

Case Number

6024

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 14, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens, Inc.,) CASE
for two unorthodox gas well locations,) 6024
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 Conservation Commission: Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Donald G. Stevens, Esq.
Attorney at Law
200 Old Santa Fe Trail
Santa Fe, New Mexico

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I N D E X

	<u>Page</u>
1	
2	1
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

EXHIBIT INDEX

11	Applicant's Exhibit No. 1, Map	6
12	Applicant's Exhibit No. 2, Map	6
13	Applicant's Exhibits Admitted	8

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1 MR. STAMETS: Call the next case, Number 6024.

2 MS. TESCHENDORF: Application of Read & Stevens,
3 Inc., for two unorthodox gas well locations, Chaves County,
4 New Mexico.

5 MR. STAMETS: Call for appearances in this case?

6 MR. STEVENS: Mr. Examiner, I am Don Stevens,
7 attorney from Santa Fe, representing the applicant in this
8 case. We have one witness to be sworn.

9 MR. STAMETS: Any other appearances? Will the
10 witness stand and be sworn?

11 (THEREUPON, the witness was sworn.)

12
13 ROBERT W. BECKER
14 was called as a witness by the applicant, and having been
15 first duly sworn, testified upon his oath as follows:

16
17 DIRECT EXAMINATION

18 BY MR. STEVENS:

19 Q Mr. Examiner, Read & Stevens would like to dismiss
20 that portion of the case concerned with the Jackson Well No. 1,
21 in Section 25, Township 12 South, Range 30 East, and continue
22 with R & J Federal Well.

23 The Jackson well will have a new form C-102 filed
24 with it and the proration until will run north and south and
25 that will make the location a standard location.

1 We would, however, like to continue with the
2 R & J well.

3 MR. STAMETS: We will dismiss that portion of the
4 case dealing with the Jackson Well No. 1. You may proceed.

5 Q (Mr. Stevens continuing.) Will you state your name,
6 your residence, and your occupation and your relationship
7 with the applicant herein?

8 A My name is Robert W. Becker. I am a consulting
9 geologist from Roswell, New Mexico. I did a revision of a
10 Queen study here for Read & Stevens a few years ago and they
11 called on me to represent them for this particular area.

12 Q Have you previously testified before this Commission
13 and had your qualifications accepted by them?

14 A Yes, I have.

15 MR. STEVENS: Are the witness' qualifications
16 acceptable, Mr. Examiner?

17 MR. STAMETS: They are.

18 Q (Mr. Stevens continuing.) Would you please briefly
19 state what the applicant seeks in this case, Mr. Becker?

20 A The applicant seeks approval of the Commission for
21 an unorthodox location for their No. 1 R & J Federal in the
22 northeast quarter of the northeast quarter of Section 20,
23 Township 12 South, Range 31 East.

24 Q What is the proration unit allocable to that well?

25 A On Exhibit One all of the wells in the area are

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1 shown and the ownership is shown and also the completion
2 dates of all wells are shown on Exhibit.

3 The east half of Section 20 is the proration unit
4 for the subject well.

5 Q Could you give us a brief history of this well as
6 to when it was completed and the subsequent pool wells that
7 effect that well and this proration unit?

8 A The No. 1 R & J Federal was completed December 30th,
9 1970, two years prior to the first setting up of the order
10 which was the 13th day of November 1972. This order is
11 number R-4435.

12 This order setup three hundred and twenty acre
13 spacing and also had in it the administrative approval
14 proposal whereby you could get these unorthodox locations
15 approved without a hearing.

16 However, in January 1977, the order was continued
17 but without the provision for administrative approval which is
18 the reason for our needing this hearing today.

19 Q This well, then, was originally drilled on one
20 hundred and sixty acre state-wide spacing?

21 A Yes, it was.

22 Q And R-4435 provided for three hundred and twenty
23 acre spacing and how is this location unorthodox under those
24 field rules?

25 A It would be an orthodox location at the time it was

1 drilled. However, when the spacing was changed to three
2 twenty it is now in an unorthodox location for three hundred
3 and twenty acres -- spacing.

4 Q Referring, then, to your Exhibit Number One, are
5 there any other unorthodox locations in this pool?

6 A Yes, sir. There is an unorthodox location in Section
7 17, located in the southwest quarter of the southwest quarter.

8 Q To your knowledge was this the same situation as this
9 Read & Stevens well in that it was drilled prior to the pool
10 rules?

11 A Yes, it was. The well was completed August 30th,
12 1970.

13 Q Referring, then, to what has been marked as Exhibit
14 Number Two, would you explain it, please?

15 A Exhibit Two is a structure map showing a gently
16 dipping east dip. The map is contoured on the Queen sands
17 and it also shows an area of porosity and permeability
18 trending roughly northeast-southwest and it is the area colored
19 within the brown outline.

20 Q What is the significance of your yellow and blue
21 colorings?

22 A The yellow is porous Queen sands containing gas
23 and the blue is porous Queen sands containing water.

24 You can see that the subject well is in the north-
25 east quarter of the northeast quarter of Section 20 and

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1 although unorthodox it is just barely above the water
2 contact.

3 A dry hole to the southeast, the Stringer No. 2,
4 Terro Federal, encountered water and is only twenty feet
5 low to the R & J Federal.

6 Q You have, then, shown no gas-oil contact but a gas-
7 water contact based upon your information today?

8 A That is correct. The well was actually drilled as
9 a wildcat originally and it was drilled after the No. 2,
10 which was a water well in the southeast, and the unorthodox
11 location in Section 17.

12 I assume that the operators assumed that they would
13 get oil between the gas well and the water well. However,
14 with only twenty feet you would have a very thin string of
15 oil along that line, that water datum.

16 Q You based your gas-water contact between those two
17 wells. On what other basis do you draw your gas-water contact
18 in relationship to the rest of the geology in this field?

19 A Well, it is assumed that our water datum is level
20 or approximately level and that is what has been done here.

21 We know that there is water in the one well and gas
22 in the other and it is to pretty much split the difference
23 for the water datum and then just keeping the same datum or
24 paralleling that plus 1550 contour.

25 Q In your opinion is the entire east half of Section 20

1 underlaid by gas?

2 A. Yes, it is.

3 Q. In your opinion would the granting of this
4 application tend to protect correlative rights of the owners
5 and operators in this field?

6 A. I believe that if there is any gas at all to the
7 east or the northeast, it would be very little, and
8 correlative rights are not jeopardized there.

9 If anyone is jeopardized it would be Read & Stevens
10 with their present location.

11 Q. Were Exhibits One and Two prepared by you or under
12 your direction?

13 A. Yes, they were.

14 MR. STEVENS: I would like to move the introduction
15 of Exhibits Number One and Two, Mr. Examiner, and we have
16 no further questions on direct.

17 MR. STAMETS: These exhibits will be admitted.

18

19

CROSS EXAMINATION

20 BY MR. STAMETS:

21 Q. Mr. Becker, if the application were denied would it
22 be required for Read & Stevens to drill another well on this
23 half section in order to produce it?

24 A. Either drill another well or they could suffer some
25 drainage at the south end of their proration unit.

1 That's what I referred to when I said that they
2 may be the only ones suffering from correlative rights.

3 MR. STEVENS: May I ask the witness another
4 question, Mr. Examiner?

5 MR. STAMETS: Yes.

6 MR. STEVENS: Mr. Becker, do you consider that this
7 location of Read & Stevens should have its allowable
8 penalized by virtue of its being drilled in an unorthodox
9 location?

10 THE WITNESS: No, sir. I believe these two wells
11 should adequately drain the section.

12 MR. STEVENS: And inasmuch as the applicant drilled
13 a well prior to the promulgation of the three hundred and
14 twenty acre spacing would you say they could not have done
15 otherwise at that time?

16 THE WITNESS: The present location is the logical
17 one under the circumstances, yes.

18 MR. STEVENS: I have no further questions.

19 Q. (Mr. Stamets continuing.) Would the requirement to
20 drill another well result in economic waste?

21 A. Yes, I believe it would.

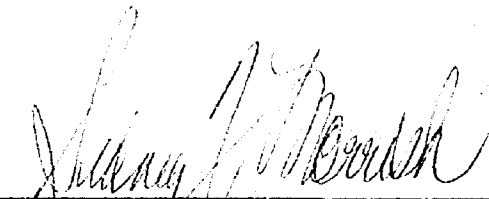
22 MR. STAMETS: Any other questions of the witness?
23 He may be excused. Anything further in this case?

24 We will take the case under advisement.

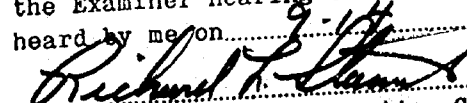
25 (THEREUPON, the witness was excused.)

REPORTER'S CERTIFICATE

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


Sidney F. Morrish, C.S.R.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6024
heard by me on 9-14 19 95.
, Examiner
New Mexico Oil Conservation Commission

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. 6024
Order No. R-5536

APPLICATION OF READ & STEVENS,
INC. FOR TWO UNORTHODOX GAS WELL
LOCATIONS, CHAVES COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 14, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 27th day of September, 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, Read & Stevens, Inc., seeks approval of two unorthodox gas well locations for its R & J Federal Well No. 1 located in the center of Unit A of Section 20, Township 12 South, Range 31 East, and its Jackson Well No. 1 located in the center of Unit I of Section 25, Township 12 South, Range 30 East, Southeast Chaves-Queen Gas Area, Chaves County, New Mexico.

(3) That the applicant's request for dismissal of that portion of this case which relates to said Jackson Well No. 1 should be granted.

(4) That said R & J Federal Well No. 1 was drilled and completed prior to the promulgation of rules providing for 320-acre spacing in the subject area, and was drilled at a standard location on a 160-acre unit.

-2-

Case No. 6024
Order No. R-5536

(5) That the applicant now proposes to dedicate the E/2 of said Section 20 to said R & J Federal Well No. 1 in accordance with the current rules for the subject area.

(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:

(1) That an unorthodox gas well location is hereby approved for the Read & Stevens R & J Federal Well No. 1 located in the center of Unit A of Section 20, Township 12 South, Range 31 East, Southeast Chaves-Queen Gas Area, Chaves County, New Mexico.

(2) That the E/2 of said Section 20 shall be dedicated to said R & J Federal Well No. 1.

(3) That that portion of Case No. 6024 dealing with the proposed unorthodox location of applicant's Jackson Well No. 1 in Unit I of Section 25, Township 12 South, Range 30 East, Chaves County, New Mexico, is hereby dismissed.

(4) 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, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

S E A L

dr/

READ AND STEVENS, INC.
ROSWELL, NEW MEXICO

LAND OWNERSHIP MAP
SOUTHEAST CHAVES QUEEN GAS AREA

Chaves County, New Mexico

Apache Springs

Allen's Fed Union

Tom Brown's
Fed
TO 10600

Elliott
State
TO 10993

Hunt
State
TO 11128

R-31-E
Somedan
DeBorde
TO 10995

Chomplin
State
TO 11046

Hunt
Henry Elliott
TO 10988

Somedan
Hunt-St
TO 10988

Trice
Landess
TO 11023

Manry S. Co.
Lee-St
TO 4285

Phillips
James
TO 13312

Coquina
USRE-M-St
TO 31515
1520
W
DST

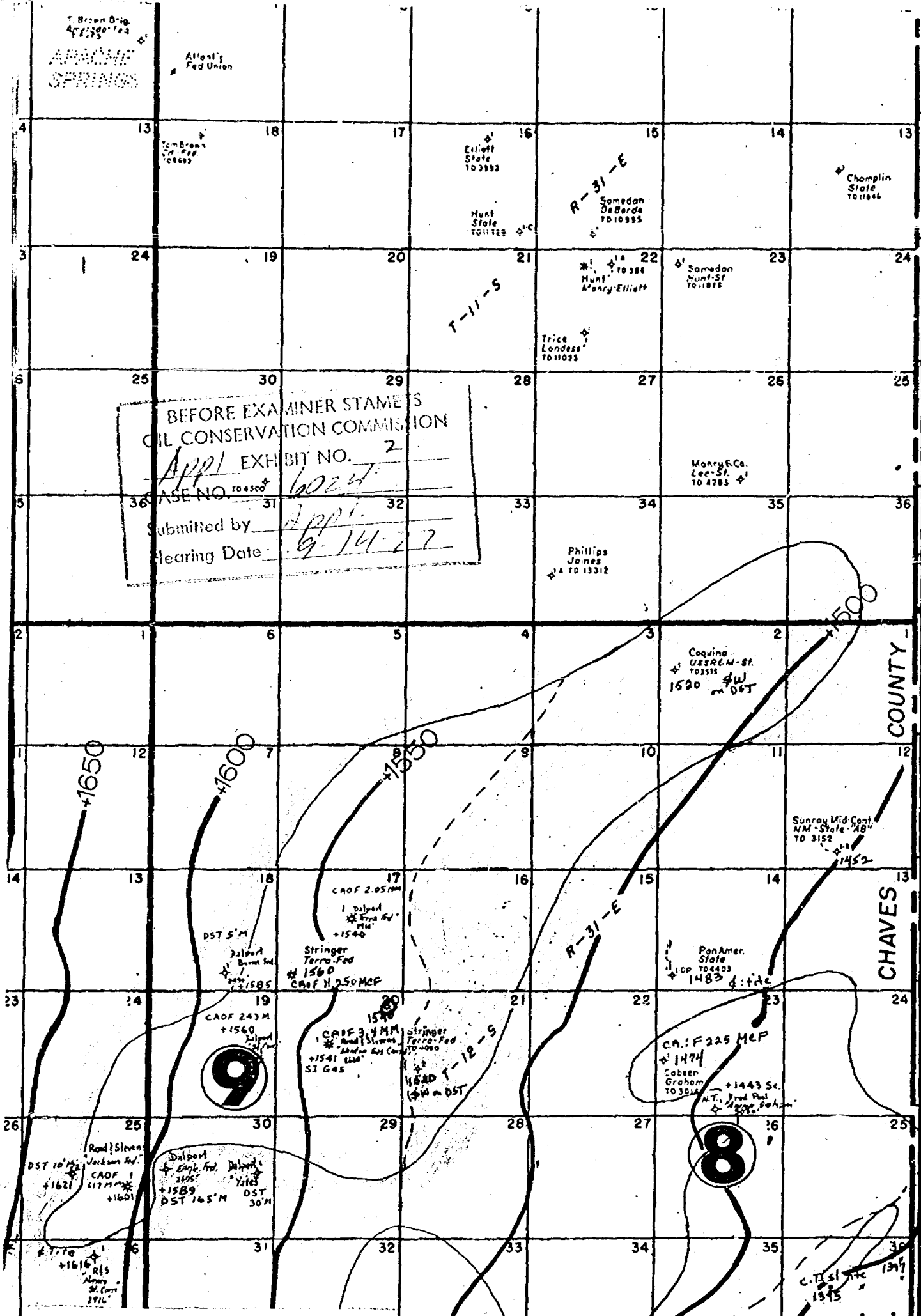
Sunray Mid-Cont.
NM-State-AB
TO 3152
1452

PonAmer.
State
LOP TO 4403
1483
d: fite

CA: F 225 MCF
1474
Coben
Graham
TO 3514
+1443 Se.
NT, Prod Pul
+ Large Gahm

CHAVES COUNTY

BEFORE EXAMINER STAMES
OIL CONSERVATION COMMISSION
App'l EXHIBIT NO. 2
CASE NO. 6024
Submitted by App'l
Hearing Date 9-14-77



LEGEND

- Tight in Queen Sand
- Gas in Queen Sand
- Oil in Queen Sand
- Water in Queen Sand

READ AND STEVENS, INC.
ROSWELL, NEW MEXICO

SOUTHEAST CHAVES QUEEN GAS AREA
CHAVES COUNTY, NEW MEXICO

CONTOURED HORIZON Top Queen Sand
CONTOUR INTERVAL 50'
SCALE 1" = 5,000'
GEOLOGIST R. W. Becker DATE 9-14-77
REVISED BY DATE

DST 60M
Dalport
CAOF 1665

10434
Parrish 104MCF
Featherstone-Fed
TO 2080
54 60 (3' per. sd)

Longo
Williams
TO 3038
1412
280P 0100

Dockets Nos. 30-77 and 31-77 are tentatively set for hearing on September 28 and October 12, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 14, 1977

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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1977, from fifteen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for October, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6016: (Continued from August 31, 1977 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Land Oil Company, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Garner Well No. 1 located in Unit D of Section 23, Township 14 South, Range 25 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5981: (Continued from July 6, 1977 Examiner Hearing)

Application of W. A. Moncrief, 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.

CASE 5983: (Continued from July 20, 1977 Examiner Hearing)

Application of Yates Petroleum Corporation for the amendment of Order No. R-5445, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5445 to provide for a 200 percent risk factor for drilling the unit well rather than 20 percent. Said order pooled the N/2 of Section 19, Township 20 South, Range 25 East, Eddy County, New Mexico.

CASE 6024: Application of Read & Stevens, Inc., for two unorthodox gas well locations, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its R & J Federal Well No. 1 located in the center of Unit A of Section 20, Township 12 South, Range 31 East, and its Jackson Well No. 1, located in the center of Unit I of Section 25, Township 12 South, Range 30 East, Southeast Chaves-Queen Gas Area, Chaves County, New Mexico, the E/2 of said Section 20 and the S/2 of said Section 25, respectively, to be dedicated to the wells.

CASE 6025: Application of Roger C. Hanks for a special gas-oil ratio limitation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a special gas-oil ratio limitation of 4000 cubic feet of gas per barrel of oil for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico, retroactive to August 22, 1977.

CASE 6026: Application of William G. Rabe and Alice P. Rabe for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the NE/4 of Section 25, Township 27 North, Range 8 West, Blanco-Mesaverde Pool, San Juan County, New Mexico.

CASE 6027: Application of Great Lakes Chemical Corporation for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the SE/4 of Section 25, Township 27 North, Range 8 West, Blanco-Mesaverde Pool, San Juan County, New Mexico.

CASE 6028: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Luzon Unit Area comprising 5117 acres, more or less, of Federal and fee lands in Township 24 South, Ranges 35 and 36 East, Lea County, New Mexico.

CASE 6029: Application of Phillips Petroleum Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tubb, Drinkard, East Brunson-McKee, and East Brunson-Ellenburger production in the wellbore of its Sims Well No. 6 located in Unit M of Section 24, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 6030: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 SE/4 of Section 4, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to be dedicated to its re-entered Smith Well No. 1 located in Unit P of said Section 4, or in the alternative, to a well to be drilled at a standard location thereon. Also to be considered will be the cost of re-entering and recompleting or of drilling and completing the unit 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 recompleting or drilling said well.

CASE 6032: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SW/4 SW/4 of Section 21, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to be dedicated to its re-entered Lanehart Well No. 1-Y located in Unit M of said Section 21, or, in the alternative, to a well to be drilled at a standard location thereon. Also to be considered will be the cost of re-entering and recompleting or of drilling and completing the unit 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 recompleting or drilling said well.

CASE 6031: Application of Rex Alcorn for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the E/2 SW/4 of Section 35, Township 16 South, Range 37 East, West Knowles-Drinkard Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the South line and 1980 feet from the West line of said Section 35. 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 6033: Application of Basin Fuels, Inc., for salt water disposal, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Mesaverde formation through the perforated interval from 1948 feet to 2755 feet in its Slick Well No. 1 located in Unit O of Section 7, Township 20 North, Range 5 West, Franciscan Lake-Mesaverde Pool, McKinley County, New Mexico.

CASE 6034: Application of Flag-Redfern Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the perforated interval from 4941 feet to 5022 feet in its Bilbrey "51" Well No. 1 located in Unit A of Section 23, Township 9 South, Range 37 East, Sawyer-San Andres Pool, Lea County, New Mexico.

CASE 6035: Application of Southern Union Supply Co., for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the N/2 NE/4 of Section 30, Township 9 South, Range 33 East, Flying M-San Andres Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 6017: (Continued from August 31, 1977 Examiner Hearing)

Application of E. L. Latham, Jr. and Roy G. Barton, Jr., for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the E/2 NE/4 of Section 30, Township 9 South, Range 33 East, Flying M-San Andres Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 6036: Application of E. L. Latham, Jr., and Roy G. Barton, Jr., for compulsory pooling of a standard or a non-standard oil proration unit and an unorthodox location, or in the alternative, 40-acre spacing, Lea County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests in the Flying M-San Andres Pool underlying the E/2 NE/4 of Section 30, Township 9 South, Range 33 East, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location for said pool within 200 feet of the center of the NE/4 NE/4 of said Section 30, or an order pooling only the NE/4 NE/4 of Section 30 to form a non-standard 40-acre unit to be dedicated to the aforesaid well. In the alternative, applicants seek the amendment of the Flying M-San Andres Pool Rules to provide for 40-acre spacing, and seek an order pooling the aforesaid NE/4 NE/4 of Section 30 as a standard unit for said pool to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling

and completing the proposed 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 applicants as operator of the well and a charge for risk involved in drilling said well.

CASE 6037: In the matter of the hearing called by the Oil Conservation Commission upon its own motion for the creation and extension of certain pools in Lea, Eddy, and Chaves Counties, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Combs-Delaware Gas Pool. The discovery well is the Penroc Oil Corporation Combs Federal Well No. 1 located in Unit P of Section 15, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 15: SE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the East Lake-Morrow Gas Pool. The discovery well is the Coquina Oil Corporation Gulf Federal Well No. 1 located in Unit A of Section 5, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 5: N/2

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Cisco production and designated as the Hume-Cisco Pool. The discovery well is Vaquero Independent Producers, Inc. Jackrabbit Draw Com Well No. 1 located in Unit L of Section 15, Township 16 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 15: SW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the West Malaga-Morrow Gas Pool. The discovery well is the HNG Oil Company Ogden 8 Com Well No. 1 located in Unit H of Section 8, Township 24 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 8: E/2

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Millman-Atoka Gas Pool. The discovery well is the Depeco, Inc. DHY State B Well No. 1 located in Unit L of Section 11, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 11: W/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Pearsall-Abo Pool. The discovery well is the Harvey E. Yates Company, Inc. South Maljamar Deep Well No. 1 located in Unit O of Section 30, Township 17 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 30: SE/4

(g) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Springs production and designated as the Penlon-Bone Springs Pool. The discovery well is the Penroc oil Corporation Allied B Well No. 1 located in Unit K of Section 27, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 27: SW/4

(h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Penlon-Delaware Gas Pool. The discovery well is the Penroc Oil Corporation Allied Com Well No. 2 located in Unit B of Section 27, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 27: NE/4

(i) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Rock Lake-Morrow Gas Pool. The discovery well is the Union Oil Company of California Northern Natural State Well No. 1 located in Unit O of Section 28, Township 22 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 28: S/2

(j) EXTEND the Avalon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 22: S/2
Section 27: All
Section 34: N/2

(k) EXTEND the North Burton-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 32: SW/4

(l) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 24: All
Section 25: E/2
Section 36: All

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 16: All
Section 18: All
Section 19: All
Section 20: S/2
Section 21: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: W/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 4: Lots 3, 4, 5, 6, 11, 12, 13, & 14
Section 5: All
Section 8: S/2
Section 17: All
Section 20: All
Section 29: W/2
Section 30: All
Section 31: N/2
Section 32: W/2

(m) EXTEND the East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 35: S/2

(n) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 13: N/2

(o) EXTEND the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
Section 1: NE/4

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 8: NE/4

(p) EXTEND the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 19: SE/4

(q) EXTEND the Indian Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 7: SE/4 and N/2 SW/4
Section 18: W/2 SW/4

(r) EXTEND the South Leonard-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 11: SW/4

(s) EXTEND the East Lusk-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 16: SE/4

(t) EXTEND the West Tonto-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 7: S/2 and NE/4

(u) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 9: All
Section 19: All

Docket No. 29-77

DOCKET: COMMISSION HEARING - TUESDAY - SEPTEMBER 20, 1977

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

CASE 5961: (REHEARING)

Application of D. L. Hannifin for amendment of Order No. R-4432, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4432 to remove the present operator of the pooled proration unit comprising the S/2 of Section 24, Township 22 South, Range 26 East, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico, and to designate applicant as operator of said unit.

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

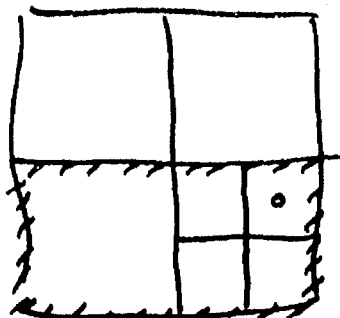
APPLICATION OF READ & STEVENS, INC.,
FOR AN ORDER APPROVING AN UNORTHODOX
GAS WELL LOCATION, S. E. CHAVES QUEEN
GAS POOL, CHAVES COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES NOW, Read & Stevens, Inc., and applies to the Oil Conservation Commission of the State of New Mexico for an order approving an unorthodox gas well location designated the Read & Stevens #1 Jackson located 1980 feet from the South line and 660 feet from the East line of Section 25, Township 12 South, Range 30 East, S. E. Chaves Queen Gas Pool, Chaves County, New Mexico, as an exception to the field rules of said Pool and in support thereof Applicant would show the Commission:

1. Applicant is the owner of the right to drill for, develop and produce from the Queen formation in S/2 of Section 25, above Township and Range and has completed its #1 Jackson well on December 30, 1972, prior to promulgation of the current field rules.
2. Current field rules would require said well to be drilled at a location west or southwest of where presently drilled.
3. Current field rules provide no administrative remedy for granting an exception to wells drilled prior to promulgation of said field rules.

WHEREFORE Applicant requests that this application be set for hearing at the earliest next hearing date and that the Commission enter an order granting this unorthodox location applied for.



25-12-30

Respectfully submitted,

READ & STEVENS, INC.

By 

DONALD G. STEVENS
P.O. Box 1797
Santa Fe, New Mexico 87501

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF READ & STEVENS, INC.,
FOR AN ORDER APPROVING AN UNORTHODOX
GAS WELL LOCATION, S. E. CHAVES QUEEN
GAS ~~POOL~~, CHAVES COUNTY, NEW MEXICO

Area

A P P L I C A T I O N

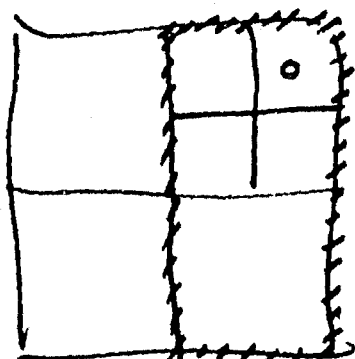
COMES NOW, Read & Stevens, Inc., and applies to the Oil Conservation Commission of the State of New Mexico for an order approving an unorthodox gas well location designated the Read & Stevens, Inc., #1 R & J Federal located 660 feet from the North line and 660 feet from the East line of Section 20, Township 12 South, Range 31 East, S. E. Chaves Queen Gas *Area* ~~Pool~~, Chaves County, New Mexico, as an exception to the field rules of said Pool and in support thereof Applicant would show the Commission:

1. Applicant is the owner of the right to drill for, develop and produce from the Queen formation in E/2 of Section 20, above Township and Range, and has completed its #1 R & J Federal well on January 2, 1972, prior to promulgation of the current field rules.

2. Current field rules would require said well to be drilled at a location south or southwest of where presently drilled.

3. Current field rules provide no administrative remedy for granting an exception to wells drilled prior to promulgation of said field rules.

WHEREFORE Applicant requests that this application be set for hearing at the earliest next hearing date and that the Commission enter an order granting this unorthodox location applied for.



Respectfully submitted,

READ & STEVENS, INC.

By

Donald G. Stevens

DONALD G. STEVENS
Attorney for Applicants

P.O. Box 1797

Santa Fe, New Mexico 87501

DRAFT

dr/

n

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:

Don
CASE NO. 6024

Order No. R- 5536

BSL
APPLICATION OF READ & STEVENS, INC. FOR
TWO UNORTHODOX GAS WELL LOCATIONS,
CHAVES COUNTY, NEW MEXICO. *JS*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 14,
19 77, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of September, 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, Read & Stevens, Inc., seeks approval
of two unorthodox gas well locations for ^{its} ~~their~~ R & J Federal Well
No. 1 located in the center of Unit A of Section 20, Township 12
South, Range 31 East, and its Jackson Well No. 1 located in the
center of Unit I of Section 25, Township 12 South, Range 30 East,
Southeast Chaves-Queen Gas Area, Chaves County, New Mexico.

(3) That the applicant's request for dismissal
of that portion of this case which relates to
said Jackson Well No. 1 should be granted.

R & J Federal Well No. 1

(3) That said well was drilled and completed prior to the promulgation of rules providing for 320-acre spacing in the subject area, and was drilled at a standard location, other than a 160-acre unit.

the applicant ^{now} proposes to dedicate the E/2 of said ~~Section 20 and the S/2 of said~~ ^{to said} ~~Section 25, respectively, are to be dedicated to the above-~~ ⁷⁵ ~~said R & J Federal Well No. 1 in accordance with the~~ ^{current rules for the subject area.}

(4) That wells at said unorthodox locations will better enable applicant to produce the gas underlying the proration unit.

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

(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:

(1) That ⁹⁴ ~~two~~ ^{the Read Stevens} unorthodox gas well locations ¹⁵ ~~are~~ hereby approved for ~~applicant's~~ ^{the} R & J Federal Well No. 1, located in the center of Unit A of Section 20, Township 12 South, Range 31 East, and its Jackson Well No. 1 located in the center of Unit I of ~~Section 25, Township 12 South, Range 30 East, Southeast Chaves-Queen Gas Area, Chaves County, New Mexico.~~

(2) That the E/2 of said Section 20 ~~and the S/2 of said~~ ^{Said R & J Federal} ~~Section 25, respectively, shall be dedicated to the above-~~ ^{Well No. 1.} described wells.

(4) 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.

→ (3) That that portion of Case No. 6024 dealing with the proposed unorthodox location of applicant's Jackson Well No. 1 in Unit I of Section 25, Township 12 South, Range 30 East, Chaves County, New Mexico is hereby dismissed.

