

Cari CASE 6427: CARIBOU FOUR CORNERS, INC.,
FOR AN UNORTHODOX WELL LOCATION, SAN
JUAN COUNTY, NEW MEXICO

CASE NO.

6427

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
31 January 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Caribou Four Corners,) CASE
Inc., for an unorthodox well loca-) 6427
tion, San Juan County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant:

Damon Weems, Esq.
Attorney at Law
Farmington, New Mexico

SALLY WALTON BOYD
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I N D E X

DENNY FOUST

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MR. STAMETS: We will call next Case 6427.

MS. TESCHENDORF: Case 6427. Application of Caribou Four Corners, Inc., for an unorthodox well location, San Juan County, New Mexico.

MR. STAMETS: Call for appearances in this case.

MR. WEEMS: Mr. Examiner, I'm Damon Weems, Attorney at Law from Farmington, New Mexico, and I'm representing Applicant Caribou Four Corners, Incorporated. I will have one witness and several exhibits.

MR. STAMETS: Any other appearances in this case? I'd like to have the witness stand and be sworn, please.

(Witness sworn.)

MR. STAMETS: Then you may proceed, Mr. Weems.

DENNY FOUST

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

DIRECT EXAMINATION

BY MR. WEEMS:

Q Will you please state your name?

A My name is Denny Foust.

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Santa Fe, New Mexico 87501

1 Q And your occupation?

2 A I'm a geologist with Caribou Four Corners.

3 Q How long have you been employed by them?

4 A Approximately eleven months.

5 Q How long have you been a geologist?

6 A Seven years.

7 Q And where did you receive your formal
8 training?

9 A I received a Bachelor's and Master's at
10 Bowling Green State University in Ohio.

11 MR. WEEMS: Will the qualifications be ac-
12 cepted?

13 MR. STAMETS: No doubt. Since graduation,
14 Mr. Foust, what has been your professional experience?

15 A I worked for two years with Amerada Hess
16 as a geologist and three and a half years with Montana
17 Power, located in Billings, Montana, and I've been with
18 Caribou for the last eleven months, also in Billings, Montana.

19 MR. STAMETS: And is Billings your residence?

20 A Yes, sir.

21 MR. STAMETS: What year did you say you
22 got your BS and MS?

23 A I got a BS from Bowling Green in 1966 and
24 a Master's in 1972.

25 MR. STAMETS: The witness is considered

1 qualified.

2 Q (Mr. Weems continuing.) Thank you.

3 Have you seen the exhibits attached to the
4 application submitted?

5 A Yes, I have.

6 Q Would you please describe Exhibit Number
7 One?

8 A Exhibit Number One --

9 MR. STAMETS: Do you have a set of those for
10 the Examiner?

11 MR. WEEMS: I was hoping that they had them
12 in the file, Mr. Examiner.

13 MR. STAMETS: Well, let's see if there is.

14 All right, we will take a second and mark a set of these.

15 MR. WEEMS: Off the record.

16 (There followed a discussion
17 off the record.)

18 MR. STAMETS: All right, back on the record,
19 and you may proceed.

20 Q (Mr. Weems continuing.) I hand you Exhibit
21 One-A and would you describe this? Was this prepared by
22 you or under your direction?

23 A Yes, this was prepared directly under my
24 supervision.

25 Q And does it purport to say the same thing

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1 as Exhibit One which has been submitted?

2 A Yes, in more detail.

3 Q Would you please outline the acreage to be
4 dedicated by Caribou Four Corners, Incorporated for this
5 test well?

6 A Okay. The 80 acres in question are located
7 in the east half of the northeast quarter of Section 13,
8 29 North, 15 West.

9 Q In that 80 acres who is the -- who has the
10 leasehold interest?

11 A To the best of my knowledge the leasehold
12 interests are Caribou Four Corners and a small holding by
13 Continental Oil Company through a Navajo Tribal Lease.

14 Q Is that 80 acres cut or bifurcated by a
15 river?

16 A Yes, sir, the San Juan River does pass
17 through that 80 acres.

18 Q And the land to the south of that San Juan
19 River would be belonging to the Navajo Tribe of Indians?

20 A Yes, sir.

21 Q And under lease to Conoco?

22 A Yes, sir.

23 Q How much land does that comprise of the 80
24 acres?

25 A Mr. Examiner, the exhibit which you see in

1 front of you --

2 MR. STAMETS: This is one which has been
3 labeled One-A.

4 A. Uh-huh, yes. Is not exactly diagrammatically
5 correct. I did some research yesterday and found that in
6 that Lot 4 of Section 13, 28.49 acres is dedicated as fee
7 acreage.

8 MR. STAMETS: Okay, I'm going to have to get
9 organized on this.

10 (There followed a discussion
11 off the record.)

12 A. Okay, that contains 28.49 acres, and ac-
13 cording to the 1882 survey, which is a survey of record,
14 the remainder of that 40 would come under what I would
15 describe as reparation title and in 1886 the executive de-
16 cree from the President designated the reservation lands
17 to be south of the mid-channel of the San Juan River, so
18 that would indicate that the remaining 11.51 acres would
19 be divided evenly, 50 percent to the tribe and 50 percent
20 to the fee acreage north of the river.

21 Q. How much acreage is there to the south of
22 the river belonging to Conoco in the leasehold interest?

23 A. There would be approximately 5.75 acres
24 reparation.

25 Q. Have you dealt, you or anyone with Caribou,

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1 dealt with Conoco in regard to that acreage?

2 A We have requested a farmout agreement from
3 Continental offices at Midland, Texas.

4 Q Have you or anyone from Caribou Four Corners,
5 Incorporated, received any response from Conoco?

6 A They have been fairly amiable and they did --
7 Mr. Pat McQuiston, who we were dealing with directly, has
8 submitted a farmout agreement to his superiors and we're
9 waiting on action on this. We don't anticipate any diffi-
10 culties.

11 Q Would you describe that letter which we
12 would submit as an exhibit?

13 A Okay, we received confirmation of this pro-
14 cedure on January 23rd of this year from Mr. McQuiston and
15 he states that this office has recommended to our management
16 that Continental farmout its -- and this states 14.4 acres,
17 located in the east half northeast quarter of Section 13
18 for the drilling of a 4600 Gallup test with the agreement
19 providing for continuous development of Section 13 and 14
20 to include all or a portion of the Continental leasehold
21 acreage.

22 There is this discrepancy in the acreage
23 that would be designated as Continental leasehold due to
24 the information I was able to obtain yesterday.

25 Q To your knowledge was Continental then given

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1 notice of of our intention to seek this unorthodox well
2 location?

3 A Yes, they have been given notice.

4 Q Exhibit Number Four, for the record, will be
5 the Continental letter.

6 And would you describe, please, Exhibit
7 Number Two? Is that a letter from a professional engineer?

8 A This is a letter from Mr. Jim Leese, who is
9 with San Juan Engineering, and to the best of my knowledge
10 he is a registered professional engineer and land surveyor.

11 Q Do you have personal knowledge of the land
12 to which he is referring in this letter?

13 A Yes, I have visited the location.

14 Q And do you agree substantially with what he
15 has said?

16 A Yes, sir.

17 Q Rather than just recount such testimony,
18 I'll let the exhibit speak for itself.

19 Would you take a look, please, at Exhibit
20 Number Three prepared by Mr. Leese? From your personal
21 knowledge does that fairly represent the area that we are
22 talking about today?

23 A Yes, I believe so.

24 MR. WEEMS: We move the introduction of
25 Exhibits One, One-A, Two, Three, and Four.

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1 MR. STAMETS: These exhibits will be ad-
2 mitted.

3 Q Would you explain, please, in general terms
4 to the Examiner, why we are seeking this particular location?

5 A Okay, this location is designated as an
6 80-acre spacing, and it falls under the State rules which
7 state that it will be considered an extension of the Cha-
8 Cha Gallup Field spacing, and due to human habitations and
9 location of a 75-cow dairy herd and farmlands, this seems
10 to be the most viable location available.

11 Q Would you please describe this location and
12 the type of land it is?

13 A This is located at the base of a bank which
14 is covered by -- thinly covered by timber of the cotton-
15 wood variety, which is falling, and some scrub brush, and
16 it is not under cultivation and it is marginally useful
17 pasture.

18 Q In the 80-acre tract is there any other
19 land such as this that might be considered wasteland?

20 A Not that is located some distance from the
21 dairy barn and some distance from the river.

22 Q In your professional opinion will the
23 granting of this exception, or this unorthodox location,
24 be in the interest of conservation?

25 A Yes, I believe so.

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1 MR. WEEMS: I have no further questions of
2 the witness.

3
4 CROSS EXAMINATION

5 BY MR. STAMETS:

6 Q Mr. Foust, I would presume, looking at all
7 the exhibits, that you have submitted here, that the reason
8 for the unorthodox location is to avoid the dwellings,
9 which are in the northern part of the 80-acres, and to
10 avoid the alfalfa field which lies south and west of the
11 well, and to do as little damage to this property as pos-
12 sible.

13 A Yes, sir, and also there is a 75-cow dairy
14 herd owned by Mr. David Wallraven (sic), who owns the sur-
15 face there in that south 40.

16 Q Okay.

17 MR. STAMETS: Any other questions of this
18 witness? He may be excused.

19 Anything further in this case? Take the
20 case under advisement.

21 MR. WEEMS: Thank you.

22 (Hearing concluded.)
23
24
25

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Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6422
heard by me on 1-31-79
Richard A. Stem, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
31 January 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Caribou Four Corners,
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CASE
6427

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

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Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

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Farmington, New Mexico

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I N D E X

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MR. STAMETS: Any other appearances in this case? I'd like to have the witness stand and be sworn, please.

(Witness sworn.)

MR. STAMETS: Then you may proceed, Mr. Weems.

DENNY FOUST

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

DIRECT EXAMINATION

BY MR. WEEMS:

Q Will you please state your name?

A. My name is Denny Foust.

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CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

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Power, located in Billings, Montana, and I've been with
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got your BS and MS?

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a Master's in 1972.

MR. STAMETS: The witness is considered

SALLY WALTON BOYD
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3030 Plaza Blanca (G95) 471-2462
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1 qualified.

2 Q (Mr. Weems continuing.) Thank you.

3 Have you seen the exhibits attached to the
4 application submitted?

5 A Yes, I have.

6 Q Would you please describe Exhibit Number
7 One?

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10 the Examiner?

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21 One-A and would you describe this? Was this prepared by
22 you or under your direction?

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7 in the east half of the northeast quarter of Section 13,
8 29 North, 15 West.

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1 front of you --

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3 labeled One-A.

4 A Uh-huh, yes. Is not exactly diagrammatically
5 correct. I did some research yesterday and found that in
6 that Lot 4 of Section 13, 28.49 acres is dedicated as fee
7 acreage.

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9 organized on this.

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25 Q To your knowledge was Continental then given

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2020 Plaza Blanca (666) 471-2462
San Antonio, Texas 78201

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2 location?

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5 the Continental letter.

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9 with San Juan Engineering, and to the best of my knowledge
10 he is a registered professional engineer and land surveyor.

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15 has said?

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18 I'll let the exhibit speak for itself.

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20 Number Three prepared by Mr. Leese? From your personal
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24 MR. WEEMS: We move the introduction of
25 Exhibits One, One-A, Two, Three, and Four.

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2 mitted.

3 Q Would you explain, please, in general terms
4 to the Examiner, why we are seeking this particular location?

5 A Okay, this location is designated as an
6 80-acre spacing, and it falls under the State rules which
7 state that it will be considered an extension of the Cha-
8 Cha Gallup Field spacing, and due to human habitations and
9 location of a 75-cow dairy herd and farmlands, this seems
10 to be the most viable location available.

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12 the type of land it is?

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14 is covered by -- thinly covered by timber of the cotton-
15 wood variety, which is falling, and some scrub brush, and
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17 pasture.

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19 land such as this that might be considered wasteland?

20 A Not that is located some distance from the
21 dairy barn and some distance from the river.

22 Q In your professional opinion will the
23 granting of this exception, or this unorthodox location,
24 be in the interest of conservation?

25 A Yes, I believe so.

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1 MR. WEEMS: I have no further questions of
2 the witness.

3
4 CROSS EXAMINATION

5 BY MR. STAMETS:

6 Q Mr. Foust, I would presume, looking at all
7 the exhibits, that you have submitted here, that the reason
8 for the unorthodox location is to avoid the dwellings,
9 which are in the northern part of the 80-acres, and to
10 avoid the alfalfa field which lies south and west of the
11 well, and to do as little damage to this property as pos-
12 sible.

13 A Yes, sir, and also there is a 75-cow dairy
14 herd owned by Mr. David Wallraven (sic), who owns the sur-
15 face there in that south 40.

16 Q Okay.

17 MR. STAMETS: Any other questions of this
18 witness? He may be excused.

19 Anything further in this case? Take the
20 case under advisement.

21 MR. WEEMS: Thank you.

22 (Hearing concluded.)
23
24
25

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6427 heard by me on 1-31-1977.

Richard L. Hamto, Examiner
Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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. 6427
Order No. R-5920

APPLICATION OF CARIBOU FOUR CORNERS, INC.
FOR AN UNORTHODOX WELL LOCATION, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 31, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of February, 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, Caribou Four Corners, Inc., seeks approval for the unorthodox oil well location of its Caribou/Kirtland Well No. 1 to be located 1214 feet from the North line and 650 feet from the East line of Section 13, Township 29 North, Range 15 West, NMPM, to test the Gallup formation, Cha Cha-Gallup Oil Pool, San Juan County, New Mexico.

(3) That the E/2 NE/4 of said Section 13 is to be dedicated to the well.

(4) That said unorthodox location is necessitated by topography.

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

-2-

Case No. 6427
Order No. R-5920

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil 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:

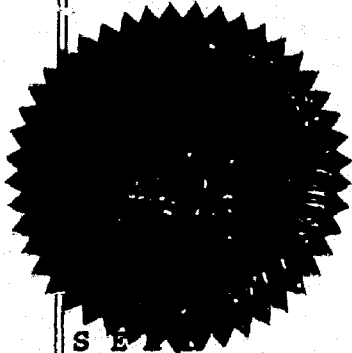
(1) That an unorthodox oil well location for the Gallup formation is hereby approved for the Caribou Four Corners, Inc. Caribou/Kirtland Well No. 1 to be located at a point 1214 feet from the North line and 650 feet from the East line of Section 13, Township 29 North, Range 15 West, NMPM, Cha Cha-Gallup Oil Pool, San Juan County, New Mexico.

(2) That the E/2 NE/4 of said Section 13 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
JOE D. RAMEY
Director

fd/

San Juan Engineering Company

WELL LOCATIONS • ROADS • SUBDIVISIONS • POWER LINES • LAND SURVEYS • PIPE LINES
CONSULTING • GENERAL ENGINEERING • DESIGN • REPORTS • MUNICIPAL

REGISTERED PROFESSIONAL ENGINEERING SERVICE
IN NEW MEXICO, COLORADO, UTAH, ARIZONA, OKLAHOMA, WYOMING

PHONES

FARMINGTON, N. M. . . . 325-7835
NIGHT . . . 325-2670

P. O. BOX 752
FARMINGTON, NEW MEXICO
87401

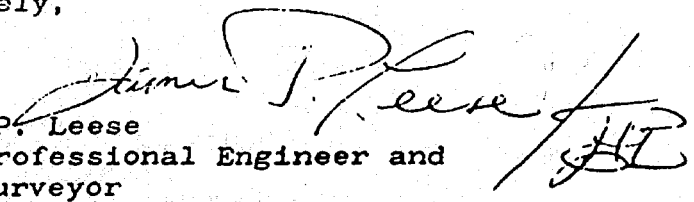
December 14, 1978

Oil Conservation Division

To whom it may concern,

Submitted herewith is a vicinity map showing a proposed well location for Caribou Four Corners, Inc.. As can be seen from the plat, the location is heavily controlled by high density housing and agricultural development. The latter of these two factors appears less troublesome. However, good farmland is at a premium, and will continue to be so. The problems involved in a wellhead which lies in the middle of a man's field are more real than may be apparent. The unorthodox location proposed by Caribou Four Corners obviates most of these problems. The location encompasses and is adjacent to a swamp area, and the 150' radius easement area borders an embankment (see plat). This location preserves at the very least 50% more farmable land than would any other alternate site. The residential structures which control the northern portions of the quarter prohibit any drilling of this kind due to the number of homes existing in such close proximity to one another. It seems obvious to us that this is the best and the only possible site given the existing conditions on the ground. Please note that the map underestimates the housing to some extent.

Sincerely,


James P. Leese
Reg. Professional Engineer and
Land Surveyor
New Mexico Reg. #1463 PE & LS

JPL/eab

BEFORE EXAMINER STATES	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	2
CASE NO.	6427
Submitted by	Caribou
Hearing Date	

EXHIBIT 2

Midland Division
North American Exploration

Continental Oil Company
P.O. Box 1959
Midland, Texas 79702
(915) 684-7411

January 23, 1979

Caribou Four Corners, Inc.
404 North 31st Street, Suite 219
Billings, Montana 59101

Attention: Mr. Andy Morgan

Re: L-145219 - Section 13 and Section 14, T-29N, R-15W, San Juan
County, New Mexico

Gentlemen:

With reference to your letter of November 22, 1978, this office has recommended to our management that Continental farmout its 14.4 acres located in the E/2 NE/4 of Section 13, for the drilling of a 4,600' Gallup test with the agreement providing for the continuous development of Sections 13 and 14 to include all or a portion of Continental leasehold acreage, less and except the SE/80 acres of Section 13, which is attributable to Continental Fruitland #2 Well. Continental will retain a 1/8 of 8/8 ORR with the option to convert to a 50% W.I. after payout, proportionately reduced to the acreage contributed to a spacing unit and all deep rights.

Subject to management's approval Continental will present to you a farmout agreement setting out the terms of our trades. Should you have any further questions, please feel free to contact this office at any time.

This office will advise you of management's approval or rejection of our recommendation as soon as it is available.

Yours very truly,

R. P. McCuiston

R. P. McCuiston
Landman
Midland Division

RPM/rg

BEFORE EXAMINER STAMETS	
OIL CONSERVATION DIVISION	
FILE NO.	4
CASE NO.	6427
Submitted by	
Hearing Date	

Dockets Nos. 5-79 and 6-79 are tentatively set for hearing on February 14 and 28, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 31, 1979

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 6422: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6415: (Continued from January 17, 1979, Examiner Hearing)
Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Devonian formations underlying the W/2 of Section 20, Township 14 South, Range 36 East, Lea 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 6419: (Continued from January 17, 1979, Examiner Hearing)
Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Lanning JC Well No. 1 located in Unit B of Section 7, Township 18 South, Range 26 East, Eagle Creek Field, Eddy County, New Mexico, to produce gas from the Strawn formation through the casing-tubing annulus and from the Morrow formation through tubing.
- CASE 6423: Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jackson AT Well No. 9 located 650 feet from the South and West lines of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Wolfcamp, Pennsylvanian, and Mississippian formations, the S/2 of said Section 13 to be dedicated to the well.
- CASE 6424: Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Superior Fed. KJ Well No. 1 located 990 feet from the North and West lines of Section 7, Township 20 South, Range 29 East, Eddy County, New Mexico, to test the Wolfcamp and Pennsylvanian formations, the N/2 of said Section 7 to be dedicated to the well.
- CASE 6425: Application of T. B. Knox Estate for exception to Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing/cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A to permit its Lucia Brookes Well No. 2 located in Unit K of Section 14, Township 18 South, Range 30 East, Eddy County, New Mexico, to be completed in the following manner: set surface casing and circulate cement; eliminate salt protection string; and do not circulate cement on production casing.
- CASE 6426: Application of C. W. Trainer for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the North and West lines of Section 24, Township 20 South, Range 32 East, South Salt Lake-Morrow Pool, Lea County, New Mexico, the N/2 of said Section 24 to be dedicated to the well.
- CASE 6427: Application of Caribou Four Corners, Inc., for an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Caribou/Kirtland Well No. 1 to be located 1214 feet from the North line and 650 feet from the East line of Section 13, Township 29 North, Range 15 West, Cha Cha-Gallup Pool, San Juan County, New Mexico, the E/2 NE/4 to be dedicated to the well.
- CASE 6428: Application of Mobil Oil Corporation for the amendment of Order No. R-5801, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5801 to delete the requirements for lined tubing in injection wells in the North Vacuum Abo East Pressure Maintenance Project, Lea County, New Mexico.

- CASE 6429:** Application of Zia Energy, Inc., for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its Elliott State Well No. 2 to be located in Unit B of Section 34, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.
- CASE 6430:** Application of Phoenix Resources Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Buckhorn Canyon Unit Area comprising 23,009 acres, more or less, of Federal and state lands in Township 19 South, Ranges 19 and 20 East, Chaves County, New Mexico.
- CASE 6431:** Application of HNG Oil 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 35, Township 23 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6432:** Application of John Yuronka for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the NE/4 NW/4 and the SE/4 NW/4 of Section 29, Township 24 South, Range 37 East, Lea County, New Mexico, to form two 40-acre units, each 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 wells 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 wells and a charge for risk involved in drilling said wells.
- CASE 6433:** Application of Cities Service Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the S/2 of Section 8, Township 23 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6434:** Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "O" Well No. 5 to be located in Unit H of Section 30, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.
- CASE 6435:** Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.
- CASE 6436:** Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "U" Gas Com Well No. 2 to be located in Unit C of Section 32, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.
- CASE 6437:** Application of Curtis Little for approval of infill drilling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of a well to be located 1085 feet from the South line and 285 feet from the West line of Section 12, Township 28 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well. Applicant further seeks rescission of Order No. R-4556 and approval of a 344.36-acre non-standard gas proration unit comprising all of Section 11, and Lot 4 and the SW/4 SW/4 of Section 12 for said well.
- CASE 6438:** Application of Caulkins Oil Company for dual completions and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Breech Well No. 812 located in Unit N of Section 18, Township 26 North, Range 6 West, and its Breech Well No. 224-A located in Unit B of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico, to produce gas from the Dakota formation through a separate string of tubing and to commingle Chacra and Mesaverde production in the wellbores of said wells.

- CASE 6439: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Mesaverde and Dakota production in the wellbore of its Breech A Well No. 229 located in Unit D of Section 17, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6440: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Breech F Well No. 8 located in Unit A of Section 34, Township 27 North, Range 6 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Mesaverde and Dakota production in the wellbore of said well.
- CASE 6441: Application of Caulkins Oil 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 in the wellbore of its Breech F Well No. 12 located in Unit A of Section 35, Township 27 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6442: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs, Chacra and Mesaverde production in the wellbore of its Breech E Well No. 109 located in Unit M of Section 3, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6443: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Breech B Well No. 220-R located in Unit B of Section 14, Township 26 North, Range 7 West, to produce gas from the Dakota formation through a separate string of tubing and to commingle Pictured Cliffs, Chacra and Mesaverde production in the wellbore of said well.
- CASE 6444: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs, Mesaverde, Chacra and Greenhorn production in the wellbore of its Breech Well No. 224 located in Unit A of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

JAN - 5 1979

DAMON L. WEEMS

ATTORNEY AT LAW
2901 EAST 20TH STREET
FARMINGTON, NEW MEXICO 87401
(505) 327-4469

January 8, 1979

Oil Conservation Division
State of New Mexico
Box 2088
Santa Fe, New Mexico 87501

Re: Application of Caribou Four Corners, Inc.,
for an unorthodox well location.

Dear Sirs:


Enclosed please find an Application for Unorthodox Well Location in Section 13, Township 29 N., Range 15 W., N.M.P.M., San Juan County, New Mexico. Further, enclosed find Exhibits 1 through 3 attached to the said Application.

Please set this matter for hearing at your first opportunity. After speaking with Mr. Stamets by telephone it is my understanding that this matter should be set for hearing on January 31, 1979. Time is important to us because of the availability of our drilling contractor.

In reviewing my file I found an Application on behalf of Caribou for the creation of a non-standard proration unit in the same Section, Township and Range. Please withdraw said Application for Non-Standard Proration Unit.

Thank you very much for your cooperation in this matter, and if there is anything further that I need to submit prior to the January 31, 1979 hearing, please notify me at your first opportunity.

Sincerely,


Damon L. Weems

DLW:lb

enclosure

NO
BOND

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

JAN - 5 1979

Application of:
CARIBOU FOUR CORNERS, INC.,
for an Unorthodox Well
Location in SECTION 13,
TOWNSHIP 29 NORTH, RANGE 15
WEST, N.M.P.M., SAN JUAN COUNTY,
NEW MEXICO

Case No. 6427

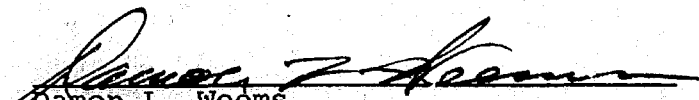
APPLICATION FOR UNORTHODOX WELL LOCATION

Pursuant to Rule 104 of the Rules and Regulations of the Oil Conservation Division, Caribou Four Corners, Inc., respectfully requests that the Division grant an exception to the well location requirements in the Cha Cha-Gallup Pool, stating as grounds therefore that the necessity for such unorthodox well location is based upon topographical and demographical conditions.

The proposed location for the Caribou/Kirtland #1 in the Caribou/Kirtland Project is One Thousand Two Hundred Fourteen feet (1,214') from the North line and Six Hundred Fifty feet (650') from the East line of Section 13, Township 29 North, Range 15 West, N.M.P.M., San Juan County, New Mexico. The NE/4 of the NE/4 and the SE/4 of the NE/4 of said Section, Township and Range, are to be dedicated to said well.

Exhibit 1 attached hereto is a plat showing the ownership of offsetting leases. Exhibit 2, attached hereto, is a letter from James P. Lease, Registered Professional Engineer, explaining the location and the surrounding area. Exhibit 3, attached hereto, is a vicinity map prepared by James P. Lease.

Respectfully submitted.


Damon L. Weems
Attorney for Caribou Four Corners,
Inc., Applicant
2901 E. 20th
Farmington, New Mexico 87401
505-327-4469

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

JAN - 5 1979

Application of:
CARIBOU FOUR CORNERS, INC.,
for an Unorthodox Well
Location in SECTION 13,
TOWNSHIP 29 NORTH, RANGE 15
WEST, N.M.P.M., SAN JUAN COUNTY,
NEW MEXICO

Case No. 6427

APPLICATION FOR UNORTHODOX WELL LOCATION

Pursuant to Rule 104 of the Rules and Regulations of the Oil Conservation Division, Caribou Four Corners, Inc., respectfully requests that the Division grant an exception to the well location requirements in the Cha Cha-Gallup Pool, stating as grounds therefore that the necessity for such unorthodox well location is based upon topographical and demographical conditions.

The proposed location for the Caribou/Kirtland #1 in the Caribou/Kirtland Project is One Thousand Two Hundred Fourteen feet (1,214') from the North line and Six Hundred Fifty feet (650') from the East line of Section 13, Township 29 North, Range 15 West, N.M.P.M., San Juan County, New Mexico. The NE/4 of the NE/4 and the SE/4 of the NE/4 of said Section, Township and Range, are to be dedicated to said well.

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Respectfully submitted.

**ORIGINAL SIGNED BY
DAMON L. WEEMS**

Damon L. Weems
Attorney for Caribou Four Corners,
Inc., Applicant
2901 E. 20th
Farmington, New Mexico 87401
505-327-4469

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

Application of:
CARIBOU FOUR CORNERS, INC.,
for an Unorthodox Well
Location in SECTION 13,
TOWNSHIP 29 NORTH, RANGE 15
WEST, N.M.P.M., SAN JUAN COUNTY,
NEW MEXICO

Case No. 6427

APPLICATION FOR UNORTHODOX WELL LOCATION

Pursuant to Rule 104 of the Rules and Regulations of the Oil Conservation Division, Caribou Four Corners, Inc., respectfully requests that the Division grant an exception to the well location requirements in the Cha Cha-Gallup Pool, stating as grounds therefore that the necessity for such unorthodox well location is based upon topographical and demographical conditions.

The proposed location for the Caribou/Kirtland #1 in the Caribou/Kirtland Project is One Thousand Two Hundred Fourteen feet (1,214') from the North line and Six Hundred Fifty feet (650') from the East line of Section 13, Township 29 North, Range 15 West, N.M.P.M., San Juan County, New Mexico. The NE/4 of the NE/4 and the SE/4 of the NE/4 of said Section, Township and Range, are to be dedicated to said well.

Exhibit 1 attached hereto is a plat showing the ownership of offsetting leases. Exhibit 2, attached hereto, is a letter from James P. Lease, Registered Professional Engineer, explaining the location and the surrounding area. Exhibit 3, attached hereto, is a vicinity map prepared by James P. Lease.

Respectfully submitted.

**ORIGINAL SIGNED BY
DAMON L. WEEMS**

Damon L. Weems
Attorney for Caribou Four Corners,
Inc., Applicant
2901 E. 20th
Farmington, New Mexico 87401
505-327-4469

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. 6427

ORDER NO. R- 5920

APPLICATION OF CARIBOU FOUR CORNERS, INC.

FOR AN UNORTHODOX WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 31,
19 79, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of February, 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, Caribou Four Corners, Inc.,
Caribou/Kirtland Well No. 1 to be located 1214
seeks approval ~~of the~~ unorthodox ~~gas~~ well location of its/
feet from the North line and 650 feet from the
East line of Section 13, Township 29 North
Range 15 West, NMPM, to test the Gallup
formation, Cha Cha-Gallup Oil Pool, San Juan
County, New Mexico.

(3) That the E/2 NE/4 of said Section 13 is to be
dedicated to the well.

(4) That ~~a well at said unorthodox location will better~~ ^{is necessitated by}
~~to avoid proximity to inhabited structures due to topography.~~
enable applicant to 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 oil 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 Gallup
the Caribou Four Corners, Inc. Caribou/Kirtland Well No. 1
formation is hereby approved for ~~work~~ to be located at a point 1214
feet from the North line and 650 feet from the East
line of Section 13, Township 29 North, Range 15 West
NMPM, Cha Cha-Gallup Oil Pool, San Juan County,
New Mexico.

(2) That the E/2 NE/4
of said Section 13 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.