

CASE NO.

6350

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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 Petro-Lewis Corpora-  
tion for an unorthodox well loca-  
tion, Rio Arriba County, New Mexico.

CASE  
6350

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: Owen Lopez, Esq.  
Montgomery Law Firm  
Paseo de Peralta  
Santa Fe, New Mexico 87501

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I N D E X

BILL CALLAWAY

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1 MR. STAMETS: Call next Case 6350.

2 MS. TESCHENDORF: Case 6350. Application of  
3 Petro-Lewis Corporation for an unorthodox well location,  
4 Rio Arriba County, New Mexico.

5 MR. STAMETS: Call for appearances in this  
6 case.

7 MR. LOPEZ: If the Examiner please, my name  
8 is Owen Lopez, with the Montgomery Law Firm in Santa Fe,  
9 appearing on behalf of the applicant and I have one wit-  
10 ness to be sworn.

11 MR. STAMETS: I'd like to have him stand,  
12 please.

13 (Witness sworn.)  
14

15 BILL CALLAWAY  
16 being called as a witness and having been duly sworn upon  
17 his oath, testified as follows, to-wit:

18  
19 DIRECT EXAMINATION

20 BY MR. LOPEZ:

21 Q Would you please state your name, by whom  
22 you're employed, and in what capacity?

23 A. My name is Bill Callaway. I'm employed by  
24 Petro-Lewis Corporation of Denver, Colorado, and I am a  
25 district engineer.

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1 Q I understand Petro-Lewis has a new address.  
2 Could you give that to the reporter?

3 A The new address is P. O. Box 2250, Denver,  
4 Colorado. The street address is 1700 Stout.

5 Q Mr. Callaway, have you previously testified  
6 before the Oil Conservation Division and had your qualifi-  
7 cations accepted as a matter of record?

8 A No, I have not.

9 Q And would you briefly give us your educational  
10 and employment background?

11 A I graduated from the Montana School of Mines  
12 with a Bachelor of Science degree in petroleum engineering  
13 in 1960. At that time I went to work for the Anaconda  
14 Company and worked as a chemist until 1962.

15 In 1962 I went to work for Tidewater Asso-  
16 ciated Oil Company in California, which later became Getty  
17 Oil Company.

18 In 1974 I went to work for Kerr McGee Corpor-  
19 ation in Amarillo, Texas. While in Amarillo I was promoted  
20 from District Engineer to District Manager of the southwest  
21 district.

22 In 1974 I took my present -- 1974 until 1978  
23 I was with Kerr McGee. In 1978 I took my present position  
24 with Petro-Lewis Corporation in Denver.

25 Q When you were working for Kerr McGee and was

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District Manager of the southwest district, what did the southwest district encompass?

A. The southwest district for Kerr McGee Corporation was composed essentially of the almost entire State of Texas, except for the very eastern portion, the States of New Mexico and Arizona the Oklahoma panhandle. and parts of southern Colorado.

Q And now as District Engineer for Petro-Lewis what do your supervisory activities encompass?

A. I'm responsible for the supervision of engineering activities within the West Texas area and the State of New Mexico.

Q Are you familiar with the application of Petro-Lewis in Case Number 6350?

A. Yes, I am.

MR. LOPEZ: Are Mr. Callaway's qualifications acceptable.

MR. STAMETS: Let me check a couple things. I'm sure they are.

What was your degree in, sir?

A. Petroleum engineering.

MR. STAMETS: Okay, and then what was your position with Tidewater?

A. I started with Tidewater as an engineer. I left them as a lead engineer in production.

1 MR. STAMETS: The witness is considered  
2 qualified.

3 Q (Mr. Loez continuing.) What is it the  
4 Petro-Lewis Corporation seeks in Case Number 6350?

5 A Petro-Lewis Corporation wishes to seek an  
6 exception for an unorthodox location in Section 4. Township  
7 25 North, Range 3 West of Rio Arriba County, New Mexico.

8 The exception is for its well Florance No.  
9 7, which is already drilled.

10 Q And when was it drilled?

11 A The well was commenced drilling approximately  
12 May 15 and completed drilling approximately June 15 of  
13 1978.

14 Q I ask you to refer to Exhibit Number One and  
15 explain it.

16 A Exhibit Number One is a location plat of  
17 Section 4, Range 3 West, Township 25 North in Rio Arriba  
18 County, and it shows the location of the well with respect  
19 to the quarter quarter section lines within Section 4.

20 It also shows that Section 4 is an irregular  
21 section and that the irregularity in the east and west  
22 boundaries, which are elongated, are made up by the north  
23 half of the north half of the section.

24 Q Then I presume that it was through inadvertance  
25 or excusable neglect or surveyor error that the well was

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1 drilled at an unorthodox location when initially it was  
2 thought to be located at a standard location, is that cor-  
3 rect?

4 A. When the well was originally surveyed, it  
5 was intended that it would be an orthodox location. We  
6 assumed that it was at an orthodox location. It was not  
7 until later that we found out that we were working with  
8 an elongated section and that resulted in a total discre-  
9 pancy of eight feet of being an orthodox location.

10 Q. Okay. I refer you to Exhibit Number Two and  
11 ask you describe it.

12 A. Exhibit Number Two is another location plat  
13 showing Section Number 4, the location of the subject well,  
14 and the surrounding properties and offset operators adjacent  
15 to Section Number 4.

16 Q. Now I refer you to Exhibit Number Three  
17 and ask you describe it.

18 A. Exhibit Number Three is a schematic of the  
19 mechanical condition of the Florance No. 7 Well, which is  
20 the subject of this application, as it is presently.

21 Q. You say -- I believe I heard you testify that  
22 the well was -- you finished drilling approximately June  
23 15th, 1978. Did you complete the well?

24 A. An attempt was made to complete in the Gallup  
25 Formation and the Gallup Formation was abandoned.



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1 Q And what is it that you now propose to do?

2 A We would like to attempt a recompletion in  
3 the Mesaverde.

4 Q And it is for that purpose that you're seeking  
5 this unorthodox location?

6 A That is correct.

7 Q Were Exhibits One through Three prepared by  
8 you or under your supervision?

9 A Yes, they were.

10 Q In your opinion would the granting of this  
11 application prevent waste and protect correlative rights?

12 A Yes.

13 MR. LOPEZ: I would offer Exhibits One through  
14 Three.

15 MR. STAMETS: These exhibits will be admitted.

16

17 CROSS EXAMINATION

18 BY MR. STAMETS:

19 Q Mr. Callaway, in what regard is this a non-  
20 standard location? What line is being crowded?

21 A If you would please refer to Exhibit Number  
22 One, Mr. Examiner, you will notice that the distance from  
23 the north line of Section 4 is 2028 feet. In order to be  
24 a standard location or an orthodox location, that is ap-  
25 proximately 8 feet short. It should be 2036 feet in order

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1 to be 130 feet from the southern boundary of the northwest  
2 quarter of the northwest quarter of Section 4.

3 Q Okay. So it is not nonstandard as to the  
4 west line of the section?

5 A It is not, sir.

6 Q I would point out that we advertised this  
7 well as being 2028 feet from the north line and 1040 feet  
8 from the west line; however, that does not appear to be  
9 nonstandard as to that line no matter which location is  
10 correct.

11 Is this 1023 the correct location?

12 A Yes, sir, it is. The 1040 was the original  
13 location that we had; however, when the well was resurveyed  
14 it was discovered that its true location is as shown on  
15 Exhibit One.

16 Q I presume that you would request that your  
17 application be amended to show 1023 instead of 1040 from  
18 the west line?

19 A Yes, sir.

20 Q We will amend the application.

21 MR. STAMETS: Any other questions of the  
22 witness? He may be excused.

23 Anything further in this case?

24 The case will be taken under advisement.

25 (Hearing concluded.)

## 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. 6350  
heard by me on 10th 1928.  
Richard P. Jones, Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
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JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

November 3, 1978

POST OFFICE BOX 2088  
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(505) 827-2434

Mr. Owen Lopez  
Montgomery, Andrews  
& Hannahs  
Attorneys at Law  
Post Office Box 2307  
Santa Fe, New Mexico 87501

Re: CASE NO. 6350  
ORDER NO. R-5840

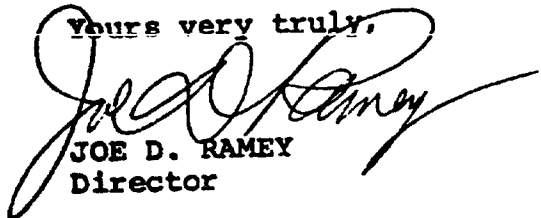
Applicant:

Petro-Lewis Corporation

Dear Sir:

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

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC X  
Artesia OCC X  
Aztec OCC X

Other \_\_\_\_\_

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. 6350  
Order No. R-5840

APPLICATION OF PETRO-LEWIS CORPORATION  
FOR AN UNORTHODOX WELL LOCATION,  
RIO ARriba 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 2nd day of November, 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, Petro-Lewis Corporation, seeks  
approval of an unorthodox gas well location 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, NMPM, to test the Mesaverde formation, Rio Arriba County,  
New Mexico.

(3) That said unorthodox location resulted from an error  
in surveying.

(4) That a final resurvey reveals said well to be located  
2028 feet from the North line and 1023 feet from the West line  
of said Section 4.

-2-

Case No. 6350  
Order No. R-5840

(5) That said well location as set out in Finding No. (4) above is no more unorthodox than the advertised location and the application should be amended to reflect the same.

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

(7) 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:

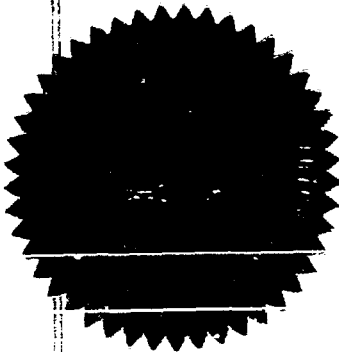
(1) That an unorthodox gas well location for the Mesaverde formation is hereby approved for the Petro-Lewis Corporation Florance Well No. 7 located 2028 feet from the North line and 1023 feet from the West line of Section 4, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(2) 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.

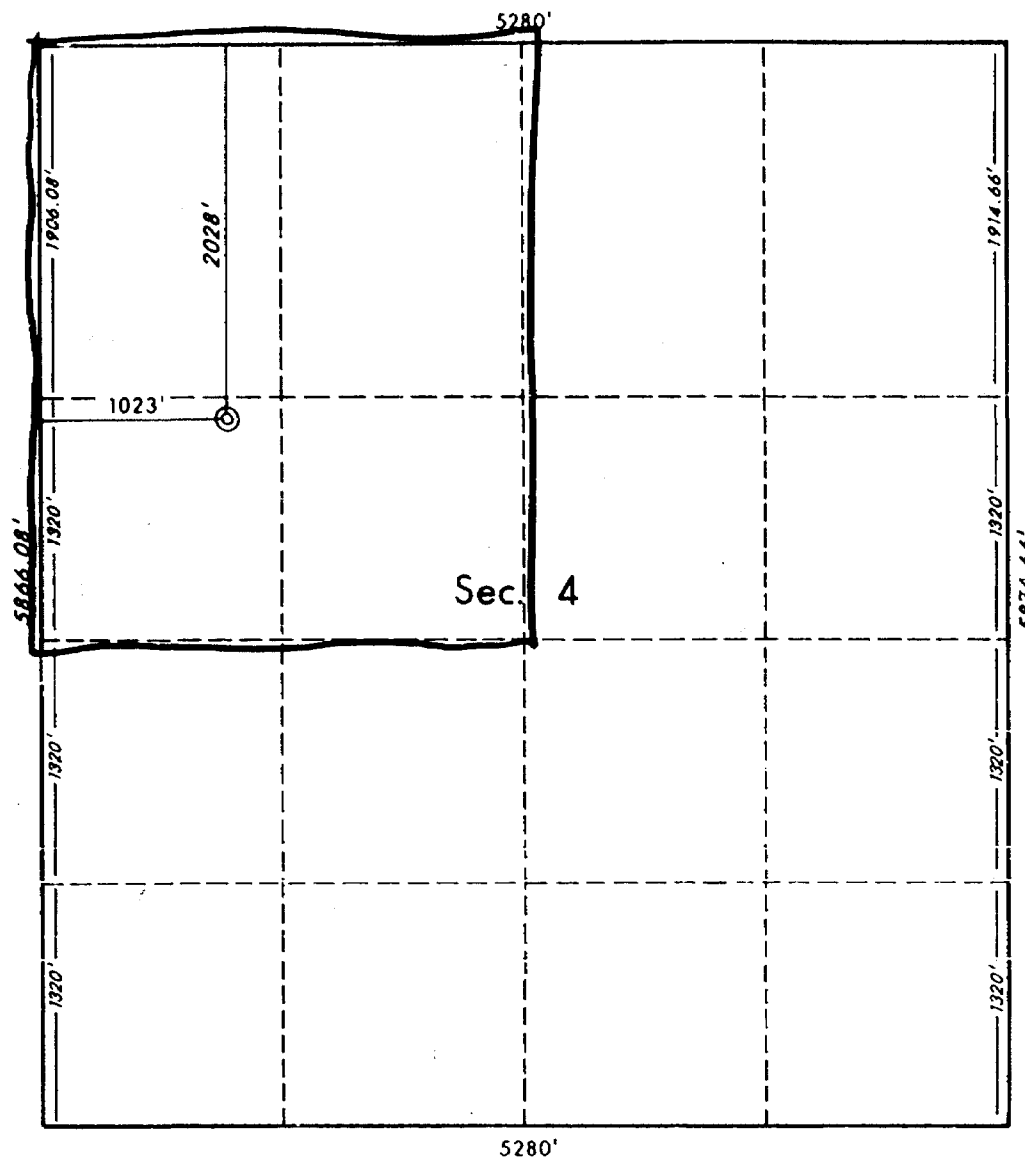
STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director



fd/

R 3 W



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25  
N

BEFORE EVIDENCE  
OIL COMMISSION  
*Retro-Lewis*

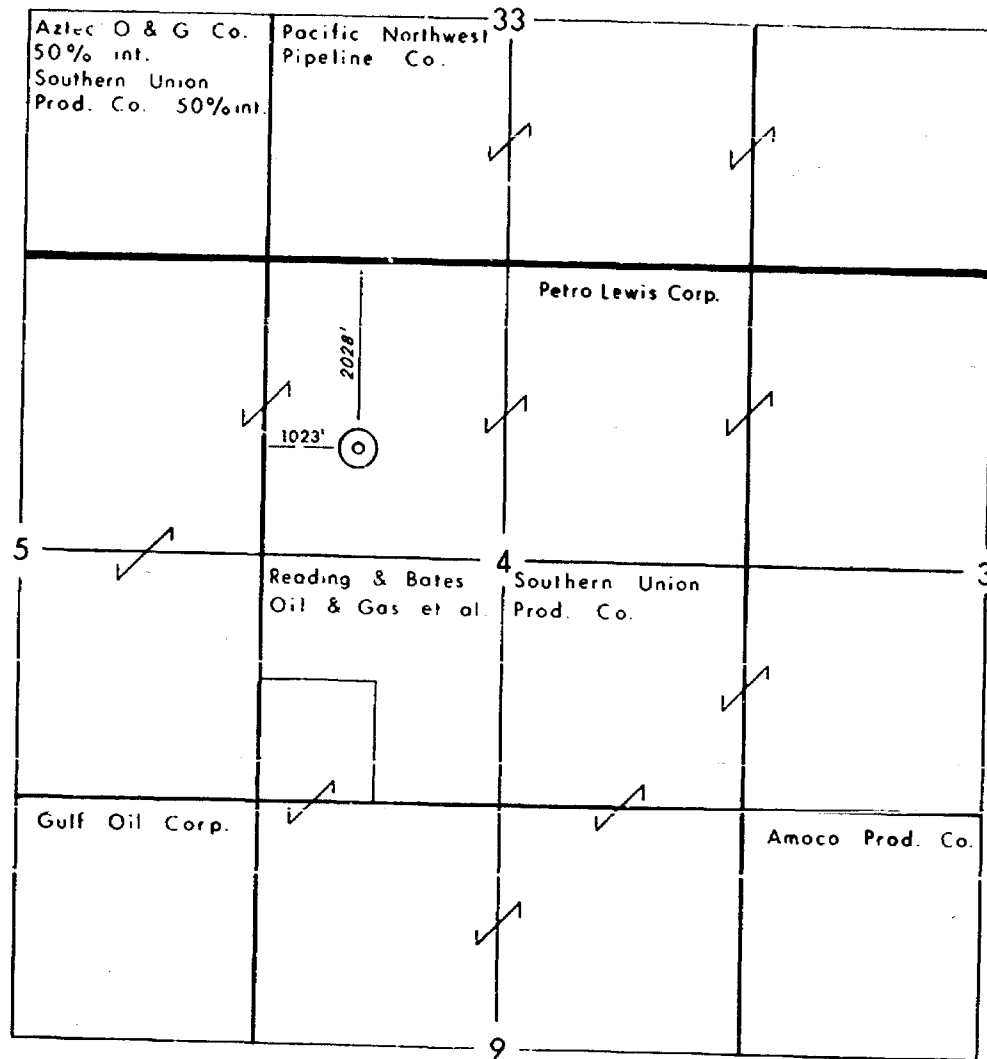
CASE NO. **6350**

Submitted by **Calloway**

Hearing date **10-11-78**

DATE 10/78	1980 & Successors Denver, Colorado 80202	Telephone 867-8718 Area Code 303
PREPARED BY D. G.	PROJECT AREA	
S.L.	SCALE 1" = 1000'	
REVISED DATE	FILE NUMBER	
<p>LOCATION PLAT</p> <p>FLORENCE #7 WELL</p> <p>T 25 N - R 3 W</p> <p>Rio Arriba County, New Mexico</p>		

R 3 W



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26  
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N

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION  
**Petro-Lewis** EXHIBIT 2  
CASE NO. 6350  
Submitted by Callaway  
Hearing Date 10-11-78

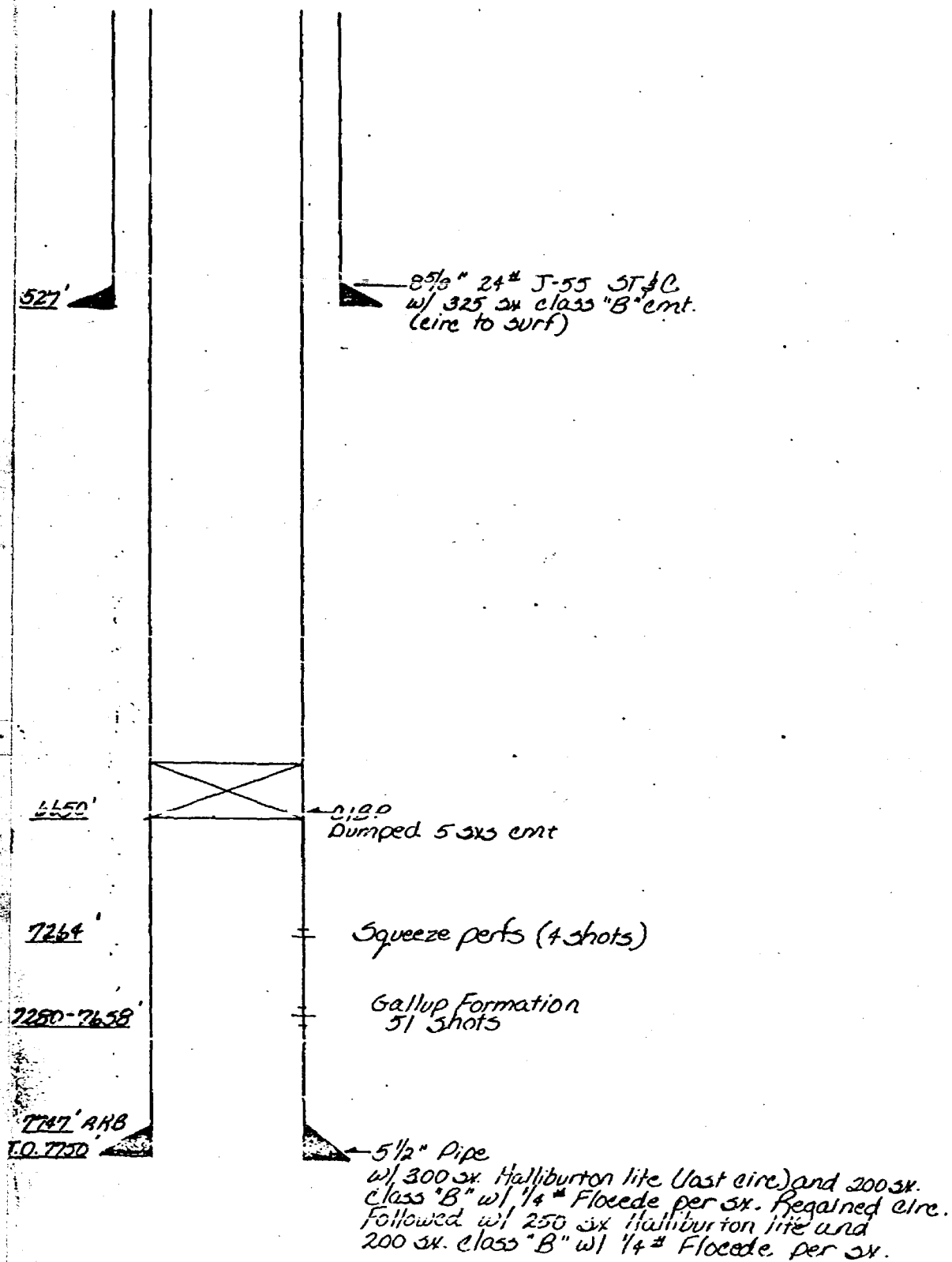
**PETRO LEWIS**

DATE 10/78  
PREPARED BY D.G.  
C.I. HORIZON  
SCALE 1" = 2000'  
REVISED DATE  
FILE NUMBER

1000 Broadway  
Denver, Colorado 80202  
Telephone 867-8816  
After Hours 363  
Petro-Lewis Corporation  
Oil and Gas Properties

LOCATION PLAT  
FLORANCE #7 WELL  
T 25 N - R 3 W  
Rio Arriba County, New Mexico





BEFORE EXAMINATION	DATE
CIL. CONT.	DATE
Petro-kewis	3
6350	
Callaway	
Heering	10-11-78

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 Florence 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 G 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 Bluitt-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 Chisum-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-Yates 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 Mesquero 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: W/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.

SEP 20 1979

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF )  
PETRO-LEWIS CORPORATION FOR AN )  
UNORTHODOX WELL LOCATION, SECTION 4, )  
TOWNSHIP 25 NORTH, RANGE 3 WEST, )  
RIO ARriba COUNTY, NEW MEXICO. )

Case No. 6350

A P P L I C A T I O N

COMES NOW the applicant, Petro-Lewis Corporation, by and through its attorneys, Montgomery, Andrews and Hannahs, P.A., and respectfully states:

1. The applicant has drilled its Florance No. 7 well in the Tapacito Field at an unorthodox location 2,028 feet from the North line and 1,040 feet from the West line, Section 4, Township 25 North, Range 3 West, Rio Arriba County, New Mexico. Said well bottomed out in the Gallup formation at a depth of 7,750 feet and no hydrocarbons were producible in commercial quantities from said formation.

2. Pursuant to the Pool Rules of the Tapacito Field, the NW 1/4 of Section 4, Township 25 North, Range 3 West, Rio Arriba County, New Mexico is dedicated to applicant's Florance No. 7 well.

3. The aforesaid Florance No. 7 well was drilled at an unorthodox location through inadvertence and excusable neglect in that said Section 4 is an oversized section, with the eastern boundary of said section being a distance of 5,874.66 feet and the western boundary being a distance of 5,860.08 feet, while the northern and southern boundaries are standard distances of 5,280 feet. Applicant further states that the overage is attributable to the North 1/2 of the North 1/2 of the aforesaid section, and appropriate adjustment for the aforesaid overage was not made prior to the drilling of the well.



4. Applicant proposes to recomplete said well in the Point Lookout Formation of the Mesa Verde at an approximate depth of 5,930 feet and, therefore, requires Division approval for the unorthodox location.

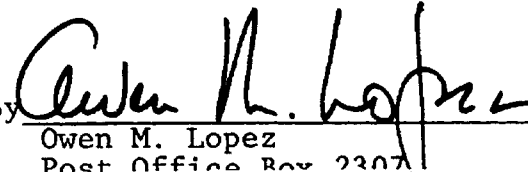
5. The distance by which the Florance No. 7 well fails to be located at an orthodox location is minimal, being approximately a total distance of less than ten feet from being located at a standard location.

6. The granting of this application is in the interest of the prevention of waste and the protection of correlative rights.

WHEREFORE, the applicant respectfully requests the Division to approve the location for the Florance No. 7 well 2,028 feet from the North line and 1,040 feet from the West line, Section 4, Township 25 North, Range 3 West, Tapacito Field, Rio Arriba County, New Mexico.

Respectfully submitted,

MONTGOMERY, ANDREWS & HANNAHS, P.A.

By   
Owen M. Lopez  
Post Office Box 2307  
Santa Fe, New Mexico 87501

Attorneys for Applicant  
Petro-Lewis Corporation

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. 6350

ORDER NO. R- 5840

APPLICATION OF PETRO-LEWIS CORPORATION

FOR AN UNORTHODOX ~~WELL~~ WELL LOCATION,

RIO ARRIBA 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, Petro-Lewis Corporation,  
for its Florance Well No. 7 located  
seeks approval of an unorthodox gas well location/ 2028  
feet from the North line and 2040 feet from the  
West line of Section 4, Township 25 North  
Range 3 West, NMPM, to test the Mesaverde  
formation, Tapacito Field, ~~xxxxx~~ Pool, Rio Arriba  
County, New Mexico.

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

(4) That said unorthodox location resulted from an ~~same~~ error in surveying.

(5) That a final resurvey reveals ~~the~~ said well to be located 2028 feet from the North line and 1073 feet from the West line of ~~the~~ said Section 4.

(6) That said well location as set out in Finding No (5) above is ~~no~~ more unorthodox than the advertised location and the application should be amended to reflect the same.

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

-2-

Case No. \_\_\_\_\_

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

(8) 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 Mesaverde the Petro-Lewis Corporation Florance Well No. 7 located formation is hereby approved for ~~a well to be located at a point~~ 2028 feet from the North line and ~~1040~~ <sup>1023</sup> feet from the West line of Section 4, Township 25 North, Range 3 West NMPM, Tapacito Field, ~~xxxxPool~~ Rio Arriba County, New Mexico.

(2) That the NW/4 of said Section 4 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  
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. 6350  
Order No. R-5840

APPLICATION OF PETRO-LEWIS CORPORATION  
FOR AN UNORTHODOX WELL LOCATION,  
RIO ARriba 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, Petro-Lewis Corporation, seeks  
approval of an unorthodox gas well location 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, NMPM, to test the Mesaverde formation, ~~Tapacito Field~~,  
Rio Arriba County, New Mexico.

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

(3) (4) That said unorthodox location resulted from an error  
in surveying.

(4) (5) That a final resurvey reveals said well to be located  
2028 feet from the North line and 1023 feet from the West line  
of said Section 4.

-2-

Case No. 6350  
Order No. R-5840

(5) ~~(6)~~ That said well location as set out in Finding No. ~~(4)~~ ~~(5)~~ above is no more unorthodox than the advertised location and the application should be amended to reflect the same.

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

(8) 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 Mesaverde formation is hereby approved for the Petro-Lewis Corporation Florance Well No. 7 located 2028 feet from the North line and 1023 feet from the West line of Section 4, Township 25 North, Range 3 West, NMPM, ~~Capacito Field~~, Rio Arriba County, New Mexico.

~~(2) That the NW/4 of said Section 4 shall be dedicated to the above-described well.~~

(2) 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

dr/