

CASE 6410: CARL A. SCHELLINGER FOR AN  
UNORTHODOX LOCATION, EDDY COUNTY, NEW

**Amberg**

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CASE NO.

6410

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Carl A. Schellinger for  
an unorthodox location, Eddy County,  
New Mexico.

CASE  
6410

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:

W. Thomas Kellahin, Esq.  
Kellahin and Fox  
500 Don Gaspar  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (SSE) 411-2442  
Santa Fe, New Mexico 87501

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I N D E X

EDWARD K. DAVID

Direct Examination by Mr. Kellahin.

E X H I B I T S

Applicant Exhibit One, McKittrick Hills Field Plat	9
Applicant Exhibit Two, McKittrick Hills Structure Map	9
Applicant Exhibit Three, Cross-Section, Well A-1 Through A-7	9

SALLY WALTON BOYD  
SERIALIZED SHORTHAND REPORTER  
3030 Palm Blument (G.S.) 471-2463  
Santa Fe, New Mexico 87501

MR. NUTTER: Call Case No. 6410.

MS. TESCHENDORF: Case 6410: Application of Carl A. Schellinger for an unorthodox location, Eddy County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Kellahin and Fox, Santa Fe, New Mexico, appearing on behalf of the Applicant, and I have one witness to be sworn.

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name and occupation and by whom you're employed?

A Edward K. David, Consulting Geologist, Roswell, New Mexico. Consultant in this particular case for Carl Schellinger, Roswell, New Mexico.

Q Mr. David, have you previously testified before the Oil Conservation Division?

A Yes, I have.

Q And have you made a study of, and are you familiar with facts surrounding this particular application?

A Yes, I am.

MR. KELLAHIN: We tender Mr. David as an expert.

MR. NUTTER: Mr. David is qualified.

BY MR. KELLAHIN:

Q Would you please refer to what I have marked as Exhibit No. One, and identify that?

A This is a plat, a land plat pertaining to this particular area, McKittrick Hills Field.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (S.W.) 471-4462  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca, (905) 471-2462  
Saskatoon, Saskatchewan S7N 1V1

1 Q Would you locate the proposed proration unit  
2 for this particular well?

3 A The proration unit for this particular well is  
4 outlined in red, which is the south half of Section 1, Town-  
5 ship 22 South, Range 24 East.

6 Q What is the Applicant seeking to accomplish?

7 A The Applicant is seeking approval for unorthodox  
8 gas well location for proposed Pennsylvanian test and the  
9 footage is to be 660 feet from the South line, 1,650 feet  
10 from the West line of Section 1, Township 22 South, Range 24  
11 East, McKittrick Hills Field, Eddy County, New Mexico.

12 Q What would be a standard location for a well  
13 located within this proration unit?

14 A It would be 1,980 feet from the West line and  
15 660 feet from the South line.

16 Q So you're closer to the West line of the pro-  
17 ration unit by 330 feet?

18 A This is correct.

19 Q What is the formation to which you intend to  
20 penetrate?

21 A It will be the Upper Pennsylvanian or Cisco  
22 reef.

23 Q Is there a pool designated in this particular  
24 area for the Cisco formation?

25 A Yes, it is. It is the McKittrick Hills, Upper  
26 Pennsylvanian pool.

Q What wells are located in the McKittrick Hills,  
Cisco pool?

1 A There is one well producing out of the Cisco  
2 Reef, Upper Pennsylvanian.

3 Q Where is that well?

4 A It's located in the South half of Section 12.  
5 It's in the northeast of the southwest quarter.

6 Q Who is the operator of that well?

7 A Southern Union and the well is a No. 2 Shelby  
8 Federal.

9 Q And what proration unit is assigned to that well?

10 A The South half of Section 12.

11 Q That is the only well in the pool?

12 A That is the only well producing out of the Cisco  
13 on October 10th.

14 Q Please refer to what we have marked as Exhibit  
15 Two, and identify it.

16 A This is a structure map of the McKittrick Hills  
17 area. It's contoured on top of the Cisco Reef Dolomite.  
18 There is contour of 100 feet. The scale on this particular  
19 map is one inch equals one mile and the acreage that is pro-  
20 posed to be dedicated to this particular well is outlined  
21 in red.

22 The Cisco Reef wells in this area are color-  
23 coded with the green. For example, Indian-Basin pool is  
24 shown on the extreme west-central portion of the map area.  
25 The spring Cisco Reef field is shown in the extreme north-  
eastern portion of the map area, and the one well in the  
McKittrick Hills Field of the Southern Union No. 2 Shelby  
is shown in green in the center of the map area.

SALLY WALTON BOYD  
CERTIFIED SHOTFIRE REPORTER  
3026 Plaza Blanca (SOS) 471-2402  
Santa Fe, New Mexico 87501



SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (SOS) 471-4462  
Santa Fe, New Mexico 87501

1 Q What's indicated by the yellow line?

2 A The yellow line represents the original gas-  
3 water contact of minus 4,020 feet, as determined, among oth-  
4 er things, drill-stem tests in the No. 2 Shelby.

5 Q Why have you requested an unorthodox location  
6 as opposed to a standard location for drilling the well?

7 A The map in this area indicates that the structure  
8 on top of the Cisco Reef is the north-south line with ex-  
9 tremely steep flanks, especially on the west flank and the  
10 east flank. Based on well control, the wells have to be  
11 pin-pointed in such a manner that they are located near the  
12 top of this structure, and encounter the Pennsylvanian Upper  
13 Cisco Reef above minus 4,020. Otherwise, there are numerous  
14 wells in the area that encountered it below the gas-water  
15 contact and tested water which resulted in dry holes.

16 Q Would a standard location for this proration  
17 unit, in your opinion, pose an unreasonable risk to encounter  
18 the gas-water contact for the Cisco?

19 A Yes, it would.

20 Q You're moving closer to the west half or Section  
21 Two, I believe, is it not?

22 A That's correct.

23 Q Who is the operator of that acreage?

24 A Pennzoil.

25 Q Have you been in contact with Pennzoil?

A Yes, and they are contributing acreage to this  
particular test with farm-out.

Q So they have no objection to your location?



1 A That's correct.

2 Q All right, sir. Let's refer to Exhibit No.  
3 Three and have you identify it.

4 A Exhibit No. Three is a cross-section which  
5 extends from left to right in a west-to-east direction. It's  
6 numbered in sequence from Well A-1 through Well A-7. Well  
7 A-1 being on the left-hand side, or the western edge of the  
8 cross-section, and Well A-7 being on the right-hand side,  
9 on the extreme eastern edge of the cross-section.

10 This particular cross-section has the datum of  
11 the C-level and the scales are noted on the title block.  
12 Also, the Cisco Reef is shaded in blue to designate this  
13 particular formation. The gas column in the field is shaded  
14 red. That is the portion of the reservoir occurring above  
15 minus-4,020 feet, which is gas-water contact.

16 On the left-hand side is Well A-1, which is a  
17 dry hole on the southeastern portion of the Indian-Basin  
18 field, which shows correlation going into the Indian-Basin  
19 area. The cross-section moves to the southeast to Well A-2,  
20 which also encounters the Cisco Reef. However, there are no  
21 drill-stem tests in Well A-2. That's in section 14. That's  
22 the Southern Union No. One McKittrick Federal.

23 Cross-section then continues due north to Well  
24 A-3, which is on the west flank of the McKittrick Hills  
25 Field. This Well A-3 is the Flag Redford No. 1 McKlellen  
Federal, which is a Cisco Reef dry hole. It encountered  
the Cisco Reef approximately 100 feet high to the discovery  
well, placing the top of the Cisco Reef below the gas-water

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (695) 471-2462  
Santa Fe, New Mexico 87501

1 contact of minus-4,020 feet. Consequently drill-stem test  
2 on top of the Cisco Reef recovered a small amount of gas show,  
3 plus substantial water, which resulted in the plugging of  
4 this particular well.

5 The cross-section then continues to the north-  
6 east to the proposed location A-4. Then it moves due south  
7 to discovery Well A-5, which is a Southern Union No. 1 Shelby  
8 Federal -- No. 2 Shelby Federal. The drill stem tests are  
9 shown on this well as well as the production.

10 This well had a calculated absolute open flow  
11 of 17-million, and to date it has produced over one-and-a-  
12 half-billion cubic feet of gas. In October it produced over  
13 47-million cubic feet of gas.

14 The cross-section then continues to Well A-6,  
15 which is on the northeast flank of the field. There again,  
16 being structured below, we find that DST No. 1 recovered  
17 formation water. The cross-section then continues and ter-  
18 minates to the northeast of Well A-7, which is the Tokena  
19 No. 1 Kemball, being a structured low well, DST No. 1 re-  
20 covered the formation water, which resulted in the Cisco Reef  
21 failure.

22 Q Mr. David, if this proposed well is commercial-  
23 ly successful, what further development plans do you have  
24 for this particular area?

25 A We also have development plans in the north half  
of 1, and the east half of Section 2.

Q The Applicant is a working-interest owner in  
the north half of this Section?

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2030 Plaza Blanca (955) 471-2452  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3026 Plaza Elanica (986) 471-2453  
Santa Fe, New Mexico 87501

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A Pardon me?

Q The Applicant is a working-interest owner in the north half of this Section?

A Yes, that's correct.

Q And your second well then would simply be an additional well for the north half?

A That's correct.

Q Do you have any lease expiration problems with regard to the drilling this month?

A Yes, we do. We have to be drilling by the end of January on these particular leases because of expiration problems.

Q Were Exhibits One, Two and Three compiled by you or prepared by you?

A That is correct.

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

A Yes, it will.

Q In your opinion, is the proposed location the optimum location from which to drain this proration unit?

A Yes, it is.

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

MR. NUTTER: Applicant's Exhibits One through Three will be admitted in evidence. Are there any questions of the witness? He may be excused. Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No, Sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 6410? We will take the case under advisement.

(Hearing concluded.)

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1050 Plaza Blanca (S.E.) 471-4462  
Santa Fe, New Mexico 87501

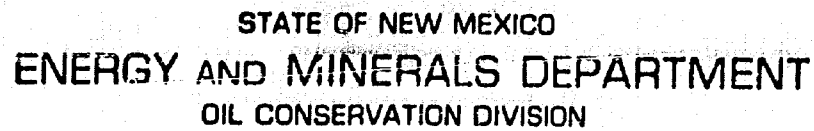
## REPORTER'S CERTIFICATE

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  
3026 Plaza Blanca (666) 471-2402  
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is  
a complete and correct transcript of the proceedings in  
the Examiner hearing of Case No. 6410  
heard by me on 12/20 1978.  
*[Signature]* Examiner  
Oil Conservation Division



**NICK FRANKLIN**  
**SECRETARY**

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

January 17, 1979

Mr. Tom Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: CASE NO. 6410  
ORDER NO. R-5907

**Applicant:**

Carl A. Schellinger

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                     

**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. 6410  
Order No. R-5907

APPLICATION OF CARL A. SCHELLINGER  
FOR AN UNORTHODOX LOCATION, EDDY  
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, Carl A. Schellinger, seeks approval of an unorthodox gas well location for 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, NMPM, to test the Upper Pennsylvanian formation, McKittrick Hills Field, Eddy County, New Mexico.
- (3) That the S/2 of said Section 1 is to be dedicated to the well.
- (4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location.
- (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



-2-

Case No. 6410  
Order No. R-5907

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 Upper Pennsylvanian formation is hereby approved for the Carl A. Schellinger McClelland-Holly Federal Well No. 1 to be located at a point 660 feet from the South line and 1650 feet from the West line of Section 1, Township 22 South, Range 24 East, NMPM, McKittrick Hills Field, Eddy County, New Mexico.
- (2) That the S/2 of said Section 1 shall be dedicated to the above-described well.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

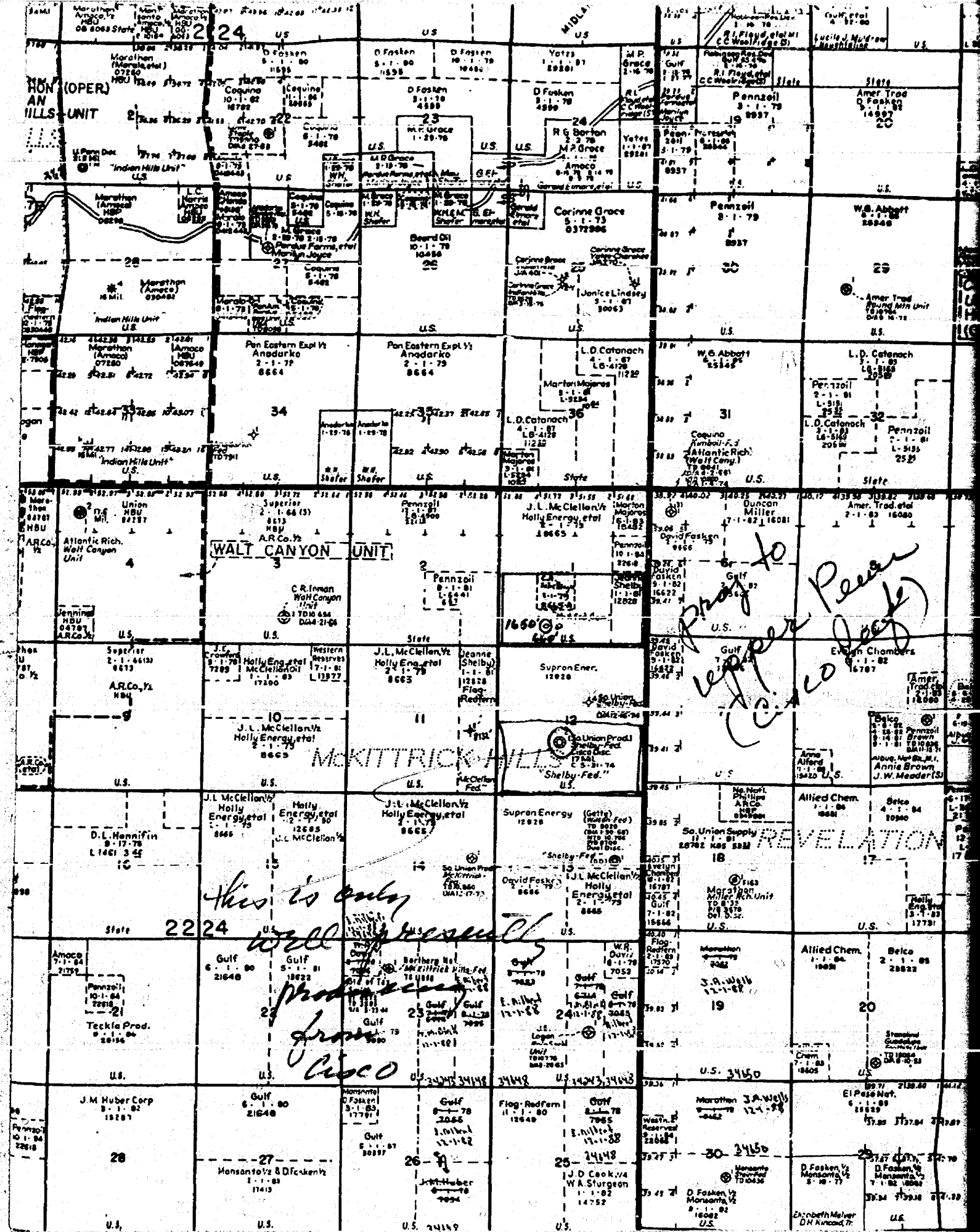
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

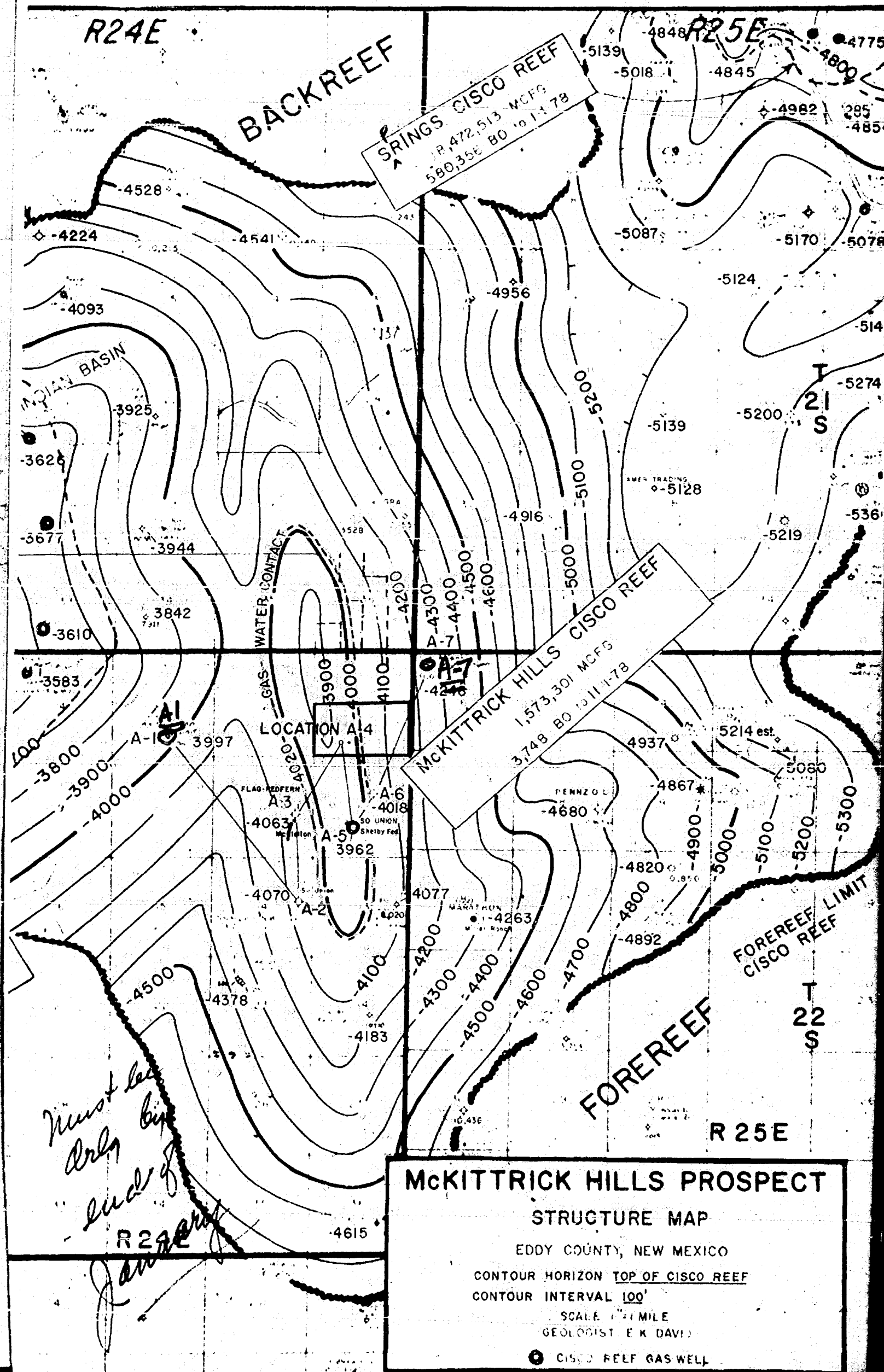
  
S E A L

fd/



BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION

*Schallenger* EXHIBIT N.O. 1  
CASE NO. 6410



GEORGE EXAMINER NUTTER  
OIL CONSERVATION DIVISION

*Schellinger* EXHIBIT NO. 2  
CASE NO. 6410

CARL A. SCHELLINGER

*Oil Properties - Licensed Broker*

BUS. (505) 623-2328

DEC 4 1978 RES. (505) 623-2329

December 1, 1978

*Case 6410*

Mr. D.S. Nutter  
New Mexico Oil Conservation Commission  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: Unorthodox Location  
McKittrick Hills Area  
Eddy County, New Mexico

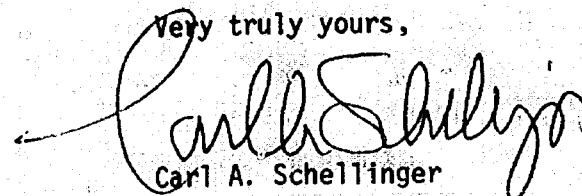
Dear Mr. Nutter:

This will confirm our verbal request for a hearing  
to consider an unorthodox location as follows:

Field: McKittrick Hills Cisco  
Formation: Pennsylvanian Cisco  
Operator: Carl A. Schellinger  
Well Name: #1 McClellan-Holly Federal  
Location: 660' FSL and 1650' FWL

In the event you need something further from this  
office please advise.

Very truly yours,

  
Carl A. Schellinger

CAS/mb  
cc: Edward K. David



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-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 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.

Dec 20

Application of Carl A. Schellinger for an  
unorthodox location, Eddy County, New  
Mexico.

Applicant, in the above-styled cause, seeks  
approval for the unorthodox <sup>gas well</sup> location of  
a proposed Pennsylvanian test to be  
drilled 660 feet from the South line and  
1980 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.

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. 6410

ORDER NO. R- 5907

APPLICATION OF CARL A. SCHELLINGER

FOR AN UNORTHODOX ~~GAS WELL~~ LOCATION,

EDDY COUNTY, NEW MEXICO. *JS*

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, Carl A. Schellinger,  
seeks approval of an unorthodox gas well location / 660  
feet from the South line and 1650 feet from the  
West line of Section 1, Township 22 South  
Range 24 East, NMPM, to test the Upper Pennsylvanian  
formation, McKittrick Hills Field ~~Pool~~, Eddy  
County, New Mexico.

(3) That the S/2 of said Section 1 is to be  
dedicated to the well.

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

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

Dan Nutter

called in by:

Carl A. Schellinger  
(505) 623-2328

P.O. Box 447, Roswell 08201  
@ 1:45 pm 11/29

unearthed gas well

McCritchies Hill Field

660' FSL

1650' FWL

Sec 1, T22S R24E

Eddy Co.

5/2 to be dedicated

-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 <sup>upper</sup> Pennsylvanian ~~the Carl A. Schellinger McClelland-Hooley Federal Well No. 1~~ formation is hereby approved for ~~well~~ to be located at a point 660 feet from the South line and 1650 feet from the West line of Section 1, Township 22 South, Range 24 East NMPM, McKittrick Hills Field ~~Dist.~~ Eddy County, New Mexico.

(2) That the S/2 of said Section 1 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.