

a CASE 6075: AMOCO PRODUCTION COMPANY
FOR AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO

pany

Case Number

6075

Application

Transcripts.

Small Exhibits

ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Cs.
6075

Hearing Date OCTOBER 26, 1977 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Guy Buell	Amoco	Houston
Jim Pease	Amoco	Houston
Jim Allen	Amoco	Houston
Tom Kellahin	Kellahin + Fox	Santa Fe
Kim Kaufman	Capital Observer	Santa Fe
GRANT B. MILLER	AMERADA HESS CORP.	SEMINOLE, TEXAS.
E. F. MOTTER	CITICORP SERVICE CO	MIDLAND, TEX
JERRY LONG	U.S. G.S.	DURANGO, COLO.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 26, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production) CASE
Company for an unorthodox oil well) 6075
location, Lea County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: Guy Buell
Amoco Production Company
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

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

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

Page

MR. J.E. PEASE	4
Direct Examination by Mr. Buell	4
Cross Examination by Mr. Nutter	11

EXHIBITS

Applicant's Exhibit No. 1, Map	11
Applicant's Exhibit No. 2, Cross-Section	11

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

1 MR. NUTTER: Call Case No. 6075.

2 MS. TESCHENDORF: Case 6075, Application of Amoco
3 Production Company for an unorthodox oil well location, Lea
4 County, New Mexico.

5 MR. BUELL: For Amoco Production Company, Mr.
6 Examiner, my name is Guy Buell. We have one witness, Mr.
7 Pease.

8 (Witness sworn.)

9 MR. NUTTER: Mr. Buell, are you a member of the
10 New Mexico bar?

11 MR. BUELL: No, but I've been certified by a New
12 Mexico lawyer.

13 MR. NUTTER: I see.

14 MR. BUELL: It's in your file. I have a copy.

15 MR. NUTTER: Yeah, we've got an appearance for you
16 here.

17 MR. BUELL: I've been vouched for.

18 By way of a brief opening statement, Mr. Examiner,
19 I might point out that we have a two-pronged reason for
20 requesting this unorthodox location. First and foremost,
21 we want it to meet an offsetting unorthodox location on the
22 offsetting Exxon Knight lease. Their Knight No. 2 has recently
23 been completed at an unorthodox location in the Upper Yeso.

24 The second reason for our request for this location
25 is that, as our testimony will show, this is a very gassy

sid morrish reporting service

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

1 reservoir, and we hope to make a low gas-oil ratio completion
2 at this particular location.

3
4 J. E. PEASE

5 being called as a witness, and being duly sworn upon his oath,
6 testified as follows, to-wit:

7
8 DIRECT EXAMINATION

9 BY MR. BUELL:

10 Q Mr. Pease, would you state your complete name,
11 by whom you're employed, in what capacity, and what location,
12 please, sir?

13 A My name is James E. Pease. I'm employed by Amoco
14 Production Company in Houston, Texas, as a Staff Engineer,
15 Senior Grade.

16 Q Mr. Pease, have you testified before this body
17 before, and your qualifications as a petroleum engineer are a
18 matter of public record, are they not?

19 A Yes, sir.

20 MR. BUELL: Mr. Examiner, are there any questions
21 as to Mr. Pease' qualifications, with particular reference to
22 the Fowler-Upper Yeso area?

23 MR. NUTTER: No. Mr. Pease is qualified.

24 Q (By Mr. Buell) Mr. Pease, in connection with your
25 testimony here today, look first, if you will, at what has

sid morrish reporting service

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

1 been identified as Amoco's Exhibit No. 1, and state for the
2 record what that exhibit reflects.

3 A Exhibit 1 is a map of the Fowler field area.
4 South Mattix Unit is shown by the heavy dashed line.

5 Q Mr. Pease, who are our working interest partners
6 in the South Mattix Unit?

7 A Continental, Chevron, Arco, and Tenneco.

8 Q All right, sir, now this hearing today relates
9 to the Upper Yeso. Would you briefly state for the record
10 the origin of the Fowler-Upper Yeso Pool?

11 A Yes. Order R-3987, effective July 15th, 1970,
12 consolidated the Fowler-Blinebry and the Fowler-Lower Paddock,
13 to form the Fowler-Upper Yeso Pool.

14 Q All right, sir. Now, I would take it by looking
15 at your Exhibit No. 1 that this is a multi-pay area, and that
16 we have production from other reservoirs than the Upper Yeso,
17 is that correct?

18 A That is correct.

19 Q For the record, what are some of the other
20 producing zones that we find in the Fowler area?

21 A We have the Seven Rivers and the Queen; we have
22 the plain Paddock, Tubb, Devonian, and in the past the
23 Fusselman has produced, and the Ellenberger is currently
24 being produced.

25 Q And the Ellenberger. All right, sir, since this

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

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

1 hearing relates entirely to the Upper Yeso, why have you
2 distinguished those wells that are currently completed in and
3 producing from the Upper Yeso?

4 A These are shown by the yellow-orange dots.

5 Q All right, sir. How have you identified the
6 location for South Mattix Unit, or as I'll refer to it from
7 now on, the SMU Well No. 30?

8 A This is shown by the red dot. Its location is
9 330 feet from the south line, and 330 feet from the east
10 line, placing it in Unit F of Section 15, Township 24 South,
11 Range 37 East of Lea County, New Mexico.

12 Q Why is this location unorthodox?

13 A Rule No. 4 of the Fowler-Upper Yeso rules specifies
14 that the wells are to be located within 150 feet of the
15 center of any quarter quarter-section.

16 Q All right, sir. I mentioned the Exxon Knight
17 No. 2 in my opening statement. Would you locate that well
18 for the Examiner, and for the record, please?

19 A This well is located 330 feet from the west line,
20 and 330 feet from the south line of Section 14, just due east
21 of the proposed South Mattix Unit Well No. 30.

22 MR. NUTTER: That's the Exxon well?

23 A Yes, sir.

24 MR. NUTTER: And it's a 330-330 location?

25 A Yes, sir.

Q (By Mr. Buell) Is that a recent completion?

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

1 A. Yes, sir.

2 Q. What is the significance of the red arrow that you
 3 have pointing in the direction of the Exxon Knight No. 2?

4 A. The red arrows on the map indicate exceptions to
 5 the spacing rule for the Fowler-Upper Yeso, those that have
 6 previously been granted.

7 Q. In other words, the red arrows identify other
 8 unorthodox locations --

9 A. That's correct.

10 Q. -- approved by the Commission? How many are
 11 they, total, including the Knight No. 2?

12 A. Six.

13 Q. All right, sir, looking back at Exhibit No. 1,
 14 in the area of our proposed location for SMU Well No. 30,
 15 do you feel that by directly and equally meeting the offsetting
 16 Exxon Knight No. 2, that the correlative rights of all the
 17 interest owners in the South Mattix Unit will be protected?

18 A. I do.

19 Q. All right, sir. I notice there are two well
 20 locations, or two blue dots here on this exhibit, both of
 21 which are in the South Mattix Unit. What are the significance
 22 of those dots?

23 A. These are orthodox locations which have been
 24 permitted; Well No. 27 --

25 Q. All right, sir --

1 MR. NUTTER: By permitted, you mean they have a
2 drilling permit but have not been drilled yet?

3 A. Well 27 is actually being drilled. It may be down
4 about TD today.

5 MR. NUTTER: But that's what you meant, approved
6 locations?

7 A. Yes, sir.

8 Q (By Mr. Buell) I notice in the vicinity of each
9 completed and producing Upper Yeso well you have in blue, a
10 number. What is the significance of that number?

11 A. This represents the gas-oil ratio for the well.
12 Most of them are the averages for 1976.

13 Q All right, sir. Will you do this for me, and for
14 the record? Would you compare the currently -- strike the
15 word currently -- would you compare the gas-oil ratios as
16 shown on our Exhibit 1, in the area of the location for SMU
17 No. 30?

18 A. Well, South Mattix Unit 16, July test, was 135,000
19 cubic feet per barrel of oil. South Mattix Unit 23 was
20 102,571 cubic feet per barrel. This was also a July test.
21 The Exxon Knight No. 2, gas-oil ratio for that well was
22 3,000 mcf a day, and that's from its potential test.

23 Q All right, sir. Looking at those ratios,
24 the location of SMU 30, what would you, what type of ratio
25 would you predict for a well at the location we're requesting?

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 972-9212

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

1 A. It would be somewhere between the 100,000 and
2 the 3,000.

3 Q. But we should obtain a lower gas-oil ratio than
4 that reflected for SMU No. 16 and No. 23?

5 A. Yes, sir.

6 Q. Well, while probably not as low as the Exxon Knight
7 No. 2?

8 A. That's correct.

9 Q. All right, sir. I also notice a trace connecting
10 SMU Wells No. 24 and 8, and the Exxon Knight No. 2. Is that
11 the trace of a cross-section?

12 A. Yes, sir. That would be Exhibit No. 2.

13 Q. Are you ready to go into that exhibit now?

14 A. Yes, sir.

15 Q. Turn then, if you would, to what has been
16 identified as Amoco's Exhibit 2, and state for the record,
17 if you will, the wells from which three logs were used to
18 compose this cross section.

19 A. They are the Amoco South Mattix Unit No. 24, on
20 the left; South Mattix Unit No. 8, and the Exxon Knight No. 2.

21 Q. All right, sir, how have you shown where a well
22 would fall on this cross-section, drilled at the location
23 we're requesting for SMU No. 30?

24 A. We've shown it by the wellbore symbol there
25 between the two wells.

Q. Is that the scale, and is that approximately where

sid morrish reporting service

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

1 it will fall on this section?

2 A Yes, sir.

3 Q All right, sir, what data have you reflected on
4 this, the cross-section? And by that, I'm talking about the
5 data reflected by the line running from left to right? Why
6 don't you start at the top and work your way right down to
7 the bottom?

8 A At the top, we've labeled the top of the Upper
9 Yeso pay, labeled the gas-oil contact within the pay zone.
10 The minus 2300 represents the datum on which the wells' logs
11 were hung, and at the bottom we have the top of the Tubb Zone
12 which would be the base of the Upper Yeso pay zone.

13 Q All right, sir, what does this exhibit depict
14 structurally with regard to the location of SMU No. 30?

15 A It would be located down-depth from Unit No. 8,
16 and slightly up-depth from the Exxon Knight No. 2.

17 Q Do you feel, in this particular pool, Mr. Pease,
18 that it's in the interest of conservation to complete a
19 producing well with as low a gas-oil ratio as possible?

20 A I do.

21 Q Do you feel that this location that we're
22 requesting, then will serve conservation in that we anticipate
23 a much lower ratio than that of the up-structure wells 23
24 and 16?

25 A Yes, sir.

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

1 Q And you've already testified that the location is
 2 needed to protect the correlative rights of all the owners
 3 at interest in the South Mattix Unit, from the unorthodox
 4 offset the Exxon Knight No. 2?

5 A That's correct.

6 Q Do you have anything else you'd care to add at
 7 this time, Mr. Pease?

8 A No, sir.

9 MR. BUELL: May it please the Examiner, that
 10 concludes our Direct. I would like to formally offer into
 11 evidence Amoco's Exhibit 1 and 2.

12 MR. NUTTER: Amoco's Exhibit 1 and 2 will be
 13 admitted in evidence.

14
 15 CROSS EXAMINATION

16 BY MR. NUTTER:

17 Q Mr. Pease, do you happen to know the order number
 18 that approved the Exxon non-standard location?

19 A It was NSL-874.

20 Q And that was approved administratively, then?

21 A Yes, sir. It was a recompletion of a well that
 22 was recompleted from the Ellenberger.

23 Q I see. But your well will be a completely new
 24 well, so therefore it had to come for a hearing for an exception

25 A That's correct.

1 Q I see.

2 A All of the other red arrows are administrative
3 exceptions, except for the Exxon AB No. 2, located over in
4 Section 16. And I believe a formal order was issued for that
5 because they wanted to do a completed in the Blinebry and
6 the Ellenberger.

7 Q And I guess we can assume that inasmuch as
8 Exxon got their administrative order, that Amoco did not
9 object to the application for the non-standard location?

10 A That's correct.

11 MR. NUTTER: Are there any further questions of
12 Mr. Pease?

13 You may be excused. Did you have anything further,
14 Mr. Buell?

15 MR. BUELL: No, Mr. Examiner, I do not.

16 MR. NUTTER: Does anyone have anything they
17 wish to offer in Case No. 6075? We'll take the case under
18 advisement.

19 (Hearing concluded.)
20
21
22
23
24
25

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

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, 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 proceeding, to the best of my knowledge, skill,
and ability.

Sally Walton Boyd
Sally Walton Boyd, CSR

sid morrish reporting service

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

I do hereby certify that the foregoing is
a complete and correct transcript of the proceedings in
the Enclosed hearing of case No. 6075
heard by me on 10/26, 1977.
[Signature], 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. 6075
Order No. R-5564

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR AN UNORTHODOX OIL WELL
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 26, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 1st day of November, 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, Amoco Production Company, seeks approval of an unorthodox oil well location for its South Mattix Unit Well No. 30 located 330 feet from the South line and 330 feet from the East line of Section 15, Township 24 South, Range 37 East, NMPM, Fowler-Upper Yaso Pool, Lea County, New Mexico.
- (3) That the E/2 SE/4 of said Section 15 is to be dedicated to the well.
- (4) That a well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location.

-2-

Case No. 6075
Order No. R-5564

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil 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 oil well location is hereby approved for Amoco Production Company South Mattix Unit Well No. 30 located at a point 330 feet from the South line and 330 feet from the East line of Section 15, Township 24 South, Range 37 East, NMPM, Fowler-Upper Yeso Pool, Lea County, New Mexico.

(2) That the E/2 SE/4 of said Section 15 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.

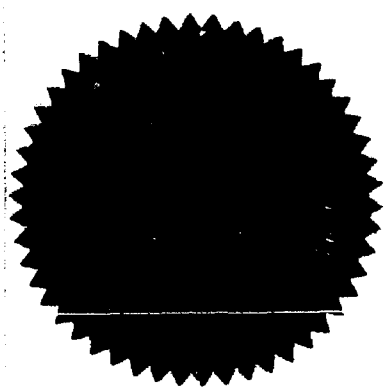
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RANEY, Member & Secretary


S E A L

dr/

ATWOOD, MALONE, MANN & COOTER

A PROFESSIONAL ASSOCIATION
LAWYERS

JEFF D. ATWOOD [1883-1960]
ROSS L. MALONE [1910-1974]

P. O. DRAWER 700
SECURITY NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO 88201
[505] 622-6221

CHARLES F. MALONE
RUSSELL D. MANN
PAUL A. COOTER
BOB F. TURNER
ROBERT A. JOHNSON
JOHN W. BASSETT
ROBERT E. SABIN
R. E. THOMPSON

RANDAL W. ROBERTS

October 20, 1977

Mr. Joe D. Ramey
Secretary-Director
Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87105

RE: Examiner hearing October 26, 1977

Dear Joe:

We would appreciate your filing the enclosed Entry
of Appearance for Amoco Production Company, in Case No. 6075.

Thank you and with regards, I am,

Very truly yours,


Charles F. Malone

CFM:sgs
Enc.

cc: Guy Buell, Esquire

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF AMOCO PRODUCTION COMPANY FOR)
UNORTHODOX LOCATION, SOUTH)
MATTIX UNIT WELL NO. 39, FOWLER)
UPPER YESO POOL, LEA COUNTY, NEW)
MEXICO.) No. 6075

ENTRY OF APPEARANCE

The undersigned hereby enter their appearance herein
for the Applicant, Amoco Production Company, with Guy Buell,
of Houston, Texas.

ATWOOD, MALONE, MANN & COOTER, P.A.

By 
Post Office Drawer 700
Roswell, New Mexico 88201

Attorneys for Amoco Production Company

Dockets Nos. 36-77 and 37-77 are tentatively set for hearing on November 16 and 30, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 26, 1977

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

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

CASE 6052: (Continued from October 12, 1977 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Western Energy Corporation and all other interested parties to appear and show cause why the Ute Well No. 2 located in Unit O of Section 23, Township 31 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6047: (Continued from October 12, 1977 Examiner Hearing)

Application of Continental Oil Company for capacity allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a capacity allowable for its Pearl "B" Wells Nos. 5 and 6, located in Units M and O, respectively, of Section 25, Township 17 South, Range 32 East, and its Pearl "B" Well No. 7 located in Unit M of Section 30, Township 17 South, Range 33 East, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico.

CASE 6071: Application of Dewey Sparger for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant permit for the purpose of treating oil at a site in the NW/4 SW/4 of Section 5, Township 18 South, Range 39 East, Lea County, New Mexico.

CASE 6072: Application of Harvey E. Yates Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Canyon production for its Travis Deep Unit Well No. 2, located in Unit G of Section 15, Township 18 South, Range 28 East, Eddy County, New Mexico, and the promulgation of special rules therefor, including a provision for 80-acre spacing.

CASE 6073: Application of Cities Service Company for two unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of its Government AD Well No. 2 located 2310 feet from the North line and 660 feet from the West line, and its Government AE Well No. 1 located 2310 feet from the South line and 1980 feet from the East line, both in Section 27, Township 21 South, Range 27 East, Burton Flat Field, Eddy County, New Mexico, the N/2 and S/2 of said Section 27 to be dedicated, respectively, to said wells.

CASE 6074: Application of Amerada Hess Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Blanco-Pictured Cliffs and Otero-Chacra production in the wellbores of its Jicarilla Apache "A" Well No. 8 located in Unit N of Section 26 and its Jicarilla Apache "F" Well No. 12 located in Unit B of Section 22, both in Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 6075: Application of Amoco Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its South Mattix Unit Well No. 30 located 330 feet from the South and East lines of Section 15, Township 24 South, Range 37 East, Fowler-Upper Yesso Pool, Lea County, New Mexico.

CASE 6076: Application of E. L. Latham, Jr., Roy G. Barton, Jr., and R. L. Foree for a gas well curtailment and gas pool prorationing, Chaves County, New Mexico. Applicants, in the above-styled cause, seek an order temporarily shutting in, or limiting production from the La Rue and Muncy Nola Well No. 1, located in Unit O of Section 8, Township 14 South, Range 28 East, Sams Ranch Grayburg Gas Pool, Chaves County, New Mexico. Applicants further request that the Commission institute gas prorationing in said pool retroactively to date of first production and direct the gas purchaser(s) in said pool to take ratably from all wells in said pool.



J M Brown
Division Engineering
Manager

Amoco Production Company

500 Jefferson Building
P.O. Box 3092
Houston, Texas 77001

P 21 1977

September 19, 1977

File: DBF-986.51NM-4105

Re: Application for Hearing
Fowler-Upper Yeso Pool
Lea County, New Mexico

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, NM 87501

Attention: Mr. Joe D. Ramey

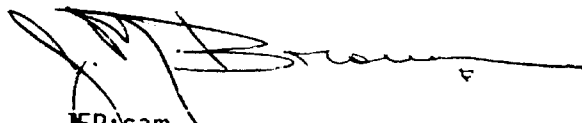
Gentlemen:

Amoco Production Company respectfully request a hearing for obtaining approval of an unorthodox location for South Mattix Unit Well No. 30 in the Fowler Upper Yeso Pool.

The location is 330' FSL and 330' FEL, Section 15, T-24-S, R-37-E, Lea County, New Mexico. Rule 2 of the Fowler Upper Yeso Pool rules stipulates that wells are to be located within 150' of the center of a quarter, quarter section.

Please place this item on the Examiner Hearing Docket of October 26, 1977. Attached is a map of the area. Please direct any questions to Mr. Jim Pease, telephone number 713-652-5461.

Yours very truly,


JEP:sam
Attachments

Case 6075



Amoco Production Company

500 Jefferson Building
P.O. Box 3092
Houston, Texas 77001

J. M. Brown
Division Engineering
Manager

September 19, 1977

File: DBF-986.51NM-4105

**Re: Application for Hearing
Fowler-Upper Yeso Pool
Lea County, New Mexico**

**New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, NM 87501**

Attention: Mr. Joe D. Ramey

Gentlemen:

Amoco Production Company respectfully request a hearing for obtaining approval of an unorthodox location for South Mattix Unit Well No. 30 in the Fowler Upper Yeso Pool.

The location is 330' FSL and 330' FEL, Section 15, T-24-S, R-37-E, Lea County, New Mexico. Rule 2 of the Fowler Upper Yeso Pool rules stipulates that wells are to be located within 150' of the center of a quarter, quarter section.

Please place this item on the Examiner Hearing Docket of October 26, 1977. Attached is a map of the area. Please direct any questions to Mr. Jim Pease, telephone number 713-652-5461.

Yours very truly,

A handwritten signature in dark ink, appearing to read "J. M. Brown".

**JEP:sam
Attachments**

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

dr/

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

CASE NO. 6075

Order No. R- 5564

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 26, 19 77,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of November, 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, Amoco Production Company, seeks
for its South Mattix Unit Well No. 30 located
approval of an unorthodox oil well location / 330 feet from the South
line and 330 feet from the East line of Section 15, Township
24 South, Range 37 East, NMPM, to test the
formation, Fowler-Upper Yeso Pool,
Lea County, New Mexico.

(3) That the E/2SE/4 of said Section 15 is to be dedicated to the
well.

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

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

-2-

Case No. _____

Order No. P- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil 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 oil well location ~~formation~~ *Anaco Production Company* South Mattix Unit Well No. 30 is hereby approved for ~~well to be~~ located at a point 330 feet from the South line and 330 feet from the East line of Section 15, Township 24 South, Range 37 East NMPM, Fowler-Upper Yeso Pool, Lea County, New Mexico.

(2) That the E/2 SE/4 of said Section 15 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.