

CASE 6123: STEVENS OIL COMPANY FOR
AN UNORTHODOX GAS WELL LOCATION,
CHAVES COUNTY, NEW MEXICO

Case Number

6123

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 18, 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Stevens Oil Company for
an unorthodox gas well location, Chaves
County, New Mexico.

CASE
6123

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
Roswell, New Mexico

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1 MR. STAMETS: We will call next Case 6123.

2 MS. TESCHENDORF: Case 6123, application of Stevens
3 Oil Company for an unorthodox gas well location, Chaves
4 County, New Mexico.

5 MR. STEVENS: Mr. Examiner, I'm Don Stevens,
6 attorney from Roswell, representing the applicant in this
7 case as a sole proprietorship owned by myself and as such,
8 I will be the sole witness and would like to be sworn.

9 (THEREUPON, the witness was duly sworn.)

10 MR. STEVENS: Mr. Examiner, my name is Donald G.
11 Stevens. I'm the owner of Stevens Oil Company. I have
12 previously on numerous occasions testified before this
13 Commission and had my qualifications accepted as an expert
14 witness. Will you accept my qualifications for this
15 hearing?

16 MR. STAMETS: The witness is considered qualified.

17 MR. STEVENS: Briefly the applicant in this case
18 seeks an unorthodox gas well location in the Twin Lakes-
19 San Andres Associated Pool to be located three hundred and
20 thirty feet from the east line and sixteen hundred and fifty
21 feet from the south line of Section 35, Township 8 South,
22 Range 28 East, Chaves County, New Mexico.

23 This is an unorthodox location in that the new
24 Associated Gas Pools for southeast New Mexico require any
25 well to be drilled within two hundred feet of the center of

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1 any forty-acre tract in a one hundred and sixty acre proration
2 unit.

3 The three hundred and thirty from the east line and
4 the sixteen fifty from the south line would move the location
5 some wild guess two hundred feet southeast from the proper
6 location.

7 I would like to turn first to Exhibit Number One
8 which will show what we seek herein. Exhibit Number One is
9 a structure map contoured on top of a P-1 porosity zone of
10 the Slaughter zone of the San Andres formation in the
11 Twin Lakes Pool previously designated in Chaves County. The
12 contours are at a contour interval of ten feet. The regional
13 structure in the area is a gently dipping monocline dropping
14 some seventy feet east-southeast direction per mile. In this
15 particular field area, however, we have a strong nosing
16 probably caused by a deep-seated Devonian anticline in the
17 west half of Section 1. The accumulation of the hydrocarbons
18 has been around this nosing and on top of the nosing. Around
19 the nosing generally oil, gas and water are found. On top
20 of the nose as shown in yellow on Exhibit One gas is found.
21 The trapping mechanism for the field is considered to be a
22 permeability pinchout somewhere northwest of the current
23 production. There are no dry holes drilled northwest of the
24 current production, unless you go up some three or four
25 miles. Therefore, the actual pinchout line is unknown.

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1 The yellow area showing the possible gas outlines are
2 predicated upon the gas well, the State CH No. 1 in the north-
3 west quarter of the southeast quarter of Section 36 which has
4 produced some three hundred and fifty million cubic feet of
5 gas, plus possibly fifteen hundred barrels of oil.

6 The proposed location is in effect pulled southeast
7 from a standard location within two hundred feet of the
8 center, the proposed location being shown in red on Exhibit
9 One. The standard location in the northeast quarter of the
10 southeast quarter being shown in green. Also shown in green
11 is a standard location within two hundred feet north of the
12 proposed location in the southeast of the southeast of
13 Section 35.

14 The purpose here is to pick a location where we can
15 recover gas. A standard location is farther west and it may
16 be slightly downdip. It is also farther north and is shown
17 by the possible pinchout line as going in the direction of
18 the pinchout. Now, we don't know where this pinchout line
19 is, it could be a mile away but the feeling is that you would
20 like to stay as far away from it as possible and get as high
21 a permeability as possible and that these locations of the
22 gas wells in the field are fairly commercial as it is.

23 The well in the southwest quarter of the southeast
24 quarter of Section 35 was an oil well that has produced
25 considerable water and very little oil and it was ultimately

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1 plugged by Cities Service in 1967. This is proof that the
2 entire southeast quarter is underlain by hydrocarbons such as
3 to obviate possibly the necessity of cutting the allowable
4 on this well. It and the other wells in the north half of
5 the northeast in Section 1 and--pardon me, Section 2--and the
6 other wells in the northeast of the southeast of Section 2,
7 all of these wells have very low permeability apparently and
8 their producing rates were and are, in the wells in Unit A,
9 quite low. As a consequence, going west the permeability
10 decreases, proved by the southerly wells. Going north the
11 presumption is that you are going to run into the pinchout
12 line, therefore, we want to get as near to the east as
13 possible and as near to the gas cap as possible, one, to make
14 sure, or hope we get a commercial well; two, to stay out of
15 the oil zone. The lessened mobility of the oil in permeably
16 tight formations makes a commercial well there very chancey.
17 We feel the correlative rights here are protected in all
18 respects. The more easterly location might possibly drain
19 gas out from under the west half of the southwest of Section
20 36, however, that well has been in some ten years and
21 certainly probably has drained that gas out from under the
22 southeast of the Section 35 proration unit. Therefore, in
23 effect what we would be doing is setting up a well which may
24 result in counter-drainage, a previous drainage of the gas
25 underlying the southeast quarter of Section 35. The only

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1 other tract that might be affected by this location would be
2 the northeast quarter of Section 35 and we are proposing
3 that the location be pulled farther south from the standard
4 location, therefore, in effect making the well farther away
5 from the boundary line and, therefore, there would be no
6 correlative rights harmed to the northeast quarter of
7 Section 35.

8 Exhibit One was prepared by me and was entered in
9 the Roswell Geological Society Symposium. I would like to
10 move it into evidence at this time and I have no further
11 direct testimony and I'm open for questions.

12 MR. STAMETS: Exhibit One will be admitted.
13 (THEREUPON, Exhibit One was admitted
14 into evidence.

15
16 CROSS EXAMINATION

17 BY MR. STAMETS:

18 Q What is the current production rate on the No. 1
19 gas well in Section 1, or Section 36?

20 A Two to three million cubic feet of gas per month.

21 Q That is considerably less than the volume which
22 would be allowed under the Associated Pool Rules?

23 A Considerably, yes.

24 Q What do you expect in the way of a well in Section
25 35?

1 A I'm hoping for a hundred thou and a day, but that's
2 an extremely wild guess.

3 Q What will the allowable be for that well under
4 our Rules?

5 A Six hundred and forty thousand.

6 Q So you are really not anticipating a top allowable
7 well?

8 A No, Mr. Examiner.

9 Q You are the operator and I presume the working
10 interest owner under all of this acreage?

11 A Yes, Mr. Examiner.

12 Q Is there any difference in the working interest?

13 A In the field proper, yes. There are various and
14 varying working interests in practically all of the wells. I
15 own from fifty to one hundred percent in all of the wells.

16 Q How about the royalty interest between the south-
17 east of 35 and Section 36?

18 A They are different. Section 36 is State acreage,
19 Section 35 is fee. We feel, however, that any advantage
20 that might be gained by this location to Section 35 has been
21 more than offset by the presumed drainage that may have
22 occurred for the past ten years from the State CH 1 gas well
23 in Section 36, therefore, we are really trying to work up a
24 well location where we can indulge in some counter-drainage.

25 Q Do you have any indication at all where this pinch-

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1 out line may be from said wells in the southwest of the
2 southeast of 35 and the northwest of Section 36?

3 A The Well No. 2 State CH in the southeast quarter
4 of the northwest quarter of Section 36 is a poor oil well
5 with a relatively high gas-oil ratio. It makes some three
6 barrels of oil per day and has a gas-oil ratio as I recall
7 of four thousand to one. It is getting close to the gas-
8 oil contact. The two wells just east of there are still
9 quite good wells. They are ten years old and have produced
10 some fifty thousand barrels of oil each, evidencing the
11 decline in permeability going west and presumably north-
12 west on this structure, so there is evidence by that
13 well that the permeability is declining in a west to
14 northwesterly direction.

15 The well in the southwest of the southeast of
16 Section 35 is the Cities Service State G. There was very
17 little fluid after its ultimate completion and prior to
18 their plugging of it, indicative of very low permeability
19 and that was the basis on which the more southeasterly
20 red dashed line was drawn. Those wells indicate the
21 permeability pinchout might be right there where drawn,
22 though you cannot know and, therefore, another line,
23 again dashed, was drawn some half mile northwest of there.
24 In between those two lines we presume there is an ultimate
25 pinchout. We cannot state with any great feeling of

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1 certainty where.

2 Q But in general is it the farther to the northwest
3 you moved the tighter the formations got?

4 A This is our presumption at this time based on
5 the available evidence. The nearest well to the northwest
6 is about three miles away. It did have some oil, a little
7 bit of water, a little bit of gas and very poor permeability
8 and noncommercial.

9 MR. STAMETS: Any other questions of the witness?
10 He may be excused.

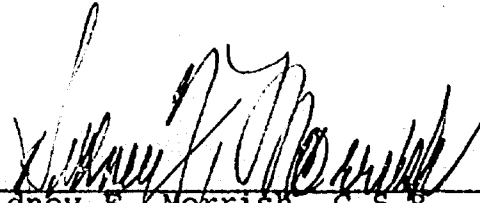
11 (THEREUPON, the witness was excused.)

12 MR. STAMETS: Is there anything further in this
13 case? We will take the case under advisement.
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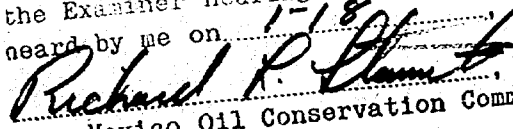
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REPORTER'S CERTIFICATE

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 Examiner hearing of Case No. 6123
heard by me on 1-18, 1978.
, 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. 6123
Order No. R-5627

APPLICATION OF STEVENS OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 18, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of January, 1978, 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, Stevens Oil Company, seeks approval of an unorthodox gas well location 1650 feet from the South line and 330 feet from the East line of Section 35, Township 8 South, Range 28 East, NMPM, Twin Lakes-San Andres Associated Pool, Chaves County, New Mexico.

(3) That the SE/4 of said Section 35 is to be dedicated to the well.

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

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

(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.

-2-

Case No. 6123
Order No. R-5627

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the San Andres formation is hereby approved for the Stevens Oil Company O'Brien "F" Well No. 1 to be located at a point 1650 feet from the South line and 330 feet from the East line of Section 35, Township 8 South, Range 28 East, NMPM, Twin Lakes-San Andres Associated Pool, Chaves County, New Mexico.

(2) That the SE/4 of said Section 35 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 herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

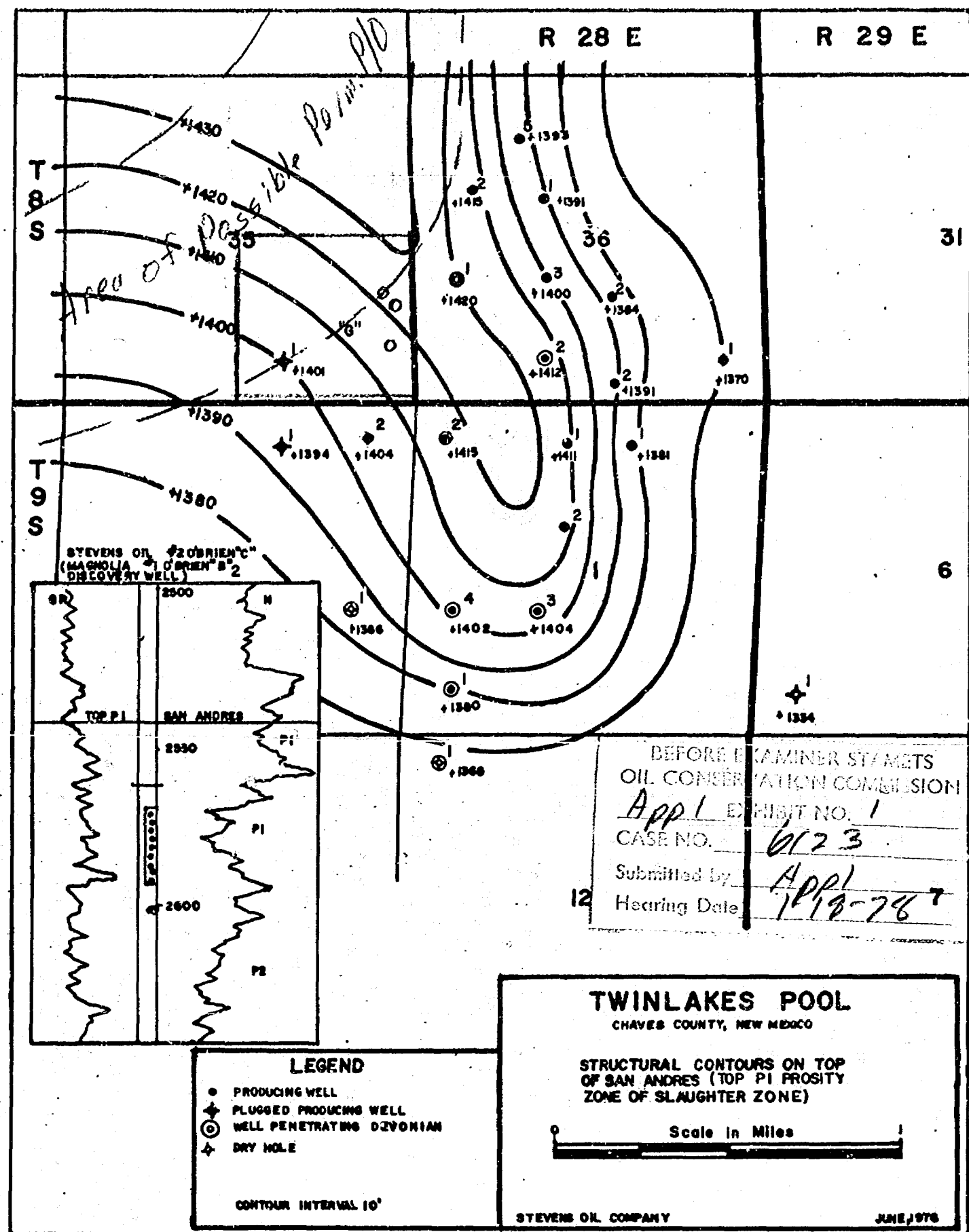

Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

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

S E A L

jr/



o = proposed location
 green o = standard locations

Dockets Nos. 4-78 and 5-78 are tentatively set for hearing on February 8 and 22, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - WEDNESDAY - JANUARY 11, 1978

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

CASE 5958: (DE NOVO)

Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gonzales-Mesaverde and Otero-Chacara production in the wellbores of its AXI Apache "J" Wells Nos. 18, 23, and 24, located in Units A, D, and P of Section 8; Nos. 19 and 22 in Units D and L of Section 6; Nos. 20 and 21, in Units C and I of Section 5; and No. 25 in Unit A of Section 7, all in Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

Upon application of Continental Oil Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6006: (DE NOVO)

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.

Upon application of William G. Rabe and Alice P. Rabe this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6027: (DE NOVO)

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.

Upon application of Great Lakes Chemical Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 18, 1978

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 David S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1978, from fifteen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for February, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6123: Application of Stevens Oil Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its O'Brien "F" Well No. 1 located 1650 feet from the South line and 330 feet from the East line of Section 35, Township 8 South, Range 28 East, Twin Lakes-San Andres Associated Pool, Chaves County, New Mexico, the SE/4 of said Section 35 to be dedicated to the well.

CASE 6124: Application of HNG Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Shoetar Ranch Unit Area comprising 961 acres, more or less, of State lands in Townships 16 and 17 South, Range 35 East, Lea County, New Mexico.

- CASE 6125: Application of Shell Oil Company for an exception to Rule 202(B), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Commission Rule No. 202(B), San Juan County, New Mexico, to permit the temporary abandonment of certain wells on its Carson Unit Area in Township 25 North, Ranges 11 and 12 West, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico. Applicant further seeks that any further extensions be administratively approved.
- CASE 6126: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 21, Township 17 South, Range 26 East, Eddy County, New Mexico, to be dedicated to its Siegenthaler IS Well No. 2 to be drilled at an unorthodox location 1460 feet from the South line and 1980 feet from the West line of said Section 21. 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 6127: Application of Southland Royalty Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Aztec Palmillo State Com Well No. 1 located in Unit G of Section 32, Township 18 South, Range 29 East, to produce oil from the Wolfcamp and gas from the Morrow formations.
- CASE 6128: Application of Champlin Petroleum Company for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State "36" Well No. 1 located 1980 feet from the South line and 660 feet from the West line of Section 36, Township 21 South, Range 27 East, East Carlsbad Gas Field, Eddy County, New Mexico, the S/2 of said Section 36 to be dedicated to the well.
- CASE 6129: Application of King Resources Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Gardner Draw Unit Area comprising 19,840 acres, more or less, of Federal, State, and fee lands in Townships 19 and 20 South, Ranges 20 and 21 East, Eddy County, New Mexico.
- CASE 6130: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wantz Abo and Wantz Granite Wash production in the wellbore of its Lockhart B-35 Well No. 5 located in Unit H of Section 35, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 6131: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Southeast Monument Unit Area, Warren McKee Pool, Lea County, New Mexico, by the injection of water into the McKee formation through 8 wells. Applicant further seeks the establishment of an administrative procedure for adding or substituting injection wells.
- CASE 6132: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Warren Unit Area, Warren McKee Pool, Lea County, New Mexico, by the injection of water into the McKee formation through 4 wells. Applicant further seeks the establishment of an administrative procedure for adding and substituting injection wells.
- CASE 6133: Application of Doyle Hartman for compulsory pooling and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 of Section 8, Township 29 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to form a non-standard unit 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 6134: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Queen formation underlying the SE/4 NW/4 of Section 22, Township 25 South, Range 37 East, Langlie Mattix 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 6119: (Continued from January 4, 1978, Examiner Hearing)

Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Pictured Cliffs, Chacra and Mesaverde production in the wellbore of its Breech Well No. 228, to be located in Unit A of Section 18, Township 26 North, Range 6 West, Rio Arriba County, New Mexico, and to dually complete the commingled formations and the Dakota formation in said well.

CASE 6120: (Continued from January 4, 1978, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Mesaverde production in the wellbores of its Breech E Wells Nos. 109 in Unit M of Section 3 and 104 in Unit P of Section 5 and its Breech A Wells Nos. 627 in Unit B of Section 8, 677 and 679 in Units L and J, respectively, of Section 9, and 207 in Unit A of Section 10, all in Township 26 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 6121: (Continued from January 4, 1978, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Chacra production in Sections 3, 4, 5, 7 thru 11, 13 thru 18, 21, 22, 24, and 25 in Township 26 North, Range 6 West, and Sections 13, 14, 23, and 24, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 6122: (Continued from January 4, 1978, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Mesaverde and Dakota production in the wellbores of its Breech E Wells Nos. 64 and 58 located in Unit A of Section 1 and Section 3, its State A Well No. 62 in Unit A of Section 2, and its Breech D Well No. 341 located in Unit B of Section 21, all in Township 26 North, Range 6 West; and its Breech F Wells Nos. 4 and 45 located in Unit A of Section 33, Unit M of Section 35, both in Township 27 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 6096: Continued from January 4, 1978, Examiner Hearing

Application of Texas Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 14, Township 21 South, Range 34 East, Lea County, New Mexico, to be dedicated to applicant's South Wilson State Well No. 1 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 6135: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the extension of the Wagon Mound Dakota-Morrison Gas Pool in Township 21 North, Range 21 East, Mora County, New Mexico.

CASE 6136: In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order for the creation and extension of certain pools in Lea, Chaves, and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Caprock-San Andres Pool. The discovery well is the Elk Oil Company State D.J. Well No. 1 located in Unit H of Section 2, Township 12 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 2: NE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Yates production and designated as the West Scarborough-Yates Pool. The discovery well is the Gifford, Mitchell and Wisenbaker Horse Back Well No. 2 located in Unit G of Section 33, Township 26 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 33: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Sombrero-Morrow Gas Pool. The discovery well is the Phillips Petroleum Company Michel Well No. 1 located in Unit C of Section 13, Township 16 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 13: NW/4

(d) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production and designated as the East Vest Ranch-Morrow Gas Pool. The discovery well is the Cockrell Corporation Occidental Federal Well No. 1 located in Unit A of Section 22, Township 14 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
Section 22: N/2

(e) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 23: SW/4
Section 26: NW/4

(f) EXTEND the Bluitt-Wolfcamp Gas Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 10: NE/4
Section 11: NW/4

(g) EXTEND the Brinninstool-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 21: W/2

(h) EXTEND the South Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 31: SW/4

(i) EXTEND the West Kemnitz-Lower Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 29: S/2
Section 30: SE/4

(j) EXTEND the Querecho Plains-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 27: NW/4

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

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 23: SW/4
Section 26: W/2
Section 33: SE/4

(l) EXTEND the Townsend-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 27: SE/4

(m) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 15: NW/4

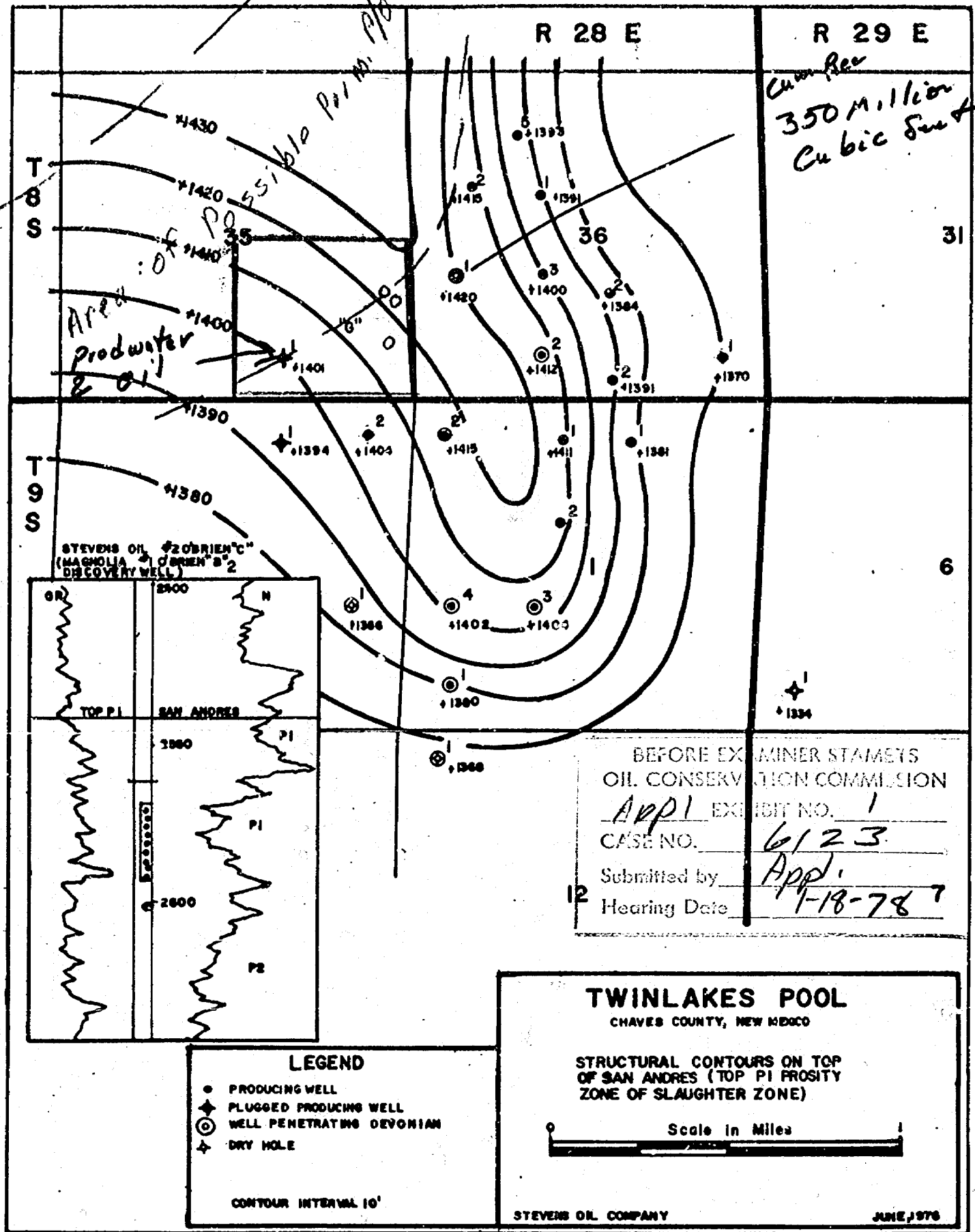
(n) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 23: SW/4
Section 26: NW/4

(o) EXTEND the West Warren-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 20: SW/4
Section 29: NW/4

ROSWELL GEOLOGICAL SOCIETY SYMPOSIUM



BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF STEVENS OIL COMPANY
FOR AN ORDER APPROVING AN UNORTHODOX
GAS WELL LOCATION, TWIN LAKES SAN ANDRES
ASSOCIATED POOL, CHAVES COUNTY, NEW MEXICO

DEC 16 1977

OIL CONSERVATION COMM.
Santa Fe

A P P L I C A T I O N

COMES NOW, Stevens Oil Company and applies to the Oil Conservation Commission of the State of New Mexico for an order approving an unorthodox gas well location designated the Stevens Oil Company #1 O'Brien "F" located 330 feet from the East line and 1650 feet from the South line of Section 35, Township 8 South, Range 28 East, Twin Lakes San Andres Associated Pool, Chaves County, New Mexico, as an exception to the Associated Pool rules of Southeast New Mexico 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 San Andres formation in SE/4 of Section 35, above Township and Range, and proposes to drill at the location stated above.

2. Current Associated Pool rules would require said well to be drilled at a location west or north of the proposed location and within 150' of the center of NE/4 SE/4 above township and range.

3. Said standard location would increase the likelihood of a marginal gas or oil well in the SE/4.

4. Granting of the application herein requested would enable Applicant a greater opportunity to recover hydrocarbons otherwise unrecoverable and protect the correlative rights of owners in the pool.

WHEREFORE Applicant requests that this application be set for hearing at the earliest next hearing date and preferably January 14, 1978, and that the Commission enter an order granting this unorthodox location applied for.

Respectfully submitted,

STEVENS OIL COMPANY

By Donald G. Stevens
DONALD G. STEVENS
Attorney for Applicant
P. O. Box 2244
Santa Fe, New Mexico 87501

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF STEVENS OIL COMPANY
FOR AN ORDER APPROVING AN UNORTHODOX
GAS WELL LOCATION, TWIN LAKES SAN ANDRES
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DEC 16 1977

A P P L I C A T I O N

CONSERVATION COMMISSION

COMES NOW, Stevens Oil Company and applies to the Oil Conservation Commission of the State of New Mexico for an order approving an unorthodox gas well location designated the Stevens Oil Company #1 O'Brien "F" located 330 feet from the East line and 1650 feet from the South line of Section 35, Township 8 South, Range 28 East, Twin Lakes San Andres Associated Pool, Chaves County, New Mexico, as an exception to the Associated Pool rules of Southeast New Mexico 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 San Andres formation in SE/4 of Section 35, above Township and Range, and proposes to drill at the location stated above.
2. Current Associated Pool rules would require said well to be drilled at a location west or north of the proposed location and within 150' of the center of NE/4 SE/4 above township and range.
3. Said standard location would increase the likelihood of a marginal gas or oil well in the SE/4.
4. Granting of the application herein requested would enable Applicant a greater opportunity to recover hydrocarbons otherwise unrecoverable and protect the correlative rights of owners in the pool.

WHEREFORE Applicant requests that this application be set for hearing at the earliest next hearing date and preferably January 14, 1978, and that the Commission enter an order granting this unorthodox location applied for.

Respectfully submitted,

STEVENS OIL COMPANY

By Donald G. Stevens
DONALD G. STEVENS
Attorney for Applicant
P. O. Box 2244
Santa Fe, New Mexico 87501

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. 6123

Order No. R- 5627

APPLICATION OF STEVENS OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 18, 19 78,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of January, 19 78, 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, Stevens Oil Company, seeks
approval of an unorthodox gas well location 1650 feet from the South
line and 330 feet from the East line of Section 35, Township
8 South, Range 18 East, NMPM, ~~to test the~~
formation, Twin Lakes-San Andres Associated Pool,
Chaves County, New Mexico.

(3) That the SE/4 of said Section 35 is to be dedicated to the
well.

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

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

(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:

OK → (1) That an unorthodox gas well location for the San Andres
The Stevens Oil Company O'Brien "F" Well No. 1
formation is hereby approved for a well to be located at a point 1650
feet from the South line and 330 feet from the East
line of Section 35, Township 8 South, Range 28 East,
NMPM, Twin Lakes-San Andres Associated Pool, Chaves County,
New Mexico.

(2) That the SE/4 of said Section 35 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.