

CASE 6408: BTA OIL PRODUCERS FOR AN
UNRECORDED GAS WELL LOCATION, LEA
COUNTY, NEW MEXICO

Auberg

5923 T3

CASE NO.

6408

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 BTA Oil Producers for an
unorthodox gas well location, Lea County,
New Mexico.

CASE
6408

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Lynn Teschednorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & FOX
500 Don Gaspar
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3080 Plaza Alamosa (505) 471-2402
Santa Fe, New Mexico 87501

I N D E X

SCOTTY ALCORN

Direct Examination by Mr. Kellahin

E X H I B I T S

Applicant Exhibit One, Seismic Sub-surface Interpretation	8
Applicant Exhibit Two, Slumber J Compensated Neutron Log	8
Applicant Exhibit Three, Texaco Waiver	8
Applicant Exhibit Four, HNG Oil Company Waiver	8
Applicant Exhibit Five, Max Christensen Waiver	8
Applicant Exhibit Six, Section 23 Waiver	8
Applicant Exhibit Seven, Section 28 Waiver	8
Applicant Exhibit Eight, Section 35 Waiver	8

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3938 Plaza Blanca (986) 471-2492
Santa Fe, New Mexico 87501

1 MR. NUTTER: Call Case No. 6408.

2 MS. TESCHENDORF: Case 6408: Application of
3 BTA Oil Producers for an unorthodox gas well location, Lea
4 County, New Mexico.

5 MR. KELLAHIN: I'm Tom Kellahin of Kellahin and
6 Fox, Santa Fe, New Mexico, appearing on behalf of BTA Oil
7 Producers. I have one witness to be sworn.

8 DIRECT EXAMINATION

9 BY MR. KELLAHIN:

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

12 A My name is Scotty Alcorn. I'm employed by
13 BTA Oil Producers of Midland, Texas in the capacity of Devel-
14 opment Geologist.

15 Q Mr. Alcorn, as a geologist, have you previously
16 testified before the Oil Conservation Division?

17 A Yes, sir, I have.

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

20 A Yes, I am.

21 MR. KELLAHIN: We tender Mr. Alcorn as an ex-
22 pert.

23 MR. NUTTER: Mr. Alcorn is qualified to testify.

24 BY MR. KELLAHIN:

25 Q Would you please refer to what we have marked
26 as Exhibit No. One, identify it and explain what the Appli-
cant is seeking?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3018 Plaza Elanosa (996) 471-2482
Santa Fe, New Mexico 87501

1 A Exhibit No. One is a seismic sub-surface inter-
2 pretation on the top of the Devonian, in the vicinity of Sec-
3 tion 27, 25 South, 33 East, in Lea County, New Mexico.

4 We are attempting to file application for an
5 unorthodox location in 660 from the north line and 660 from
6 the west line of Section 27.

7 Q This is a Devonian test?

8 A Yes, sir.

9 Q What is the proration unit to be assigned to the
10 well?

11 A The west half of Section 27 by application, al-
12 though we have assigned all of Section 27 as a perfective
13 unit in this development.

14 Q What pool are you in, Mr. Alcorn?

15 A This would be a wildcat area.

16 Q What do the spacing rules require for the loca-
17 tion of a standard location within this proration unit?

18 A All right, sir. In reference to Rule 104, The
19 Standard Location is a well dedicated with more than 160 acres
20 on a deep wildcat gas well not closer than 660 from the near-
21 est side boundary, nor 1,980 from the nearest end boundary.

22 Q So your location is closer to the north bound-
23 ary than provided by the Rules?

24 A Yes, sir, it is.

25 Q Who controls that acreage to the north?

A Texaco

Q Have you obtained a waiver from Texaco as to this
proposed location?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3028 Plaza Blanca (S.B.) 471-3462
Santa Fe, New Mexico 87501

1 A Yes, sir, we have.

2 Q Would you explain the significance of your
3 Exhibit No. One?

4 A The Exhibit No. One is a combination with only
5 one well that has penetrated the Devonian in the Southeast,
6 Southeast of Section 21. As a reference point, we did an
7 extensive seismic program in the area.

8 Q Who had drilled that well in Section 21?

9 A American Quazar in 1972.

10 Q Did it produce from the Devonian?

11 A Production tested from the Devonian, with the
12 exhibit show. -- I think, it's page three. It showed that
13 it flowed four million cubic feet of gas, decreased to
14 750,000 with slugs of water, and subsequently watered out in
15 testing. So we feel as though that is the approximate gas-
16 water contact limits of the field area.

17 Q Why have you chosen this particular location?

18 A With the extensive seismic work in the area,
19 this is the most optimum position. We do not feel as though
20 we're attempting to take advantage of anybody's position, in
21 that HNG directly to the west farmed out and has subsequent-
22 ly signed a waiver to allow us the liberty of requesting this
23 unorthodox location.

24 We feel as though in a wildcat we would like to
25 take every opportunistic advantage of our seismic to drill
26 in the optimum position to discover a gas field.

Q There are two wells located on Exhibit No. One
in the east half of Section 28. Are those Devonian wells?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 27th Avenue (S.E.) 411-4432
Sant. Fe, New Mexico 87501

1 A No, sir, they were Delaware tests. One was in
2 approximately 5,000 to 5,100-foot depths. Any well on the
3 area that is not double circled was a Delaware test.

4 Q In your opinion, Mr. Alcorn is the proration
5 unit to be assigned to this particular well reasonably pro-
6 ductive from a well located as requested?

7 A Yes, sir.

8 Q Let's refer again to what I've marked as Ex-
9 hibit No. Two. Would you identify that for me?

10 A Exhibit No. Two is a Slumber J Compensated Neu-
11 tron Log detailed in a Devonian, along with a petroleum in-
12 formation well record of the American Quazar No. 1 Baca Draw
13 in the Southeast, Southeast of 21 of the Township and Range
in question.

14 Q Would you refer to what I have marked as Exhibit
15 No. Three, and identify it?

16 A Exhibit No. Three is a waiver from Texaco,
17 waivering of the objection to an unorthodox location.

18 Q And Exhibit No. Four?

19 A Exhibit No. Four is a waiver from HNG Oil Com-
pany.

20 Q And Exhibit No. Five?

21 A Exhibit No. Five is a waiver from Max Christen-
22 sen, who has property in Section 26.

23 Q And waiver letters marked as Exhibits No. Six,
24 Seven and Eight, what are those?

25 A Those were waivers to operators in the area to
show that we are attempting to drill this. I believe Mr.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2016 Palm Bluffs (903) 471-2462
Savita Pa. New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2126 Plaza Elaneca (866) 471-2483
Santa Fe, New Mexico 87501

1 Beverage puts a few stipulations on his. He is in Section
2 23, not off-setting the west half dedication. Union Oil is
3 in Section 28. The west half is not off-setting the dedica-
4 ted acreage. And the last one was to the property in Section
5 35, Columbia Union National Bank, that is not off-setting
6 the acreage, although we were going to give them an oppor-
7 tunity to see what we're doing in the area.

8 Q What are your immediate plans with regard to
9 rig availability to drill this well?

10 A Sir, if we get immediate approval within the
11 next ten days, there will be two rigs available in the area
12 that we can commit on and start operations as soon as possi-
13 ble if we can permit within ten days for the rigs.

14 This is not due to any acreage exploration
15 to get a rig to go to 17,000 feet in the area. We feel as
16 though we could commit as soon as possible with permission
17 from the Commission.

18 Q Were Exhibits One through Eight either prepared
19 by you directly or compiled under your direction and super-
20 vision?

21 A Yes, sir, they were.

22 Q In your opinion, Mr. Alcorn, will approval of
23 this application be in the best interest of conservation,
24 protection of waste and the protection of correlative rights?

25 A Yes, sir, it certainly will.

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

MR. NUTTER: BTA Exhibits One through Eight

1 will be admitted in evidence.

2 THE WITNESS: Thank you, sir.

3
4 CROSS EXAMINATION

5 BY MR. NUTTER:

6 Q Mr. Alcorn, to what depth is this well pro-
7 jected?

8 A It is projected to 17,000 feet. I think 17,500,
9 pardon me.

10 Q 17,500?

11 A Yes, sir.

12 Q Are there any further questions of Mr. Alcorn?
13 You may be excused. Do you have anything fur-
14 ther, Mr. Kellahin?

15 MR. KELLAHIN: No, sir.

16 MR. NUTTER: Anyone have anything they wish to
17 offer in this case? Take the case under advisement.

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

SALLY WALTON ROYD
CERTIFIED SHORTHAND REPORTER
636 Plaza Elanosa (SBB) 471-2462
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 ability, 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
2030 Plaza Blanca (SOS) 471-2402
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
a complete and true of the proceedings in
the Ex parte hearing of Case No. 6808
heard by me on 12/20 1978.

[Signature] Examiner
Oil Conservation Division



NICK FRANKLIN
SECRETARY

POST OFFICE BOX 2089
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Re: CASE NO. 6408
ORDER NO. ~~R-3903~~

BTA Oil Producers

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

Yours very truly,

JOE D. RAMEY
Director

Copy of order also sent to:

Hobbs OCC	<u> </u>	X
Artesia OCC	<u> </u>	X
Aztec OCC	<u> </u>	

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. 6408
Order No. R-5905

APPLICATION OF BTA OIL PRODUCERS
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA 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, BTA Oil Producers, seeks approval of an unorthodox gas well location for its 7811 J. P. Rojo Well No. 1 to be located 660 feet from the North line and 660 feet from the West line of Section 27, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico, to test the Devonian formation.
- (3) That the W/2 of said Section 27 is to be dedicated to the well.
- (4) That a well at said unorthodox location will better enable applicant to test a Devonian structure underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location.

-2-

Case No. 6408

Order No. R-5905

(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 Devonian formation is hereby approved for the BTA Oil Producers 7811 JV-P Rojo Well No. 1 to be located at a point 660 feet from the North line and 660 feet from the West line of Section 27, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico.

(2) That the W/2 of said Section 27 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.

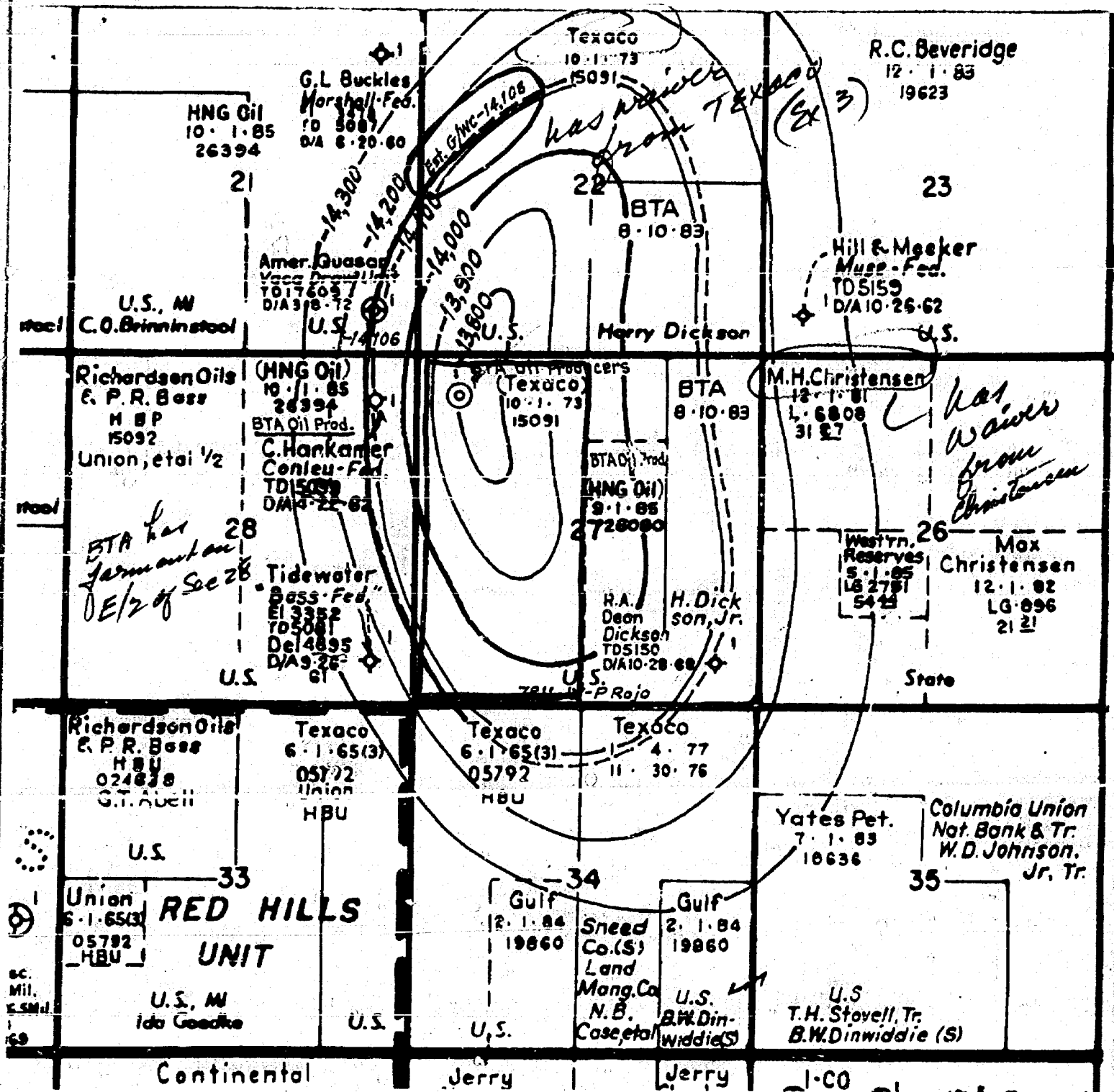
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

rd/



BEFORE EXAMINER NOTED

OIL CONSERVATION DIVISION

BTA EXHIBIT NO. 6408

CASE NO. 6408

SEISMIC & SUB-SURFACE INTERPRETATION

TOP DEVONIAN

C.I.=100
BY: JSA

SCALE: 1" = 2000'
DATE: 12-18-78

(C-DRILLING - Cont'd.)

(2) All bonds shall be filed with the Santa Fe office of the Commission, and approval of such bonds, as well as releases thereof, obtained from said office.

(f) All bonds required by these rules shall be conditioned for well plugging and location cleanup only, and not to secure payment for damages to livestock, range, water, crops, tangible improvements, nor any other purpose.

RULE 102. NOTICE OF INTENTION TO DRILL (As Amended by Order No. R-4532, May 22, 1973.)

(a) Prior to the commencement of operations, notice shall be delivered to the Commission of intention to drill any well for oil or gas or for injection purposes and approval obtained on Form C-101.

(b) No permit shall be approved for the drilling of any well within the corporate limits of any city, town, or village of this state unless notice of intention to drill such well has been given to the duly constituted governing body of such city, town or village or its duly authorized agent. Evidence of such notification shall accompany the application for a permit to drill (Form C-101).

RULE 103. SIGN ON WELLS (As Amended by Order No. R-3371, January 31, 1968.)

Every drilling and producible well shall be identified by a sign, posted on the derrick or not more than 20 feet from such well, and such sign shall be of durable construction and the lettering thereon shall be kept in a legible condition and shall be large enough to be legible under normal conditions at a distance of 50 feet. The wells on each lease or property shall be numbered in non-repetitive, logical and distinctive sequence. Each sign shall show the number of the well, the name of the lease (which shall be different or distinctive for each lease), the name of the lessee, owner or operator, and the location by quarter section, township and range. The location, for each sign posted after March 1, 1968, shall indicate the quarter-quarter section, township, and range.

RULE 104. WELL SPACING, ACREAGE REQUIREMENTS FOR DRILLING TRACTS (As Amended by Order No. R-169, June 19, 1952; Order No. R-238, December 29, 1952; Order No. R-397, December 17, 1953; Order No. R-855, August 10, 1956; Order No. R-2707, May 25, 1964; Order No. R-2761, January 1, 1965; Order No. R-3038, February 9, 1966; Order No. R-4383, September 6, 1972, and Order No. R-5113, November 1, 1975.)**A. CLASSIFICATION OF WELLS: WILDCAT WELLS AND DEVELOPMENT WELLS**

Any well which is to be drilled a distance of one mile or more from (1) the outer boundary of any defined pool which has produced oil or gas from the formation to which the well is projected, and (2) any other well which has produced oil or gas from the formation to which the proposed well is projected, shall be classified as a wildcat well.

Any well which is not a wildcat well as defined above shall be classified as a development well for the nearest pool which has produced oil or gas from the formation to which the well is projected. Any such development well shall be spaced, drilled, operated, and produced in accordance with the rules and regulations in effect in such nearest pool, provided the well is completed in the formation to which it was projected.

Any well classified as a development well for a given pool but which is completed in a producing horizon not included in the vertical limits of said pool shall be operated and produced in accordance with the rules and regulations in effect in the nearest pool within one mile which is producing from that horizon. If there is no designated pool for said producing horizon within one mile, the well shall be re-classified as a wildcat well.

B. ACREAGE AND WELL LOCATION REQUIREMENTS FOR WILDCATS (As Amended by Order No. R-5113, November 1, 1975.)**I. Lea, Chaves, Eddy, and Roosevelt Counties****(a) Wildcat Gas Wells**

In Lea, Chaves, Eddy, and Roosevelt Counties, a wildcat well which is projected as a gas well to a formation and in an area which, in the opinion of the engineer or supervisor approving the application to drill, may reasonably be presumed to be productive of gas rather than oil shall be located on a drilling tract consisting of 160 surface contiguous acres, more or less, substantially in the form of a square which is a quarter section, being a legal subdivision of the U. S. Public Land Surveys, and shall be located not closer than 660 feet to any outer boundary of such tract nor closer than 330 feet to any quarter-quarter section of subdivision inner boundary.

Provided however, that any such wildcat gas well which is projected to the Wolfcamp or older formations shall be located on a drilling tract consisting of 320 surface contiguous acres, more or less, comprising any two contiguous quarter sections of a single governmental section, being a legal subdivision of the U. S. Public Land Surveys. Any such "deep" wildcat gas well to which is dedicated more than 160 acres shall be located not closer than 660 feet to the nearest side boundary of the dedicated tract nor closer than 1980 feet to the nearest end boundary nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary. (For the purpose of this rule, "side" boundary is defined as one of the outer boundaries running lengthwise to the tract's greatest overall dimensions; "end" boundary is defined as one of the outer boundaries perpendicular to a side boundary and closing the tract across its least overall dimension.)

(b) Wildcat Oil Wells

In Lea, Chaves, Eddy, and Roosevelt Counties, a wildcat well which is not a wildcat gas well as defined above shall be located on a tract consisting of approximately 40 surface contiguous acres substantially in the form of a square which is a legal subdivision of the U. S. Public Land Surveys, or on a governmental quarter-quarter section or lot, and shall be located not closer than 330 feet to any boundary of such tract.

In the event gas production is encountered in a well which was projected as an oil well and which is located accordingly but does not conform to the above gas well location rule, it shall be necessary for the operator to bring the matter to a hearing before approval for the production of gas can be given.

II. San Juan, Rio Arriba, and Sandoval Counties**(a) Wildcat Gas Wells**

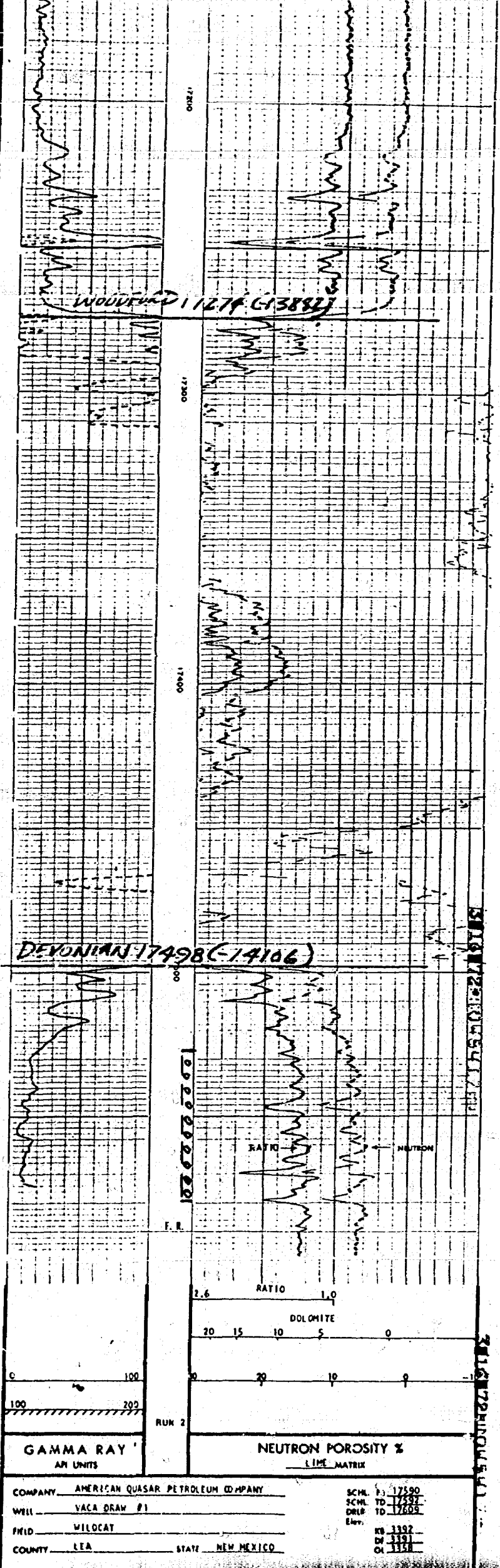
In San Juan, Rio Arriba, and Sandoval Counties, a wildcat well which is projected to a gas-producing horizon shall be located on a designated drilling tract consisting of 160 surface contiguous acres, more or less, substantially in the form of a square which is a quarter section, being a legal subdivision of the U. S. Public Land Surveys, and shall be located not closer than 790 feet to any outer boundary of the tract nor closer than 130 feet to any quarter-quarter section or subdivision inner boundary.

In the event oil production is encountered in a well which was projected to a gas-producing horizon and which is located accordingly but does not conform to the oil well location rule below, it shall be necessary for the operator to bring the matter to a hearing before approval for the production of oil can be given.

(b) Wildcat Oil Wells

A wildcat well which is projected to an oil-producing horizon as recognized by the Commission shall be located on a tract consisting of approximately 40 surface contiguous acres substantially in the form of a square which is a legal subdivision of the U. S. Public Land Surveys, or on a governmental quarter-quarter section or lot, and shall be located not closer than 330 feet to any boundary of such tract.

COUNTY LEA		COUNTRY LEA	
FIELD #		FIELD	
LOCATION WILDCAT		LOCATION WILDCAT	
WELL		WELL	
VACA DRAW #1		VACA DRAW #1	
COMPANY AMERICAN QUASAR			
COUNTY LEA		COUNTRY LEA	
FIELD		FIELD	
WILDCAT		WILDCAT	
WELL		WELL	
VACA DRAW #1		VACA DRAW #1	
COMPANY AMERICAN QUASAR PETROLEUM COMPANY			
COUNTY LEA		COUNTRY LEA	
FIELD		FIELD	
WILDCAT		WILDCAT	
WELL		WELL	
VACA DRAW #1		VACA DRAW #1	
COMPANY AMERICAN QUASAR PETROLEUM COMPANY			



Spud: 10-2-74; Comp: 2-20-73; Elev: 3383'; DF: TD: 17, 609';
 Casing: 30" 30', 20" 920'/1550 ex; 13-3/8" 49867/3200 ex; 10-3/4" 13, 004'/3375 ex; 7"
 Int: 12, 715-17, 1055-1700 ex; 5" Lr 16 782-17, 609'/100 ex
 Comp Inlet, DST 17, 055-17, 516', op 3 hr, rec 2666' FW, ISIP 4488#/90 min, FP 567,
 1055', FSIP 1065#/2 hrs 35 min, HP 6658-6703#, DST 16, 893-17, 609', op 40 min
 CTS/NO mlz: thru 1/4" ch, SPF 1200', rec 120' DM, ISIP 7323#/1 hr, FP 2109-2666',
 FSIP 2179#/120 min
 28 16 705', Perf 15, 295-322', 20 min, F/W 6530 gals wt c. sd, F/60-80, 000 C
 6-78 BLW/24 hr, thru 1" ch (15, 291-322'), F/1/2 BW c gas @ 5-10, 000 CFCPD thru
 ch/1 hr, Perf 14, 954-15, 716', F/gas @ TSTM, F/@ 14, 000 CFCPD/5 hrs 30 mins
 decr to 40, 000 CFCPD next hr thru 1/8" ch, TP 400#, F/cst 500, 000 CFCPD/2 hr
 spray fluid (14, 954-15, 716'), F/cst 500-1, 000, 000 CFCPD (14, 954-15, 716') Perf
 14, 960-970', 15, 183-193', 15, 294-330', F/200, 000-400, 000 CFCPD 1/2" ch, A/w/
 60, 000 gals, F/smell amt gas c LW thru 3/4" ch, CP 200#, TP Zero: A/(14, 954-330
 w/6, 000 gals, F/cst 90, 000 CFCPD for 6 days thru 1/8" ch, F/sil show gas c small
 amt fluid/11 caye thru 1/4" ch, CP 700#, C/Parker Drg.
 Top: (EL) Andy 1007', Della H 4955', Bone Spring 9063', Third Bone Spring sd 11, 635'
 Barnett 15, 575', Miss H 16, 940', Dev 17496
 API No: 30-025-23895

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
BTA EXHIBIT NO. 2
CASE NO. 6408



PETROLEUM PRODUCTS

PRODUCING DEPARTMENT
CENTRAL UNITED STATES
MIDLAND DIVISION

November 15, 1978

TEXACO INC.
P. O. BOX 3103
MIDLAND, TEXAS 79701

WAIVER OF OBJECTION TO
AN UNORTHODOX LOCATION
BTA OIL PRODUCERS
7811 JV-P ROJO, WELL NO. 1
WILDCAT FIELD
LEA COUNTY, NEW MEXICO

New Mexico Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 88501

Attention: Mr. Joe D. Ramey
Secretary Director

Gentlemen:

Texaco Inc. has been advised by BTA Oil Producers of their application to drill this subject well at a location 660' FN&WL, Section 27, T-25-S, R-33-E, Lea County, New Mexico. We understand this well is to be drilled to a depth of 17,500' to test the Devonian formation.

Texaco Inc., as an offset operator, waives objection to the unorthodox location application.

Yours very truly,

D. T. McCreary
Division Manager

By R. D. Tomberlin
R. D. Tomberlin
Division Petroleum Engineer

PHD/lh

cc: BTA Oil Producers
104 South Pecos
Midland, TX 79701

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
BTA	EXHIBIT NO. 3
CASE NO.	6408



RECEIVED NOV 20 1978

PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS 79701
AC 018-642-2753

November 9, 1978

Re: Waiver of Objection For An Unorthodox Location
7811 JV-P Rojo, Well #1
Wildcat Field
660' FNL & WL of Sec. 27, T-2^S, R-33E
Lea County, New Mexico

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

Gentlemen:

We have been advised by BTA Oil Producers of their application to drill the captioned well at an unorthodox location. Please be advised that the undersigned hereby waives objection to the application.

Sincerely,

HNG OIL COMPANY

By: *John E. Martin*

Date: 11-15-78

BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

BTA EXHIBIT NO. 4

CASE NO. 6408



RECEIVED NOV 13 1978

PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS 79701
AC 915-682-3753

November 9, 1978

Re: Waiver of Objection For An Unorthodox Location
7811 JV-P Rojo, Well #1
Wildcat Field
660' FNL & WL of Sec. 27, T-26S, R-33E
Lea County, New Mexico

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

Gentlemen:

I have been advised by BTA Oil Producers of their application to drill the captioned well at an unorthodox location. Please be advised that the undersigned hereby waives objection to the application.

Sincerely,

MAX H. CHRISTENSEN

By: *Max H. Christensen*

Date: 11-10-78

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
EXHIBIT NO. 5
CASE NO. _____



BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS 79701
AC 918-682-3753

PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

November 9, 1978

Re: Waiver of Objection For An Unorthodox Location
7811 JV-P Rojo, Well #1
Wildcat Field
660' FNL & WL of Sec. 27, T-2^S, R-33E
Lea County, New Mexico

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

Gentlemen:

I have been advised by BTA Oil Producers of their application to drill the captioned well at an unorthodox location. Please be advised that the undersigned hereby waives objection to the application.

Sincerely,

RICHARD C. BEVERIDGE

By: _____

Date: _____

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
BTA	EXHIBIT NO. 6
CASE NO.	6408



BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS 79701
AC 915-682-3763

PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

November 9, 1978

Re: Waiver of Objection For An Unorthodox Location
7811 JV-P Rojo, Well #1
Wildcat Field
660' FNL & WL of Sec. 27, T-2⁵S, R-33E
Lea County, New Mexico

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

Gentlemen:

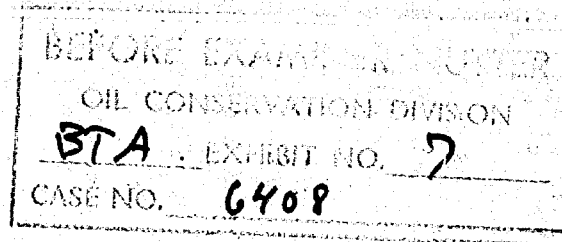
We have been advised by BTA Oil Producers of their application to drill the captioned well at an unorthodox location. Please be advised that the undersigned hereby waives objection to the application.

Sincerely,

UNION OIL COMPANY OF CALIFORNIA

By: _____

Date: _____





BTA OIL PRODUCERS

104 SOUTH PECOS
HIGHLAND, TEXAS 79701
AC 818-822-3783

PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
JERRY BEAL
SPENCER BEAL
KELLY BEAL

November 9, 1978

Re: Waiver of Objection For An Unorthodox Location
7811 JV-P Rojo, Well #1
Wildcat Field
660' FNL & WL of Sec. 27, T-2^S, R-33E
Lea County, New Mexico

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

Gentlemen:

I have been advised by BTA Oil Producers of their application to drill the captioned well at an unorthodox location. Please be advised that the undersigned hereby waives objection to the application.

Sincerely,

W. D. JOHNSON, Jr. Trust

By: _____

Date: _____

RECEIVED BY A CLERK OF THE	
OIL CONSERVATION DIVISION	
BTA	EXHIBIT NO. 8
CASE NO.	6408

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 6405: 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-Fusselman 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 1450 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. Schallinger 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 H 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.



BTA OIL PRODUCERS

104 SOUTH PECOS

MIDLAND, TEXAS 79701

AC 915-682-3751

November 15, 1978

PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

NOV 20 1978

Case 6408

Re: Application for an Unorthodox Location
7811 JV-P Rojo, Well #1 (Gas)
Wildcat Pool
660' FNL & WL of Sec. 27, T-25S, R-33E
Lea County, New Mexico

STATE OF NEW MEXICO
Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

Joe,

BTA Oil Producers respectfully request the Oil Conservation Commission to schedule a hearing to review the facts supporting the unorthodox location for the captioned well.

Yours very truly,

Bob K. Newland

BOB K. NEWLAND
For BTA Oil Producers

BKN/dh

Attachment: Plat

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

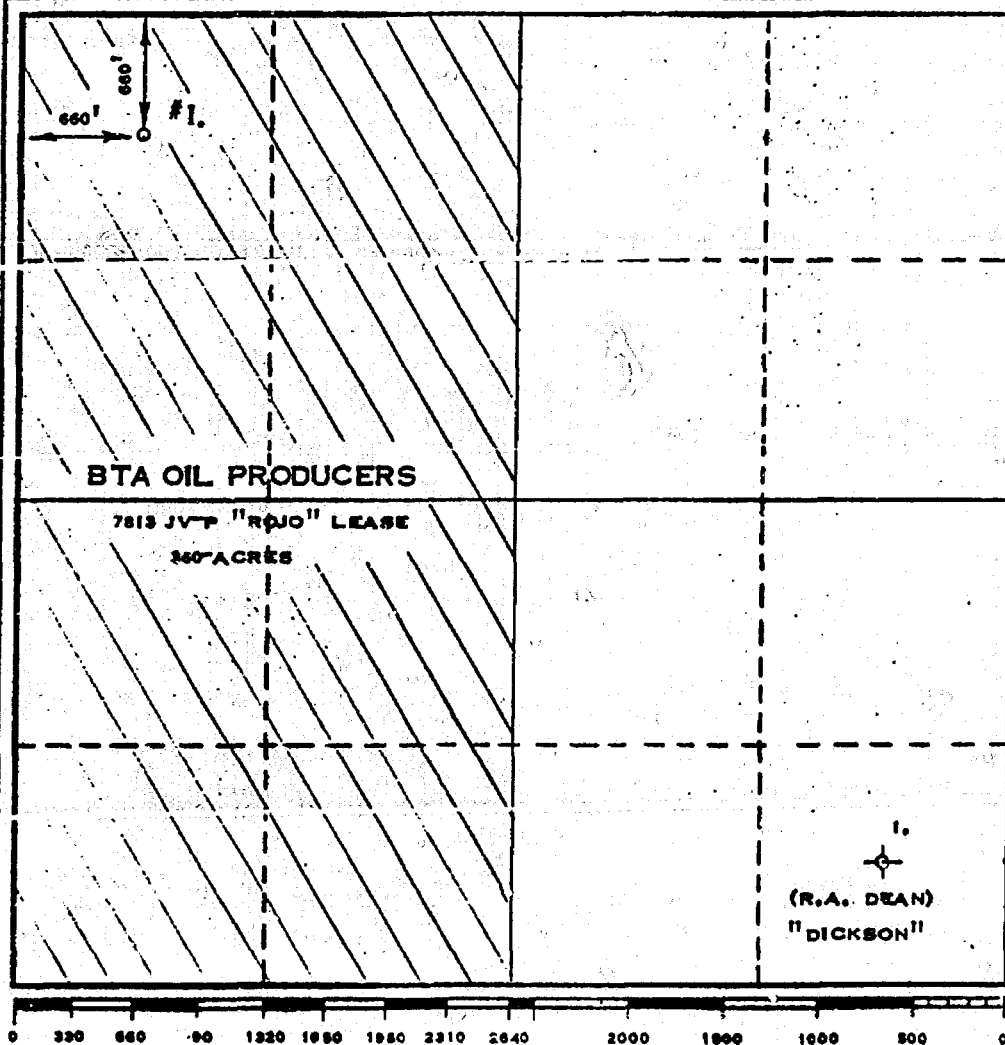
Operator BTA OIL PRODUCERS		Lease 7811 JV-P ROJO		Well No. 1
Unit Letter "D"	Section 27	Township -25-S	Range -33-E	County LEA
Actual Footage Location of Well: 660 feet from the NORTH line and 660 feet from the WEST line				
Ground Level Elev. 3339	Producing Formation WILDCAT		Pool	Dedicated Acreage: 320 Acres

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

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

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

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



CERTIFICATION

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

Name
BOB K. NEWLAND
Position
Regulatory Supervisor
Company
BTA OIL PRODUCERS
Date
11-2-78

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
OCTOBER 26, 1978
Registered Professional Surveyor and/or Land Surveyor
MAX A. SCHUBERT, JR.
Certificate No. **1310**

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. 6408

ORDER NO. R- 5905

APPLICATION OF BTA OIL PRODUCERS

FOR AN UNORTHODOX GAS WELL LOCATION,

LEA 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, BTA Oil Producers,
for its 7811 JV-P Rojo Well No. 1 to be located
seeks approval of an unorthodox gas well location/ 660
feet from the North line and 660 feet from the
West line of Section 27, Township 25 South
Range 33 East, NMPM, ^{Lea County, New Mexico,} to test the Devonian
formation, Pool Lea
County, New Mexico.

(3) That the W/2 of said Section 27 is to be
dedicated to the well.

(4) That a well at said unorthodox location will better
enable applicant to ^{test a Devonian structure} ~~produce the gas~~ underlying the proration unit.

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

-2-

Case No. _____

Order No. R-_____

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

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Devonian the BTA Oil Producers 7811 JV-P Rojo Well No. 1 formation is hereby approved for ~~axial~~ to be located at a point 660 feet from the North line and 660 feet from the West line of Section 27, Township 25 South, Range 33 East NMPM, _____ Pool, Lea County, New Mexico.

(2) That the W/2 of said Section 27 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.