

CASE NO.

6370

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

BILLY WALTON BOYD
(CERTIFIED PHOTOGRAPH REPORTER)
5080 Palm Blane (806) 471-4402
Santa Fe, New Mexico 87501

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Com-) CASE
pany for an unorthodox gas well loca-) 6370
tion and simultaneous dedication, Lea)
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:

Guy Buell, Esq.
Post Office Box 3092
Houston, Texas 77001

I N D E X

J. E. PEASE

Direct Examination by Mr. Buell	3
Cross Examination by Mr. Stamets	8

E X H I B I T S

Applicant Exhibit One, Plat	8
Applicant Exhibit Two, Tabulation	8
Applicant Exhibit Three, Tabulation	8

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1 MR. STAMETS: Call next Case 6370.

2 MS. TESCHENDORF: Case 6370. Application of
3 Amoco Production Company for an unorthodox gas well location
4 and simultaneous dedication, Lea County, New Mexico.

5 MR. STAMETS: Call for appearances.

6 MR. BUELL: For the Applicant, Amoco Pro-
7 duction Company, Guy Buell.

8 MR. STAMETS: Do you have the same witness,
9 Mr. Buell?

10 MR. BUELL: Yes, sir.

11 MR. STAMETS: The record will show that the
12 witness has previously been qualified and sworn.

13 MR. BUELL: Thank you, Mr. Examiner.

14
15 J. E. PEASE

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

18
19 DIRECT EXAMINATION

20 BY MR. BUELL:

21 Q Mr. Pease, in connection with your testimony
22 in this hearing, look, please, at what has been identified
23 as our Exhibit Number One. What is that exhibit?

24 A Exhibit Number One is a map of a portion of
25 the Eumont Gas Pool in portions of Townships 20 South,

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Page 4

1 Range 37 East, and Township 21 South, Range 36 East.

2 Q How have you highlighted the wells that pro-
3 duce from the Eumont Gas Pool?

4 A These are shown by orange dots.

5 Q All right, sir, have you in any way high-
6 lighted or distinguished the lease which is the subject
7 matter of this hearing here today?

8 A Yes, the Amoco Gilluly B Federal Royalty
9 Account A Lease has been outlined in red.

10 Q How many acres are in that lease? I don't
11 believe the Exhibit One shows it, does it?

12 A 360 acres.

13 Q 360. All right, sir, how many current Eumont
14 producers do we have this 360-acre lease?

15 A Two.

16 Q How have you identified the location where
17 we propose to drill our unorthodox third well on this
18 lease or unit?

19 A It is shown by a red dot.

20 Q All right, sir, do you have any other ques-
21 tions -- I mean any other statements you'd like to make
22 with regard to Exhibit One?

23 A No, sir.

24 Q Turn then, if you would, to what has been
25 identified as our Exhibit Two. What is that exhibit?

1 A Exhibit Two is a tabulation for the Eumont
2 Gas Pool. On the lefthand column I've shown the months of
3 the latest balancing period for the pool, being from April,
4 '77 to April of '78.

5 The next column I've listed what the allow-
6 able would have been for 360-acre unit if it had been
7 classified as non-marginal during this period, so this
8 total 580,162 Mcf for the year, which is a daily average
9 of 1,589 Mcf per day.

10 The next two columns, the next three columns
11 represent production for the Amoco Gilluly B Federal Royalty
12 Account A 360-acre unit lease. First we have Well 3-N and
13 then the next column is Well 15 in Unit "H", and then the
14 third column represents the total production for the unit.

15 So during this year's time the Gilluly B
16 Federal Royalty Account A Well No. 3 averaged 317 Mcf per
17 day while the Well No. 15-H averaged 188 Mcf a day for a
18 total average production for the unit of 505 Mcf per day.

19 Now the column on the far righthand side then
20 represents the -- what the allowable for a non-marginal
21 360-acre unit would have been less the production from
22 these two wells. So this unit was short 1084 Mcf per day
23 during this year's time.

24 Q Let me ask you this, Mr. Pease. Based on your
25 study of the area in and around the proposed location for

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1 our third well, the unorthodox location we're asking for
2 here today, would you anticipate that that well would have
3 sufficient productivity to get this unit out of its marginal
4 status?

5 A No, sir, it would still stay marginal classi-
6 fication.

7 Q But it will certainly increase its producti-
8 vity and make this 360 acres more competitive, will it not?

9 A Yes, it would.

10 Q In your opinion will the well that we're
11 asking for more nearly and effectively and efficiently
12 drain this 360 acres of the Eumont gas reserves?

13 A Yes, sir.

14 Q Do you feel that it will recover gas that the
15 existing two wells on the unit will not recover?

16 A Yes, I do.

17 Q Do you have any other comments on Exhibit
18 Two?

19 A No.

20 Q Turn to Exhibit Three then, if you would, and
21 state for the record what that exhibit reflects.

22 A Exhibit Number Three is a tabulation for the
23 Eumont Gas Pool and it lists the number of gas units with
24 simultaneous dedication; that is, the units that contain
25 more than one well.

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1 Q How many are there total on there?

2 A There are 33 on this list.

3 Q In preparing for this hearing have you noticed
4 a trend lately for this type of application to be requested
5 and approved by the Oil Conservation Division?

6 A Well, in looking at the allowable schedules
7 I noticed that in July of '77 there were 27 such units
8 listed.

9 Q All right, sir, let me ask you this. If we
10 had three wells on a 360-acre lease or unit, that would
11 be an average density of one well for 120 acres, would it
12 not?

13 A That's correct.

14 Q Looking at your Exhibit Three do you find
15 any leases or units where the well density is -- would it
16 be less than that or more than that?

17 The density would be more than that?

18 A More than that; more wells per acre.

19 Yes, there are a number of units listed that
20 are developed down to one well per 80 acres.

21 Q One well per 80 acres. Are any of the leases
22 or units that are on your tabulation on Exhibit Three also
23 shown on Exhibit Number One?

24 A Yes, there are three of these leases listed.
25 Up in the far upper lefthand corner of the map in Section

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Baltimore, Md. 21201

1 29 there's a Gulf AB Reisley (sic) has two wells on 320
2 acres and then the Amoco Gilluly B Lease, of course, is
3 listed, since it presently has two wells, and then in the
4 lower lefthand portion of the map there's a Continental
5 Myer B-4 Lease that has 360 acres with two wells on it.

6 Q Mr. Pease, in your opinion if the Commission
7 approves our application here today, do you feel that waste
8 will be prevented in that our third well will recover gas
9 that the other two will not?

10 A Yes, I do.

11 Q Do you see how, based on your study, the
12 approval of our application can violate the correlative
13 rights of any of the offset owners of interest in the
14 Eumont Gas?

15 A No, sir.

16 Q Do you have anything else you'd care to add?

17 A No.

18 MR. BUELL: May it please the Examiner, that
19 completes our direct. I would like to formally offer our
20 Exhibits One through Three.

21 MR. STAMETS: These exhibits will be admitted.

22

23 CROSS EXAMINATION

24 BY MR. STAMETS:

25 Q Mr. Pease, did Order R-4958 approve this

1 360-acre proration unit and the simultaneous dedication of
2 the two existing wells?

3 A Yes, it did, sir.

4 Q Okay.

5 MR. STAMETS: Any other questions of the
6 witness? He may be excused.

7 Anything further in this case?

8 The case will be taken under advisement.

9 (Hearing concluded.)
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SALLY WALTON BOYD
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Suite 20, New Mexico 87101

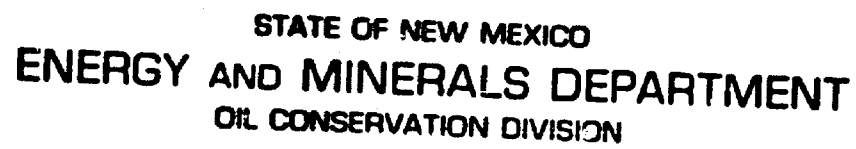
REPORTER'S CERTIFICATE

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.

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 CERTIFIED (PROFESSIONAL REPORTER)
 3090 Pines, Kansas City, Mo. 64111
 Kansas City, Mo. 64111

I do hereby certify that the foregoing is
 a complete and correct transcript of the proceedings in
 the Examiner hearing of Case no. 6376
 heard by me on 11/7/78 19 78.
Richard L. Lamm, Examiner
 Oil Conservation Division



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. 6370
Order No. R-4958-A

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION AND
SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 8, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th 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, Amoco Production Company, seeks approval of an unorthodox gas well location of its Gilluly B Fed. Well No. 22 to be drilled at a point 2310 feet from the North line and 1990 feet from the West line of Section 33, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

(3) That the applicant further seeks to simultaneously dedicate an existing 360-acre non-standard gas proration unit consisting of the SE/4, S/2 NE/4, E/2 SW/4, and SE/4 NW/4 of said Section 33 to said well and to its Gilluly B Federal Wells Nos. 3 and 15 located in Units N and H, respectively, of said section.

-2-

Case No. 6370
Order No. R-4958-A

(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.

(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 is hereby approved for the Amoco Production Company Gilluly B Fed. Well No. 22 to be drilled at a point 2310 feet from the North line and 1980 feet from the West line of Section 33, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

(2) That the applicant is further authorized to simultaneously dedicate a 360-acre non-standard gas proration unit consisting of the SE/4, S/2 NE/4, E/2 SW/4, and SE/4 NW/4 of said Section 33 to said well and to its Gilluly B Federal Wells Nos. 3 and 15 located in Units N and H, respectively, of said section.

(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

fd/

EUMONT GAS POOL

MONTH	YEAR	ALLOWABLE, MCF/MO NON MARGINAL 360 ACRE UNIT		PRODUCTION, MCF/MO GILLULY "B" FEDERAL RAA 3N-33-20S-37E 15H-33-20S-37E		TOTAL	ALLOWABLE MINUS TOTAL	
April	1977	63824		10648	7701	18349	45475	
May	1977	44489		11486	8422	19908	24581	
June	1977	32679		11020	7951	18971	13708	
July	1977	31747		9179	6096	15275	16472	
August	1977	33750		12003	8409	20412	13338	
September	1977	32661		11170	7990	19160	13501	
October	1977	40464		8396	2342	10738	29726	
November	1977	39555		7933	2213	10146	29409	
December	1977	52521		8297	2340	10637	41884	
January	1978	63681		9448	6234	15682	47999	
February	1978	57021		4259	1099	5358	51663	
March	1978	87770		11744	7827	19571	68159	
TOTALS		580162 MCF		115583 MCF	68624 MCF	184207 MCF	395935 MCF	
DAILY AVERAGE		1589 MCFD		317 MCFD	188 MCFD	505 MCFD	1014 MCFD	

JEP/mo
226J

BEFORE THE STATE OF TEXAS
OIL COMMISSION
Case No. 6370
Submitted by PERASE
Hearing Date 11-8-78

EUMONT GAS POOL
(Yates Seven Rivers Queen)

Gas Units With Simultaneous Dedication

<u>Operator and Wells</u>	<u>Unit Size</u>	<u>Status</u>	<u>Location</u>
<u>Amoco</u>			
Gillully Fed Gas Com 4B & 7D	480	M	24-20S-36E
Gillully "B" Fed FA "A" 3N&15H	360	M	33-20S-37E
State C tr 11 1X & 5I	320	M	2-21S-36E
Gillully "B" Fed RA "A" 7K & 16M	240	M	22-20S-31E
<u>Arco</u>			
J. M. Brownlee 1K & 4N	160	M	25-21S-36E
Byrd Gas Com 5E & 7C	320	M	11-20S-36E
State 157 D 4I & 7N	160	M	12-22S-36E
State 176 3J, 6C & 4G	137	N	19-21S-36E
State F DE 1E, 3K, & 4M	185	M	19-21S-36E
State H 10 & 3J	160	M	5-21S-36E
<u>Conoco</u>			
Britt "B" 15M & 250	280	N	10&15-20S-37E
Britt "B" 18 3J & 6P	160	M	18-20S-37E
Britt Skaggs Com 1P & 2K	320	M	10&11-20S-37E
Lockhart "B" 4H, 7D & 8P	480	M	13&14-21S-36E
Lockhart "B" 1 4G & 6P	320	M	1-22S-36E
Meyer "B" 4 4S & 29P	360	M	4-21S-36E
Reed A-3 2H & 3I	480	N	3-20S-36E
Sanderson "A" 12P & 13G	640	M	14-20S-36E
State "J" 2 9G & 12D	240	M	2-22S-36E
State "O" 20 5M 60	320	N	20-21S-36E
<u>Exxon</u>			
Eumont Gas Com #1 1J & 2L	640	M	4-20S-37E
Eumont Gas Com #3 1A & 2G	160	M	35-20S-36E
New Mex. "B" State BTY 2 2P & 6M	640	M	26-21S-36E
<u>Gulf</u>			
S. E. Felton 1P & 20	160	M	28-21S-36E
Harry Leonard NCT A 3B, 7M & 12P	480	M	22-21S-36E
H. T. Mattern NCT E 10N & 11B	480	M	1&12-22S-36E

BEFORE EXAMINER STAMETS	
OIL CONSERVATION DIVISION	
Amoco	EXHIBIT NO. <u>3</u>
CASE NO.	<u>6370</u>
Submitted by	<u>PEASE</u>
Hearing Date	<u>11-8-78</u>

Operator and WellsUnit SizeStatusLocation

W. A. Ramsey NCT "A" 17J & 16E
W. A. Ramsey NCT "A" 7N & 20E
W. A. Ramsey NCT "B" Com 1F & 2E
A. B. Reeves 1L & 2B

640
640
320
320

M
M
M
M

27-21S-36E
35-21S-36E
25-21S-36E
29-20S-37E

Mobil

E. O. Carson 4N, 22L & 23G

320

M

28&33-21S-37E

Union Texas Petr. Corp.

Britt 3G & 12C

320

M

7-20S-37E

Zia Energy

Elliot Federal 1I & 2J

160

N

26-20S-36E

JEP/aw
201/P

CASE 6370: Application of Amoco Production Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Gilluly B Fed. Well No. 22 to be drilled 2310 feet from the North line and 1930 feet from the West line of Section 33, Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated with the current unit Wells No. 3 and 15 located in Units N and H, respectively, to the present 360-acre non-standard proration unit in Section 33.

CASE 6371: Application of Doyle Hartman for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Phillips-Woolworth Well No. 1 located 2310 feet from the North line and 1930 feet from the East line of Section 26, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

CASE 6372: Application of Belco Petroleum Corporation 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 1495 feet from the North line and 330 feet from the West line of Section 6, Township 23 South, Range 31 East, Los Mendanos Atoka Pool, Eddy County, New Mexico, the W/2 of said Section 6 to be dedicated to the well.

CASE 6373: Application of Beard Oil Company for a dual completion, surface commingling, pool creation, and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the gas-gas dual completion of its Hanlad Well No. 1 located in Unit E of Section 17, Township 17 South, Range 24 East, Eddy County, New Mexico, to produce gas from the Atoka formation through tubing and the Abo formation through the casing-tubing annulus, and to commingle the production at the surface. Applicant further seeks the creation of a new Abo gas pool and the adoption of special pool rules therefor, including a provision for 320-acre spacing and proration units for a temporary period of one year.

CASE 6374: Application of Mesa Petroleum Company for a special oil allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a temporary increase in the oil allowable for its West Knowles Well No. 5 located in Unit H of Section 34, Township 16 South, Range 37 East, West Knowles-Drinkard Pool, Lea County, New Mexico, from 310 barrels to 500 barrels for the 90-day period extending from October 1, 1978 to December 31, 1978.

CASE 6375: Application of Harper Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Wantz-Abo, Drinkard, and Blinbry production within the wellbore of its S. J. Sarkeys Well No. 2 located in Unit H of Section 26, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 6352: (Continued and Readvertised)

Application of Southland Royalty Company for a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Grenier "A" Well No. 1A located in Unit C of Section 26, Township 30 North, Range 10 West, to produce gas from the Blanco-Pictured Cliffs and Blanco Mesaverde Pools, San Juan County, New Mexico, with separation of the zones to be achieved by means of a polished bore receptacle and mandrel.

CASE 6346: (Continued and Readvertised)

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 6348: (Continued and Readvertised)

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 6341: (Continued from October 11, 1978, Examiner Hearing)

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.

Dockets Nos. 37-78 and 38-78 are tentatively set for hearing on November 21 and December 6, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - NOVEMBER 7, 1978

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

CASE 6146: (DE NOVO) (Continued and Readvertised)

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 6266: (DE NOVO)

Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Upper Pennsylvanian test well to be located 660 feet from the North and East lines or, in the alternative, 990 feet from the North and East lines of Section 23, Township 22 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, all of said Section 23 to be dedicated to the well.

Upon application of Harvey E. Yates Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6377: Application of Durham, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Section 8, Township 21 South, Range 24 East, Indian Basin-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the North and East lines of said Section 8. 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 6378: In the matter of the hearing called by the Oil Conservation Division on the motion of Shell Oil Company to permit Corinne Grace and all other interested parties to appear and show cause why Division Order No. R-3713, which pooled all of Section 8, Township 21 South, Range 24 East, Eddy County, New Mexico, should not be declared null and void, if said pooling order has not already automatically expired due to non-production.

CASE 6379: Application of Shell Oil Company for pool contraction and pool extension, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Indian Basin-Morrow Gas Pool by the deletion therefrom of the N/2 of Section 8, Township 21 South, Range 24 East, Eddy County, New Mexico, or in the alternative, all of said Section 8, and the extension of the Cemetery-Morrow Gas Pool to include the aforesaid N/2 or all of said Section 8.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 8, 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 6369: Application of Amoco Production Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its DR Well No. 3 to be drilled 660 feet from the North and East lines of Section 16, Township 19 South, Range 32 East, Lea County, New Mexico, to be simultaneously dedicated with its Well No. 1 located in Unit E to the present 320-acre unit comprising the N/2 of said Section 16.

CASE 6342: (Continued from October 11, 1978, Examiner Hearing)

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: (Continued from October 11, 1978, Examiner Hearing)

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: (Continued from October 11, 1978, Examiner Hearing)

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: (Continued from October 11, 1978, Examiner Hearing)

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 6347: (Continued from October 11, 1978, Examiner Hearing)

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 6376: 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, and Lea Counties, New Mexico:

(a) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the Mescalero Sands-Pennsylvanian Gas Pool. The discovery well is Petroleum Development Corporation Estelle Federal Well No. 1 located in Unit E of Section 34, Township 12 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 30 EAST, NMPM
Section 34: W/2

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Yates production and designated as the Sioux-Yates Pool. The discovery well is Tishman Federal Well No. 1 located in Unit N of Section 5, Township 26 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 31: NE/4
Section 32: W/2

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 5: W/2

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

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 31: N/2
Section 32: N/2
Section 33: All

(d) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 26: SE/4

- (e) EXTEND the vertical limits of the Box-Canyon Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include the Canyon and Wolfcamp formations and redesignate said pool as the Box Canyon-Permo Pennsylvanian Gas Pool and extend the horizontal limits of said pool to include therein:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM
Section 13: All
Section 23: S/2
Section 26: E/2
Section 35: E/2
Section 36: W/2

TOWNSHIP 22 SOUTH, RANGE 21 EAST, NMPM
Section 1: N/2

- (f) EXTEND the North Burton Flats-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 28: S/2
Section 33: E/2

- (g) EXTEND the East Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 27: S/2

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 28: N/2

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 10: N/2
Section 21: S/2

- (i) EXTEND the Comanche Stateline Tansill-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 33: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 29: W/2

- (k) EXTEND the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 22: SW/4 and W/2 SE/4

- (l) EXTEND the Forehand Ranch-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 15: NW/4 SE/4

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

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 16: SE/4

- (n) EXTEND the Jenkins-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM
Section 28: S/2

- (o) EXTEND the Kemnitz-Cisco Pool in Lea County, New Mexico, to include therein:

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

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 10: N/2 and SW/4
Section 15: NW/4

- (q) EXTEND the West Malaga-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 9: N/2

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

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM
Section 3: W/2

- (s) EXTEND the Rock Tank-Upper Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 1: All

- (t) EXTEND the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 25: N/2

- (u) EXTEND the Southwest Sulphate-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM
Section 14: NE/4 NE/4

- (v) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 3: NE/4

- (w) EXTEND the Watkins Yates-Seven Rivers-Queen-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 6: SW/4

- (x) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 8: All

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM
Section 4: All

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

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 14: S/2

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 24: S/2

- (aa) EXTEND the Winchester-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 26: E/2 and SW/4



BEFORE THE OIL CONSERVATION DIVISION
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF AMOCO PRODUCTION COMPANY FOR)
AN UNORTHODOX GAS WELL LOCATION)
AND SIMULTANEOUS DEDICATION, LEA)
COUNTY, NEW MEXICO.)

Case No. 6370

ENTRY OF APPEARANCE

The undersigned hereby enter appearance herein in
behalf of AMOCO PRODUCTION COMPANY, with Guy Buell of Houston,
Texas.

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

By 

P. O. Drawer 700
Roswell, New Mexico 88201

Attorneys for Amoco Production Company



J. R. Barnett
Regional Engineering
Manager

Amoco Production Company

Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

OCT 23 1978

CONSERVATION DIVISION
Santa Fe

Case 6370

October 20, 1978

File: TBM-986.51NM-991

Re: Hearing Request
Eumont Gas Pool
Lea County, New Mexico

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

Attention: Mr. Joe D. Ramey

Gentlemen:

Reference is made to my letter of October 18, 1978 confirming a request for a hearing for Amoco's Gilluly "B" Federal Lease, Eumont Gas Pool, Lea County.

Please substitute the attached maps for those furnished with the October 13 letter.

Yours very truly,

J. R. Barnett

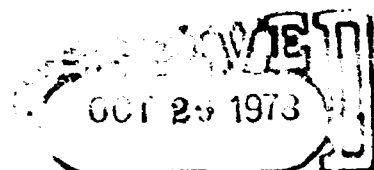
J. R. Barnett

JEP:ss

Attachments



J. R. Barnett
Regional Engineering
Manager



OIL CONSERVATION COMM.
Santa Fe

Amoco Production Company

Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

October 18, 1978

Case 6370

File: TBM-986.51NM-983

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

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

Attention: Mr. Joe D. Ramey

Gentlemen:

Confirming telephone request of October 17, 1978 to Mr. Dan Nutter, Amoco Production Company requests a hearing for obtaining approval of a 360 acre non-standard proration unit to be simultaneously dedicated to Gilluly "B" Federal Well Nos. 3, 15 and 22 located at unorthodox locations in Units N, H and F, respectively, Section 33, T-20-S, R-37-E, Eumont Gas Pool, Lea County.

Order No. R-4958 approved the non-standard unit and simultaneous dedication for Well Nos. 3 and 15.

Attached is a map of the area. Please direct any questions to Mr. Jim Pease, telephone 713-652-5461.

Yours very truly,

J. R. Barnett

JEP:sam
Attachment

called in by Jim Reese
Hanson

DAN NUTTER

Remoco Prod Co

unorthodox loc.
non std unit previously gpd
simultaneous dedication
Emmett Gas Pool

Killbuck B Fed #22
2310 FNL 1980 FNL
33-20-37 Lea

NSM 360 S/2 NE 80
omit SE 160

E/2 SW 80
SE NW 40

dedicate #22 w/
#3 & 15
Unit N Unit N

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. 6370

ORDER NO. R- 4958-17

APPLICATION OF AMOCO PRODUCTION COMPANY

FOR AN UNORTHODOX GAS WELL LOCATION, AND SIMULTANEOUS DEDICATION,

LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 8,
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this _____ day of November, 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, Amoco Production Company,
of its Gilluly B Fed. Well No. 22 to be drilled at a point
seeks approval of an unorthodox gas well location / 2310

feet from the North line and 1980 feet from the

West line of Section 33, Township 20 South

Range 37 East, NMPM, ~~to test the~~

~~formation,~~ Eumont Gas Pool, Lea

County, New Mexico ~~to simultaneously dedicate an existing non-standard gas~~

(3) *See under* That the applicant further seeks to
simultaneously dedicate an existing 360-acre
non-standard gas promotion unit consisting of
the SE 1/4, S 1/2 NE 1/4, E 1/2 SW 1/4, and SE 1/4 NW 1/4
of said Section 33 to said well and
to its Gilluly B Federal Wells Nos. 3 and
15 located in bluffs N and H, respectively,
of said ~~Section~~ section.

-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 ~~the~~ Amoco Production Company Gilluly B Fed. Well No. 22 to be drilled ~~formation~~ is hereby approved for ~~a well to be located at a point~~ at a point 290 feet from the North line and 1980 feet from the West line of Section 33, Township 20 South, Range 37 East NMPM, Eumont Gas Pool, Lea County, New Mexico.

(2) That the of said Section 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.

(2) That the applicant is further authorized to ~~ded.~~ simultaneously dedicate a 360-acre non-standard gas proration unit consisting of the SE/4, S/2 NE/4, E/2 SW/4, and SE/4 NW/4 of ~~Said~~ said Section 33 to said well and to its Gilluly B Federal Wells Nos. 3 and 15 located in Units N and H, respectively, of said section.

5923 T3

Amber

CASE 6371: DOYLE HARTMAN FOR AN UNCLASSED
DOX GAS WELL LOCATION, LEA COUNTY, NEW
MEXICO