

CASE 6320: TEXAS OIL & GAS CORPORATION  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO

*Continued*

CASE NO.

6320

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
11 October 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Oil and Gas ) CASE  
Corporation for an unorthodox gas ) 6320  
well location. Eddy County, New )  
Mexico. )

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Lynn Teschendorf, Esq.  
Legal Counsel for the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant: Joel Carson, Esq.  
LOSEE, CARSON & DICKERSON  
Artesia, New Mexico 88201

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I N D E X

JERRY ELGER

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1 MR. STAMETS: Call next Case 6320.

2 MS. TESCHENDORF: Case 6320. Application of  
3 Texas Oil and Gas Corporation for an unorthodox gas well  
4 location, Eddy County, New Mexico.

5 MR. CARSON: If it please the Examiner, my  
6 name is Joel Carson, Losee, Carson and Dickerson, P. A.,  
7 Artesia, New Mexico, appearing on behalf of the applicant.  
8 Texas Oil and Gas Corporation. I will once again have  
9 one witness, Mr. Jerry Elger, who was previously sworn in  
10 the preceeding case.

11 MR. STAMETS: The record should show that  
12 Mr. Elger is sworn and qualified.

13 MR. CARSON: Are his qualifications satisfactory  
14 in this case, also?

15 MR. STAMETS: They are satisfactory in both  
16 cases.

17 MR. CARSON: To preface this case a little  
18 bit, also, Mr. Examiner, as you know, this is also a case  
19 which Texas Oil and Gas had requested an unorthodox loca-  
20 tion. The original unorthodox location resulted in a  
21 drill site located on the Pecos River bluffs. It turned  
22 out to be an untenable situation, so we filed an amended  
23 application asking for this new unorthodox location, so  
24 this again is another application based on both geologic  
25 and topographical considerations.

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JERRY ELGER,

having been called as a witness and having been previously sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARSON:

Q Mr. Elger, would you explain to the Examiner the purpose of this petition?

A This petition is for approval of an unorthodox location for the Coquina Federal Well No. 1 in the north-west half -- excuse me, west half of Section 32 of Township 18 South, Range 27 East, Eddy County, New Mexico.

Q At a location that's 710 feet from the north line, 2330 feet from the west line of Section 32?

A Correct.

Q I will hand you Applicant's Exhibit Number One and ask if that exhibit was prepared either by you or under your supervision?

A Yes, sir.

Q Would you explain to the Examiner what that exhibit purports to show?

A The overlay indicates the mineral interest owners under Section 32 and surrounding sections, and the -- it's an overlay on the topographic -- topographic map, indicating the topography over the -- in the vicinity of the

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1 proposed location.

2 Q I refer you to Applicant's Exhibit Number Two,  
3 and ask if that exhibit was prepared by you or under your  
4 supervision?

5 A Yes, sir.

6 Q Would you explain to the hearing officer what  
7 that application -- I mean what that exhibit purports to  
8 show?

9 A It's a production map indicating production  
10 from gas wells in the vicinity of the proposed location.

11 Q I hand you Applicant's Exhibit Number Three  
12 and ask if that was prepared by you or under your super-  
13 vision?

14 A Yes, it was.

15 Q Would you explain to the hearing officer what  
16 that purports to show?

17 A It's a structure map on the Middle Morrow  
18 shale marker and it also has the cross section lines showing  
19 the relationship to the proposed location to the offset  
20 wells.

21 Q And it also shows in there -- it is correlated  
22 to Applicant's Exhibit Number Five, which is your cross  
23 section.

24 A True.

25 Q I hand you Applicant's Exhibit Number Four

1 and ask if that was prepared by you or under your super-  
2 vision?

3 A. Yes, sir.

4 Q. What does that purport to show, Mr. Elger?

5 A. It's a sand Isolith map on the Upper Morrow  
6 Sands showing the relationship of the -- or the sand  
7 thickness at the proposed location in relation to sur-  
8 rounding wells.

9 Q. Now, last I'll hand you Applicant's Exhibit  
10 Number Five and ask if that was prepared by you or under  
11 your supervision?

12 A. Yes, sir.

13 Q. Will you explain to the hearing officer what  
14 that exhibit purports to show?

15 A. It's a cross section, the line of which is  
16 shown on the structure map, which was Exhibit Number Three.

17 Q. Now, Mr. Elger, in your professional opinion  
18 will the approval of this application afford the applicant  
19 an opportunity to produce its just and equitable share of  
20 gas, will it prevent economic loss caused by the drilling  
21 of an unnecessary number of wells, will it avoid the aug-  
22 mentation of risk arising from the drilling of an excessive  
23 number of wells, and will it otherwise prevent waste and  
24 protect correlative rights?

25 A. Yes, sir.

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1 MR. CARSON: I'd like to move the admission  
2 of these exhibits, Mr. Hearing Officer.

3 MR. STAMETS: These Exhibits One through Five  
4 will be admitted.

5 MR. CARSON: We have no further questions of  
6 this witness.

7  
8 CROSS EXAMINATION

9 BY MR. STAMETS:

10 Q Mr. Elger --

11 A Yes, sir.

12 Q -- in all of these exhibits it would appear  
13 that the well could be moved to the west of its current  
14 location, located about anywhere in Units D or E, and come  
15 up with about as -- as good a location geologically.

16 Why have you chosen to move your well closer  
17 to the east line of the proration unit?

18 A I imagine there's a channel, there's a canal  
19 or a channel that runs through there. I wouldn't be sure  
20 of this but I would say that you'd probably have to build  
21 some sort of crossing over that -- over that canal, plus  
22 topographically you're moving into the flood plain moving  
23 west, whereas you're on higher ground moving to the east.

24 Q Well, 2330 from the west is only going to put  
25 you 320 feet away from the boundary of the proration unit.

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1 Is drainage from the offset lease going to cause any prob-  
2 lem with correlative rights?

3 A From the -- you're referring to the east half  
4 of 32, Section 32?

5 Q Yes.

6 A Well, we do have the east half of Section 32  
7 on farmouts. If you check the production plat, or any of  
8 the plats, we would just be moving closer to ourselves.

9 Q Okay. At this time do you have any plans for  
10 a well on the east half of 32?

11 A Not at this -- not at the present time, we  
12 don't.

13 MR. CARSON: Mr. Examiner, by way of informa-  
14 tion, although I imagine Mr. Elger does not know this of  
15 his own personal knowledge, a move to the west, west of  
16 the original location we applied for, would result in us  
17 getting into an area where there is drilling restrictions  
18 because of Lake McMillan reservoir.

19 MR. STAMETS: Any other questions of the wit-  
20 ness? He may be excused.

21 Anything further in this case?

22 Take the case under advisement.

23 (Hearing concluded.)  
24  
25

## REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a court reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

*Sally W. Boyd* CSR  
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6329 heard by me on 10-11 1978.

*Richard L. Stamm*, Examiner  
Oil Conservation Division

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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:

CASE NO. 6320  
Order No. R-5834

APPLICATION OF TEXAS OIL & GAS  
CORPORATION FOR AN UNORTHODOX GAS  
WELL LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 11, 1978,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of October, 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, Texas Oil & Gas Corporation, seeks  
approval of an unorthodox gas well location for its Coquina  
Federal Com Well No. 1 to be drilled 710 feet from the North line  
and 2330 feet from the West line of Section 32, Township 18 South,  
Range 27 East, NMPM, to test the Morrow formation, Eddy County,  
New Mexico.
- (3) That the W/2 of said Section 32 is to be dedicated to  
the well.
- (4) That a well at said unorthodox location will better  
enable applicant to produce the gas underlying the proration unit.
- (5) That no offset operator objected to the proposed un-  
orthodox location.
- (6) That approval of the subject application will afford  
the applicant the opportunity to produce its just and equitable

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Case No. 6320  
Order No. R-5834

share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Texas Oil & Gas Corporation Coquina Federal Com Well No. 1 to be drilled at a point 710 feet from the North line and 2330 feet from the West line of Section 32, Township 16 South, Range 27 East, NMPM, Eddy County, New Mexico.

(2) That the W/2 of said Section 32 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  
Director

  
S E A L

fd/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building

Texas Oil & Gas Co. Santa Fe, New Mexico  
13 September 1978  
Eddy County, New Mexico.

EXAMINER HEARING

The Applicant has requested that this case be

continued and re-advertised for continuation of the well

IN THE MATTER OF:

Location.

Application of Texas Oil & Gas Corporation ) CASE  
for an unorthodox gas well location, Eddy County, New Mexico. ) 6320  
(Hearing continued.) )

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division:	Lynn Teschendorf, Esq. Legal Counsel for the Division State Land Office Bldg. Santa Fe, New Mexico 87501
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## REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill from my notes taken at the time of the hearing.

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Sally Walton Boyd  
Sally Walton Boyd, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 6320,  
heard by me on 9-13 1978.  
Richard H. Stamm, Examiner  
Oil Conservation Division

Dockets Nos. 34-78 and 35-78 are tentatively set for hearing on October 25 and November 8, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 11, 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:

CASE 6338: Application of Charles C. Loveless for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South line and 1980 feet from the East line of Section 23, Township 17 South, Range 26 East, Kennedy Farms Field, Eddy County, New Mexico, the E/2 of said Section 23 to be dedicated to the well.

CASE 6040: (Reopened and Readvertised)

In the matter of Case 6040 being reopened pursuant to the provisions of Order No. R-5552 which order created the North Teague-Devonian Pool, Lea County, New Mexico, with a special gas-oil ratio limitation of 4000 to 1. All interested parties may appear and show cause why the limiting gas-oil ratio for said pool should not revert to 2000 to 1.

CASE 6339: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 22, Township 23 South, Range 28 East, Eddy 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 6321: (Continued and Readvertised)

Application of Texas Oil & Gas 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 Shugart State Com. Well No. 1 to be drilled 714 feet from the South line and 2062 feet from the West line of Section 16, Township 18 South, Range 31 East, Eddy County, New Mexico, the W/2 of said Section 16 to be dedicated to the well.

CASE 6320: (Continued and Readvertised)

Application of Texas Oil & Gas 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 Coquina Federal Com Well No. 1 to be drilled 710 feet from the North line and 2330 feet from the West line of Section 32, Township 18 South, Range 27 East, Eddy County, New Mexico, the W/2 of said Section 32 to be dedicated to the well.

CASE 6340: Application of Supron Energy Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Strawn production in the wellbore of its Shelby Federal Well No. 1 located in the NE/4 of Section 13, Township 22 South, Range 24 East, Eddy County, New Mexico.

CASE 6341: Application of Supron Energy Corporation for dual completions and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the dual completion of its Jicarilla A Well No. 8 located in the NW/4 of Section 23; its Jicarilla E Well No. 7 located in the SE/4 of Section 15; and its Jicarilla E Well No. 8 located in the NW/4 of Section 15, all in Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Mesaverde formation through a separate string of tubing and to commingle Gallup and Dakota production in the wellbores of said wells.

CASE 6342: Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla J Well No. 10 located in the SE/4 of Section 26, Township 26 North, Range 5 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Tocito and Dakota production in the wellbore of said well.

CASE 6343: Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla H Well No. 8 located in the SE/4 of Section 11, Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Gallup and Dakota production in the wellbore of said well.

- CASE 6344: Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla F Well No. 1 located in the SW/4 of Section 27, Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Mesaverde and Dakota production in the wellbore of said well.
- CASE 6345: Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above styled cause, seeks approval for the downhole commingling of Gallup and Dakota production in the wellbore of its Jicarilla H Well No. 7 located in the SW/4 of Section 19, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.
- CASE 6346: Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Chacra production in the wellbore of its Jicarilla K Well No. 14 located in the SE/4 of Section 11, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 6347: Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Dakota production in the wellbore of its Jicarilla K Well No. 17 located in the SW/4 of Section 12, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 6348: Application of Supron Energy Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Mesaverde and Dakota production in the wellbore of its Starr Well No. 3 located in the NE/4 of Section 5, Township 26 North, Range 8 West, San Juan County, New Mexico.
- CASE 6349: Application of Consolidated Oil & Gas, Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of B.S. Mesa-Gallup and Basin-Dakota production in the wellbore of its Hoyt Well No. 1-5 located in Unit H of Section 5, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.
- CASE 6350: Application of Petro-Lewis Corporation for an unorthodox well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location in the Mesaverde formation for its Florance Well No. 7 located 2028 feet from the North line and 1040 feet from the West line of Section 4, Township 25 North, Range 3 West, Tapacito Field, Rio Arriba County, New Mexico, the NW/4 of said Section 4 to be dedicated to the well.
- CASE 6351: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 16, Township 19 South, Range 29 East, Eddy 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 6352: Application of Southland Royalty Company for three dual completions, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Decker Well No. 2A located in Unit I of Section 26, Township 32 North, Range 12 West, and its Grenier "A" Well No. 1A in Unit C of Section 26, Township 30 North, Range 10 West, to produce gas from the Blanco-Pictured Cliffs and the Blanco Mesaverde pools and its Patterson "B" Com Well No. 1R in Unit C of Section 2, Township 31 North, Range 12 West, to produce gas from the Aztec-Pictured Cliffs and Blanco Mesaverde pools, all in San Juan County, New Mexico, with separation of the zones in each of the above wells to be achieved by means of a polished bore receptacle and mandrel.
- CASE 6353: Application of Union Texas Petroleum for two unorthodox well locations, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of its Milnesand Unit Well No. 241 to be drilled 2630 feet from the North line and 100 feet from the East line of Section 24, Township 8 South, Range 34 East, and its Milnesand Unit Well No. 1901 to be drilled 1310 feet from the North and West lines of Section 19, Township 8 South, Range 35 East, Milnesand San Andres Pool, Roosevelt County, New Mexico.
- CASE 6354: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending vertical and horizontal limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Bone Springs production and designated as the Ross Draw-Bone Springs Gas Pool. The discovery well is D. B. Baxter Ross Draw Unit Well No. 5 located in Unit K of Section 27, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM  
Section 27: SW/4

- (b) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production and designated as the South Sand Ranch-Atoka Gas Pool. The discovery well is Depco, Inc. Beall Federal Well No. 1 located in Unit C of Section 17, Township 11 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 30 EAST, NMPM  
Section 17: E/2

- (c) EXTEND the Angell Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 25: All  
Section 36: N/2

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
Section 1: E/2

- (d) EXTEND the Bluit-San Andres Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM  
Section 16: N/2  
Section 17: NE/4

- (e) EXTEND the Buckeye-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 3: W/2

- (f) EXTEND the East Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 5: E/2

- (g) EXTEND the East Chicum-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM  
Section 9: NW/4 SE/4  
Section 10: W/2 SW/4  
Section 21: NE/4 NW/4

- (h) EXTEND the vertical limits of the Comanche Stateline-Yater Pool in Lea County, New Mexico, to include the Tansill formation and redesignate said Comanche Stateline-Yates Pool as the Comanche Stateline Tansill-Yates Pool.

- (i) EXTEND the Corbin-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 35: NW/4

- (j) EXTEND the Crooked Creek-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM  
Section 16: N/2

- (k) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 25: S/2

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 30: N/2

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 13: N/2

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 7: S/2  
Section 18: All

- (l) EXTEND the West Four Mile Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM  
Section 6: S/2

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

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM  
Section 5: NW/4

- (n) EXTEND the Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 31: W/2 E/2  
Section 32: NE/4 NE/4

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 5: W/2 NW/4

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 5: S/2  
Section 8: E/2

- (p) EXTEND the Indian Flats-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM  
Section 35: S/2 SW/4

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 2: N/2 NW/4

- (q) EXTEND the South Kemnitz-Upper Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 33: SW/4

- (r) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM  
Section 33: E/2

- (s) EXTEND the East Lusk-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 16: NE/4

- (t) EXTEND the Many Gates-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM  
Section 31: All

- (u) EXTEND the North Mescalero-Cisco Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM  
Section 11: NW/4

- (v) EXTEND the Millman-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 18: All

- (w) EXTEND the Monument-Paddock Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 21: NE/4

- (x) EXTEND the South Peterson-Fusselman Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM  
Section 31: E/2

- (y) EXTEND the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
Section 16: S/2

- (z) EXTEND the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 19: E/2  
Section 20: W/2

- (aa) EXTEND the Sand Dunes-Cherry Canyon Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM  
Section 23: E/2 SE/4 and NW/4 SE/4

- (bb) EXTEND the Sand Ranch-Atoka Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM  
Section 23: N/2

- (cc) EXTEND the North Shugart-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 21: W/2

- (dd) EXTEND the North Shugart-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 21: W/2

- (ee) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM  
Section 30: NE/4  
Section 31: SE/4  
Section 32: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 6: NW/4

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

- (gg) EXTEND the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 25: W/2

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 29: N/2  
Section 31: S/2

- (hh) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 25: S/2 SW/4

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NMPM  
Section 1: SW/4 NE/4, NW/4 SE/4, SW/4 NW/4 and NW/4 SW/4

- (ii) EXTEND the Vacuum Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM  
Section 19: NW/4

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 18, 1978

9 A.M. - OIL CONSERVATION DIVISION 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:

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

A. J. LOSEE  
JOEL M. CARSON  
CHAD DICKERSON

LAW OFFICES  
LOSEE & CARSON, P.A.  
300 AMERICAN HOME BUILDING  
P.O. DRAWER 228  
ARTESIA, NEW MEXICO 88210

SEP 26 1978

AREA CODE 505  
746-3508

18 September 1978

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

Dear Mr. Ramey:

Enclosed for filing, please find three copies each of two First Amended Applications of Texas Oil & Gas Corporation for unorthodox gas well locations in Eddy County, New Mexico, for its Shugart State Com. No. 1 Well and its Coquina Federal Com. No. 1 Well.

We ask that these cases be reset for hearing before an examiner and that we be furnished with a copy of the docket for said hearings.

Yours truly,

LOSEE, CARSON & DICKERSON, P.A.

  
Joel M. Carson

JMC:hjm  
Enclosures

cc w/enclosures: Mr. Doyle Snow

## BEFORE THE OIL CONSERVATION DIVISION

## OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
 TEXAS OIL & GAS CORPORATION FOR AN : CASE NO. 6320  
 UNORTHODOX GAS WELL LOCATION, EDDY :  
 COUNTY, NEW MEXICO :

FIRST AMENDED APPLICATION

COMES NOW TEXAS OIL & GAS CORPORATION, by its attorneys,  
 and in support hereof, respectfully states:

1. Applicant is the operator of the Morrow formation  
 underlying:

Township 18 South, Range 27 East, N.M.P.M.

Section 32: W/2

and proposes to drill its Coquina Federal Com. No. 1 Well at a  
 point located 710 feet from the North line and 2,330 feet from  
 the West line of said Section 32.

2. The applicant seeks an exception to the well loca-  
 tion requirements of Rule 104-C.2(a) of the Oil Conservation  
 Division to permit the drilling of the well at the above men-  
 tioned unorthodox location to a depth sufficient to adequately  
 test the Morrow formation.

3. A standard 320-acre gas proration unit comprising  
 the W/2 of said Section 32 should be dedicated to such well or  
 to such lesser portion thereof as is reasonably shown to be  
 reasonably productive of gas.

4. The approval of this application will afford  
 applicant the opportunity to produce its just and equitable  
 share of gas, will prevent 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.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order granting applicant permission to drill a well 2,330 feet from the West line and 710 feet from the North line of said Section 32 and to dedicate the W/2 of Section 32, which is reasonably presumed to be productive of gas from the Morrow formation.

C. And for such other relief as may be just in the premises.

TEXAS OIL & GAS CORPORATION

By: 

Joel M. Carson

LOSKE, CARSON & DICKERSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant

TEXAS OIL & GAS CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

September 7, 1978

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. R. L. Stamets,  
Technical Support Chief

SEP 11 1978

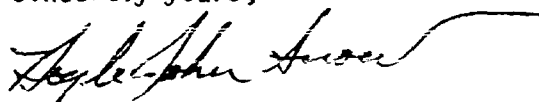
Re: Case #6320, September 13, 1978  
Hearing

Dear Mr. Stamets:

As suggested by Mr. Joel Carson, counsel to Texas Oil & Gas Corp. for the above case, I am forwarding a topographical map which shows two (2) locations for the Coquina Federal Com. #1 Well. Texas Oil & Gas Corp. has previously made application through Mr. Carson for approval of an unorthodox location at 660' from the North line and 1980' from the West line of Section 32, T-18-S, R-27-E. Oral bids from various contractors for constructing the location is approximately \$20,000.00. By moving the location to 710' from the North line and 2,330' from the West line of Section 32, the location could be built for approximately \$10,000.00.

Mr. Carson will contact you for further discussion of the possibility of moving the location to 710' from the North line and 2,330' from the West line of Section 32.

Sincerely yours,

  
Doyle John Snow

DJS:sl

cc: Joel Carson  
Losee & Carson, P. A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

CASE 6320: Application of Texas Oil & Gas 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 Coquina Federal Com. Well No. 1 to be drilled 660 feet from the North line and 1980 feet from the West line of Section 32, Township 18 South, Range 27 East, to test the Morrow formation, the W/2 of said Section 32 to be dedicated to the well.

CASE 6321: Application of Texas Oil & Gas 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 Shugart State Com. Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the West line of Section 16, Township 18 South, Range 31 East, Eddy County, New Mexico, to test the Wolfcamp and Pennsylvanian formations, the W/2 of said Section 16 to be dedicated to the well.

CASE 6283: (Continued from August 2, 1978, Examiner Hearing)

Application of Texas Oil & Gas Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the W/2 of Section 16, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6322: Application of Yates Petroleum Corporation for pool contraction, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-391 to contract the horizontal limits of the Empire-Pennsylvanian Gas Pool to the following:

All of Sections 28 and 29, Township 17 South, Range 28 East

In the alternative, applicant seeks to limit the special pool rules for said pool to the present horizontal limits of the pool.

CASE 6323: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 23, Township 17 South, Range 28 East, Empire-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to its Lucas Store JZ Well No. 1 located at an unorthodox location 1980 feet from the North line and 860 feet from the West line of said section. Also to be considered will be the cost of 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 6324: Application of Yates Petroleum Corporation for downhole commingling or pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wolfcamp and Upper Penn gas production in the wellbore of its Box Canyon GJ Fed. Well No. 1 located in Unit J of Section 13, Township 21 South, Range 21 East, Eddy County, New Mexico. In the alternative, applicant seeks the creation of a new Permo-Penn gas pool for said well.

CASE 6325: Application of Amoco Production Company for unorthodox locations and directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of the following South Hobbs Unit wells located in Township 19 South, Range 38 East, Hobbs Pool, Lea County, New Mexico:

Well No. 120 located 1272 feet from the North line and 1420 feet from the West line of Section 5;  
Well No. 121 located 1450 feet from the North line and 150 feet from the West line of Section 4;  
Well No. 122 located 2390 feet from the North line and 150 feet from the East line of Section 6;  
Well No. 124 located 1925 feet from the South line and 2380 feet from the East line of Section 4;  
Well No. 126 located 1295 feet from the South line and 1365 feet from the West line of Section 10;  
Well No. 122 located 1726 feet from the North line and 167 feet from the East line of Section 4;  
and Well No. 125 located 2016 feet from the North line and 763 feet from the West line of Section 3.

Applicant further seeks authority to directionally drill Wells Nos. 122 and 125 to bottomhole locations in the extreme southeast corners of Unit H of Section 4 and Unit E of Section 3, respectively.

CASE 6326: Application of Energy Reserves Group, Inc., for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictured Cliffs and Otero-Chacra production in the wellbore of its Jicarilla 35 Well No. 3, located in Unit B of Section 2, Township 24 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 6327: Application of O. H. Berry for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its J. L. Isabell Well No. 5-Y located 340 feet from the North line and 330 feet from the East line of Section 15, Township 24 South, Range 36 East, Santa Rosa formation, Lea County, New Mexico, the NE/4 of said Section 15 to be dedicated to the well.

Dockets Nos. 31-78 and 32-78 are tentatively set for hearing on September 27 and October 11, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - MONDAY - SEPTEMBER 11, 1978

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6289: (Continued from August 23, 1978, Commission Hearing)

Application of Bill Taylor for enforcement and amendment of Order No. R-5332, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination of well costs, an accounting of expenditures and costs withheld from production, and the amendment of Order No. R-5332 to remove the present operator of the pooled proration unit comprising the N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, and designate another operator for said unit.

CASE 6146: (DE NOVO)

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.

Upon application of Jerome P. McHugh this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6328: Application of Maralo, Inc., for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of secondary recovery, all mineral interests in the Jalmat Yates Unit underlying the following described lands in Township 25 South, Range 36 East:

Section 12: SE/4  
Section 13: NE/4

and the following described lands in Township 25 South, Range 37 East:

Section 18: NW/4 and N/2 SW/4

all in Lea County, New Mexico.

The unitized interval would be all formations or zones extending from the top of the Yates formation down to 100 feet below the base of the Queen formation in the Humble-Winters "A" Well No. 2 located in Unit C of Section 18, Township 25 South, Range 37 East.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 6313: Application of Maralo, Inc., for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Jalmat Yates Unit Area, Lea County, New Mexico, by the injection of water into various wells located in Township 25 South, Ranges 36 and 37 East.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 13, 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 October, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for October, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6314: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Overland Drilling & Exploration, Ltd., Ohio Casualty Insurance Company, and all other interested parties to appear and show cause why the Lowe State Well No. 1 located in Unit E of Section 15, Township 19 South, Range 29 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6315: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Hugh L. Johnston, Sr., General Insurance Co. of America, and all other interested parties to appear and show cause why the Continental State Well No. 5 located in Unit C of Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6316: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cortez Corporation, Aetna Casualty & Surety Company, and all other interested parties to appear and show cause why the Fair Well No. 1 located in Unit D of Section 24, Township 18 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6290: (Continued from August 16, 1978, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R. A. Crane, Jr., Great American Insurance Co., and all other interested parties to appear and show cause why the Donella Well No. 1 located in Unit P of Section 3, Township 29 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6307: (Continued from August 30, 1978, Examiner Hearing)

Application of Exxon Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Drinkard and Wantz-Abo production in the wellbore of its F. F. Hardison B Well No. 10, located in Unit A of Section 34, Township 21 South, Range 37 East, Lea County, New Mexico. (This case will be dismissed.)

CASE 6317: Application of Harvey E. Yates Company for an unorthodox gas well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 301.75-acre non-standard gas proration unit comprising the N/2 of Section 18, Township 18 South, Range 29 East, Eddy County, New Mexico, to be dedicated to a well to be drilled 1980 feet from the North line and 660 feet from the East line of said Section 18 to test the Morrow formation.

CASE 6318: Application of Coquina Oil Corporation for an increase in casinghead gas allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 303-C-4 to increase the casinghead gas allowable for its Vivian Well No. 1, located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico, the Drinkard and Granite wash zones in said well being commingled pursuant to Order No. DHC-255 and subject to the GOR limit for the Wantz-Granite Wash Pool.

CASE 6319: Application of Belco Petroleum Corporation for an unorthodox well location and compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 31, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Mollie Com Well No. 1 located at an unorthodox location 1100 feet from the North line and 1575 feet from the East line of said section. Also to be considered will be the cost of recompleting 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.

A. J. LOSEE  
JOEL M. CARSON  
CHAD DICKERSON

LAW OFFICES  
LOSEE & CARSON, P.A.  
300 AMERICAN HOME BUILDING  
P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88210

AREA CODE 505  
RECEIVED  
AUG 21 1978

18 August 1978

Oil Conservation Commission

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

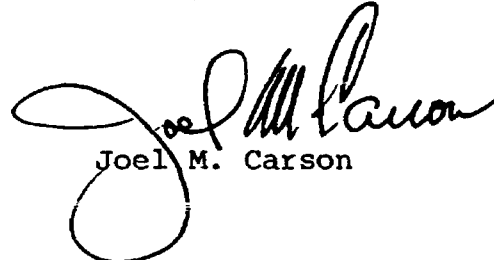
Dear Mr. Ramey:

Enclosed for filing, please find three copies of Application of Texas Oil & Gas Corporation for an unorthodox gas well location for its Coquina Federal Com. No. 1 Well in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner on September 13, 1978 and that we be furnished with a copy of the docket for said hearing.

Yours truly,

LOSEE, CARSON & DICKERSON, P.A.

  
Joel M. Carson

JMC:bjm  
Enclosures

cc w/enclosure: Texas Oil & Gas Corporation

RECEIVED  
AUG 21 1978

Oil Conservation Commission

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
TEXAS OIL & GAS CORPORATION FOR AN  
UNORTHODOX GAS WELL LOCATION, EDDY  
COUNTY, NEW MEXICO

CASE NO. 6320

APPLICATION

COMES NOW TEXAS OIL & GAS CORPORATION, by its attorneys,  
and in support hereof, respectfully states:

1. Applicant is the operator of the Morrow  
formation underlying:

Township 18 South, Range 27 East, N.M.P.M.

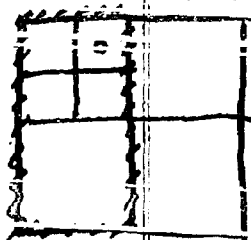
Section 32: W/2

and proposes to drill its Coquina Federal Com. No. 1 Well at a  
point located 1,980 feet from the West line and 660 feet from the  
North line of said Section 32.

2. The applicant seeks an exception to the well loca-  
tion requirements of Rule 104-C.2(a) of the Oil Conservation  
Division to permit the drilling of the well at the above men-  
tioned unorthodox location to a depth sufficient to adequately  
test the Morrow formation.

3. A standard 320-acre gas proration unit comprising  
the W/2 of said Section 32 should be dedicated to such well or  
to such lesser portion thereof as is reasonably shown to be  
reasonably productive of gas.

4. The approval of this application will afford  
applicant the opportunity to produce its just and equitable  
share of gas, will prevent 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.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order granting applicant permission to drill a well 1,980 feet from the West line and 660 feet from the North line of said Section 32 and to dedicate the W/2 of Section 32, which is reasonably presumed to be productive of gas from the Morrow formation.

C. And for such other relief as may be just in the premises.

TEXAS OIL & GAS CORPORATION

By: 

Joel M. Carson

LOSEE, CARSON & DICKERSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant

Texas Oil & Gas Corp for unorthodox  
gas well location

660 FNL

1980 FWL 32-185-27E, Eddy

w/2

Covina Federal Com No. 1

WC & Penn

Called in by Joel Carson

8-18-78

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. 6320

ORDER NO. R- 5834

APPLICATION OF TEXAS OIL & GAS CORPORATION

FOR AN UNORTHODOX GAS WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 11,  
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this        day of October, 19 78, 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, Texas Oil & Gas Corporation,  
for its Coquina Federal Com Well No. 1 to be drilled  
seeks approval of an unorthodox gas well location / 710

feet from the North line and 2330 feet from the

West line of Section 32, Township 18 South

Range 27 East, NMPM, to test the Merced

formation, Pool, Eddy

County, New Mexico.

(3) That the W/2 of said Section 32 is to be  
dedicated to the well.

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

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

-2-

Case No. \_\_\_\_\_  
Order No. R- \_\_\_\_\_

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

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow the Texas Oil & Gas Corporation Coquina Federal Com Well No. 1 formation is hereby approved for ~~a well~~ to be <sup>drilled</sup> located at a point 710 feet from the North line and 2330 feet from the West line of Section 32, Township 18 South, Range 27 East NMPM, \_\_\_\_\_ Pool, Eddy County, New Mexico.

(2) That the W/2 of said Section 32 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.

MURKINVILLE  
How have you been? I hope  
as for me, I'm doing just  
fine. Your most welcome  
ago, I was very happy  
to hear of my

9-20-85