CASE 6476: PENNZOIL COMPANY FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO

CASE NO.

6476

APPlication,
Transcripts,
Small Exhibits,

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION State Land Office Building Santa Fe, New Mexico 28 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Pennzoil Company for an unorthodox gas well loca-) tion, Eddy County, New Mexico.

CASE 6476

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

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:

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

INDEX

DONALD CAUSSEY

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Stamets 12

EXHIBITS

Applicant Exhibit One, Isopach

Applicant Exhibit Two, Structure Map

10

Applicant Exhibit Three, Cross Section

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Exhibits admitted on page 12.

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MR. STAMETS: At this time we'll call Case 6476, Application of Pennzoil Company for an unorthodox gas well location, Eddy County, New Mexico.

Call for appearances.

MR. KELLAHIN: I'm Tom Kellahin of Santa Fe, appearing on behalf of Pennzoil Company, and I have one witness to be sworn.

(Witness sworn.)

DONALD CAUSSEY

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name, by whom you're employed, and in what capacity?

A I'm Donald Caussey, employed by Pennzoil
Corporation. I'm Manager of Exploration.

Q Mr. Caussey, you're a geologist, are you not?

A. Yes, I am.

Q And have you previously testified before the Oil Conservation Division?

A No, I have not.

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9).	Would	you	summarize	for	the	Examiner	your
education	and	employm	ent	experience	≥ ?			

A. I graduated in 1951 from the University of Texas in Austin, Bachelor of Science in Geology; worked ten years for Honolulu Oil Corporation; nine years as an independent consultant; eight years for Pennzoil.

MR. KELLAHIN: We tender Mr. Caussey as an expert geologist.

MR. STAMETS: He is considered qualified.

Q (Mr. Kellahin continuing.) Would you please refer to Exhibit Number One and identify that?

A. Yes, sir, it is an Isopach of the net clean sand of the Morrow C Zone, which is the pay zone in several wells which we will identify, if you would like.

Q What are you seeking to accomplish by this application?

A. We wish to maximize our chances for drilling into the main channel of the Morrow C.

Q What is the proposed unit for the subject well?

A. It would be the south half of Section 24,
Township 17 South, Range 28 East.

Q And what is the proposed location?

A 990 from the west line; 660 from the south line.

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Q What would be the closest standard location in the south half?

A. 1980 from the west line; 660 from the south line.

Q. All right. Starting with the well in the north half of Section 24, would you commence with an explanation of that Morrow well and then continue clockwise around your plat, describing each of the particular Morrow wells?

A. The well in the northeast corner of Section 24 is a producer from the Morrow C Zone. It has produced a total of 2.1 billion cubic feet of gas since 1970. It is essentially depleted and is not on production at this time.

Q How many feet of net clean Morrow C Sand did that particular well encounter?

A. 30 feet, and we consider that to be in a tributary to the main channel.

Q Did that particular Morrow well produce enough Morrow gas to pay its cost plus a reasonable profit? That well paid out, did it not?

A. It paid out. It's not much of a well.

Q. All right, sir. How about the well in Section 19?

A. That is a drilling well by Conoco and they

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are within about ten days being to total depth.

What is the location of that well?

I've forgotten the exact figures. I've got that written, it's 1571 from the west line and 660 from the south line, an unorthodox location.

All right. In addition, going back to the well in Section 24, what is the approximate location of that well?

That's 660 from the north and east lines, an unorthodox location.

so both of those two wells are at unorthodox locations, are they not?

That's correct.

All right. The Conoco well is still drilling?

Yes, it is.

How about the well in the north half of Section 30? What's the status of that well?

That is a producing well. It produces from the Morrow C, same zone that we're looking for, and it has about 45 feet of net clean sand.

What has that well produced to date, do you know? Did you just tell me?

Yes. It's 1.3 billion since June of last year.

Okay. And what about the well in the south

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A. That is a Morrow producer. It produces from the Morrow B Zone, a separate sand from the one we're looking for.

Q Okay. And you show some Morrow wells in Section 31.

A. Yes, the one in the north half is a Morrow C Zone. It has 74 feet of net clean sand.

The well in the south half of Section 31
is a Morrow B producer, and coming back to the northwest
the producer in the south half of Section 25 is a Morrow
C producer, a very strong well in the center of the channel.

- Q Who's the operator of that well?
- A. ARCO.
- Q And what is the proration unit assigned to that well?
 - A. East half, I believe.
 - That's the best well in the --
 - A. Yes, it is.
 - Q -- area? Okay.
- A. It's produced 2.2 billion cubic feet in about four months.
- Q. Your location in the south half of Section 24, are you any closer to that south line by your location than permitted at a standard location?

SALLY WALTON BOY CERTIFIED SHORTHARD REPORT 30:10 Plans Blanca (015) 471-4. Senta Pe, New Mexico 5716. 10

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 - Q Let's go to the well in Section 23.
- A That's a recent dry hole. They barely got any sand at all in this, which indicates by our interpretation that it is at the edge of the channel and the channel would be just to the northeast.
- Q The line of the proration unit to which you are closer than permitted by standard rules is the west line, is it not?
 - A. Yes, it is.
 - Q Who is the offset operator on the west?
 - A. Exxon.
- Q. And what, if any, response have you had from Exxon with regards to your proposed location?
 - A. They've granted a waiver.
- All right. Who is the operator, or operators,
 in Section 26, the southwest offset to your well?
 - A. Depco.
- Q All right. Describe for me generally the trend of the Morrow C Sand as it goes through the south half of Section 24.
 - A. We have contoured what we believe to be the

trace of the channel. The map that we are presenting here is an optimistic interpretation and this is the way we hope it will be; however, the control is such that the channel could turn. I would say the odds are best that the channel will go approximately through the southwest corner, or right across the corner.

We've got one chance in three that it may turn and come across as we've shown it here. There is also one chance in three that it may turn to the west and come down into Section 26 and up the east half of 23.

We need to be, I think, far west so that we optimize our possibilities of getting into that channel.

This is an optimistic interpretation.

Q. In your opinion would it be reasonable for the east side of the thickest portion of the Morrow -- mid-Morrow clean sands to be any further east than you've depicted it on your plat?

A. We doubt that that's possible.

Q Okay. Now, with regards to the west side of the thickest portion of the net Morrow clean sands, in your opinion does that represent the farthest extension to the west that the thickness could be?

A. No, we could go considerably farther to the west. I think there's more need to move west than there is east.

SALLY WALTON BOYD
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A. Yes, it is.

Q In your opinion is the south half of Section
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A. Yes. I think we can make some kind of a well any place on that half section.

Q Do you have anything else with regards to Exhibit One?

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Q Let's look at Exhibit Number Two.

MR. STAMETS: Tom, I think my exhibits are marked backwards. Is this Number One?

MR. KELLAHIN: That's Number One.

A. That's Number One.

MR. STAMETS: Okay, let me correct that.

And the --

MR. KELLAHIN: The structure is Number Two.

MR. STAMETS: Number Two, okay.

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This is a structure map of the same area. I've contoured on the top of Morrow C, contoured on a contour interval of 100 feet.

We have indicated the possibility of four small faults crossing the area. The dip is to the eastsoutheast, or southeast, and these faults are very small and in fact some of them may have no displacement in places. They are dying out as they go to the north.

In this area across the western part of our proration unit, if there is displacement on that fault, it would not likely exceed 25 feet. We do not think the structure or the faults are pertinent to the trapping or our prospect.

Okay. Look at Exhibit Number Three and identify that.

This is a cross section, A on the left is the dry hole in the west half of Section 23, proceeding to the southeast to our proposed location, down the channel to the ARCO producer in the south half of 25, then back to the east to the Yates well in Section 30.

You will see that the well to the far west, the Yates dry hole, is essentially out of the channel, thus they got a dry hole.

Our well is projected to be in the center The ARCO well, as we see it, is in the of the channel.

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In order for us to get a well comparable to the Atlantic Richfield well, of course it is necessary that we hit the center of the channel. If we fail to hit the center of the channel, we will get a much poorer well, or a dry hole.

Q. Were Exhibits One, Two, and Three prepared by you or compiled under your direction?

Yes, they were.

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

> A. Certainly will.

MR. KELLAHIN: We move the introduction of Exhibits One, Two, and Three.

MR. STAMETS: These exhibits will be admitted.

MR. KELLAHIN: That concludes our testimony.

CROSS EXAMINATION

BY MR. STAMETS:

Mr. Caussey, these faults are interesting, Q. even though they don't seem to be important to this case.

On what basis did you determine the existance

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A. We have better well control to the south and we are able to see displacement on those faults. These are regional type faults that run from quite far to the south, south of Carlsbad, that you can trace up through well control. As you get farther north, you're losing your tectonic string, the tectonic movement, and these faults are progressively losing their displacement, and I expect some of those have no displacement as you get up into this area.

Q. Is the age of these faults such that the shallower formations, such as San Andres, would be affected?

A. No, it would be prior to that. They would not affect those at all.

Q Okay.

MR. STAMETS: Any other questions of the

witness?

MR. KELLAHIN: No, sir.

MR. STAMETS: He may be excused.

Anything further in this case?

Let the record show that we received a protest letter from Atlantic Richfield Company.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY

CERTIFY that the foregoing and attached Transcript of

Hearing before the Oil Conservation Division was reported

by me; that the said transcript is a full, true, and correct

record of the hearing, prepared by me to the best of my

ability, knowledge, and skill, from notes taken by me

at the time of the hearing.

Sally W. Boyd, C.S.R.

Oil Conservation Division

State Land Office Building

Santa Pe, New Mexico 28 February 1979

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INDEX

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SALLY WALTON BOY ENTIFED SHOWTHAND REPORT STATEMENT (\$445) (\$11-4)

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MR. STAMETS: Okay, let me correct that.

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LY WALTON BOYD
FIED SHORTHAND REPORTER
TARE BEARER (\$15) 471-4452
ita Pe, Nove Moxico 51511

A This is a structure map of the same area.

I've contoured on the top of Morrow C, contoured on a contour interval of 100 feet.

We have indicated the possibility of four small faults crossing the area. The dip is to the east-southeast, or southeast, and these faults are very small and in fact some of them may have no displacement in places. They are dying out as they go to the north.

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MR. STAMETS: He may be excused.

Anything further in this case?

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protest letter from Atlantic Richfield Company.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

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

Sally W. Boyd, C.S.R.

I do her Oil Conservation Division

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

JERRY APODACA

NICK FRANKUN SECRETARY

March 20, 1979

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

Mr. Tom Kellahin Kellahin & Kellahin	Re:	CASE NO	6476 R-5950
Attorneys at Law Post Office Box 1769 Santa Fe, New Mexico		Applicant:	
		Per	nnzoil Company
Dear Sir:		•	
Enclosed herewith are Division order recentl			
JOE D. RAMEY Director			
•	,	•	
JDR/fd			
Copy of order also sen	t to:		
Hobbs CCC 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. 6476 Order No. R-5950

APPLICATION OF PENNZOIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 28, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of March, 1979, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED: .

That Case No. 6476 is hereby dismissed.

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

> STATE OF NEW MEXICO OIL CONSERVATION DIVISION

JOE D. RAMEY,

Director

4-7

Case 6476 erei c o aam March 7, 1979 OIL CONSERVATION DIVISION PENNZOIL COMPANY POST OFFICE DRAWER 1828 • MIDLAND, TEXAS 79702 • (915) 682-7316 8595D)15miss Mr. J. D. Ramey, Director New Mexico Oil and Gas Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501 Re: Unorthodox Location for Pennzoil Company Aid 24 State Com Well No. 1 Eddy County, New Mexico Dear Sir: Pennzoil wishes to withdraw its application to drill the above captioned well at an unorthodox location 660' FSL and 990' FWL, Section 24, T17S, R28E as requested on Docket 8-79, Case 6476 (hearing date February 28, 1979). More recent geological data obtained from development drilling in the area indicates that the standard location 660' FSL and 1980' FWL, Section 24, T17S, R29E will be adequate for the Morrow Test proposed. Thank you for your consideration and attention to our previous request. Yours very truly, Charles Marg Charles Marquart District Production Manager CM:cb cc: Bill Hollingshead, Jr. Tom Kellihan Don Caussey

OFFSET OPERATORS

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Exxon Company, U.S.A. P. O. Box 1600 Midland, Texas 79702

General American Oil Co. of Texas P. O. Box 3306 Odessa, Texas 79760

Continental Oll Company P. O. Box 1959 Midland, Texas 79702

Gulf Oil Corporation P. O. Box 1150 Midland, Texas 79702

Yates Petroleum Corporation 207 S. 4th Artesia, New Mexico 88210

Husky Oil Company 600 S. Cherry Denver, Colorado 80222

DEPCO, Inc. 1025 Petroleum Club Bldg. Denver, Colorado 80202

New Mexico Oil Conservation Division Attn: Mr. Joe Ramey P. O. Box 2088 Santa Fe, New Mexico 8/501 Case 6476

FEB 10 1919

AtlanticRichiteldCompany

North American Producing Division Permian District Post Office Box 1610 Midland, Texas 79702 Telephone 915 684 0100



February 13, 1979

Pennzoil Company P. O. Drawer 1828 Midland, Texas 79702

Attention: Mr. L. Charles Marquart

RE: Aid "24" State Com. No. 1 Aid Morrow Gas Field Eddy County, New Mexico

Gentlemen:

In response to your request for a Waiver of Objection to drilling the subject well in an unorthodox location, ARCO Oil and Gas Company opposes the proposed location and is returning the Waiver unsigned.

It appears that drilling the subject well at 1980 FSL and 660 FWL, Section 24, T-17-S, R-28-E, Eddy County, New Mexico, which is an orthodox location, would have the same potential for a successful Morrow producer and would also not jeopardize the correlative rights of the owners of Morrow wells in Section 25.

We request reconsideration of your proposed location.

Yours very truly,

J. L. Tweed District Engineer JLT:ad

WAIVER OF OBJECTION RULE 104 HEARING

PENNZOIL COMPANY - AID "24" STATE COM. NO. 1
AID MORROW GAS FIELD
EDDY COUNTY, NEW MEXICO

New Mexico 011 Conservation Commission P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

, as an offset operator, has been duly informed by Pennzoil Company of their application to drill the subject well and do hereby waive any and all objections to the granting of an exception to Rule 104 Hearing.

It is understood that the surface location for the subject well will be 990' from the west line and 660' from the south line of Section 24, Township 17-S, Range 28-E, Eddy County, New Mexico.

Yours very truly,

Offset Ope	rator	F	
Ву:			
Title: _	·		
Address: _			
Nate:			

February 6, 1979

TO: ALL OFFSET OPERATORS

Re: Pennzoil Company - Aid "24" State Com. No. 1 Aid Morrow Gas Field Eddy County, New Mexico

Gentlemen:

Pennzoil Company proposes to drill the Aid "24" State Com. No. 1 well 990' FWL & 660' FSL of Section 24, T-17-S, R-28-E, Eddy County, New Mexico.

The location proposed above does not conform to spacing requirements for the Aid Morrow Gas field; therefore, a Rule 104 Hearing for an unorthodox location is being requested.

We enclose herewith three copies of a Waiver of Objection. If you, as an offset operator, have no objection to the drilling of the subject well at the above proposed location, please sign and return to us two copies of the waiver. A self addressed envelope is enclosed for your convenience.

Yours very truly,

L. Charles Marquart

District Production Manager

LCM: tb **Enclosures**

ADDRESS LIST OF OFFSET OPERATORS - AID "24" STATE COM. WELL NO. 1

Atlantic Richfield Company P. O. Box 1610 Midland, Texas 79702

Exxon Company, U.S.A. P. O. Box 1600 Midland, Texas 79702

General American Oil Co. of Texas P. O. Box 3306 Odessa, Texas 79760

Continental Oil Company P. O. Box 1959 Midland, Texas 79702

Gulf Oil Corporation P. O. Box 1150 Midland, Texas 79702

Yates Petroelum Corporation 207 So. 4th. Artesia, New Mexico 88210

PENNZOIL COMPANY

AID "24" STATE COM. WELL NO. 1 AID MORROW GAS FIELD EDDY COUNTY, NEW MEXICO

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14		Cont.
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ARCO	ARCO	Cost.&ARCO

WAIVER OF OBJECTION RULE 104 HEARING

PENNZOIL COMPANY - AID "24" STATE COM. NO. 1 AID MORROW GAS FIELD EDDY COUNTY, NEW MEXICO

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

Gentlemen:

, as an offset operator, has been duly informed by Pennzoil Company of their application to drill the subject well and do hereby waive any and all objections to the granting of an exception to Rule 104 Hearing.

It is understood that the surface location for the subject well will be 990' from the west line and 660' from the south line of Section 24, Township 17-S, Range 28-E, Eddy County, New Mexico.

Yours very truly,

Offset Operator					
By:	· ·				
Title:		· · · · · · · · · · · · · · · · · · ·			
Address:					
Date?	• •				

Dockets Nos. 9-79 and 10-79 are tentatively set for hearing on March 14 and 28, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

Docket No. 7-79

DOCKET: COMMISSION HEARING - FRIDAY - FEBRUARY 23, 1979

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

CASE 6461: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Mayor Eddic Armenta, the Village of Jemez Springs, and all other interested parties to appear and show cause why the Jemez Well No. 1 located in Unit A of Section 26, Township 18 North, Range 2 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

Docket No. 8-79

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 28, 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: (Continued from January 31, 1979, Examiner Hearing)

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 6434: (Continued from January 31, 1979, Examiner Hearing)

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" Weil 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: (Continued from February 14, 1979, Examiner Hearing)

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: (Continued from January 31, 1979, Examiner Hearing)

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 5462: Application of McClellan Oil Corporation for an unorthodox well location, Chaves County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marlisue

State Well No. 3 to be located 1155 feet from the North line and 1485 feet from the West line of

Section 24, Township 14 South, Range 29 East, Double "L" Queen Associated Pool, Chaves County, New

Mexico, the NE/4 NW/4 of said Section 24 to be dedicated to the well.

Application of Orville Slaughter for pool and lease commingling, San Juan County, New Mexico.

Applicant, in the above-styled cause, seeks authority to commingle Oswell-Farmington Pool production from his Sangre de Cristo Well No. 1 with undesignated Fruitland production from his Sangre de Cristo Well No. 2, both located in Unit D of Section 34, Township 30 North, Range 11 West, San Juan County, New Mexico.

- CASE 6464: Application of Dallas McCasland for clarification of Orders Nos. R-2789 and R-2794, Lea County, New Mexico. Applicant, in the above-styled cause, seeks clarification of Orders Nos. R-2789 and R-2794 to determine what formations have been unitized and what formations are subject to a waterflood project under the South Penrose-Skelly Unit, Sections 6 and 7, Township 22 South, Range 37 East, Lea County, New Mexico, and of the vertical limits of the Eumont and Penrose-Skelly Pools in said sections.
- CASE 6465: Aprilication of Getty Oil Company for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 31, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its J. W. Sherrell Well No. 9 located 2250 feet from the South line and 1650 feet from the East line of said Section 31.
- CASE 6466: Application of Getty Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, to produce oil from an undesignated Wolfcamp pool and gas from the Grama Ridge-Morrow Gas Pool through parallel strings of tubing.
- CASE 6467: Application of Getty Oil Company for pool creation and special pool rules. Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Wolfcamp formation for its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing.
- CASE 6468: Application of Dome Petroleum Corporation for an exception to Order No. R-1069, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2 of Order No. R-1069, as amended, for the Bisti-Lower Gallup Oil Pool to approve the following 13 non-standard proration units: the W/2 NW/4, W/2 NE/4, B/2 SW/4, and the E/2 SE/4 of Sections 3, 4, and 9, and the W/2 NW/4 of Section 10, all in Township 26 North, Range 14 West, San Juan County, New Mexico.
- CASE 6469: Application of Continental Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Fed. 34 Well No. 1 located in Unit N of Section 34, Township 20 South, Range 26 East, Eddy County, New Mexico, to produce gas from the Springs-Upper Pennsylvanian Pool and an undesignated Morrow pool through parallel strings of tubing.
- Application of Phillips Petroleum Company for approval of infill drilling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements to permit an infill drilling program in its East Vacuum Unit Area, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, and a finding that such infill wells are necessary to effectively and efficiently drain that portion of their proration units which is not presently being drained by any existing well.

 Applicant specifically seeks such waivers and findings now for ten wells, all in Township 17 South, Range 35 East, and located as follows: Unit K of Section 27; Units M and O, Section 28; Units B, I, and M of Section 32; Units C, H, and M of Section 33; and Unit C of Section 34.
- CASE 6471: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 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.
- Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba 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.
- CASE 6473: Application of Consolidated Oil & Cas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba 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.
- CASE 6474: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 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.

- CASE 6475: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 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.
- CASE 6476: Application of Pennzoil Company for an unorthodox gas well location, Eddy 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 South line and 990 feet from the West line of Section 24, Township 17 South, Range 28 East, Aid-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 24 to be dedicated to the well.
- CASE 6477: Application of Sun Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Millman Pool Unit Area by the injection of water into the Queen and Grayburg formations through eleven wells located in Sections 12 and 13 of Township 19 South, Range 28 East, East Millman Pool, Eddy County, New Mexico.
- CASE 6437: (Continued and Readvertised)

Application of Curtis Little for compulsory pooling, approval of infill drilling, and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-4556 and approval of an order pooling all mineral interests in the Dakota formation underlying all of Section 11 and Lot 4 and the SW/4 SW/4 of Section 12, Township 28 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, to form a 344.36-acre non-standard gas proration unit to be dedicated to a well to be located 1085 feet from the South line and 285 feet from the West line of said Section 12. 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.

Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

- CASE 6478: Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NW/4 SE/4 of Section 26, Township 10 South, Range 28 East, Chaves County, New Mexico, to be dedicated to a well to be located 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 6479: Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SE/4 SE/4 of Section 5, Township 10 South, Range 28 East, Chaves County, New Mexico, to be dedicated to a well to be located 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 6480: Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its State 22 Well No. 1 located in Unit P of Section 22. Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6481: Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Hanlad State Well No. 1 located in Unit K of Section 2, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6482: Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Mobil 27 State Well No. 1 located in Unit A of Section 27, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6483: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the S/2 of Section 8, 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 P id

- CASE 6484: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the E/2 of Section 28, Township 16 South, Range 37 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 6485: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Fennsylvanian, and Mississippian formations underlying the S/2 of Section 13, Township 18 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 6486: Application of Depco Inc. for an unorthodox well location, Chaves 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 East lines of Section 21, Township 13 South, Range 30 East, undesignated Morrow pool, Chaves County, New Mexico, the E/2 of said Section 21 to be dedicated to the well.
- CASE 6487: Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 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

PENNZOIL COMPANY
POST OFFICE DRAWER 1828 • MIDLAND, TEXAS 79702 • (915) 682-7316

LESSENTA

February 6, 1979

Case 6476

Mr. J. D. Ramey, Director New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Request for Hearing to Drill an Unorthodox Location in the Aid Morrow Pool Eddy County, New Mexico

Dear Sir:

Pennzoil Company respectfully requests a hearing for the purpose of obtaining a permit to drill a Morrow (Gas) Test at a location 660 feet from the south line and 990 feet from the west line, Section 24, T17S, R28E, Eddy County, New Mexico. Pennzoil further wishes to assign the south half of Section 24 (320 acres more or less) to this well. The acreage under the drill site will be communitized for the purpose of drilling and producing this well.

Recent geological interpretation of this area indicates that a thicker more favorable Morrow Sand section can be penetrated with a well drilled on this location. The unorthodox location, as proposed, should more adequately prevent waste and protect correlative rights of interest holders in this acreage by reducing the hazard of drilling a marginal well.

Waivers requesting permission to drill this location have been mailed to all offset operators.

Sincerely,

L. C. Marquert

LCM/dv

660 FSL

990 FWL

Juson K Applicantion of Pennzoil Co of NSL. For gos well 660 FSL 990 FWL 24-TIPS-R28E

S/2 dedication

Letter commoning

DRAFT

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

dr/

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING;

CASE NO	6476	
Order No.	R- 5950	

APPLICATION OF PENNZOIL COMPANY FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION	M'

BY THE DIVISION:
This cause came on for hearing at 9 a.m. on February 28
19 79, at Santa Fe, New Mexico, before Examiner
NOW, on thisday of March , 1979 , the Division
Director, having considered the record and the recommendations of
the Examiner, and being fully advised in the premises,
FINDS:
That the applicant's request for dismissal should be granted
IT IS THEREFORE ORDERED:
That Case No. 6476 is hereby dismissed.
DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.