

CASE NO.

6205

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO
APRIL 19, 1978

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Gifford,)
Mitchell & Wisenbaker for an)
unorthodox location, Lea County,)
New Mexico.)

Case 6205

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 Division:

Lynn Teschendorf, Esq.
Legal Counsel for the Division

For the Applicant:

KELLAHIN & FOX
Attorneys at Law
500 Don Gaspar
Santa Fe, New Mexico 87501
By: Tom Kellahin, Esq.

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P. O. BOX 447
50 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

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MR. STAMETS: Call Case 6205.

MS. TESCHENDORF: Case 6205. Application of Gifford, Mitchell & Wisenbaker for an unorthodox location, Lea County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Kellahin and Fox, appearing on behalf of the Applicant and I have one witness.

JAMES L. SALNERS

the witness herein, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, by whom you are employed and in what capacity?

A James L. Salners. I'm employed by Gifford, Mitchell and Wisenbaker as production manager in Midland, Texas.

Q Have you previously testified before the Commission?

A No, I haven't.

Q Would you please state briefly your educational background.

A I received a Chemical Engineering degree

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Carnegie University in Pittsburgh, Pennsylvania in 1971. Went to work for Gulf Oil Corporation in Odessa as a petroleum engineer in 1971. I worked with them for five years in various capacities, reservoir engineer, production and after five years I went to work for American Trading and Production Corporation in Midland, worked for them for a year and a half as district engineer in drilling and production of reservoirs. In November of 1977 I went to work for Gifford, Mitchell & Wisenbaker as production manager.

Q Have you made a study of and are you familiar with the facts surrounding this particular application?

A I have and I am.

MR. KELLAHIN: We tender the witness as an expert.

MR. STAMETS: Witness considered qualified.

Q (By Mr. Kellahin) Would you please refer to what we have marked as Exhibit 1, please identify it and state what the Applicant is seeking to accomplish.

A This is a map of our Cheyene, and Capitan state line fields that we are developing in Winkler County, Texas, and Lea County, New Mexico. The stateline field is

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the particular field in question, which is just over the border from Texas and New Mexico in Lea County.

The area of interest is in Section 28 and it's Twonship 26 south, range 36 east and the well in question is the Quanah Parker No. 2 in Section 28.

Q How is that identified in Section 28?

A It's identified by a circle with the No. 2.

Q What is the proration unit assigned to that well?

A 40 acre proration unit in the southwest 40 of the northeast quarter of Section 28.

Q What is the proposed location for that well?

A Proposed location is--well, as it's--it is a little bit different when we have it staked than it is on the docket list. We--it's 2285 from the east line and 2771 from the south south line. We had it resurveyed due to the topology of the area.

Q Would you please refer to what I've marked as Exhibit No. 2 and identify it?

A Okay. This is our C 102 form and it was surveyed. Our location was staked and surveyed at that location I just mentioned.

Q Would identify what we've marked as

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Exhibit No. 3?

A That's our application to drill this well. It's the C 101 form.

Q What's the reason the Applicant is seeking an unorthodox location?

A We attempted to drill this well on an orthodox location which would have been 330 feet from the center lines of that section, northeast of the center line of that section. After drilling to a depth of 60 feet we encountered lost circulation and could not regain our circulation. After about 12 hours of attempting to regain it and drilling about 25 or 30 feet farther into the sand we were drilling in, several or two cracks appeared on the pad of the location. They were longitude cracks that were on either side of the rig and they were approximately a quarter inch to an inch wide and they ran the full length of the pad and on into the sand dunes.

Sand was falling into these cracks. It was in our contract with our drilling contractor, he had the prerogative to move off the location if he felt his rig was in jeopardy. He did so and we are going to abandon that hole. So the area in question is a sand dune field and we're right on the edge of that sand field. By

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moving 200 feet to the south we are able to get off this area, back onto a firm footing and this is the reason we're moving south.

Q In your opinion is the proposed location the only acceptable location within the 40 acre proration unit from which to drill the well?

A Yes.

Q Would you outline for the benefit of the Examiner the offset operators to the subject proration unit?

A Okay. The offset operators, this section was originally leased by two operators, BTA Corporation of Midland, Texas and Exxon Corporation. Exxon held the east half of the section and BTA held the west half.

We obtained a farmout from Exxon and an 40 acre check board which was defined by our first drilling a well and then we obtained every alternate 40 acre section. So therefore, looking at Exhibit 1--

Q That would be Exhibit 2.

A Exhibit 2, excuse me, C 102 form, our location--offsetting our location to the west those three 40 acre proration units are all operated by BTA Corporation and those 40 acre sections to the north and south are operated by Exxon Corporation. The 40 acres to the east

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is operated by Exxon Corporation and the 40 acres to the northeast and southeast are operated by Clifford, Mitchell and Wisenbaker.

Q Have you been in contact with the offset operators and if so, what correspondence have you received?

A I have received--I have been in correspondence with them and I have received a waiver from them, showing no objection. This will be submitted as Exhibit 4 and 5. Exhibit 4 is from the Exxon Corporation and Exhibit 5 from BTA.

Q In your opinion will approval of this application be in the best interest in the conservation, the prevention of waste and the protection of correlative rights?

A Yes.

Q Were Exhibits 1 through 5 prepared by you directly or compiled under your direction and supervision?

A Yes.

MR. KELLAHIN: We move the introduction of our exhibits.

MR. STAMETS: The exhibits will be admitted.

(WHEREUPON, Applicant's Exhibit Nos. 1 through 5 admitted into evidence.)

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MR. KELLARIN: That concludes our direct examination.

MR. STAMETS: Mr. Salners, at what depth did you experience the problem on the first hole?

MR. SALNERS: Approximately 60 feet.

MR. STAMETS: Are sand dunes that deep in that area?

MR. SALNERS: I'm at a loss to explain why this happened. All I know is that according to the reports from the people on location it was actually some noise coming from the ground and the sand was falling into these cracks. I had a geologist go and investigate the situation and I considered him a capable source, kind of like--and he verified everything that the contractor was saying and he said if it had been his right he would have moved it off also.

MR. STAMETS: Has the second hole been started as of this time?

MR. SALNERS: Yes, sir, it has.

MR. STAMETS: And the problem area already been penetrated?

MR. SALNERS: Yes, sir. We've already set our surface pipe 1450 feet.

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MR. STAMETS: Now the location that you have presented here on Exhibit 2 differs slightly from that that was advertised. The well is one foot further to the north, right?

MR. SALNERS: Yes, sir.

MR. STAMETS: And that would tend to make the well a little less unorthodox and then also the well is a little bit further to the east, but that is not an unorthodox location as far as the east-west line, is that correct?

MR. SALNERS: Yes, sir.

MR. STAMETS: I presume that you would propose that the location be amended from that that was advertised?

MR. SALNERS: Yes, sir.

MR. STAMETS: We will do that. Ms. Teschendorf?

MS. TESCHENDORF: We advertised this is the Quanah Parker Well No. 2 "Y", because generally replacement wells are designated with the "Y" instead of the "A". Do you have any objection to writing your forms that way?

MR. SALNERS: No, I don't.

MS. TESCHENDORF: And the other question is,

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we approved a bond yesterday for the well at the location that we advertised and the bond came in for that location. So your current location is unbonded. Would you please make sure that the insurance company gets a change rider in as soon as possible.

MR. SALNERS: Will do.

MS. TESCHENDORF: That's all.

MR. STAMETS: Anything further? The witness may be excused, case will be taken under advisement.

(WHEREUPON, hearing was concluded.)

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REPORTER'S CERTIFICATE

I, BETTY J. LANPHERE, CSR-RPR 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 fourth day of May, 1978.

Betty J. Lanphere
Betty J. Lanphere, Court Reporter
chm

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6205 held by me on 4-19, 1978.
Richard R. Llanos, Examiner
New Mexico Oil Conservation Commission

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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. 6205
Order No. R-5715

APPLICATION OF GIFFORD, MITCHELL &
WISENBAKER FOR AN UNORTHODOX LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 19, 1978,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of April, 1978, the Division
Director, 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 Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Gifford, Mitchell & Wisenbaker,
originally requested approval of an unorthodox oil well location
for its Quanaah Parker Well No. 2-Y at a point 2770 feet from the
South line and 2310 feet from the East line of Section 28, Township
26 South, Range 36 East, NMPM, West Scarborough-Yates Pool, Lea
County, New Mexico.

(3) That at the hearing of this case, the applicant requested
that the proposed location of the well be amended to a point 2771
feet from the South line and 2285 feet from the East line of said
Section 28.

(4) That the proposed amended non-standard location is not
significantly different from the advertised location and is indeed
less unorthodox.

(5) That the application should be amended to provide for a
well location as set out in Finding No. (3) above.

(6) That the SW/4 NE/4 of said Section 28 is to be dedicated
to the well.

-2-

Case No. 6205
Order No. R-5715

(7) That the proposed non-standard location is necessary due to unstable geologic conditions found at a shallow depth at a standard location in the SW/4 NE/4 of said Section 28.

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

(9) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

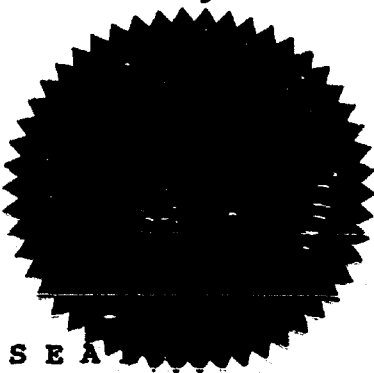
IT IS THEREFORE ORDERED:

(1) That an unorthodox oil well location is hereby approved for the Gifford, Mitchell, & Wisenbaker Quanah Parker Well No. 2-Y to be located at a point 2771 feet from the South line and 2285 feet from the East line of Section 28, Township 26 South, Range 36 East, NMPM, West Scarborough-Yates Pool, Lea County, New Mexico.

(2) That the SW/4 NE/4 of said Section 28 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 Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

S E A

jr/

Dockets Nos. 16-78 and 17-78 are tentatively set for hearing on May 3 and 17, 1978. Application for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 19, 1978

9 A.M. - OIL CONSERVATION DIVISION 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 May, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for May, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6151: (Continued from March 22, 1978, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Vega Petroleum Corporation, American Employers' Insurance Company, and all other interested parties to appear and show cause why the North Caprock Queen Unit No. Well No. 1 Well No. 5Y located in Unit E of Section 8, Township 13 South, Range 32 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6199: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Marion B. Edmonds and O. A. Peters and all other interested parties to appear and show cause why the Edmonds & Peters Federal Well No. 1 located in Unit M of Section 3, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6200: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Astro-Tex Oil Corp., American Employers' Insurance Co., and all other interested parties to appear and show cause why the Cain Well No. 2 located in Unit J of Section 22, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6201: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Paul Haskins and all other interested parties to appear and show cause why the Federal "17" Well No. 1 located in Unit P of Section 17, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6202: Application of Amoco Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Teledyne Fed. Gas Com Well No. 1 to be located 660 feet from the South line and 1980 feet from the East line of Section 4, Township 23 South, Range 29 East, Eddy County, New Mexico, the E/2 of said Section 4 to be dedicated to the well.

CASE 6203: Application of Walter W. Krug DBA Wallen Production Co., for special casing-cementing rules in the Potash-Oil Area, Lea County, New Mexico. Applicant, in the above-styled cause, asks that the special cable tool casing-cementing rules for wells in the North Lynch Yates-Seven Rivers Pool, as promulgated by Order No. R-4253, be extended to encompass additional lands, including all or portions of Sections 20, 21, 27, 28, 33 and 34, Township 20 South, Range 34 East, Lea County, New Mexico.

CASE 6204: Application of Producing Royalties, Inc., for exemption from the Natural Gas Pricing Act, San Juan County, New Mexico. Applicant, in the above-styled cause, proposes to drill a replacement Pictured Cliffs gas well in the same proration unit as its Payne Well No. 2, that is, the NW/4 of Section 12, Township 29 North, Range 12 West, San Juan County, New Mexico, and seeks exemption from the Natural Gas Pricing Act pursuant to a finding that the new well is justified for reasons other than avoiding the application of said act.

CASE 6205: Application of Gifford, Mitchell & Wisenbaker for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Quanah Parker Well No. 2-Y to be located 2770 feet from the South line and 2310 feet from the East line of Section 28, Township 26 South, Range 36 East, West Scarborough-Yates Pool, Lea County, New Mexico, the SW/4 NE/4 of said Section to be dedicated to the well.

- CASE 6206: Application of Cleary Petroleum Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well at a point 4650 feet from the South line and 1980 feet from the West line of Section 5, Township 21 South, Range 32 East, South Lake-Morrow Field, Lea County, New Mexico, Lots 11, 12, 13, and 14, and SW/4 of said Section 5 to be dedicated to the well.
- CASE 6207: Application of Belco Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Little et al Well No. 1 to be drilled 1290 feet from the South line and 1720 feet from the West line of Section 20, Township 22 South, Range 27 East, South Carlsbad-Cherry Canyon Pool, Eddy County, New Mexico, the SE/4 SW/4 of said Section 20 to be dedicated to the well.
- CASE 6208: Application of Layton Enterprises, Inc., for two non-standard oil proration units and two unorthodox locations, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard oil proration units in Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, each to be dedicated to a well to be drilled at an unorthodox location thereon. The first unit would comprise 102.55 acres being the N/2 NW/4 and Lot 1 of Section 16 with the well located 800 feet from the North line and 450 feet from the East line of the section; the second unit would comprise 101.84 acres being the S/2 NW/4 and Lot 2 of Section 16 with the well located 2120 feet from the North line and 450 feet from the East line of the section.
- CASE 6209: Application of Southern Union Exploration Co., for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the NW/4 of Section 18, Township 25 North, Range 13 West, San Juan 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 6210: Application of Orla Petco, Inc., for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Upper Delaware formation through the perforated interval from 2560 feet to 2690 feet in its Sanders Well No. 1 located in Unit G of Section 6, Township 23 South, Range 28 East, Herradura Bend-Delaware Field, Eddy County, New Mexico.

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-4-65

5A. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.
L 3002

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		Capitan Oil Pool	
2. Name of Operator		8. Farmer or Lease Name	
Gifford, Mitchell & Wisenbaker		Quanah Parker	
3. Address of Operator		9. Well No.	
1280 Midland National Bank Tower Midland, Texas 79701		2-A	
4. Location of Well UNIT LETTER 0 LOCATED 2771 FEET FROM THE South LINE AND 2285 FEET FROM THE East LINE OF SEC. 28 T. 26-S R. 36-E NMPM		10. Field and Pool, or Wildcat	
		Comanche (Stateline)	
		11. County	
		Lea	
		12. Proposed Depth	
		3400'	
		13A. Formation	
		Capitan Reef	
		20. Rotary or C.T.	
		Rotary	
21. Elevations (Show whether DT, RT, etc.)		21B. Drilling Contractor	
21A. Kind & Status Plug. Bond		J. A. Price & Company	
single well		22. Approx. Date Work will start	
		4/14/78	

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	1408'	900	surface
7 7/8"	5 1/2"	14#	3300'	350	1900'

The Blow Out Preventor Program will consist of one 10" 3000 psi WP double BOP (1 pipe ram, 1 blind ram). The BOP will be installed when 8 5/8" casing is set and cemented.

BEFORE EXAMINER STAMETS OIL CONSERVATION COMMISSION	
Gm+w	EXHIBIT NO. 3
CASE NO.	6205
Submitted by	
Hearing Date	19 Apr 78

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Geyanna Heideberg Production Clerk Date 4/18/78
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

WAIVER

March 31, 1978

Quanah Parker Well #2
Sec. 28, T-26S, R-36E,
Lea County, New Mexico

As an offset operator, Exxon Corporation has no objection to Gifford, Mitchell & Wisenbaker drilling a Tansill test well at a location 2510 feet from the North Line and 2310 feet from the East Line of Section 28, T-26S, R-36E, Lea County, New Mexico. It was necessary for the operator to move this location after drilling to a depth of approximately 700 feet due to unstable surface sand dunes. The original well was drilled at the normal location in the center of the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of the aforementioned Section 28.

Very truly yours,

EXXON CORPORATION

By Carl R. Neuman

Date 3-31-78

EXXON COMPANY, U.S.A.
P. O. Box 1600
Midland, Texas 79702

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
Gmw	EXHIBIT NO. 4
CASE NO. 6205	
Submitted by	
Hearing Date 19 Apr 78	

GIFFORD, MITCHELL & WISENBAKER

SUITE 1280, MIDLAND NATIONAL BANK TOWER
MIDLAND, TEXAS 79701

JOE N. GIFFORD
BARCOM L. MITCHELL
MICHAEL B. WISENBAKER

915-682-6282

April 14, 1978

State of New Mexico
Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

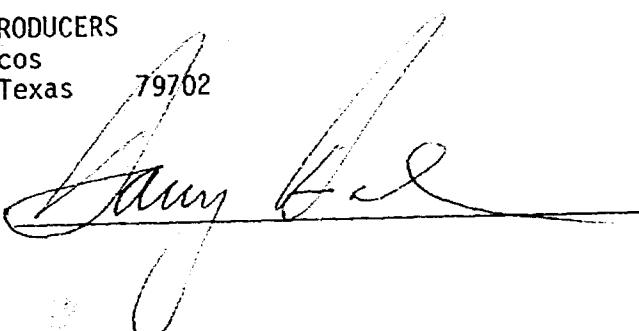
Dear Sirs:

We are aware of Gifford, Mitchell & Wisenbaker's location for their Quanah Parker No. 2A. We have no objection to this location.

ACCEPTED AND AGREED TO, this
the 18 day of April, 1978.

BTA OIL PRODUCERS
104 S. Pecos
Midland, Texas 79702

SIGNED BY



BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
GMW	EXHIBIT NO. <u>5</u>
CASE NO.	<u>6205</u>
Submitted by	_____
Hearing Date	<u>19 APR 78</u>

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

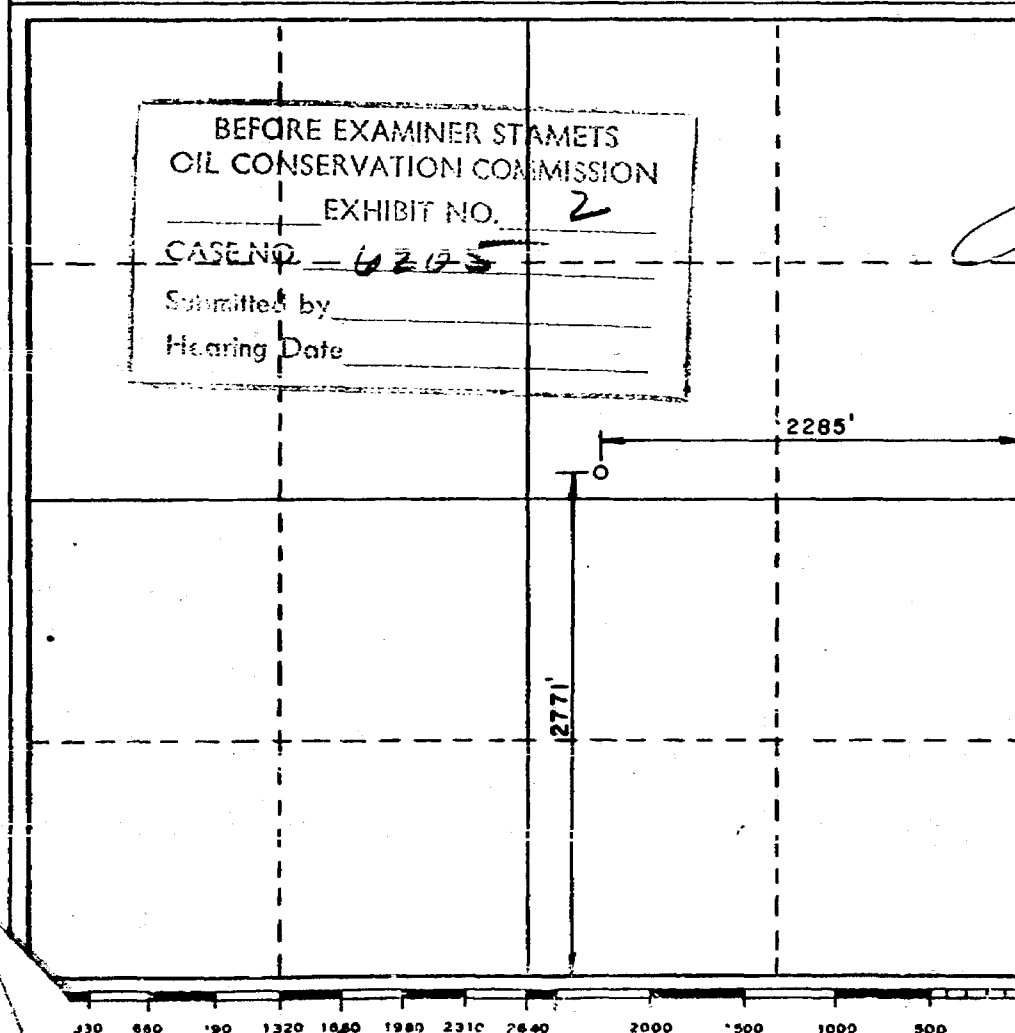
Operator GIFFORD, MITCHELL & WISENBAKER		Lessee QUANAH PARKER		Well No. 2-A
Unit Letter	Section 28	Township 26 South	Range 36 East	County Lea
Actual Footage Location of Well:				
2771 feet from the south line and		2285 feet from the east line		
Ground Level Elev. 2905'	Producing Formation Capitan Reef	Pool Comanche (Stateline)	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



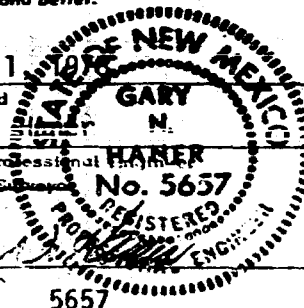
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Deanna Heidelberg
Name
Production Clerk
Position
Gifford, Mitchell & Wisenbaker
Company
4/18/76
Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

April 11, 1976
Date Surveyed
Gary N. Harner
Registered Professional Engineer
and/or Land Surveyor
No. 5657
Certification No. 5657



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OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FEDERAL <input type="checkbox"/>
5. State Oil & Gas Lease No.
L 3002

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		Capitan Oil Pool	
c. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		8. Name of Lease Owner	
2. Name of Operator		Quannah Parker	
3. Address of Operator		9. Well No.	
1280 Midland National Bank Tower Midland, Texas 79701		2-A	
4. Location of Well		10. Field and Pool, or Wildcat	
UNIT LETTER 0 LOCATED 2771 FEET FROM THE South LINE		Comanche (Stateline)	
AND 2285 FEET FROM THE East LINE OF SEC. 28 TWP. 26-S REG. 36-E NMPM		11. County	
		Lea	
19. Proposed Depth		19A. Formation	20. Rotary or C.T.
3400'		Capitan Reef	Rotary
21. Elevations (State whether DE, RT, etc.)	21A. Kind & Status Plug, Bond	21B. Drilling Contractor	22. Approx. Date Work will start
	single well	J. A. Price & Company	4/14/78

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	1408'	900	surface
7 7/8"	5 1/2"	14#	3300'	350	1900'

The Blow Out Preventor Program will consist of one 10" 3000 psi WP double BOP (1 pipe ram, 1 blind ram). The BOP will be installed when 8 5/8" casing is set and cemented.

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3
CASE NO. 6225
Submitted by _____
Hearing Date _____

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PROPOSED PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Joyanna Weidelt Production Clerk Date 4/18/78
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

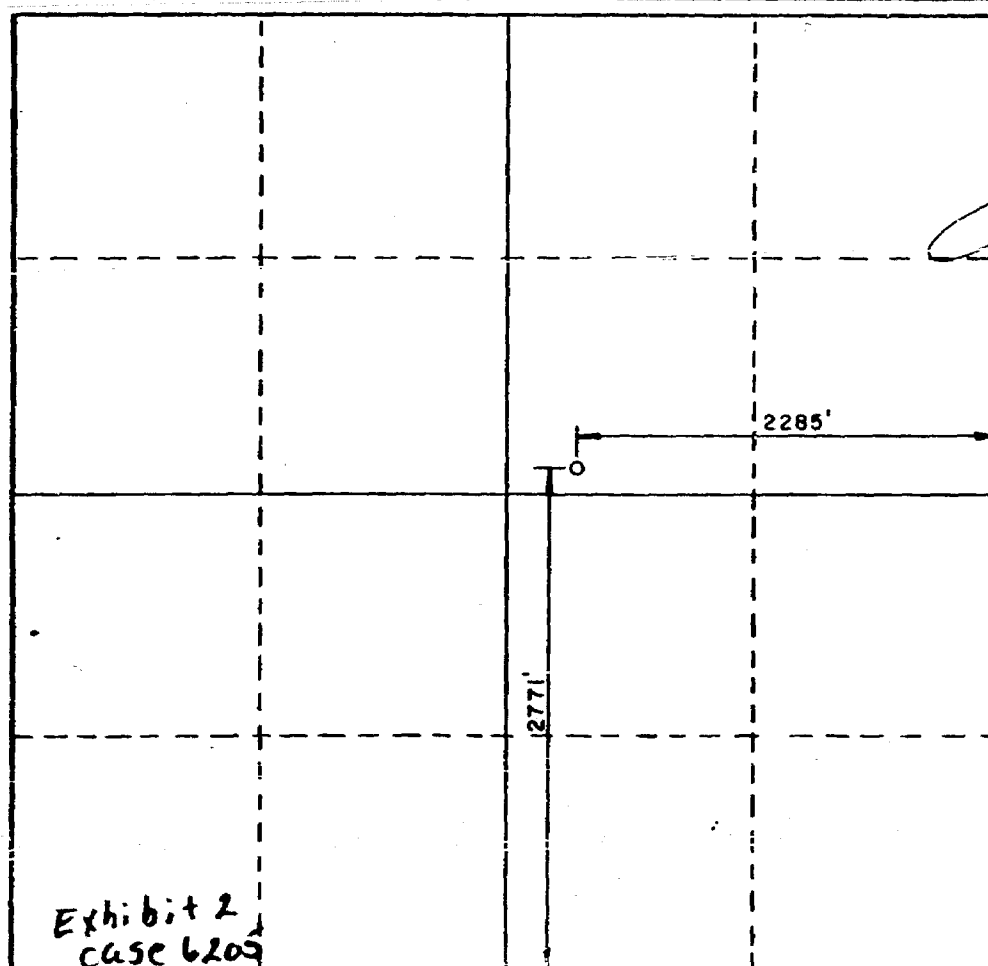
Operator GIFFORD, MITCHELL & WISENBAKER		Lessee QUANAH PARKER		Well No. 2-A
Unit Letter	Section 28	Township 26 South	Range 36 East	County Lea
Actual Footage Location of Well: 2771 feet from the south line and 2285 feet from the east line				
Ground Level Elev. 2905'	Producing Formation Capitan Reef	Pool Comanche (Stateline)	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Deanna Heidelberg
Name

Production Clerk

Position

Gifford, Mitchell & Wisenbaker

Company

4/18/78

Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

April 11

Date Surveyed

Gary N.

Registered Professional Engineer

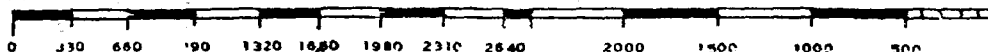
and/or Land Surveyor

No. 5657

Gary N. Parker

Certificate No.

5657



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

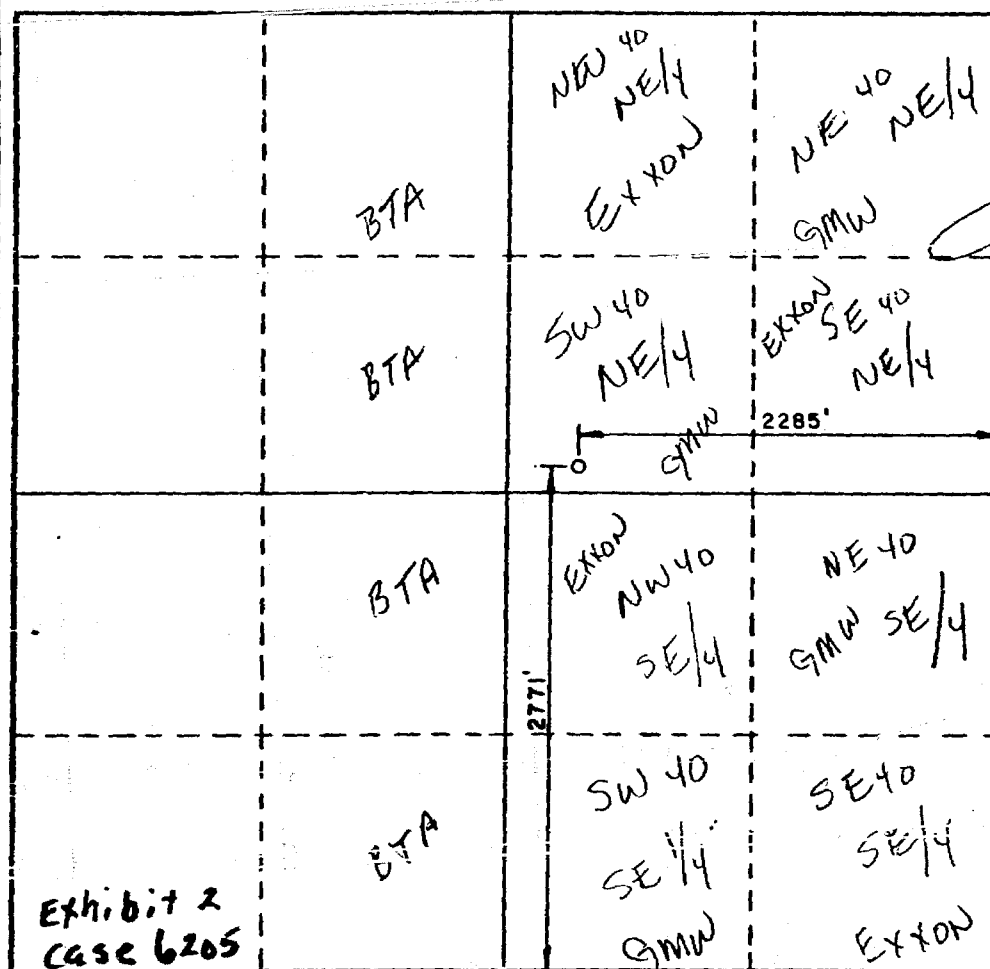
Operator GIFFORD, MITCHELL & WISENBAKER		Lessee QUANAH PARKER		Well No. 2-A
Unit Letter	Section 28	Township 26 South	Range 36 East	County Lea
Actual Footage Location of Well: 2771 feet from the south line and 2285 feet from the east line				
Ground Level Elev. 2905'	Producing Formation Capitan Reef		Pool Comanche (Stateline)	Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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☐ Yes ☐ No If answer is "yes," type of consolidation _____

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CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Peterson
Name
Production Clerk

Position
Gifford, Mitchell & Wisenbaker

Company
4/18/78

Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

April 11

Date Surveyed
Gary N. HANER

Registered Professional Engineer
No. 5657

Gary N. Haner
Certificate No. 5657

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 11-65

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		5A. Indicate Type of Lease	
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		STATE <input checked="" type="checkbox"/> FCC <input type="checkbox"/>	
2. Name of Operator Gifford, Mitchell & Wisenbaker		5. Photo Oil & Gas Lease No. L 3002	
3. Address of Operator 1280 Midland National Bank Tower Midland, Texas 79701		7. Unit & Pool Name Capitan Oil Pool	
4. Location of Well UNIT LETTER 0 LOCATED 2771 FEET FROM THE South LINE AND 2285 FEET FROM THE East LINE OF SEC. 28 TWP. 26-S RGE. 36-E NMPM		8. Name of Lessee Name Quannah Parker	
		9. Well No. 2-A	
		10. Field and Pool, or Wildcat Comanche (Stateline)	
		11. County Lea	
		12. Proposed Depth 3400'	
		13A. Formation Capitan Reef	
		13B. Rotary or C.T. Rotary	
21. Elevations (Show whether DF, RF, etc.)		21A. Kind & status Plug. Bond single well	
		21B. Drilling Contractor J. A. Price & Company	
		22. Approx. Date Work will start 4/14/78	

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	1408'	900	surface
7 7/8"	5 1/2"	14#	3300'	350	1900'

The Blow Out Preventor Program will consist of one 10" 3000 psi WP double BOP (1 pipe ram, 1 blind ram). The BOP will be installed when 8 5/8" casing is set and cemented.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Quannah Parker Production Clerk Date 4/18/78
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

Exhibit 3
Case 6205

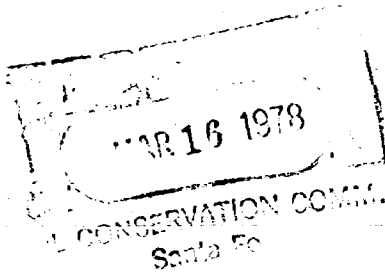
Memo

From

MELBA CARPENTER

To Dick

Jerry has been talking to these people about this,
so if you have any questions, please contact him.



OIL CONSERVATION COMMISSION-HOBBS

Case 6205

GIFFORD, MITCHELL & WISENBAKER

SUITE 1280, MIDLAND NATIONAL BANK TOWER
MIDLAND, TEXAS 79701

JOE N. GIFFORD
BARCOM L. MITCHELL
MICHAEL B. WISENBAKER

915-682-6282

March 14, 1978

State of New Mexico
Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88249

Attn: Mr. Jerry Sexton

West Scarborough - Yates

Dear Mr. Sexton:

The Quanah Parker #2 was spudded on February 24, 1978. After drilling to a depth of 284' the hole was abandoned due to lost circulation. The location fell in the middle of a sand field and the lost circulation was believed to have been caused by the sand. The location was 2970' FSL & 2310' FEL of Section 28, T-26-S, R-36-E, Lea County, New Mexico.

We feel that by moving this location 200' directly south we can eliminate the lost circulation problem, therefore we would like to hereby make application for a new location at 2770' FSL & 2310' FEL of above named section. This location will be irregular and we request a hearing to approve this location.

Yours very truly,

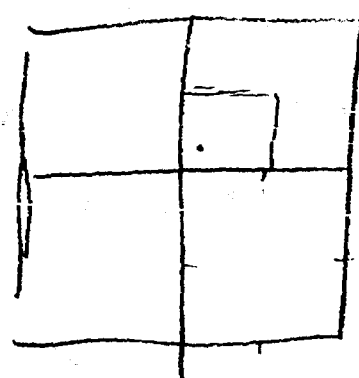
James L. Salners

James L. Salners
Production Manager

6280
2770
2410' FSL

MAR 16 1978
OIL CONSERVATION COMMISSION

JLs/rh



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Case 6205

March 21, 1978

C
O
P
Y

James L. Salners
Production Manager
Gifford, Mitchell & Wisenbaker
Suite 1280, Midland National Bank Tower
Midland, Texas 79701

Dear Mr. Salners:

Your application for an unorthodox location for your Quanah Parker Well No. 2 to be located 2770' FSL and 2310' FEL of Section 28, Township 26 South, Range 36 East, has been scheduled for the examiner hearing of April 19, 1978. A docket of this hearing will be forwarded to you as soon as it is printed.

Yours very truly,

Florene Davidson
Administrative Secretary

DRAFT

dr/

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. 6205

ORDER NO. R- 5715

APPLICATION OF GIFFORD, MITCHELL & WISENBAKER

FOR AN UNORTHODOX LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 19, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of April, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Gifford, Mitchell & Wisenbaker, originally requested ~~for its Quana Parker Well No. 2-Y 4+4 point~~ ^{2771 2770} ~~seeks~~ approval of an unorthodox well location, ~~2771 2770~~ ^{2771 2770} feet from the South line and ~~2310~~ ²²⁸⁵ 2310 feet from the East line of Section 28, Township 26 South Range 36 East, NMPM, to test the ~~formation~~ ^{formation}, West Scarborough-Yates Pool, Lea County, New Mexico.

(3) That at the hearing ^{of this case,} the applicant requested ~~that the proposed location~~ ^{that} the proposed location of the well be amended to a point 2771 feet from the South line and 2285 feet from the East line of said Section 28.

(4) That the proposed amended non-standard location is not significantly different from the advertised location and is indeed less unorthodox.

(5) That the application should be amended to provide for a well location as set out in Finding No. (3) above.

(6) That the SW/4 NE/4 of said Section 28 is to be dedicated to the well.

(7) That the ~~proposed~~ proposed ~~unorthodox~~ non-standard location is necessary ~~due to~~ ^{due to} unstable ~~shallow~~ ^{shallow} geologic ~~conditions~~ ^{conditions} found at a standard location in the SW/4 NE/4 of said Section 28.

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

-2-

Case No. _____
Order No. R- _____

(9) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox oil well location for the ~~Yates~~
~~applicant's~~ Quanaah Parker Well No. 2-Y
formation is hereby approved for ~~2771~~ to be located at a point 2771
feet from the South line and 2285 feet from the East
line of Section 28, Township 26 South, Range 36 East
NMPM, West Scarborough-Yates Pool, Lea County,
New Mexico.

(2) That the SW/4 NE/4 of said Section 28 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 Division may deem necessary.

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

*the
G. L. Ford,
M. F. H. 11, &
Wisenbaker*

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator GIFFORD, MITCHELL & WISENBAKER			Lease QUANAH PARKER		Well No. 2-A
Unit Letter	Section 28	Township 26 South	Range 36 East	County Lea	
Actual Footage Location of Well: 2771 feet from the south line and 2285 feet from the east line					
Ground Level Elev. 2905'	Producing Formation Capitan Reef		Pool Comanche (Stateline)		Dedicated Acreage: 40 Acres

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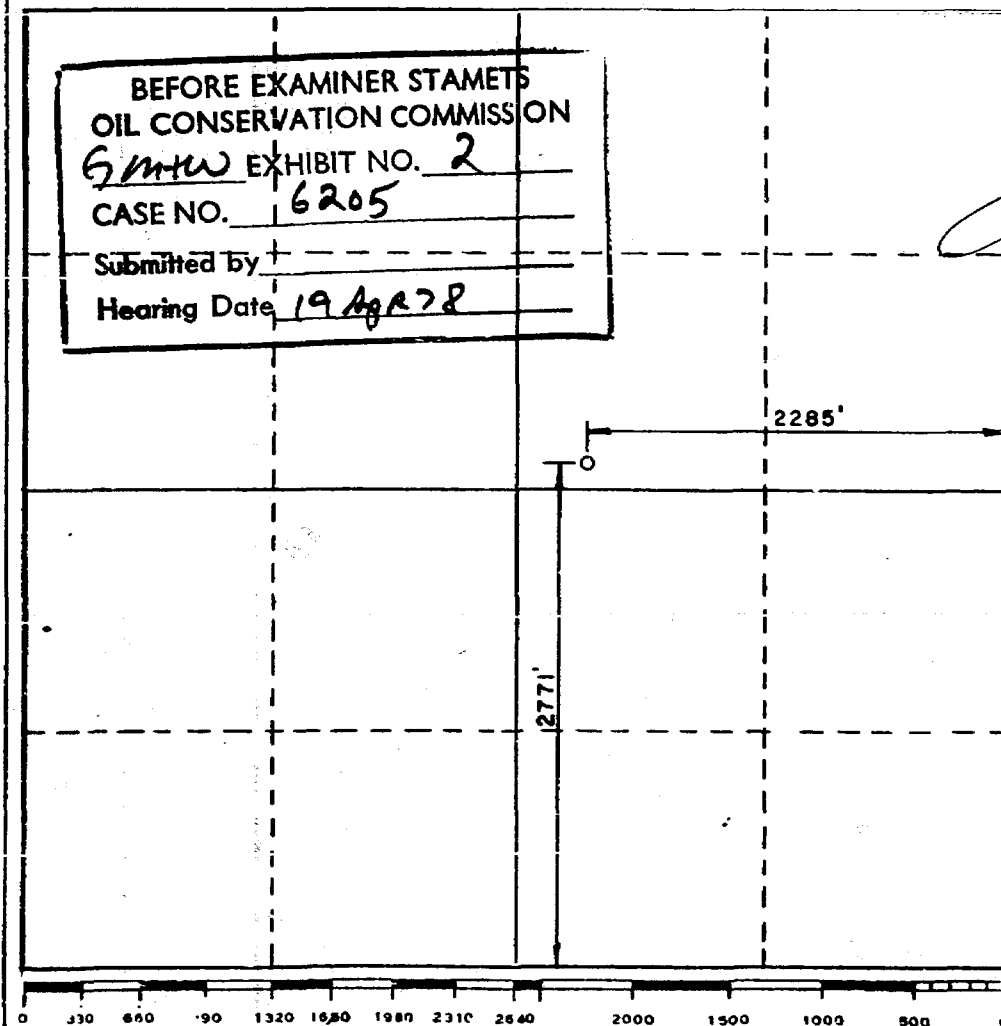
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Deanna Heideberg
Name
Production Clerk

Position
Gifford, Mitchell & Wisenbaker

Company
4/18/78

Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

April 11, 1978
Date Surveyed
Gary N. Hester
Registered Professional Engineer
No. 5657
Certificate No. 5657

(3) That the applicant requested