

CASE 5980: KEN BLACKFORD, et al., FOR  
A NON-STANDARD GAS PRORATION UNIT AND  
AN UNORTHODOX GAS WELL LOCATION,  
SAN JUAN COUNTY, NEW MEXICO

Case Number

5980

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
July 6, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Ken Blackford, et al, for) CASE  
a nonstandard gas proration unit and an ) 5980  
unorthodox gas well location, San Juan )  
County, New Mexico. )

BEFORE: Daniel S. Nutter, 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

**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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I N D E X

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BILLY F. LATCH

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EXHIBIT INDEX

Offered      Admitted

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1 MR. NUTTER: We will call Case Number 5980.

2 MS. TESCHENDORF: Case 5980, application of Ken  
3 Blackford, et al, for a nonstandard gas proration unit and  
4 an unorthodox gas well location, San Juan County, New Mexico.

5 MR. CARR: Mr. Examiner, I'm William F. Carr of  
6 Catron, Catron and Sawtell, Santa Fe, appearing on behalf of  
7 the applicant, Ken Blackford, et al. I have one witness and  
8 four exhibits.

9 MR. NUTTER: Would your witness stand and be sworn,  
10 please.

11 (THEREUPON, the witness was duly sworn.)

12 MR. NUTTER: Are there any other appearances in  
13 Case 5980? Please proceed, Mr. Carr.

14

15

BILLY F. LATCH

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

18

19

DIRECT EXAMINATION

20 BY MR. CARR:

21 Q Will you state your full name and place of residence?

22 A I am Billy F. Latch and I live in Durango, Colorado.

23 Q Mr. Latch, what is your relationship with the appli-  
24 cant in this case?

25 A I have been a consultant to Mr. Blackford and

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1 associated with him in business for some twenty years.

2 Q Have you ever testified before the Commission and  
 3 had your credentials accepted and made a matter of record?

4 A Not in this Commission, no, sir.

5 Q Would you briefly summarize for the Examiner your  
 6 educational background and your work experience?

7 A I am a graduate of Colorado College, Colorado Springs.  
 8 I have practiced professionally in the Four-Corners area for  
 9 the past twenty-three years. I worked for major companies and  
 10 have been consulting for twenty years. I am a Certified  
 11 Professional Geologist and a Registered Professional Engineer.

12 Q Have you appeared as an expert witness before other  
 13 regulatory commissions?

14 A I have.

15 Q Are you familiar with the application of Ken Blackford,  
 16 et al in this case?

17 A Yes.

18 Q In a very general way, what does Mr. Blackford seek  
 19 with this application?

20 A He is seeking an unorthodox proration unit because  
 21 of the geometric shape of the lease and it also requires a  
 22 nonstandard location.

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

25 MR. NUTTER: yes, they are.

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1 Q (Mr. Carr continuing.) Will you please refer to  
 2 what has been marked as Blackford Exhibit Number One and  
 3 summarize for the Examiner what it shows?

4 A Outlined in blue is the acreage in question. The red  
 5 dot represents the approximate location in which we desire to  
 6 drill this Pictured Cliffs test.

7 Q Does Mr. Blackford have all of the working interest  
 8 in the one hundred and sixty acres encompassed by the blue line  
 9 on this exhibit?

10 A Yes.

11 Q What is the status of the royalty interest under this  
 12 particular tract?

13 A This is a Federal lease, it belongs to the United  
 14 States government.

15 Q So the royalty interest is uniform throughout?

16 A It is.

17 Q Have you attempted to set up a standard proration  
 18 unit in the northwest quarter of Section 24?

19 A Yes, we have.

20 Q What efforts have you made?

21 A We have approached our neighbor to the south with  
 22 the proposal that we trade them our northwest quarter of the  
 23 southwest quarter for their southeast quarter of the northwest  
 24 quarter, providing both of us a standard proration unit.

25 Q And what sort of success did you have in this endeavor?

1 A. We have had none.

2 Q. Now will you refer to what has been marked as Blackford  
3 Exhibits Two and Three and tell the Examiner what they are?

4 A. Exhibit Two is Mr. Blackford's letter to Amoco with  
5 our proposal to trade acreage or to reach some sort of an  
6 amicable agreement regarding this probelm.

7 Exhibit Three is their answer refusing to take any  
8 action.

9 Q. Mr. Latch, in your opinion is the acreage in question  
10 presently being drained in the Pictured Cliffs formation?

11 A. Yes, there has recently been completed a well in  
12 the southeast quarter of Section 14 which is only some eight  
13 hundred feet from our lease line which should definitely result  
14 in drainage.

15 Q. Who is the operator of this well?

16 A. R & G Drilling Company.

17 Q. You said this is a diagonal offset to your proposed  
18 location?

19 A. Well, to our proration unit, yes.

20 Q. Are there other offsets producing from the Pictured  
21 Cliffs formation in the general area?

22 A. Yes, there is one well in the northeast-northeast  
23 quarter of Section 24 that is a Pictured Cliffs well. The  
24 operator is Brad Keyes.

25 Q. Are there other nonstandard units in the area?

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1 A. Yes.

2 Q. And where would those be located?

3 A. In Section 24 the Keyes well is in New Mexico Unit "A",  
4 northeast-northeast of 24. This well has a hundred and sixty  
5 acres dedicated to it and it is on a proration unit which is  
6 the mirror image of our request for this proration unit in the  
7 section.

8 MR. NUTTER: By a mirror image, Mr. Latch, you mean  
9 that that unit comprises the north half of the northeast, the  
10 southeast of the northeast and the northeast of the southeast?

11 A. That is correct, sir.

12 Q. (Mr. Carr continuing.) At this time, Mr. Latch,  
13 perhaps you should refer to what has been marked as Exhibit  
14 Four. Would you tell the Examiner what is indicated by the  
15 red outline on Exhibit Four?

16 A. This does show the acreage as dedicated to the Keyes  
17 well there in Section 24 that has been approved. This well  
18 was drilled some twenty years ago.

19 Q. And the blue line indicates what?

20 A. The blue line is the proration unit that we are  
21 requesting for this acreage.

22 Q. Okay. Who owns the remaining one hundred and sixty  
23 acres in the west half of Section 24?

24 A. Amoco.

25 Q. If your application was approved would you have one

1 hundred and sixty contiguous acres to dedicate to a well?

2 A. We would.

3 Q. Where do you plan to drill a well to which you will  
4 dedicate the nonstandard unit?

5 A. The northeast quarter of the northwest quarter of  
6 the section.

7 Q. Have you staked a location at this time?

8 A. No, we have not.

9 Q. Where approximately do you plan to drill in terms of  
10 footage?

11 A. We will be somewhat controlled by the topography  
12 there. We would drill a well approximately eight hundred  
13 feet, I have made a ground inspection, approximately eight  
14 hundred feet from the north line and eighteen hundred feet  
15 from the west line, probably plus or minus a hundred and fifty  
16 feet.

17 MR. CARR: Mr. Examiner, it should be noted that  
18 this varies from the location as advertised in this case.

19 Q. (Mr. Carr continuing.) What types of approval must  
20 you obtain before you can stake the location?

21 A. We must have the approval of the USGS, we must  
22 have an inspection by the GS, the BLM, the Environmentalists  
23 and in this particular instance, being near the Salmon  
24 ruins definitely an archeologist, all of who must look at the  
25 proposed area before we can conduct a survey to drive a stake.

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1 Q Have you contacted any of these groups?

2 A Yes, I have.

3 Q What is their reaction?

4 A Favorable. I have contacted the USGS, Mr. Phil  
5 McGrath, the District Engineer, and he has indicated insofar  
6 as the Federal government is concerned we were within bounds  
7 with the proposed location and the proration unit and he knew,  
8 subject to no objection to the location, this would, of course,  
9 be subject to their inspection.

10 Q Now you have indicated that your objective in  
11 drilling this well would be the Pictured Cliffs formation?

12 A That is correct.

13 Q What do you estimate the total depth of the well to  
14 be?

15 A About seventeen hundred and fifty feet.

16 Q What are the spacing requirements for a Pictured  
17 Cliffs well, how many feet must you be from an outer boundary  
18 to drill a Pictured Cliffs well?

19 A Seven hundred and ninety feet.

20 Q Now in view of the shape of the proposed unit, is  
21 it possible in your opinion to drill a standard location on  
22 this unit?

23 A No, that is physically impossible with this survey.

24 Q In your opinion would the granting of this applica-  
25 tion be in the interests of conservation and the prevention of

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1 waste?

2 A. Yes, it would.

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

5 A. It would.

6 Q. Do you have anything further to offer at this time?

7 A. No, sir.

8 Q. Now, Mr. Latch, Exhibit One is the plat, was this  
 9 prepared by you or under your supervision?

10 A. Yes, it was.

11 Q. And Exhibits Two and Three were letters that were  
 12 between Mr. Blackford and Amoco?

13 A. Yes.

14 Q. Have you reviewed them?

15 A. Yes, I have.

16 Q. And the final exhibit is an Oil Conservation Commission  
 17 form with certain additions thereon. Do you know from your own  
 18 knowledge what is portrayed thereon, Mr. Latch?

19 A. Yes, I do.

20 MR. CARR: At this time, Mr. Examiner, we would offer  
 21 Blackford Exhibits One through Four.

22 MR. NUTTER: Blackford Exhibits One through Four will  
 23 be admitted in evidence.

24 (THEREUPON, Blackford Exhibits One through  
 25 Four were admitted into evidence.)

1 MR. CARR: I have one other question. When are you  
2 anticipating that you will be ready to drill, Mr. Latch?

3 MR. LATCH: We are ready to drill as soon as we can  
4 get the proper legal approval and round up the proper equipment.  
5 We have been in contact with drilling contractors and mud  
6 companies such as that and we are prepared to drill as soon as  
7 we physically can under legal approval of the location.

8 MR. CARR: No further questions on direct.  
9

10 CROSS EXAMINATION

11 BY MR. NUTTER:

12 Q Mr. Latch, this is one of those things where the  
13 nonstandard location is mandatory if the nonstandard unit is  
14 approved but you are not quite prepared yet to say what the  
15 nonstandard location will be because you have to have all of  
16 these inspections?

17 A That's right. I know within plus or minus a hundred  
18 and fifty feet of where we would like to drill it, which is  
19 certainly at least three hundred and thirty feet from any lease  
20 line but due to topography and the possibility of this being  
21 an area of archeological interest --

22 Q Now you mentioned that there were some kind of ruins,  
23 what was that?

24 A Yes, the Salmon ruins are only about two to two and a  
25 half miles.

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1 Q What are those?

2 A This is a State Monument of some Indian ruins that  
3 have been excavated or are in the process of being excavated  
4 and a museum and this is a rather interesting archeological  
5 area. I personally have failed to observe anything on the  
6 surface that would lead to their wanting us or requiring us  
7 to move this location but I'm not an archeologist.

8 Q The archeologist in you says that it's okay?

9 A Yes.

10 Q Some other archeologist might not?

11 A Yes, I admit that I'm not qualified in this field.

12 Q Okay, now, you mentioned that there is a mirror  
13 image of this nonstandard proration unit that you are seeking  
14 over in the east half of the section. Who owns the remaining  
15 acreage in the east half of the section, do you know?

16 A Yes, I don't know for sure which way those units  
17 run, whether they are north-south or east-west. Pioneer  
18 Production has a Dakota well in the northeast quarter of the  
19 section so they must run north-south because the west half is  
20 dedicated to a Dakota well in the southwest quarter that is  
21 owned by Amoco. So Pioneer must own the deeper and the remain-  
22 ing rights probably in the east half of the section. I do not  
23 know for positive.

24 Q I just wondered if you knew whether Amoco also owned  
25 the mirror image of the acreage that they own in the west half?

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1 A. No, they do not. Pioneer does have a producing  
2 Dakota well in that half of the section.

3 Q. In your Exhibit Number Two, I believe Mr. Blackford  
4 offered to exchange acreage with Amoco so that the two companies  
5 would have a standard one hundred and sixty acre unit?

6 A. Yes, sir.

7 Q. And in their letter of June 3rd they declined to  
8 swap forties?

9 A. Yes, sir.

10 Q. And also to farm out their forty?

11 A. Yes, sir.

12 MR. NUTTER: Are there any further questions? By  
13 the way, Mr. Latch, I believe that it would probably be possible  
14 to get administrative approval for the nonstandard location  
15 when you do finally determine what it is going to be, without  
16 the necessity of another hearing, in the absence of any  
17 objection from the offset operators.

18 MR. LATCH: Thank you.

19 MR. NUTTER: Are there any further questions of  
20 Mr. Latch? He may be excused.

21 (THEREUPON, the witness was excused.)

22 MR. NUTTER: Do you have anything further, Mr. Carr?

23 MR. CARR: Nothing further, Mr. Examiner.

24 MR. NUTTER: Does anyone have anything they wish to  
25 offer in Case 5980? We will take the case under advisement.

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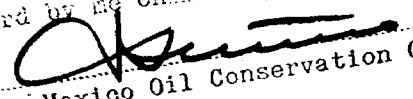
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REPORTER'S CERTIFICATE

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 Ex. other hearing of Case No. 5980  
heard by me on 7/6, 1977.  
, Examiner  
New Mexico Oil Conservation Commission





# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501



DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO  
July 20, 1977

STATE GEOLOGIST  
EMERY C. ARNOLD

Mr. William F. Carr  
Catron, Catron & Sawtell  
Attorneys at Law  
Post Office Box 788  
Santa Fe, New Mexico

Re: CASE NO. 5980  
ORDER NO. R-5494

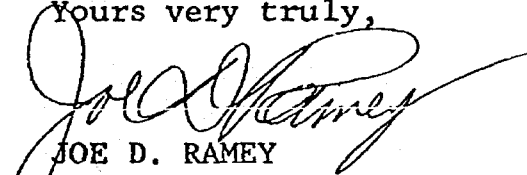
Applicant:

Ken Blackford, et al.

Dear Sir:

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

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x  
Artesia OCC x  
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. 5980  
Order No. R-5494

APPLICATION OF KEN BLACKFORD,  
ET AL., FOR A NON-STANDARD  
PRORATION UNIT AND AN UNORTHODOX  
GAS WELL LOCATION, SAN JUAN COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 6, 1977,  
at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 19th day of July, 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, Ken Blackford, et al., seeks  
approval of a 160-acre non-standard gas proration unit  
comprising the N/2 NW/4, SW/4 NW/4 and NW/4 SW/4 of  
Section 24, Township 29 North, Range 12 West, NMPM, to be  
dedicated to a well to be drilled at an unorthodox location  
660 feet from the North line and 1980 feet from the West line  
of said Section 24, or at some other as yet undetermined  
unorthodox location.

(3) That the entire non-standard proration unit may  
reasonably be presumed productive of gas from the Fulcher  
Kutz-Pictured Cliffs Pool and that the entire non-standard  
gas proration unit can be efficiently and economically drained  
and developed by the aforesaid well.

-2-

Case No. 5980  
Order No. R-5494

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Fulcher Kutz-Pictured Cliffs 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 a 160-acre non-standard gas proration unit in the Fulcher Kutz-Pictured Cliffs Pool comprising the N/2 NW/4, SW/4 NW/4 and NW/4 SW/4 of Section 24, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, is hereby established and dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1980 feet from the West line of said Section 24, or at some other as yet undetermined unorthodox location.

(2) That should said well be drilled at some other as yet undetermined location, applicant must receive approval for such location from the Commission in accordance with usual procedures for such approval.

(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

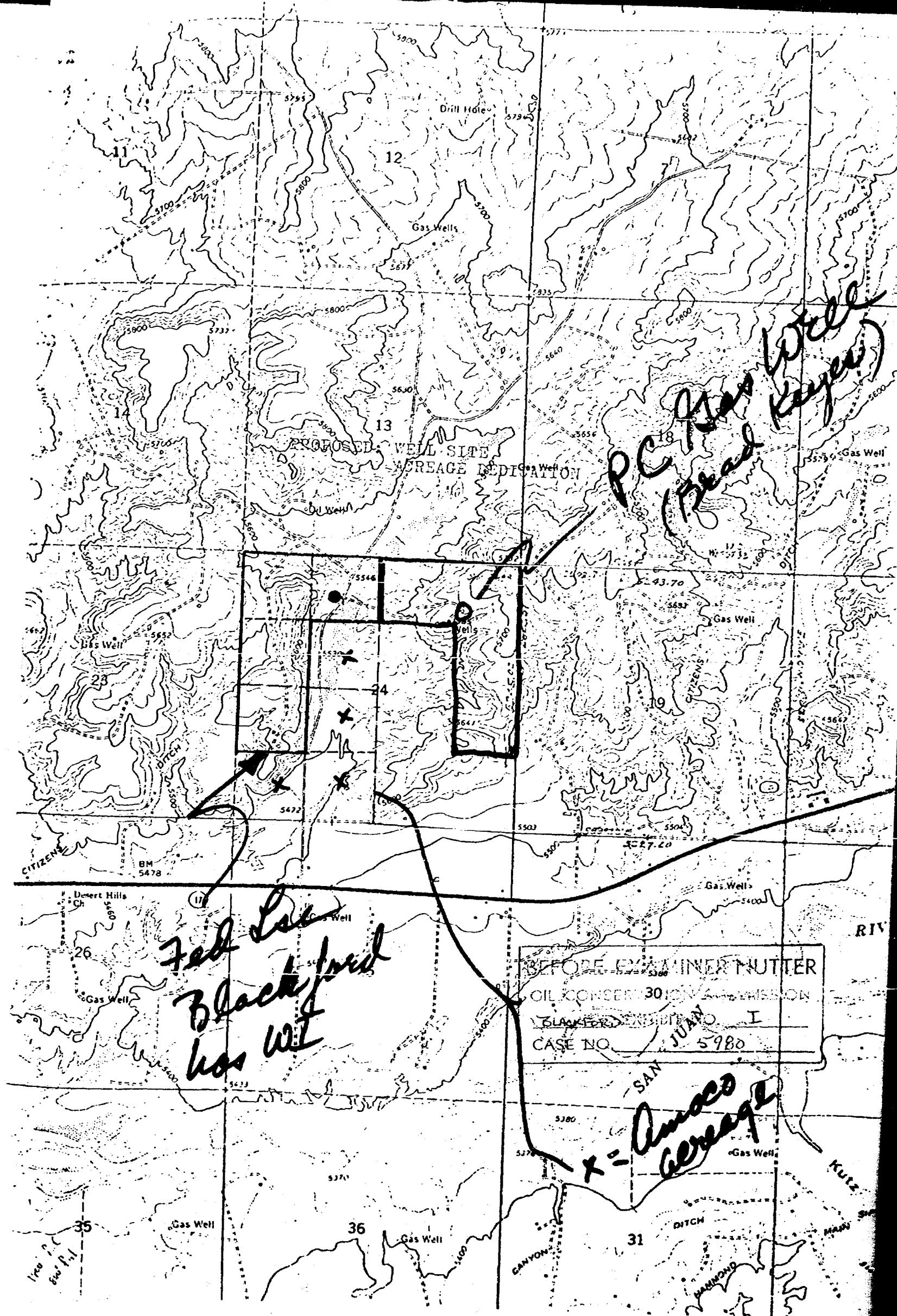
  
*Phil R. Lucero*  
PHIL R. LUCERO, Chairman

*Emery C. Arnold*  
EMERY C. ARNOLD, Member

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

S E A L

dr/



*Fed Loc  
Blackford  
has WT*

*PC has well  
keyer*

BEFORE EXAMINER MUTTER  
OIL CONSERVATION COMMISSION  
BLACKFORD DISTRICT NO. I  
CASE NO. 5980

*x = Amoco  
acreage*

KEN BLACKFORD

Address reply to  
P. O. Box 103  
Lubbock, Texas 79408

March 18, 1977

Mr. Bernie Pracko  
Amoco Production Company  
Security Life Building  
Denver, Colorado 80202

302-870-4040

Re: USA N. M. 013885 and  
USA N. M. 048573, the NW/4 and  
the SW/4, Section 24, T-29-N,  
R-12-W, San Juan County, N. M.

Dear Mr. Pracko:

With reference to the captioned subject and our telephone conversation, at the suggestion of Mr. L. O. Speer, when I was in Farmington on March 10th:- I would like to drill a Pictured Cliffs test in the NW/4 of Section 24. I presently hold the rights to the Pictured Cliffs or to 2,100 feet in the N/2 of the NW/4, the SW/4 of the NW/4, and in the NW/4 of the SW/4 of this Section. You hold the same rights in the SE/4 of the NW/4, and in the E/2 of the SW/4 and in the SW/4 of the SE/4, each of us under the captioned leases.

In order to form a Standard gas well location for a 100% Pictured Cliffs test, I understand that it is necessary for me to obtain the rights as to the SE/4, which you hold, and for you to obtain the rights as to the NW/4, which I hold, all as shown in the paragraph above. Thus, each of us would have a Standard 100% gas well location for a Pictured Cliffs test.

As mentioned to you in our telephone conversation, I am not acquainted with the way in which such an exchange of rights is accomplished. I solicit your help in obtaining approval for such an exchange, and in preparing the proper instrument under which such an exchange may be made.

Sincerely yours,

Ken Blackford

KB/b

BEFORE EXAMINER NUTTER  
OF CONSERVATION COMMISSION  
BLACKFORD EXHIBIT NO. II  
CASE NO. 5980



**Amoco Production Company**

Security Life Building  
Denver, Colorado 80202  
Exploration Department

T. S. Yancey  
Division Landman  
Claud Neely  
L. M. Brady  
P. B. Abbey  
District Landman

June 3, 1977

Re: Lease No. 170557  
NW/4 Section 24-29N-12W  
San Juan County  
New Mexico

Mr. Ken Blackford  
P. O. Box 108  
Lubbock, Texas 79408

Dear Mr. Blackford:

Please refer to your letter of March 18, 1977, in which you proposed exchanging your NW/4 SW/4 Section 24 for Amoco's SE/4 NW/4 Section 24-29N-12W covering to base of Pictured Cliffs formation, which would enable you to drill a 100% P.C. well in the NW/4 Section 24.

Our Producing Department has advised me they do not wish to swap 40's nor do they wish to farmout our 40 acres. Please accept my apology for this taking us so long to answer you.

Very truly yours,

AMOCO PRODUCTION COMPANY

P. B. Abbey  
District Landman

By B. F. Pracko  
B. F. Pracko

BFP:mh

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
BLACKFORD	EXHIBIT NO. <u>III</u>
CASE NO.	<u>5980</u>

NEW MEXICO OIL CONSERVATION COMMISSION  
Well Location and Acreage Dedication Plat

Section A:

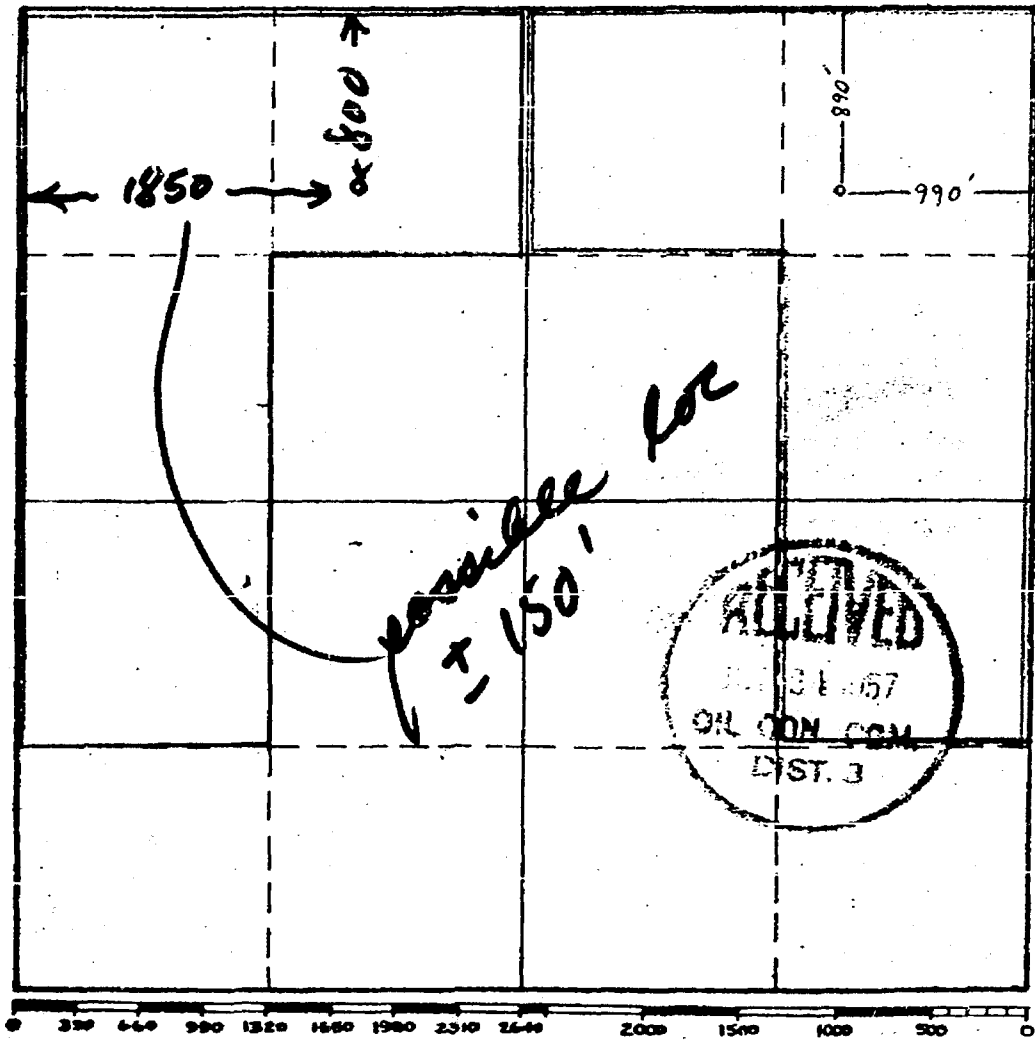
Date June 20, 1957

Operator Claud E. Allman Lease Federal Lease, M. M. Oil Co., Carl E. Sherry  
Well No. 1 Unit Letter A Section 24 Township 29 North Range 12 East NMPN  
Located 990 Feet From North Line, 990 Feet From East Line  
County San Juan County G. L. Elevation 5400 Dedicated Acreage 160 Acres  
Name of Producing Formation Pictured Cliffs Pool Palmer Lake

1. Is the Operator the only owner\* in the dedicated acreage outlined on the plat below?  
Yes X No
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes        No       . If answer is "yes," Type of Consolidation
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description
BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
EXHIBIT NO. <u>IV</u>	
CASE NO. <u>5980</u>	

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Claud E. Allman  
(Operator)  
William E. Allman  
(Representative)  
P. O. Box 2090, San Angelo, Texas  
Address Texas

This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.  
Date Surveyed       

Registered Professional Engineer and/or Land Surveyor

Certificate No.       

(See instructions for completing this form on the reverse side)

INSTRUCTIONS FOR COMPLETION:

1. Operator shall furnish and certify to the information called for in Section A.
2. Operator shall outline the dedicated acreage for both oil and gas wells on the plat in Section B.
3. A registered professional engineer or land surveyor registered in the State of New Mexico or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
4. All distances shown on the plat must be from the outer boundaries of Section.
5. If additional space is needed for listing owners and their respective interests as required in question 3, Section A, please use space below

OIL CONSERVATION COMMISSION		
REGISTRATION OFFICE		
No. Copies Received	5	
OPERATOR	2	✓
<i>San Jose</i>	1	
REGISTRATION		
4585		
<i>Fido</i>	1	

\* "Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1953 Comp.)



- CASE 5977: Application of BTA Oil Producers for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its JV-P Hagood Well No. 1 located in Unit B of Section 25, Township 26 South, Range 35 East, Lea County, New Mexico, in such a manner as to produce gas from the Pennsylvanian formation thru tubing in the production casing and to dispose of produced salt water down the production/intermediate casing annulus into the Delaware formation thru the open-hole interval from 5050 feet to approximately 6555 feet.
- CASE 5978: Application of BTA Oil Producers for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a Pennsylvanian Gas Pool for its Hagood Well No. 1 located in Section 25, Township 26 South, Range 35 East, Lea County, New Mexico, and the promulgation of special rules therefor, including a provision for 640-acre spacing and proration units.
- CASE 5979: Application of Texas Pacific Oil Company, Inc., for non-standard gas proration units, simultaneous dedication and unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following non-standard gas proration units on its State "A" A/C-2 Lease in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico:
- a 480-acre unit comprising the N/2, W/2 SW/4, and E/2 SE/4 of Section 11 to be simultaneously dedicated to Wells Nos. 14, 36 and 42 located at unorthodox locations in Units B, M, and E, respectively, of said Section 11; a 160-acre unit comprising the E/2 SW/4 and the W/2 SE/4 of Section 11 to be dedicated to Well No. 62 to be drilled at an unorthodox location in Unit K of said Section 11; a 160-acre unit comprising the NW/4 of Section 9 to be dedicated to Well No. 63 to be drilled at an unorthodox location in Unit C of said Section 9; a 160-acre unit comprising the NE/4 of Section 9 to be dedicated to Well No. 40 located at a standard location in Unit A of said Section 9.
- CASE 5980: Application of Ken Blackford, et al., for a non-standard gas proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the N/2 NW/4, SW/4 NW/4 and NW/4 SW/4 of Section 24, Township 29 North, Range 12 West, Fulcher Kutz-Pictured Cliffs Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1980 feet from the West line of said Section 24.
- CASE 5981: Application of W. A. Monerief, Jr., for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of an oil pool for Upper-Pennsylvanian production for his State Well No. 1 located in Unit E of Section 26, Township 16 South, Range 33 East, Lea County, New Mexico, and the promulgation of special rules therefor, including a provision for 80-acre spacing.

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

June 15, 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 Ken Blackford, et al., for approval of a non-standard gas proration unit and an unorthodox gas well location in San Juan County, New Mexico. Ken Blackford, et al., request that this matter be set for the Examiners Hearing to be held on July 6, 1977.

Very truly yours,

  
William F. Carr

WFC:eas  
Enclosures  
cc: Ken Blackford  
William F. Latch

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

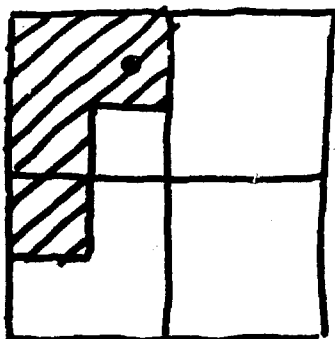
IN THE MATTER OF THE APPLICATION  
OF KEN BLACKFORD, ET AL., FOR  
APPROVAL OF A NON-STANDARD GAS  
PRORATION UNIT AND AN UNORTHODOX  
GAS WELL LOCATION, SAN JUAN  
COUNTY, NEW MEXICO.

CASE 5980

APPLICATION

COME NOW Ken Blackford, et al., by their undersigned attorneys, and hereby make application to the Oil Conservation Commission for a non-standard gas proration unit and an unorthodox gas well location, and in support thereof, respectfully state:

1. Applicants are the owners of the Pictured Cliffs rights in the N/2 NW/4, SW/4 NW/4 and NW/4 SW/4 of Section 24, Township 29 North, Range 12 West, San Juan County, New Mexico.
2. Applicants seek the establishment of a 160-acre non-standard gas proration unit in the Fulcher-Kutz, Pictured Cliffs pool comprising all of the above-described acreage, which non-standard unit would be dedicated to a well to be drilled at an unorthodox location in said Section 24.
3. Applicants are unable to create a standard proration unit in the NW/4 of said Section 24 due to the unwillingness of the owner of the SE/4 NW/4 of said Section 24 to either exchange property with the applicants or farm out the SE/4 NW/4 of said Section 24 to the applicants.
4. Applicants seek an exception to the well location requirements of Oil Conservation Commission Rule 104, C, II(b) to permit the drilling of a well at a point 660 feet from the north line and 1980 feet from the west line of said Section 24 to test the Pictured Cliffs formation.



5. That it is necessary to drill at this location because of topographical conditions.

6. That the above-mentioned 160-acre non-standard gas proration unit should be dedicated to such well.

7. That approval of this Application will afford Applicants the opportunity to produce their just and equitable share of the gas in the Pictured Cliffs formation and will protect correlative rights.

WHEREFORE, Ken Blackford, et al., request that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Commission on July 6, 1977, that notice be given as required by law and the Rules of the Commission, that the Commission enter its order granting the Applicants permission to drill a well to test the Pictured Cliffs formation at a point 660 feet from the north line and 1980 feet from the west line of said Section 24, and that the N/2 NW/4, SW/4 NW/4 and NW/4 SW/4 of said Section 24 be dedicated to this well.

Respectfully submitted,

CATRON, CATRON & SAWTELL  
Attorneys for Applicants  
Post Office Box 788  
Santa Fe, New Mexico 87501

By 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. 5980

Order No. R- 5494

APPLICATION OF KEN BLACKFORD,  
ET AL., FOR A NON-STANDARD PRORATION  
UNIT AND AN UNORTHODOX GAS WELL LOCATION,  
SAN JUAN COUNTY, NEW MEXICO.

## ORDER OF THE COMMISSION

## BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 6,  
19 77, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of July, 19 77, 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, Ken Blackford, et al., seeks approval  
of a 160-acre non-standard gas proration unit comprising the  
N/2 NW/4, SW/4 NW/4 and NW/4 SW/4 of Section 24, Township 29 North,  
Range 12 West, NMPM, to be dedicated to a well to be drilled at an  
~~as yet undetermined~~ <sup>OK</sup> unorthodox location. ~~660 feet from the North line and 1980 feet from~~  
~~the West line of said Section 24,~~ <sup>OK</sup> or at some other as yet  
undetermined unorthodox location.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Fulcher Kutz-Pictured Cliffs Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Fulcher Kutz-Pictured Cliffs 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 a 160-acre non-standard gas proration unit in the Fulcher Kutz-Pictured Cliffs Pool comprising the N/2 NW/4, SW/4 NW/4 and NW/4 SW/4 of Section 24, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, is hereby established and dedicated to a well to be drilled at an ~~unorthodox~~ <sup>as yet undetermined</sup> location 660 feet from the North line and 1980 feet from the West line of said Section 24, *or at some other as yet undetermined unorthodox location.*

(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.

*(2) That should said well be drilled at some other as yet undetermined location, applicant must receive approval for such location from the Commission prior to in accordance with usual procedures for such approval.*