAM A. SAWTELL, JR.
FLETCHER R. CATRON

WILLIAM F. CARR
W. ANTHONY SAWTELL

ATTORNEYS AND COUNSELORS AT LAW

THE PLAZA

SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 788

TELEPHONE 982-1947
AREA CODE 505

April 28, 1977

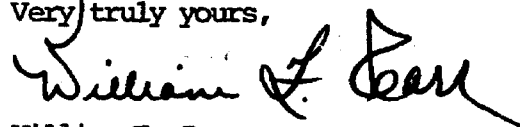
Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey, State Petroleum Engineer

Dear Mr. Ramey:

Enclosed herewith, in triplicate, is the Application of HNG Oil Company for approval of an unorthodox gas well location in Eddy County, New Mexico. HNG Oil Company requests that this matter be set for the Examiner's hearing to be held on May 25, 1977.

Very truly yours,



William F. Carr

WFC:eas

Enclosures

cc: Mr. Tom Pickering

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
HNG OIL COMPANY FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY, NEW
MEXICO

CASE 5934

APPLICATION

Comes now HNG Oil Company, by its undersigned attorneys, and hereby makes application to the Oil Conservation Commission for an unorthodox gas well location and in support thereof, respectfully states:

1. That applicant is the operator of the Pennsylvanian Formation underlying the west half of Section 29, Township 24 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and proposes to drill its El Paso Federal 29 Well No. 1 at a point located 2,427 feet from the north line and 904 feet from the west line of said Section 29.
2. Applicant seeks an exception to the well location requirements of Oil Conservation Commission Rule 104 C, II, (a) to permit the drilling of a well at the above-mentioned unorthodox location to test the Morrow Formation in the Pennsylvanian System.
3. That it is necessary to drill at this location because of a survey error.
4. That a standard 320-acre gas proration unit comprising the west half of said Section 29 should be dedicated to such well.
5. That approval of this Application will afford applicant the opportunity to produce its just and equitable share of gas in the Morrow Formation and will protect correlative rights.

WHEREFORE, HNG Oil Company requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation

Commission on May 25, 1977, that notice be given as required by law and the Rules of the Commission, that the Commission enter its order granting the applicant permission to drill its El Paso Federal 29 Well No. 1 at a point 2,427 feet from the north line and 904 feet from the west line of said Section 29, in the Morrow Formation, and that the west half of said Section 29 be dedicated to this well.

Respectfully submitted,

CATRON, CATRON & SAWTELL
Attorneys for Applicant
P. O. Box 788
Santa Fe, New Mexico 87501

By William F. Carr
William F. Carr

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
HNG OIL COMPANY FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY, NEW
MEXICO

CASE 5934

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CATRON, CATRON & SAWTELL
Attorneys for Applicant
P. O. Box 788
Santa Fe, New Mexico 87501

By /s/ William F. Carr
William F. Carr

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. 5934

Order No. R- 5447

APPLICATION OF HNG OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 25, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of , 1977, 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, HNG Oil Company, seeks
for its El Paso Federal 29 Well No. 1 to be located
approval of an unorthodox gas well location/ 2427 feet from the North
line and 904 feet from the West line of Section 29, Township
24 South, Range 27 East, NMPM, to test the
Mowow formation, Pool,
Eddy County, New Mexico.

(3) That the W/2 of said Section 29 is to be dedicated to the
well.

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

(5) That no offset operator objected to the proposed unorthodox
location.

(4) That said unorthodox location
resulted from an ~~sampling~~ error
in surveying.

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Case No. _____
Order No. R- _____

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

IT IS THEREFORE ORDERED:

Th. HNG O.I.G. P. Applicant's (1) That an unorthodox gas well location for the Morrow ~~Applicant's~~ El Paso Federal 29 Well No. 1 formation is hereby approved for ~~approval~~ to be located at a point 2427 feet from the North line and 904 feet from the West line of Section 29, Township 24 South, Range 27 East NMPM, Pool, Eddy County, New Mexico.

(2) That the W/2 of said Section 29 shall be dedicated to the above-described well.

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

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