

**CASE 6196: SUN OIL COMPANY FOR  
UNORTHODOX GAS WELL LOCATION, AND  
A NON-STANDARD GAS PRORATION UNIT**

Case NO.

6196

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO  
APRIL 5, 1978

EXAMINER HEARING

-----)  
IN THE MATTER OF: )

Application of Sun Oil Company )  
for an unorthodox gas well )  
location and a non-standard )  
gas proration unit, Lea County, )  
New Mexico. )  
-----)

Case 6196

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Division:

Lynn Teschendorf, Esq.  
Legal Counsel for the Division  
State Land Office Building  
Santa Fe, New Mexico

LANPHERE REPORTING SERVICE

P. O. BOX 449  
58 SOUTH FEDERAL PLACE  
SANTA FE, NEW MEXICO 87501

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**LANPHERE REPORTING SERVICE**

P. O. BOX 449  
58 SOUTH FEDERAL PLACE  
SANTA FE, NEW MEXICO 87501

MR. NUTTER: We call next Case No. 6196.

MS. TIESCHENDORF: Case 6196, application of Sun Oil Company for an unorthodox gas well location and a non-standard gas proration unit, Lea County, New Mexico. The Applicant in this case has requested that it be dismissed.

MR. NUTTER: Case No. 6196 will be dismissed.

(WHEREUPON, Case 6196 was dismissed.)

**LANPHERE REPORTING SERVICE**

P.O. BOX 449  
58 SOUTH FEDERAL PLACE  
SANTA FE, NEW MEXICO 87501

REPORTER'S CERTIFICATE

I, BETTY J. LANPHERE, Court Reporter with offices in Santa Fe, New Mexico, do hereby certify that the foregoing transcript is a complete and accurate record of said proceedings as the same were recorded by me stenographically and reduced to typewritten transcript by me or under my supervision.

DATED at Santa Fe, New Mexico, this fourteenth day of April, 1978.

Betty J. Lanphere  
Betty J. Lanphere, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6196 heard by me on 4-5, 1978.

[Signature] Examiner  
New Mexico Oil Conservation Commission

## LANPHERE REPORTING SERVICE

P.O. BOX 449  
58 SOUTH FEDERAL PLACE  
SANTA FE, NEW MEXICO 87501

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6196  
Order No. R-5700

APPLICATION OF SUN OIL COMPANY FOR  
AN UNORTHODOX GAS WELL LOCATION AND  
A NON-STANDARD GAS PRORATION UNIT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 5, 1978,  
at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 11th day of April, 1978, the Division  
Director, having considered the record and the recommendations  
of the Examiner, and being fully advised in the premises,

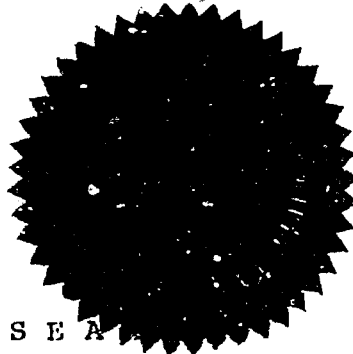
FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 6196 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

S E A

jr/

Dockets Nos. 14-78 and 15-78 are tentatively set for hearing on April 19 and May 3, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 5, 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. Mutter, Examiner, or Richard L. Stanets, Alternate Examiner:

CASE 6190: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Peter Siemens, Fidelity & Casualty Co. of New York, and all other interested parties to appear and show cause why the Wright Well No. 1 located in Unit F of Section 12, Township 10 North, Range 5 East, Bernalillo County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6191: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Daryl Davis and all other interested parties to appear and show cause why the State Well No. 1 located in Unit K of Section 1, Township 4 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6177: (Continued & Readvertised)

Application of Texas International Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of a proposed gas well, the surface location of which would be 1650 feet from the South line and 1800 feet from the East line of Section 29, Township 20 South, Range 30 East, Eddy County, New Mexico, in such a manner as to penetrate the Strawn formation within 100 feet of a point 1980 feet from the North line and 1985 feet from the West line of said Section 29, and to bottom said well in the Morrow formation within 100 feet of a point 1501 feet from the North line and 1552 feet from the West line of said Section 29. The N/2 of the section would be dedicated to the Strawn formation, Golden Lane-Strawn Gas Pool, and all of Section 29 would be dedicated to the Morrow formation, Dos Hermanos-Morrow Gas Pool.

CASE 6192: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "DC" Well No. 1 to be located 1980 feet from the South line and 660 feet from the West line of Section 29, Township 20 South, Range 28 East, Eddy County, New Mexico, the S/2 of said Section 29 to be dedicated to the well.

CASE 6193: Application of Zia Energy, Inc., for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Elliott Federal Well No. 1 located 2310 feet from the South line and 330 feet from the East line of Section 26, Township 20 South, Range 36 East, Dumont Gas Pool, Lea County, New Mexico, the N/2 SE/4 and W/2 NE/4 of said Section 26 to be simultaneously dedicated to the aforesaid well and to Well No. 2 in Unit J.

CASE 6194: Application of Tenneco Oil Company for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla "A" Well No. 10 to be located 1190 feet from the South line and 1590 feet from the East line of Section 18, Township 26 North, Range 5 West, Tapacito-Gallup Associated Pool, Rio Arriba County, New Mexico, the SE/4 of said Section 18 to be dedicated to the well.

CASE 6195: Application of Tenneco Oil Company for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla "A" Well No. 9 to be located 1850 feet from the North line and 1450 feet from the West line of Section 20, Township 26 North, Range 5 West, Tapacito-Gallup Associated Pool, Rio Arriba County, New Mexico, the NW/4 of said Section 20 to be dedicated to the well.

CASE 6196: Application of Sun Oil Company for an unorthodox gas well location and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 280-acre non-standard gas proration unit comprising the N/4, W/2 NW/4 and the SE/4 NW/4 of Section 24, Township 20 South, Range 33 East, to be dedicated to applicant's Teas Federal Well No. 1, a wild-cat Pennsylvanian well to be drilled at an unorthodox location 2180 feet from the North and West lines of said Section 24.



JASON W. KELLAHIN  
ROBERT E. FOX  
W. THOMAS KELLAHIN

KELLAHIN and FOX  
ATTORNEYS AT LAW  
800 DON GASPAR AVENUE  
P. O. BOX 1769  
SANTA FE, NEW MEXICO 87501

MAR 16 1978

6196

TELEPHONE 982-4316  
AREA CODE 505

March 15, 1978

Mr. Joe Ramey  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

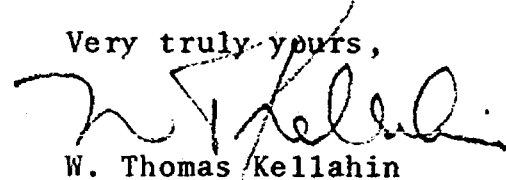
Re: Sun Oil Company

Dear Mr. Ramey:

Please find enclosed our application on behalf of Sun Oil Company for a nonstandard gas proration unit and unorthodox well location for its Teas Federal No. 1 well in Section 24, T20S, R33E, Lea County, New Mexico.

This matter has been set for hearing on April 5, 1978.

Very truly yours,



W. Thomas Kellahin

CC: Mr. J. T. Powers

WTK:kfm

Enclosure

APR 13 1973

BEFORE THE

Sun

OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF SUN OIL COMPANY  
FOR NON-STANDARD GAS PRORATION  
UNIT AND UNORTHODOX GAS WELL  
LOCATION, LEA COUNTY, NEW MEXICO

No. 6196

A P P L I C A T I O N

Comes now the Applicant, Sun Oil Company, by and through its attorneys, Kellahin & Fox, and applies to the Oil Conservation Commission of New Mexico for approval of a 280 acre non-standard gas proration unit comprising the NE/4, W/2NW/4 and SE/4NW/4 of Section 24, T20S, R33E, Lea County, New Mexico to be dedicated to applicant's Teas Federal No. 1 well to be drilled at an unorthodox location 2180 feet from the North line and 2180 feet from the West line of said Section 24, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill and develop the oil and gas mineral in the area involved in this application.

2. Applicant proposes to drill a wildcat gas well to test the Pennsylvanian formation at a depth of 13,700 feet, at an unorthodox location 2180 feet from the north and west lines of Section 24, T20S, R33E, Lea County, New Mexico.

3. Applicant further seeks approval of a non-standard gas proration unit of 280 acres consisting of the NE/4, W/2NW/4 and SE/4NW/4 of said Section 24.

4. The NE/4NW/4 is unleaseable due to governmental installation upon said forty acre tract and cannot be dedicated to this well to create a standard proration unit for 320 acres consisting of the entire N/2 of said Section.

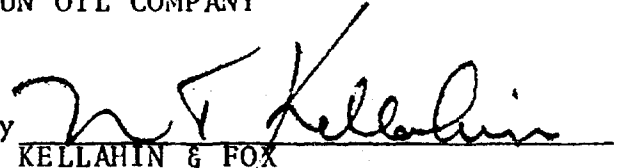
5. Applicant believes that a well located as proposed will recover gas that would not otherwise be recovered, in the best interests of conservation, and would not impair the correlative rights of others.

WHEREFORE applicant prays that this application be set for hearing before the Commission's duly appointed examiner and that after notice and hearing as required by law, the Commission enter its order approving the application as requested.

Respectfully submitted,

SUN OIL COMPANY

By



KELLAHIN & FOX

P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

MAR 16 1978

OIL CONSERVATION COMMISSION  
SAND NO.

BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF SUN OIL COMPANY  
FOR NON-STANDARD GAS PRORATION  
UNIT AND UNORTHODOX GAS WELL  
LOCATION, LEA COUNTY, NEW MEXICO

No. 6196

A P P L I C A T I O N

Comes now the Applicant, Sun Oil Company, by and through its attorneys, Kellahin & Fox, and applies to the Oil Conservation Commission of New Mexico for approval of a 280 acre non-standard gas proration unit comprising the NE/4, W/2NW/4 and SE/4NW/4 of Section 24, T20S, R33E, Lea County, New Mexico to be dedicated to applicant's Teas Federal No. 1 well to be drilled at an unorthodox location 2180 feet from the North line and 2180 feet from the West line of said Section 24, and in support thereof would show the Commission:

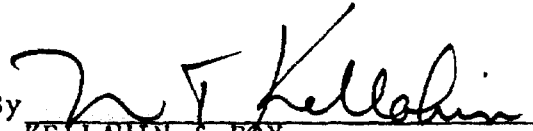
1. Applicant is the owner of the right to drill and develop the oil and gas mineral in the area involved in this application.
2. Applicant proposes to drill a wildcat gas well to test the Pennsylvanian formation at a depth of 13,700 feet, at an unorthodox location 2180 feet from the north and west lines of Section 24, T20S, R33E, Lea County, New Mexico.
3. Applicant further seeks approval of a non-standard gas proration unit of 280 acres consisting of the NE/4, W/2NW/4 and SE/4NW/4 of said Section 24.
4. The NE/4NW/4 is unleaseable due to governmental installation upon said forty acre tract and cannot be dedicated to this well to create a standard proration unit for 320 acres consisting of the entire N/2 of said Section.

5. Applicant believes that a well located as proposed will recover gas that would not otherwise be recovered, in the best interests of conservation, and would not impair the correlative rights of others.

WHEREFORE applicant prays that this application be set for hearing before the Commission's duly appointed examiner and that after notice and hearing as required by law, the Commission enter its order approving the application as requested.

Respectfully submitted,

SUN OIL COMPANY

By   
KELLAHIN & FOX  
P. O. Box 1769  
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

APR 13 1978

BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF SUN OIL COMPANY  
FOR NON-STANDARD GAS PRORATION  
UNIT AND UNORTHODOX GAS WELL  
LOCATION, LEA COUNTY, NEW MEXICO

No. 6196

A P P L I C A T I O N

Comes now the Applicant, Sun Oil Company, by and through its attorneys, Kellahin & Fox, and applies to the Oil Conservation Commission of New Mexico for approval of a 280 acre non-standard gas proration unit comprising the NE/4, W/2NW/4 and SE/4NW/4 of Section 24, T20S, R33E, Lea County, New Mexico to be dedicated to applicant's Teas Federal No. 1 well to be drilled at an unorthodox location 2180 feet from the North line and 2180 feet from the West line of said Section 24, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill and develop the oil and gas mineral in the area involved in this application.

2. Applicant proposes to drill a wildcat gas well to test the Pennsylvanian formation at a depth of 13,700 feet, at an unorthodox location 2180 feet from the north and west lines of Section 24, T20S, R33E, Lea County, New Mexico.

3. Applicant further seeks approval of a non-standard gas proration unit of 280 acres consisting of the NE/4, W/2NW/4 and SE/4NW/4 of said Section 24.

4. The NE/4NW/4 is unleaseable due to governmental installation upon said forty acre tract and cannot be dedicated to this well to create a standard proration unit for 320 acres consisting of the entire N/2 of said Section.

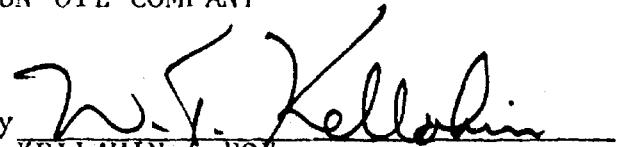
5. Applicant believes that a well located as proposed will recover gas that would not otherwise be recovered, in the best interests of conservation, and would not impair the correlative rights of others.

WHEREFORE applicant prays that this application be set for hearing before the Commission's duly appointed examiner and that after notice and hearing as required by law, the Commission enter its order approving the application as requested.

Respectfully submitted,

SUN OIL COMPANY

By



KELLAHIN & FOX

P. O. Box 1769

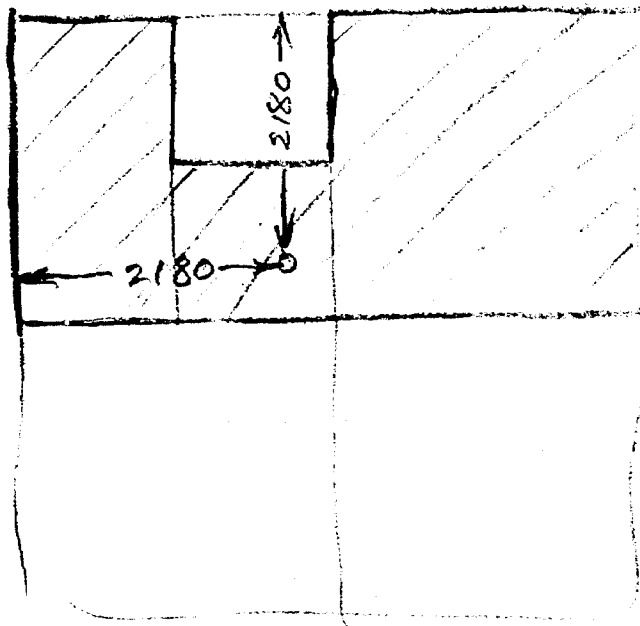
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

3-15

Application of Sun Oil Company for an unorthodox gas well location and for a non-standard gas proration unit, Lea County, New Mexico.

Applicant, in the above-captioned cause, seeks approval for a 280-acre non-standard gas proration unit comprising the NE/4, W/2 NW/4 and the SE/4 NW/4 of Section 24, Township 20 South, Range 33 East, to be dedicated to applicant's Teas Federal Well No. 1, at an unorthodox location 2180 feet from the North line and 2180 feet from the West line of said Section 24.





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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

*[Signature]*  
CASE NO. 6196

Order No. R- 5700

APPLICATION OF SUN OIL COMPANY  
FOR AN UNORTHODOX GAS WELL LOCATION  
AND A NON-STANDARD GAS PRORATION  
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 5, 1978,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of April, 1978, the Division  
Director, having considered the record and the recommendations  
of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 6196 is hereby dismissed.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

JOE D. RAMEY, ~~Member & Director~~  
*Director*