

CASE 6138: AMOCO PROD. CO. FOR A
NON-STANDARD PRORATION UNIT,
SIMULTANEOUS DEDICATION AND AN
UNORTHODOX GAS WELL LOCATION.

ny

Case Number

6138

Application

Transcripts.

Small Exhibits

ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

6138

Hearing Date

FEBRUARY 8, 1978

TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
AR Kendrick	OC	Artes
Guy T. Buell	Amoco	Houston
Richard R. Merrill	Amoco	Houston
James C. Allen	Amoco	Houston
Tom L. Radda	Inepco	Houston
Ellen G. Busch	Inepco	Houston
Ray H. Potter	Superior Oil	Houston
John J. Strzpek	Odessa Natural Corp.	Odessa, TX
Ernest N. Welch	Odessa Natural Corp	Fort Worth, TX
Roland L. Hammerlin	Odessa Natural Corp	Odessa, Tex.
J. Low	Atlantic Richfield	Denver, Colo
B. J. Sartain	Atlantic Richfield	Denver, Colo
Linda Massey	Atlantic Richfield Co.	Denver, Colo.
M. D. Robinson	Atlantic Richfield Co	" "
JOHN V. PETERS	COQUINA OIL CORP.	MIDLAND, TX
Paul W. Kator	Montgomery firm	Roswell
Owen Lopez	Montgomery firm	Santa Fe
Jason Kellahin	Kellahin & Fox	Santa Fe

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date FEBRUARY 8, 1978 TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Tom Hagan	Hagan Prod. Corp.	Farmington
Rick Tully	" "	" "
W.R. Lewis	The Superior Oil Co.	Midland, Texas
W.W. Hagist	The Superior Oil Co.	Midland, Texas
S.W. Tjoh	The Superior Oil Co.	Midland, Texas
Doyle Hartman	Doyle Hartman	Midland, TX
Ja Davidson	" "	" "

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 8, 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Company for) CASE
a non-standard proration unit, simultaneous) 6138
dedication, and an unorthodox gas well loca-)
tion, Lea County, New Mexico.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	Lynn Teschendorf, Esq.
Conservation Commission:	Legal Counsel for the Commission
	State Land Office Building
	Santa Fe, New Mexico
For Amoco Production Co.:	Richard L. Merrill, Esq.
	Legal Counsel
	P. O. Box 3092
	Houston, Texas

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Phone (505) 982-9212

I N D E XPageJAMES C. ALLEN

Direct Examination by Mr. Merrill

3

Cross Examination by Mr. Nutter

9

EXHIBIT INDEXOfferedAdmitted

Amoco Exhibit One, Map

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Amoco Exhibit Two, Tabulation

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Amoco Exhibit Three, Tabulation

8

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1 MR. NUTTER: The hearing will come to order, please.
2 The first case this morning will be Case Number 6138.

3 MS. TESCHENDORF: Case 6138, application of Amoco
4 Production Company for a non-standard proration unit,
5 simultaneous dedication, and an unorthodox gas well location,
6 Lea County, New Mexico.

7 MR. MERRILL: My name is Richard Merrill and I'm an
8 attorney for Amoco. We have one witness, Mr. James C. Allen.

9 MR. NUTTER: How do you spell your name?

10 MR. MERRILL: M-e-r-r-i-l-l.

11 MS. TESCHENDORF: Are you a New Mexico attorney?

12 MR. MERRILL: No, we have a letter of appearance on
13 file.

14 (THEREUPON, the witness was duly sworn.)

15
16 JAMES C. ALLEN

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

19 DIRECT EXAMINATION

20 BY MR. MERRILL:

21 Q Mr. Allen, would you please state your name, occupa-
22 tion, employer and place of employment?

23 A My name is James C. Allen, Staff Engineer Senior
24 Grade for Amoco Production Company in Houston, Texas.

25 Q Mr. Allen, have you ever testified before the

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1 New Mexico Oil Conservation Commission?

2 A No, sir, I have not.

3 Q Would you briefly go into your educational background
4 and your experience?

5 A Yes, sir, I received a Bachelor of Science degree
6 in petroleum engineering from the University of Tulsa in
7 1959. After serving three years in the United States Air
8 Force I joined Pan American Petroleum Corporation, now Amoco
9 Production Company, in 1962. For four years I worked in Pampa,
10 Texas office and my assignments covered the wide almost complete
11 spectrum of petroleum engineering, with heavy emphasis on well
12 site evaluations of Amoco's drilling wells in the Deep Anadarko
13 Basin at that time. The next two years I worked in Amoco's
14 Oklahoma City and Fort Worth offices as an operations engineer.
15 My primary responsibility during that time was in following
16 Amoco's development drilling program in the Anadarko Basin,
17 recommending well locations and completions to management.
18 The next nine years, excuse me, for about a year after that,
19 I worked in Amoco's reservoir section in Fort Worth, Texas
20 and my primary duties there were in performing waterflood
21 feasibility studies and reserve studies of primary reservoirs.
22 The next nine years were spent in supervisory roles of engineer-
23 ing groups, two years in Canada where I supervised six engineers
24 concerned with producing and drilling programs in the Pemina
25 Oil Field. The next seven years were in the Odessa area office

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1 where again I was in a supervisory capacity supervising an
2 engineering section handling primary producing problems and
3 again handling the completion work of Amoco's drilling wells.
4 In March of 1977 I was transferred to Houston which is my
5 present place of employment in the proration section and I
6 am a registered professional engineer in the State of Texas.

7 MR. MERRILL: Mr. Examiner, do you find his quali-
8 fications acceptable?

9 MR. NUTTER: Yes, they are.

10 Q (Mr. Merrill continuing.) Mr. Allen, as I under-
11 stand it, Amoco's application is for a four hundred and eighty
12 acre non-standard unit to be simultaneously dedicated to three
13 wells being the Gillully Federal Gas Com Wells Nos. 4, 7, and
14 15 with a non-standard location, or an unorthodox well loca-
15 tion on the No. 15 Well, is that correct?

16 A That is correct.

17 Q And it is my understanding that this four hundred
18 and eighty acre non-standard unit has already been approved
19 by the Commission?

20 A Yes, sir, on October 1st, 1974 by Order No. R-4848,
21 a four hundred and eighty acre non-standard unit with
22 simultaneous dedication of acreage to Wells No. 4 and 7 were
23 approved.

24 Q Okay, Mr. Allen, do you have with you a map which
25 I will identify as Amoco Exhibit Number One and would you

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1 please explain what is on this map?

2 A Exhibit Number One is a nine section map of a
3 portion of the Eumont Gas Pool. The Amoco Gillully Federal
4 four hundred and eighty acre unit is located in the center of
5 this map in Section 24. The unit is outlined by heavy dashed
6 lines. All Eumont gas completions in this area are identified
7 by red dots. Our proposed Well No. 15 is identified by a red
8 arrow, the location being sixteen hundred and fifty feet from
9 the north line and nine hundred and ninety feet from the west
10 line.

11 We have also identified on this map acreage attributed
12 to each producing unit or well and where multiple well units
13 are on this map they are identified by arrows connecting to
14 the wells involved.

15 Q Mr. Allen, from an examination of this map it would
16 seem that the density, that is the acres per well, seems to
17 be approximately one hundred and sixty acres in this portion
18 of the Eumont, would you say that was a fair statement?

19 A Yes, sir, the well density is approximately one
20 hundred and sixty acres per well.

21 Q And by the Commission's approval of the No. 15 Well
22 on the four hundred and eighty acre unit that would then make
23 that three wells for four hundred and eighty or one well every
24 one hundred and sixty acres, is that correct?

25 A That is correct.

1 Q And you also have some production data which I will
2 identify as Amoco Exhibit Number Two, would you go into what
3 is on that exhibit?

4 A Yes, sir, Exhibit Number Two is a tabulation compar-
5 ing a non-marginal gas allowable for a one hundred and sixty
6 acre unit and a four hundred and eighty acre unit for the year
7 1977, it is indicated on the left. On the right is production
8 from the Amoco Gillully Federal Gas Unit, by months, for the
9 year 1977. This is converted also on a daily basis both for
10 the four hundred and eighty acre unit for allowable purposes,
11 indicated in column five, and production in the last column on
12 the right.

13 This exhibit shows that Amoco would have been entitled
14 to produce an additional approximately five hundred thousand
15 cubic feet of gas had we had the deliverability to so produce,
16 it is equivalent to about thirteen hundred and seventy-six
17 MCF a day.

18 Q As I understand it, would the two wells presently
19 on the four hundred and eighty acre unit, those wells are not
20 capable of producing the non-marginal gas allowable?

21 A That is correct.

22 Q And it would be necessary to at least approach the
23 non-marginal gas allowable for the four hundred and eighty
24 acre to drill another well, is that correct?

25 A Yes, sir, to recover as much gas as Amoco is entitled

1 to we would have to drill a third well.

2 Q You have also prepared an exhibit which shows gas
3 units with simultaneous dedication in the Eumont Gas Pool,
4 which I will identify as Amoco Exhibit Number Three. Would you
5 go a little further into what this shows?

6 A Yes, sir, Exhibit Number Three is a tabulation by
7 operators of all of the multiple well units on the December
8 1977 proration schedule. Also included on this attachment are
9 the unit size of each multiple well unit, the status of the
10 unit, that is whether it was marginal or whether it was
11 capable of producing a non-marginal allowable and the location
12 of the multiple well unit. There are a total of thirty-one
13 units in the Eumont Gas Pool, including the Amoco Gillully
14 Federal.

15 Q Okay, now, from this exhibit would you say that it
16 is a fair statement that it is a common practice in the Eumont
17 Gas Pool for multiple well units with simultaneous well
18 dedications?

19 A Yes, sir.

20 Q Turning back to Exhibit Number One, if the Commission
21 were to approve the No. 15 Well where it is proposed to be
22 located, would you say that this would protect the correlative
23 rights of all of the owners of the pool in this area?

24 A Yes, sir, I would.

25 Q Would you also say that it would prevent waste in

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1 this area?

2 A Yes, sir, in my opinion it would.

3 Q And it would also allow Amoco to produce or come
 4 closer to producing marginal allowable for this four hundred
 5 and eighty acre non-standard unit?

6 A Yes, sir.

7 Q Do you have anything further to say, Mr. Allen?

8 A No, sir.

9 MR. MERRILL: At this time I would like to offer the
 10 exhibits marked Amoco Exhibits One, Two, and Three into
 11 evidence.

12 MR. NUTTER: Amoco Exhibits One through Three will
 13 be admitted into evidence.

14 (THEREUPON, Amoco Exhibits One through
 15 Three were admitted into evidence.)

16 CROSS EXAMINATION

17 BY MR. NUTTER:

18 Q Mr. Allen, do you offhand know how long this unit
 19 has been classified as marginal by the Commission?

20 A No, sir, I don't, I could look back, it has been
 21 some time. The unit itself was born back in 1958, the four
 22 hundred and eighty acre unit. Well No. 7 was recompleted in
 23 '74 and I believe it was still marginal at that time, however,
 24 I'm not certain how long.

25 Q And this No. 15 is a new well that will be drilled?

1 A Yes, sir, it is a new well.

2 MR. NUTTER: Are there any further questions of the
3 witness? He may be excused.

4 (THEREUPON, the witness was excused.)

5 MR. NUTTER: Do you have anything further, Mr.
6 Merrill?

7 MR. MERRILL: No, sir, I sure don't.

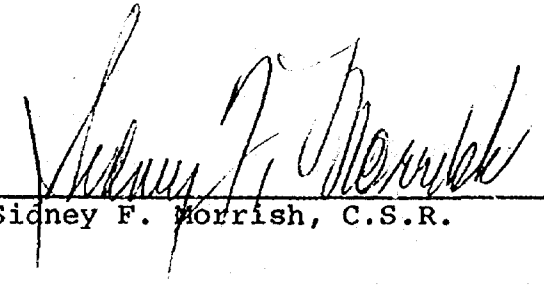
8 MR. NUTTER: Does anyone have anything they wish to
9 offer in Case Number 6138? We will take the case under
10 advisement.

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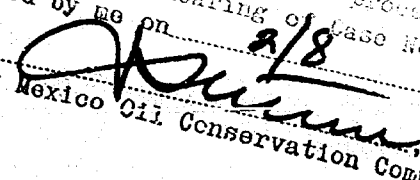
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REPORTER'S CERTIFICATE

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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General Court Reporting Service
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Phone (505) 982-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6138
heard by me on 2/8, 1978

New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER
PHIL R. LUCERO
February 15, 1978



STATE GEOLOGIST
EMERY C. ARNOLD

DIRECTOR
JOE D. RAMEY

Mr. Richard Merrill
Amoco Production Company
P. O. Box 3092
Houston, Texas 77001

Re: CASE NO. 6138
ORDER NO. R-5639

Applicant:

Amoco Production Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC _____ x
Artesia OCC _____ x
Aztec OCC _____

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 6138
Order No. R-5639

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR A NON-STANDARD PRORATION UNIT,
SIMULTANEOUS DEDICATION AND AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 8, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of February, 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, Amoco Production Company, seeks approval of a 480-acre non-standard gas proration unit comprising the E/2 and NW/4 of Section 24, Township 20 South, Range 36 East, NMPM, to be simultaneously dedicated to its Gillully Federal Gas Com Wells Nos. 4 and 7, located in Units B and O, respectively, of said Section 24 and to its Gillully Federal Gas Com Well No. 15 to be located at an unorthodox location 1650 feet from the North line and 990 feet from the West line of said Section 24.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Eumont Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the afore-said well.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Eumont Gas 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. 6138
Order No. R-5639

(5) That Commission Order No. R-4848, which previously approved the above-described non-standard unit with dedication of same to Wells Nos. 4 and 7 only, should be rescinded.

IT IS THEREFORE ORDERED:

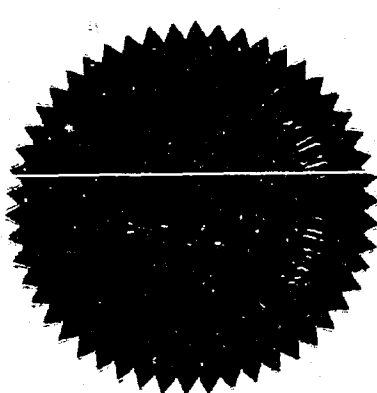
(1) That a 480-acre non-standard gas proration unit in the Eumont Gas Pool comprising the E/2 and NW/4 of Section 24, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Amoco Production Company Gillully Federal Gas Com Wells Nos. 4 and 7, located in Units B and O, respectively, of said Section 24, and to its Gillully Federal Gas Com Well No. 15 to be located at an unorthodox location 1650 feet from the North line and 990 feet from the West line of said Section 24.

(2) That Commission Order No. R-4848 is hereby rescinded.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

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

SEAL

jr/

EUMONT GAS POOL
LEA COUNTY, NEW MEXICO

Non Marginal Gas Allowable				
160 Acre Unit				Daily 480 Acre MCFD
Month	Year	Month, MCF	Daily, MCFD	
Jan	1977	31,185	1,006	3,018
Feb	1977	43,098	1,539	4,617
Mar	1977	52,197	1,684	5,052
Apr	1977	28,366	946	2,838
May	1977	19,773	638	1,914
June	1977	14,524	484	1,452
July	1977	14,110	455	1,365
Aug	1977	15,000	484	1,452
Sept	1977	14,516	484	1,452
Oct	1977	17,984	580	1,740
Nov	1977	17,580	536	1,758
Dec	1977	23,343	753	2,259

Production Data	
Amoco Gilly Fed Gas Com	
480 Acre Unit	
Month, MCF	Daily, MCFD
34,410	1,110
30,751	1,098
34,155	1,102
32,021	1,067
35,834	1,156
30,709	1,024
19,850	640
34,137	1,101
32,759	1,092
20,239	653
34,056	1,136
34,000 (Est'd)	1,097 (Est'd)

TOTALS 291,676 MCF/YR (160 Ac Unit)

TOTALS 875,028 MCF/YR (480 Ac Unit)

Non-Marginal Allowable Minus Production

372,921 MCF/YR

502,107 MCF

1376 MCFD

JCA/mct
4/6023

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
Amoco	EXHIBIT NO. <u>2</u>
CASE NO.	<u>6138</u>

EUMONT GAS POOL
(Yates Seven Rivers Queen)

Gas Units With Simultaneous Dedication

<u>Operator and Wells</u>	<u>Unit Size</u>	<u>Status</u>	<u>Location</u>
<u>Amoco</u>			
Gillully Fed Gas Com 4B & 7D	480	H	24-20S-36E
Gillully "B" Fed RA "A" 3N&15H	360	M	33-20S-37E
State C Tr 11 1X & 5I	320	M	2-21S-36E
<u>Arco</u>			
J. M. Brownlee 1K & 4N	160	H	25-21S-36E
Byrd Gas Com 5E & 7C	320	N	11-20S-36E
State 157 D 4I & 7N	160	M	12-22S-36E
State 176 3J, 6C & 4G	137	H	19-21S-36E
State F DE 1E, 3K, & 4M	185	M	19-21S-36E
State H 10 & 3J	160	M	5-21S-36E
<u>Conoco</u>			
Britt "B" 15M & 250	280	N	10&15-20S-37E
Britt "B" 18 3J & 6P	160	N	18-20S-37E
Britt Skaggs Com 1P & 2K	320	M	10&11-20S-37E
Lockhart "B" 4H, 7D & 8P	480	M	13&14-21S-36E
Lockhart "B" 1 4G & 6P	320	M	1-22S-36E
Meyer "B" 4 4S & 29P	360	M	4-21S-36E
Meyers "B" 28 "A" Com AC 2 Wells 20 & 3C	360	H	28&33-20S-37E
Reed A-3 2H & 3I	480	N	3-20S-36E
Sanderson "A" 12P & 13G	640	M	14-20S-36E
State "J" 2 9G & 12D	240	M	2-22S-36E
<u>Exxon</u>			
Eumont Gas Com #1 1J & 2L	640	M	4-20S-37E
Eumont Gas Com #3 1A & 2G	160	M	35-20S-36E
New Mex. "B" State BTY 2 2P & 6M	640	M	26-21S-36E
<u>Gulf</u>			
S. E. Felton 1P & 20	160	N	28-21S-36E
Harry Leonard NCT A 3B, 7M & 12P	480	N	22-21S-36E
H. T. Mattern NCT E 10N & 11B	480	M	1&12-22S-36E

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Amoco EXHIBIT NO. 3
CASE NO. 6138

Operator and WellsUnit SizeStatusLocation

W. A. Ramsey NCT "A" 17J & 46E	640	N	27-21S-36E
W. A. Ramsey NCT "A" 7N & 20E	640	M	35-21S-36E
W. A. Ramsey NCT "B" Com 1F & 2E	320	N	25-21S-36E
A. B. Reeves 1L & 2E	320	M	29-20S-37E

Mobil

E. O. Carson 4N, 22L & 23G	320	M	28&33-21S-37E
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Union Texas Petr. Corp.

Britt 3G & 12C	320	N	7-20S-37E
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JCA/mct
4/6177



JAN 20 1978
Amoco Production Company

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

J. M. Brown
Division Engineering
Manager

January 17, 1978

File: DBF-986.51NM-180

Re: Application for Hearing
Eumont Gas 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:

Confirming telephone request of January 16, 1978, Amoco Production Company respectfully requests a hearing for obtaining approval of a 480 acre non-standard proration unit to be simultaneously dedicated to Gillully Federal Gas Com. Wells No. 4, 7 and 15, located at unorthodox location in units B, O & E, respectively, Section 24, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico.

A 480 acre non-standard proration unit simultaneously dedicated to Gillully Federal Gas Com. Well No. 4 and the Gillully "A" Federal Well No. 7 was authorized by Order No. R-4848, October 1, 1974. Amoco now desires to drill a third well, Well No. 15, on the non-standard 480 acre proration unit at a location 1650' FNL and 990' FWL of Section 24, T-20-S, R-36-E, Lea County, New Mexico.

Attached is a map of the area. Please direct any questions to Mr. Jim Allen, telephone 713-652-4668.

Yours very truly,

JCA:sam
Attachments



JAN 20 1978

Amoco Production Company

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

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

J. M. Brown
Division Engineering
Manager

January 17, 1978

File: DBF-986.51NM-180

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Lea County, New Mexico

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Yours very truly,

J. M. Brown
JCA:sam
Attachments



JAN 20 1978

Amoco Production Company

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

J. M. Brown
Division Engineering
Manager

January 17, 1978

File: DBF-986.51NM-180

Re: Application for Hearing
Eumont Gas Pool
Lea County, New Mexico

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P. O. Box 2088
Santa Fe, NM 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

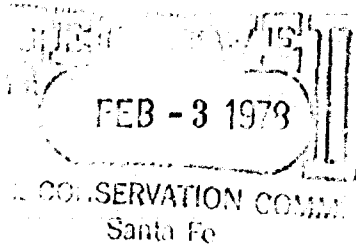
Confirming telephone request of January 16, 1978, Amoco Production Company respectfully requests a hearing for obtaining approval of a 480 acre non-standard proration unit to be simultaneously dedicated to Gillully Federal Gas Com. Wells No. 4, 7 and 15, located at unorthodox location in units B, O & E, respectively, Section 24, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico.

A 480 acre non-standard proration unit simultaneously dedicated to Gillully Federal Gas Com. Well No. 4 and the Gillully "A" Federal Well No. 7 was authorized by Order No. R-4848, October 1, 1974. Amoco now desires to drill a third well, Well No. 15, on the non-standard 480 acre proration unit at a location 1650' FNL and 990' FWL of Section 24, T-20-S, R-36-E, Lea County, New Mexico.

Attached is a map of the area. Please direct any questions to Mr. Jim Allen, telephone 713-652-4668.

Yours very truly,

JCA:sam
Attachments



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF AMOCO PRODUCTION COMPANY FOR)
A NON-STANDARD PRORATION UNIT,) No. 6138
SIMULTANEOUS DEDICATION AND UN-)
ORTHODOX GAS WELL LOCATION,)
EUMONT GAS POOL, LEA COUNTY, NEW)
MEXICO.)

ENTRY OF APPEARANCE

The undersigned hereby enter their appearance
herein for Amoco Production Company, with Guy Buell and
Richard Merrill of Houston, Texas.

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

By Charles Malone
Post Office Drawer 700
Roswell, New Mexico 88201

Attorneys for Amoco Production
Company

Dockets Nos. 7-78 and 9-78 are tentatively set for hearing on February 22 and March 8, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 8, 1978

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 6137: Application of Amoco Production Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Nellis Federal Well No. 3 to be located 1980 feet from the North line and 660 feet from the West line of Section 8, Township 19 South, Range 33 East, West Tonto-Pennsylvanian Gas Pool, Lea County, New Mexico, the N/2 of said Section 8 to be dedicated to the well.
- CASE 6138: Application of Amoco Production Company for a non-standard proration unit, simultaneous dedication, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 480-acre non-standard gas proration unit comprising the E/2 and NW/4 of Section 24, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Gillully Federal Gas Com Wells Nos. 4, 7 and 15 located in Units B, O, and E, respectively, of Section 24. Applicant also seeks approval for the unorthodox location of said Well No. 15 located 1650 feet from the North line and 990 feet from the West line of said Section 24.
- CASE 6139: Application of Petro-Lewis Corporation for an unorthodox oil well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Boling Federal Well No. 8-22 to be drilled at a point 990 feet from the North line and 2160 feet from the West line of Section 22, Township 19 North, Range 3 West, Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico.
- CASE 6140: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 3,000 feet below the surface to the base of the Queen formation underlying the SE/4 NW/4 of Section 21, 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 6141: Application of Paul Slayton for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation thru the open-hole interval from 528 feet to 547 feet in his Hastie Well No. 7 located in Unit L of Section 18, Township 17 South, Range 28 East, Empire Field, Eddy County, New Mexico.
- CASE 6142: Application of Atlantic Richfield Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the E/2 of Section 29, Township 24 North, Range 3 West, Rio Arriba 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 6143: Application of Atlantic Richfield Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 33, Township 24 North, Range 3 West, Rio Arriba 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 6144: Application of Southland Royalty Company for two unorthodox locations and two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for two 120-acre non-standard gas proration units comprising the S/2 SE/4 of Section 10 and the SW/4 SW/4 of Section 11, and comprising the SE/4 SW/4 and the S/2 SE/4 of Section 11, all in Township 29 North, Range 11 West, Fulcher Kutz-Pictured Cliffs Pool, San Juan County, New Mexico, each of said units to be dedicated to a well drilled at an unorthodox location thereon.

- CASE 6145: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gavilan-Pictured Cliffs and Blanco-Mesaverde production within the wellbore of his June Well No. 1 located in Unit B of Section 28, Township 28 North, Range 3 West, Rio Arriba County, New Mexico.
- CASE 6146: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tapacito-Gallup and Basin-Dakota production within the wellbore of his Jicarilla Well No. 5 located in Unit D of Section 29, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.
- CASE 6147: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Undesignated Greenhorn, Bisti-Lower Gallup, and Basin Dakota production within the wellbore of its Big 8 Well No. 1 located in Unit L of Section 8, Township 24 North, Range 9 West, San Juan County, New Mexico.
- CASE 6148: Application of Coquina Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Vivian Well No. 1 located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Drinkard and Granite Wash formations thru the casing-tubing annulus and the tubing, respectively.
- CASE 6134: (Readvertised)
- Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground to the base of the Queen formation underlying the SE/4 NW/4 of Section 22, Township 25 South, Range 37 East, Lea County, New Mexico, to form a 40-acre Langlie Mattix oil proration unit or underlying the N/2 NE/4, NE/4 NW/4, and SE/4 NW/4 of said Section 22 to form a non-standard 160-acre Jalmat gas proration unit. 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 6096: (Continued from January 18, 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 6133: (Continued from January 18, 1978 Examiner Hearing)
- 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 19 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.

Docket No. 5-78

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 15, 1978

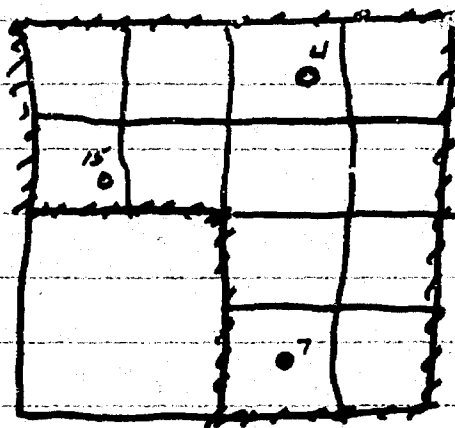
9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1978, from fifteen prorated pools in Lea, Eddy and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1978, from four prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1978, for both of the above areas.

Application of Amoco Production Company for a non-standard proration unit, simultaneous dedication, and an unorthodox gas well location, Lea County, N. M. Applicant in the above-styled cause seeks approval for a 480 acre non-standard gas proration unit, ^{comprising} the E/2 and NW/4 of Section 24, T 20S, R 36E, Calmont Gas Pool, Lea County, N. M., to be simultaneously dedicated to applicant's Gillelly Natural Gas Com Wells Nos. 4, 7 and 15 ^{located} at ~~unorthodox~~ locations in Units B, O, and E, ~~of~~ respectively, of Section 24. Applicant also seeks approval for the unorthodox location of said Well No. 15 to be located 1650 feet from the north line and 990 feet from the west line of Section 24.

Phoned in 1-16-78 by Jim Allen
713-452-4668.



DRAFT

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. 6138

Order No. R- 5639

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR A NON-STANDARD PRORATION UNIT, SIMULTANEOUS DEDICATION AND AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 8,
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of February, 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, Amoco Production Company,
seeks approval of a 480-acre non-standard gas proration unit
comprising the E/2 and NW/4 of Section 24, Town-
ship 20 South, Range 36 East, NMPM, to be simultaneous-
ly dedicated to its Gillully Federal Gas Com Wells Nos. 4 and 7,
^{0, respectively, of said Section 24,} located in Units B and/ ~~and C~~ and its Gillully Federal
Gas Com Well No. 15 located at an unorthodox location 1650 feet from the North line

(3) That the entire non-standard proration unit may rea-
sonably be presumed productive of gas from the

Eumont Gas Pool and that the entire non-standard
gas proration unit can be efficiently and economically drained
and developed by the aforesaid well.

(4) That approval of the subject application will afford
the applicant the opportunity to produce ^{its} just and equitable
share of the gas in the Eumont Gas
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.

and 990 feet from the West line of said Section 24.

Case No. _____
Order No. R- _____

(5) That Commission Order No. R-4848, which previously approved the above described non-standard unit with dedication of same to Wells Nos. 4 and 7 only, should be rescinded.

IT IS THEREFORE ORDERED:

(1) That a 480-acre non-standard gas proration unit in the Eumont Gas Pool comprising the E/2 and NW/4 of Section 24, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to ^{simultaneously} ~~the~~ ^{The Amoco Production Company} ~~Gillully~~ Federal Gas Com Wells Nos. 4 and 7, located in Units B and C, ^{and its} ~~and~~ ^{as per the order of said Secretary} ~~Gillully~~ Federal Gas Com Well No. 15 ^{to be} located at an unorthodox location 1650 feet from the North line and 990 feet from the West line of said Section 24.

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

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

(2) That Commission Order No. R-4848 is hereby rescinded.