

CASE 6407: T. H. MOELVAIN OIL & GAS
PROPERTIES FOR AN UNORTHODOX OIL WELL
LOCATION, RIO ARriba COUNTY, N. MEX.

inter

Anberg

5923 T3

CASE NO.

6407

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of T.H. McElvain Oil & Gas) CASE
Properties for an unorthodox oil well) 6407
location, Rio Arriba County, New Mexico.)

BEFORE:

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: Sumner Buell, Esq.
JASPER AND BUELL
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTLAND REPORTER
5020 Plaza Blanca (866) 471-2403
Santa Fe, New Mexico 87501

I N D E X

GEORGE BROOM

Direct Examination by Mr. Buell

E X H I B I T S

Applicant Exhibit One, Location Plat

6

Applicant Exhibit Two, 40-acre G Designation

6

Applicant Exhibit Three, Well Completion Report

6

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
408 (Phone) 408 (505) 471-4463
Salem, Ore. 97301

1 MR. NUTTER: We call the next Case, NO. 6407.

2 MS. TESCHENDORF: Case No. 6407:

3 Application of T. H. McElvain Oil & Gas Prop-
4 erties for an unorthodox oil well location, Rio Arriba
5 County, New Mexico.

6 MR. BUELL: Mr. Examiner, I am Sumner Buell of
7 the firm of Jaspar & Buell, appearing on behalf of Applicant
8 and have one witness.

9 DIRECT EXAMINATION

10 BY MR. BUELL:

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

13 A My name is George Broom. I am employed by T.
14 H. McElvain Oil and Properties here in Santa Fe as a geolo-
15 gical engineer.

16 Q Mr. Broom, have you previously testified before
17 the Commission or Division, or one of its Examiners?

18 A No, I haven't.

19 Q Would you give the Examiner your educational
20 background, please?

21 A I am a graduate of the University of Arizona in
22 geological engineering in 1961. I worked as a field engin-
23 eer for Slumar-Jay Well Survey for four years between '61
24 and '65, and since 1965, I have been employed by T. H.
25 McElvain in the capacity of managing exploration and pro-
duction activities.

Q Are you familiar with what is sought in Case

SALLY WALTON BOYD
CERTIFIED REPORTER
3090 Plaza Blanca (505) 471-4462
Santa Fe, New Mexico 87501

No. 6407?

A Yes, I am.

MR. BUELL: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are. Please proceed.

BY MR. BUELL:

Q Would you briefly outline for the Examiner what is sought in this application?

A We are seeking an approval of an unorthodox location for a wildcat oil well in the Basin-Dakota Area. It's an undesignated Basin-Dakota pool.

We attempted to drill a well -- a Dakota gas well and it came in as an oil well, and we are 130 feet from the north line of our 40-acre proration unit, which gives us a non-standard location.

Q Referring you to what has been marked for identification as Applicant's Exhibit No. One, would you briefly outline what that exhibit shows?

A Okay. This is our original location plat for our wildcat -- Basin-Dakota test. We drilled it 1,460 feet from the north line and 2,285 feet from the east line and we were in an orthodox location for statewide 320 spacing.

Q Is the 320 spacing outlined there covering the north half of Section 12?

A Yes, it does. It covers the north half of Section 12, Township 24 North, Range 7 West.

Q That was the location you proposed to drill and did drill?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
1016 Plaza Alamosa (955) 471-2462
Santa Fe, New Mexico 87501

1 A That was the location we did drill. We drilled
2 to 7,000 feet to test the Dakota formation.

3 Q Referring you to what's been marked as Appli-
4 cant's Exhibit No. Two, would you explain what that shows?

5 A This shows the 40-acre G designation in Section
6 12. It's the 40 acres which contains our well and the well
7 is producing a small amount of oil and no gas at the present.

8 Q Referring you to what has been marked as Appli-
9 cant's Exhibit No. Three, would you outline what that shows,
10 please?

11 A This is our Well Completion Report that we file
12 with the U.S. Geological Survey, and we -- at that time, we
13 initially tested the well on November 14th, and it produced
14 about eight barrels of oil, along with around fifty barrels
15 of water, and a small amount of gas. We estimated about 10
16 Mcf, and I believe it's declined since then. Our casing
17 pressure has declined since that first measurement.

18 Q What has been the production history of that
19 well since November 14, 1978 to date?

20 A Well, we have been able to pump and store about
21 140 barrels there on the location. We're still pumping a
22 lot of frac water out of the well.

23 Q Have you gotten any gas from the well?

24 A No, a small amount to run the lease equipment,
25 but not enough to flare. In fact, we have only about thirty
pounds on the casing at the present time.

Q In your opinion, would the granting of this

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
1021 Plaza Blanca (505) 471-2452
Santa Fe, New Mexico 87501

1 application prevent waste and protect correlative rights?

2 A Yes, it would.

3 MR. BUELL: At this time, Mr. Examiner, I move
4 the introduction of Exhibits One, Two and Three.

5 MR. NUTTER: Applicant's Exhibits One through
6 Three will be admitted in evidence.

7 MR. BUELL: I have nothing further of this wit-
8 ness.

9 MR. NUTTER: Are there any questions of Mr.
10 Broom:

11 He may be excused.

12 MR. BUELL: I have nothing further.

13 MR. NUTTER: Does anyone have anything further
14 they wish to offer in Case 6407? Take the case under advise-
15 ment.

16 (Hearing concluded.)
17
18
19
20
21
22
23
24
25

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2010 Plaza Blanca (S.E.) 471-4461
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, STEFANIE XANTHULL, 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 abil-
 ity, knowledge, and skill, from my notes taken at the time
 of the hearing.

Stefanie Xanthull
 Stefanie Xanthull, C.S.R.

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 22507/Am. Bladen (503) 471-4442
 Bladen Co., New Mexico 87801

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 6407
 heard by me on 12/20 1978.

[Signature], Examiner
 Oil Conservation Division



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

January 17, 1979

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Sumner Buell
Jasper & Buell
Attorneys at Law
Post Office Box 1626
Santa Fe, New Mexico

Re: CASE NO. 6407
ORDER NO. R-5904

Applicant:

T. H. McElvain Oil & Gas Properties

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. 6407
Order No. R-5904

APPLICATION OF T. H. McELVAIN OIL
& GAS PROPERTIES FOR AN UNORTHODOX
OIL 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 December 20, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of January, 1979, 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, T. H. McElvain Oil & Gas Properties, seeks approval of an unorthodox oil well location for its Miller B Well No. 6 located 1460 feet from the North line and 2285 feet from the East line of Section 12, Township 24 North, Range 7 West, NMPM, Undesignated Dakota Oil Pool, Rio Arriba County, New Mexico.
- (3) That the SW/4 1.E/4 of said Section 12 is to be dedicated to the well.
- (4) That although said well was projected as a gas well in the Dakota formation and was drilled at a standard Dakota gas well location, it was completed as an oil well instead.
- (5) That no offset operator objected to the proposed unorthodox location.

-2-

Case No. 6407

Order No. R-5904

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil and 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 oil well location for the Dakota formation is hereby approved for the T. H. McElvain Oil & Gas Properties Miller B Well No. 6 located at a point 1460 feet from the North line and 2285 feet from the East line of Section 12, Township 24 North, Range 7 West, NMPM, Undesignated Dakota Oil Pool, Rio Arriba County, New Mexico.

(2) That the SW/4 NE/4 of said Section 12 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

Ed/

WELL LOCATION AND ACREAGE DEDICATION PLAT

Superseries G.
Effective 1-1-65

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

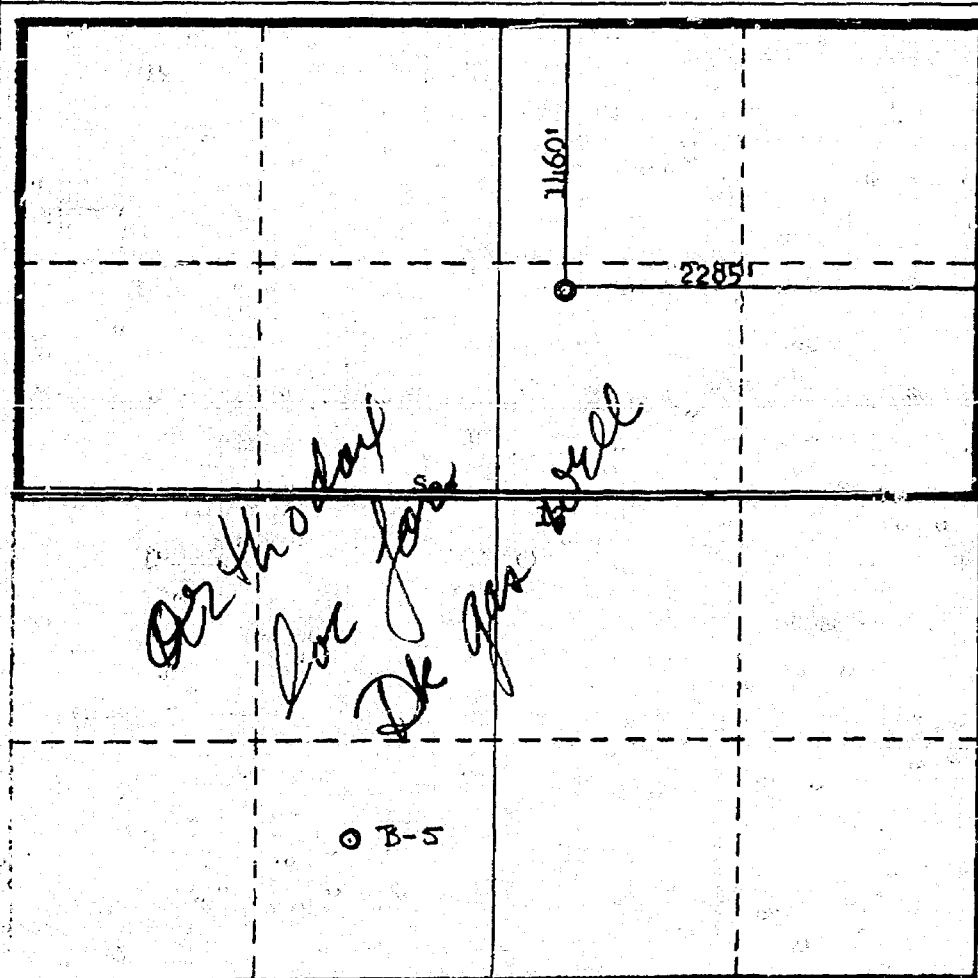
Owner T. H. McElvain		Lease Miller #8H		Well No. 6
Unit Letter 0	Section 12	Township 24N	Range 7W	County Rio Arriba
Actual Footage Location of Well:				
1160	feet from the	North	line and	2285
				feet from the
				East
Ground Level Elev. 6809	Producing Formation Dakota		Pool Basin Dakota	Dedicated Acreage 1/320
				Acreage

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

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

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

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



CERTIFICATION

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

Name **T. H. McElvain**
Position **Agent**
Company **T. H. McElvain & Co.**
Date **3-20-71**

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

Date Surveyed **November 28, 1977**
Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr Jr.
Certificate No. **3950**

WELL LOCATION AND ACREAGE DEDICATION PLAT

Supplemental
Effective 1-4

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

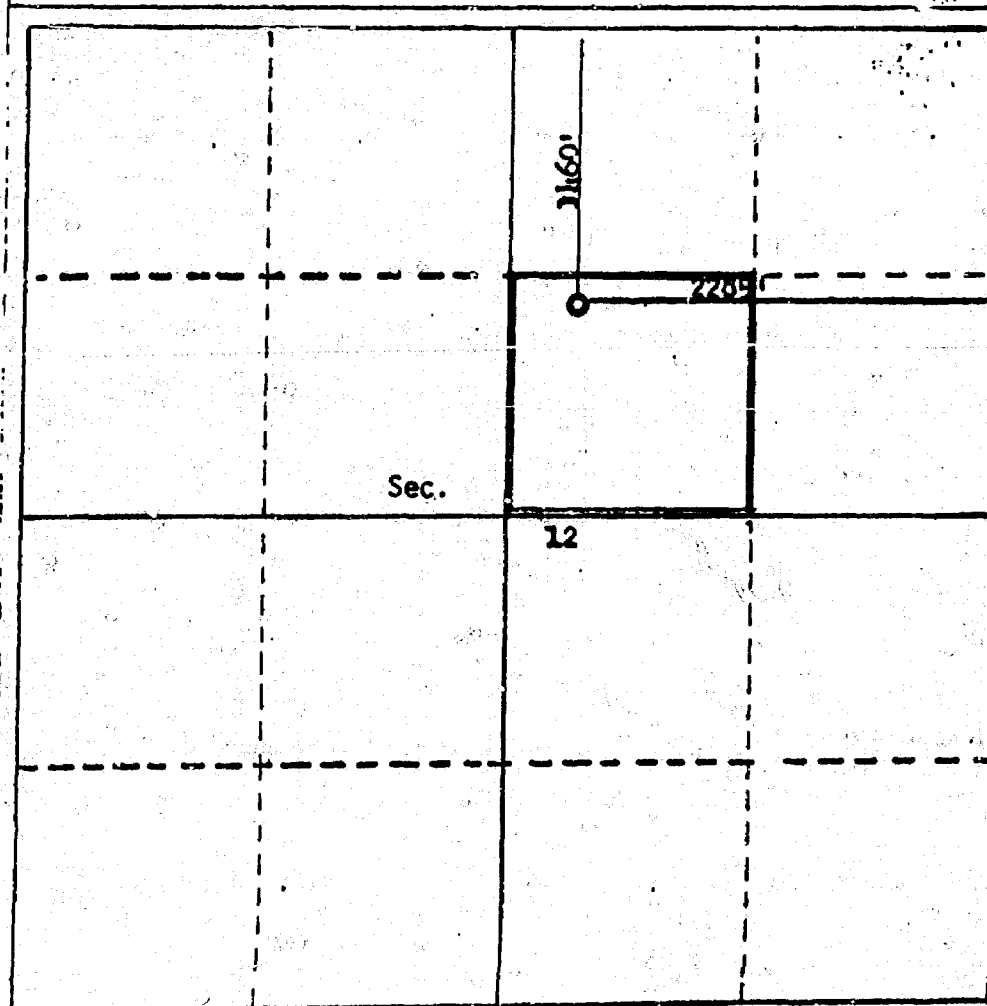
Owner T. H. McElvain Oil & Gas Properties				Lessee Miller "D"		Well No. 6	
Unit Letter G	Section 12	Township 24N	Range 7W	County Rio Arriba			
Actual Footage Location of Well: 1160 feet from the North line and 2255 feet from the East line.							
Ground Level Elev. 6609		Producing Formation Dakota		Pool Basin Dakota		Dedicated Acreage 40	

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

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

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

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



CERTIFICATION

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

Name **J. F. Miller**
 Position **Agent**
 Company **T. H. McElvain Oil & Gas Properties**
 Date **3-20-78**

Resubmitted **11/10/78**
 By **James B. Kerr** Engr.
 I hereby certify that the information shown on this plat was plotted from field notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **November 28, 1977**
 Registered Professional Engineer and/or Land Surveyor
James B. Kerr
FRED B. KERR, JR.

Certificate No. **3950**

Scale: 0 40 80 120 160 200 240 280 320 360 400 440 480 520 560 600 640 680 720 760 800 840 880 920 960 1000

BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 6407

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other in-
structions on
reverse side)Form approved.
Budget Bureau No. 42-2355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other <input type="checkbox"/>		2. NAME OF OPERATOR T. H. McElvain Oil & Gas Properties		3. ADDRESS OF OPERATOR P.O. Box 2148, Santa Fe, New Mexico 87501 U.S.		4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 1460' FNL and 2285' FEL At top prod. interval reported below At total depth		5. LEASE DESIGNATION AND SERIAL NO. SF078584		6. IF INDIAN, ALLOTTEE OR TRIBE NAME None		7. UNIT AGREEMENT NAME None		8. FARM OR LEASE NAME Miller "B"		9. WELL NO. 6		10. FIELD AND POOL, OR WILDCAT Basin Dakota		11. SEC., T., R., M., OR BLOCK AND SURVEY 12-24N-7W		12. COUNTY OR PARISH Rio Arriba		13. STATE N.M.	
15. DATE SPUDDED 7-5-78		16. DATE T.D. REACHED 7-19-78		17. DATE COMPL. (Ready to prod.) 11-10-78 approx.		18. ELEVATIONS (OF, BBL, RT, CE, ETC.)* 6806 BR, 6819 KB		19. ELEV. CASINGHEAD		20. TOTAL DEPTH, MD & TVD 7000 KB		21. PLUG, BACK T.D., MD & TVD 6911 KB		22. IF MULTIPLE COMPL. HOW MANY*		23. INTERVALS DRILLED BY 0-7000		24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 6714-6888 (Dakota)		25. WAS DIRECTIONAL SURVEY MADE Yes		26. TYPE ELECTRIC AND OTHER LOGS RUN IES, FDC/AL-GR-CAL, CBL, CNC		27. WAS WELL CORRED No	
28. CASING RECORD (Report all strings set in well)																									
CASING SIZE		WEIGHT, LB./FT.		DEPTH SET (MD)		HOLE SIZE		CEMENTING RECORD		AMOUNT FULLED															
3-5/8"		24#		313 KB		12-1/4		250 sks Class "B"		(1st. stage)															
4-1/2"		10.5-11.6		6999 KB		7-7/8		278 sks 50-50 Pozmix		(2nd. stage)															
								715 sks 65-35 Pozmix																	
								50 sks Class "B"																	
29. LINER RECORD																									
SIZE		TOP (MD)		BOTTOM (MD)		SACKS CEMENT*		SCREEN (MD)		30. TUBING RECORD															
										SIZE		DEPTH SET (MD)		PLUG SET (MD)											
										2-3/8"		6857 KB		5911 KB											
31. PERFORATION RECORD (Interval, size and number)																									
6714, 15, 16, 80, 82, 84, 88, 89, 98, 99, 6828, 30, 32, 33, 55, 56, 57, 64, 65, 66, 67, 68, 69, 84, 86, 88 w/1 SPF, 6922, 24, 25, 26, 27, 41, 43, 45, 47, 49, 51 & 53 w/1 SPF																									
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.																									
DEPTH INTERVAL (MD)		AMOUNT AND TYPE OF MATERIAL USED																							
6714-6388		1000 gal 15% HCL, 82,500# 20-40 sand																							
6922-6953		113,000 gal Gelled Water																							
		750 gal 15% HCL, 25000# 20-40 sand																							
		22,006 gal Mini Max Gel																							
33. PRODUCTION																									
DATE FIRST PRODUCTION 11-14-78		PRODUCTION METHOD (Flowing, gas lift, pumpjack, etc. and type of pump) Pumping Axelson 2"x1-1/4"x10"x12"x16'												WELL STATUS (Producing or shut-in) Producing											
DATE OF TEST 11-14-78		HOURS TESTED 24 hrs.		CHOKE SIZE		PROP'DN. FOR TEST PERIOD		OIL—BBL. 8 BNO		GAS—MCF. 70		WATER—BBL. 50 BLW		GAS-OIL RATIO 125/1 1250/1											
FLOW, TUBING PRESS. 0		CASING PRESSURE 200 psi		CALCULATED 24-HOUR RATE		OIL—BBL. 8 BNO		GAS—MCF. 10		WATER—BBL. 50 BLW		OIL GRAVITY-API (CORR.)													
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Used for fuel																									
35. LIST OF ATTACHMENTS																									
36. I hereby certify that the foregoing and attached information is complete and correct to the best of my knowledge and belief, and that the same was determined from available records.																									
SIGNED		George Brown												TITLE Engineer											

*(See Instructions and Spaces for Additional Data on Reverse Side)

has produced about 140 bbl oil
about date 11-17-78
w/ 30# pressure
(has 30# pressure on log)

BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

Spent EXHIBIT NO. 3

CASE NO. 6407

Dockets Nos. 1-79 and 2-79 are tentatively set for hearing on January 3 and 17, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 20, 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 January, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for January, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6406: In the matter of the hearing called by the Oil Conservation Division on its own motion at the request of Enserch Exploration, Inc., to consider the assignment of 39,040 barrels of oil discovery allowable to the Enserch Lambirth Well No. 1 located in Unit K of Section 31, Township 5 South, Range 33 East, South Peterson-Russelman Pool, Roosevelt County, New Mexico.

CASE 6407: Application of T. H. McElvain Oil & Gas Properties for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox oil well location of its Miller B Well No. 6 located 1460 feet from the North line and 2285 feet from the East line of Section 12, Township 24 North, Range 7 West, undesignated Dakota oil pool, Rio Arriba County, New Mexico.

CASE 6408: Application of BTA Oil Producers for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its 7811 JV-P Rojo Well No. 1, to be located 660 feet from the North and West lines of Section 27, Township 25 South, Range 33 East, Lea County, New Mexico, the W/2 of said Section 27 to be dedicated to the well.

CASE 6409: Application of Atlantic Richfield Company for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill four wells on its Empire Abo Unit Area, Empire-Abo Pool, Eddy County, New Mexico, as follows: In Township 17 South, Range 28 East: Well No. D-361, Surface location 136 feet from the South line and 800 feet from the East line of Section 27, bottom-hole location 300 feet from the North line and 500 feet from the East line of Section 34; Well No. E-392, Surface location 959 feet from the North line and 2400 feet from the East line, bottom-hole location 600 feet from the North line and 2500 feet from the East line, Section 35. In Township 18 South, Range 27 East: Well No. K-131, Surface location 1500 feet from the South line and 600 feet from the West line, bottom-hole location 1600 feet from the South line and 250 feet from the West line, Section 2; Well No. L-133, Surface location 800 feet from the South line and 950 feet from the West line, bottom-hole location 1250 feet from the South line and 700 feet from the West line, Section 2. All of the above wells would be bottomed at unorthodox locations within 150 feet of the described bottom-hole locations.

CASE 6410: Application of Carl A. Schellinger for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a proposed Pennsylvanian test to be drilled 660 feet from the South line and 1650 feet from the West line of Section 1, Township 22 South, Range 24 East, McKittrick Hills Field, Eddy County, New Mexico, the S/2 of said Section 1 to be dedicated to the well.

CASE 6411: 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 N/2 of Section 20, Township 23 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 6412: Application of Ralph Nix for compulsory pooling and an unorthodox location, or in the alternative, an amendment to pool rules, 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 27, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location, in the SW/4 of said section. 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 Hondo Drilling Company as operator of the well and a charge for risk involved in drilling said well.

As an alternative to the above unorthodox location, applicant seeks an order amending the Special Pool Rules for the Atoka-Pennsylvanian Gas Pool so that well location requirements therein would conform to statewide Rule 104(c).

CASE 6390: (Continued from November 21, 1978, Examiner Hearing)

Application of C & E Operators for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down thru the Pictured Cliffs formation underlying the SW/4 of Section 10, Township 30 North, Range 11 West, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6401: (Continued from December 7, 1978, Examiner Hearing)

Application of Southland Royalty Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Mesaverde production within the wellbore of its Jicarilla 101 Well No. 1 located in Unit A of Section 1, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

CASE 6402: (Continued from December 7, 1978, Examiner Hearing)

Application of Southland Royalty Company 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 within the wellbore of its Jicarilla 101 Well No. 2 located in Unit M of Section 12, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

CASE 6403: (Continued from December 7, 1978, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin Dakota and Blanco Mesaverde production within the wellbore of its O'Shea Well No. 1 located in Unit K of Section 3, Township 31 North, Range 13 West, San Juan County, New Mexico.

T. H. McELVAIN OIL & GAS PROPERTIES

T. H. McELVAIN, JR., MANAGER

220 SHELBY STREET

P. O. Box 2148

SANTA FE, NEW MEXICO 87501

TELEPHONE 666-1900
AREA CODE 505

CATHERINE B. McELVAIN
CATHERINE M. HARVEY
T. H. McELVAIN, JR.

December 5th, 1978

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Richard A. Stamets
Technical Support Chief

Re: Miller "B" #6 Dakota
G-12-24N-7W
Rio Arriba County, New Mexico

Gentlemen:

Please consider this as T. H. McElvain Oil & Gas Properties' application for a hearing on December 20, 1978, concerning the unorthodox location of our Miller "B" #6 wildcat oil well in quarter-quarter section G of Sec. 12, T24N, R7W, an undesignated Dakota oil pool in Rio Arriba County, New Mexico.

This well was drilled at an orthodox location for a 320 acre gas unit in the Basin Dakota pool, but we encountered oil production which receives a 40 acre dedication under Commission Rule 124 B II (b) and places our well in an unorthodox location, 130 feet from the quarter-quarter section boundary. The enclosed plat indicates the exact location of our wildcat oil well within the quarter-quarter section boundary.

We respectfully request that we receive commission approval for the unorthodox location of this wildcat oil well.

Very truly yours,

T. H. McELVAIN OIL & GAS PROPERTIES

Catherine B. McElvain

Catherine B. McElvain

Encl.
CBM/pb

WELL LOCATION AND ACREAGE DEDICATION PLAT

Supplement 1.
Effective 1-1-65

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

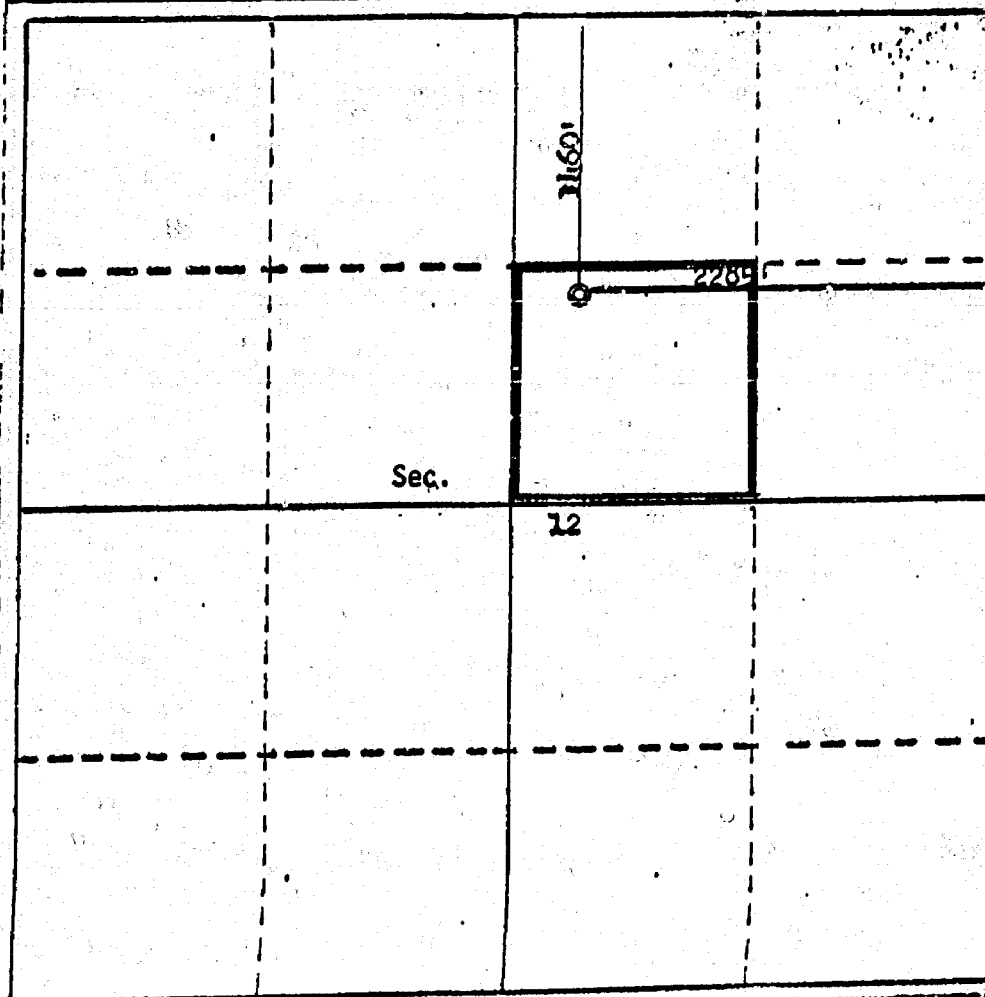
Owner T. H. McElvain Oil & Gas Properties			Lease Miller "B"		Well No. 6
Unit Letter G	Section 12	Township 24N	Range 7W	County Rio Arriba	
Actual Footage Location of Well: 1160 feet from the North line and 2285 feet from the East line.					
Ground Level Elev. 6809	Producing Formation Dakota		Pool: Basin Dakota		Dedicated Acreage: 40

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

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

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

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



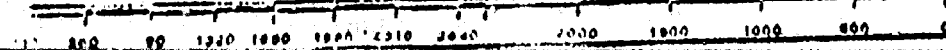
CERTIFICATION

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

Name: J. T. McElvain
 Position: Agent
 Company: T. H. McElvain Oil & Gas Properties
 Date: 3-20-78

Resubmitted 11/10/78
 By: George Brown Engr.
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: November 28, 1977
 Registered Professional Engineer and/or Land Surveyor
George Brown
 Certificate No. 3950



Dan Nutter

T.H. McElvain Oil & Gas
Properties for an un-
orthodox oil well
location, Rio Arriba
County, New Mexico

Applicant in the above-
stated case, seeks
approval for the unorthodox
oil well location at
its Miller B Well No 6
located 1460 feet from
the north line and 2285
feet from the East line
of Section 12, Township
24 North, Range 7 West,

Dan Nutter

undesignated Dakota
oil pool, Pecos
County, New Mexico.

Geo. Broome
982-1935 Santa Fe

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. 6407

ORDER NO. R- 5904

APPLICATION OF T. H. McELVAIN OIL & GAS PROPERTIES

FOR AN UNORTHODOX OIL 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 December 20,
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of _____, 19____, 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, T. H. McElvain Oil & Gas Properties
for its Miller B Well No. 6 located
seeks approval of an unorthodox oil well location/ 1460
feet from the North line and 2285 feet from the
East line of Section 12, Township 24 North
Range 7 West, NMPM, ~~to test the~~
~~formation,~~ Undesignated Dakota oil Pool, Rio Arriba
County, New Mexico.

(3) That the SW 1/4 NE 1/4 of said Section 12 is to be
dedicated to the well.

~~(4) That a well at said unorthodox location will better
enable applicant to produce the oil underlying the production units~~

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

although
(4) That, said well was projected as a gas well
in the Dakota formation and was drilled at a
standard Dakota gas well location, it was completed
as an oil well.

-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 ~~oil~~ ^{and 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 oil well location for the _____ the T. H. McElvain Oil & Gas Properties Miller B Well No. 6 located formation is hereby approved for ~~a well to be located~~ at a point 1460 feet from the North line and 2285 feet from the East line of Section 12, Township 24 North, Range 7 West NMPM, Undesignated Dakota oil Pool, Rio Arriba County, New Mexico.

(2) That the ~~SW 1/4~~ ^{NE 1/4} of said Section 12 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.