

Case NO.

6589

Application

Transcripts

Small Exhibits

ETC.

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



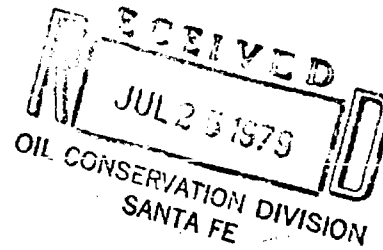
July 20, 1979

Case 6589

Oil Conservation Division of the
New Mexico Department of Energy & Minerals
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. R. L. Stammets

RE: K-6589
Unorthodox Gas Well Location
ARCO State "BV" #2
Sec. 25, T-17-S, R-28-E
Eddy County, New Mexico



Gentlemen:

Attached is our interpretation of the sand thickness of the Morrow Cycle 2 which is productive in the State "BV" #1. As you can see from our analysis, this is a channel-type deposition that trends NW and SE. Most of our well control for this Morrow sand is found east and southeast of the State "BV" #1. Contouring on the western portion of this trend is limited to control in the Yates wells in Sections 22 and 23. Available technical information including results at the Pennzoil Aid State "24" Com #1 (Sec. 24) indicates a shift in the channel axis from previous interpretations. This shifted channel axis places a premium on drilling the requested unorthodox location.

We propose to drill our State "BV" #2 at an unorthodox location, 2109' FNL and 1770' FWL, Section 25, Township 17 South, Range 28 East, in order to encounter the Morrow at its greatest postulated thickness. This location should result in production similar to the State "BV" #1. While the standard location should also encounter productive sand, geologic evidence seems to show the sand to be thinning. In order to get the maximum efficient drainage and ultimate reserves, we are proposing this unorthodox gas well location.

Very truly yours,

J. L. Tweed

J. L. Tweed

JLT:ad



August 17, 1979

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
EUCH 627-2434

Applicant:

Atlantic Richfield Company

Yours very truly,

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. 6589
Order No. R-6081

APPLICATION OF ATLANTIC RICHFIELD
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 July 11, 1979,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of August, 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, Atlantic Richfield Company, seeks
approval of an unorthodox gas well location for its State "BV"
Well No. 2 to be drilled at a point 2109 feet from the North
line and 1778 feet from the West line of Section 25, Township
17 South, Range 28 East, NMPM, to test the Morrow formation,
South Empire-Morrow Gas Pool, Eddy County, New Mexico.

(3) That the N/2 of said Section 25 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.

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Case No. 6589
Order No. R-6081

(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:

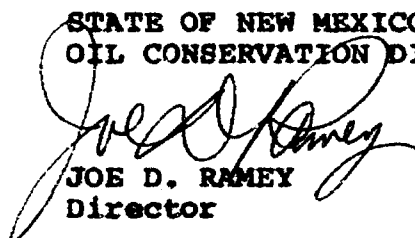
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Atlantic Richfield Company State "BV" Well No. 2 to be drilled at a point 2109 feet from the North line and 1778 feet from the West line of Section 25, Township 17 South, Range 28 East, NMPM, South Empire-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the N/2 of said Section 25 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

ea/

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield Company) CASE
for an unorthodox gas well location, Eddy) 6589
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:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87503

For the Applicant:

Conrad Coffield, Esq.
HINKLE, COX, EATON, COFFIELD
& HENSLEY
Midland, Texas

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Illanes (SSE) 471-4462
Santa Fe, New Mexico 87501

I N D E X

JERRY TWEED

Direct Examination by Mr. Coffield	3
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E X H I B I T S

Applicant Exhibit One, Location plat	5
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Applicant Exhibit Three, Plat	6
Applicant Exhibit Four, Cross Section	8
Applicant Exhibit Five, Waivers	9

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1 MR. STAMETS: We'll call next Case 6589.

2 MR. PADILLA: Application of Atlantic
3 Richfield Company for an unorthodox gas well location, Eddy
4 County, New Mexico.

5 MR. COFFIELD: Conrad Coffield with the
6 Hinkle Law Firm in Midland, Texas, appearing on behalf of
7 the applicant, and I have one witness.

8
9 (Witness sworn.)

10
11 JERRY TWEED

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

14
15 DIRECT EXAMINATION

16 BY MR. COFFIELD:

17 Q Mr. Tweed, would you please state your
18 name, address, occupation, and employer?

19 A I'm Jerry Tweed. I'm employed by Atlantic
20 Richfield Company in Midland, Texas, as District Petroleum
21 Engineer for southeast New Mexico.

22 Q Mr. Tweed, have you previously testified
23 before the Division as an engineer?

24 A Yes, I have.

25 Q Were your qualifications made a matter of

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1 record and accepted by the Division?

2 A Yes, they were.

3 Q Are you familiar with the application on
4 this particular case?

5 A Yes.

6 Q And are you as well familiar with the
7 property and the proposed well location?

8 A Yes, I am.

9 MR. COFFIELD: Is the witness considered
10 qualified?

11 MR. STAMETS: He is.

12 Q Mr. Tweed, would you briefly state what
13 it is ARCO seeks by this application?

14 A Atlantic Richfield Company seeks applica-
15 tion for a non-standard unorthodox location for the State
16 "BV" No. 2. The unorthodox location would consist of the
17 well being located 2109 feet north -- from the north line,
18 and 1778 feet from the west line of Section 25, Township
19 17 South, Range 28 East, with the north half of Section 25
20 to be dedicated to the State "BV" No. 2. That would be a
21 standard proration unit.

22 Q Mr. Tweed is the basis of this application
23 seeking the non-standard location a geological basis?

24 A That is correct.

25 Q Okay, Mr. Tweed, would you refer to what

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Santa Fe, New Mexico 87501

1 we've marked as Exhibit One and please explain that to the
2 Examiner?

3 A Exhibit One is simply a location plat
4 showing the proposed location of our State "BV" No. 2 as
5 being some 2109 feet from the north line and 1778 feet from
6 the south -- from the west line, excuse me.

7 MR. STAMETS: Mr. Tweed, why does that
8 plat identify the well as Hondo Oil and Gas Company?

9 A Hondo is a wholly-owned subsidiary of
10 Atlantic Richfield Company, and the well is being drilled
11 on what was previously Hondo acreage.

12 Q All right, Mr. Tweed, would you refer to
13 what has been marked as Exhibit Two and explain that to the
14 Examiner?

15 A Exhibit Two is a map showing all wells
16 drilled within one mile of the proposed location, essentially
17 nine, shows nine sections.

18 There were both shallow and deep wells
19 drilled in this area. The wells that are drilled to the
20 Morrow are shown in green, along with the proposed location
21 in red.

22 Q Is Atlantic Richfield the leasehold owner
23 and the proposed operator of this property?

24 A Yes, we are.

25 Q And does this map -- does this plat, then,

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1 show all of the offset owners?

2 A It shows all of the offset owners in both
3 the shallow and the deep horizons.

4 Q Where would the standard location be rela-
5 tive to where this proposed location is?

6 A The standard location would be 1980 feet
7 from the north line and 1980 feet from the west line.

8 Q So you're both further east and further
9 south than a standard location?

10 A Both further south and further west.

11 Q West, excuse me, further west.

12 Would you go on to what we've marked as
13 Exhibit Three and please explain that to the Examiner?

14 A Exhibit Three is a plat map showing those
15 wells -- just those wells that penetrated the Morrow.

16 There's a couple things I would like to
17 point out on this. The stippled acreage is acreage owned -- in
18 which Atlantic Richfield Company or its subsidiary, Hondo
19 Oil and Gas, own an interest. The -- all of Section 25,
20 all of Section 26, and the stippled parts of Section 35
21 and 36 are owned by Atlantic Richfield Company, Depco,
22 Husky, and Yates, and we all have the same interest in all
23 of that acreage. All of that acreage is also State acreage

24 In addition, I would like to point out in
25 Section 30 Amoco's Empire South Deep No. 7. This well was

1 drilled to -- it's shown here in red in the south half of
2 Section 30.

3 This well was drilled to the Morrow, was
4 found to be non-productive in the Morrow, and was recompleted
5 in the Wolfcamp.

6 660 feet west of it is the Empire South
7 Deep Unit No. 13, which was drilled by Mr. Yates. That
8 well did encounter Morrow sands and it's been a good pro-
9 ducer in the Morrow.

10 For instance, the March production aver-
11 aged some 2,345-million Mcf -- or 2,000,345 cubic feet of
12 gas per day, and has a cumulative as of 1/1/79 of 7/10ths
13 of a billion; just 660 feet west of a well that did not
14 encounter any Morrow sands.

15 Also, I would like to point out our State
16 "BV" No. 1, which is in the south half of Section 25. In
17 this well we did encounter a good Morrow sand section, which
18 I will show on the next exhibit.

19 I'd also like to point out Pennzoil's well
20 in the south half of Section 24. They drilled at this
21 location and encountered no productive Morrow sand.

22 I point these out to show the fact that
23 the Morrow is quite erratic in this area. There are some
24 good productive wells in it, but the sand does -- is quite
25 erratic in development.

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1 The reason that we would like to drill at
2 the location proposed is that this is a location that we
3 conclude will result in an encounter with the thickest
4 Morrow sand underlying the tract. This is based on depo-
5 sitional analysis.

6 As you know, the Morrow is a deltaic type
7 sand deposit with channels and bar development, and it is
8 our conclusion that this would put us in the thickest part
9 of the channel development.

10 Q All right, Mr. Tweed, would you go to what
11 has been marked as Exhibit Number Four and explain that to
12 the Examiner?

13 A Exhibit Number Four is a two-well cross
14 section of the previously referred to wells, the one on
15 the left being ARCO, or rather our subsidiary, Hondo Oil
16 and Gas State "BV" Com No. 1, which was drilled in the
17 south half of Section 25.

18 We break the Morrow down into what we con-
19 sider depositional cycles. We break it down into four de-
20 positional cycles. Essentially shown here are cycle two
21 and cycle three. In this particular area depositional
22 cycle two is the one that contains the most significant
23 productive sand.

24 In our State "BV" Com No. 1 we encountered
25 some 100-foot of productive Morrow sand, very high porosity,

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1 high flow rate.

2 Since completion of this well in May, we've
3 flown the well at some 13-million cubic feet a day since
4 that time, and it continues to produce at that rate.

5 Pennzoil subsequently drilled their Aid
6 State Com No. 1 in Section 24. I believe it's the south
7 half of Section 24, shown on a previous exhibit.

8 They encountered very thin -- first of all,
9 cycle two, depositional cycle two had thinned. The poten-
10 tially productive sands had thinned to almost non-existence.
11 They did take a long drill stem test, which included both
12 cycle two and cycle three, and failed to produce any gas
13 on the drill stem test. They subsequently did plug and
14 abandon the well.

15 I think this points out the erratic nature
16 of the deposition of the Morrow in this area, and the de-
17 sire to go to a non-standard location to take full advantage
18 of what we believe to be the best part of the pay.

19 Q Now, Mr. Tweed, would you please go to Ex-
20 hibit -- what is marked as Exhibit Five, and identify that?

21 A Exhibit Five is -- are copies of the
22 waivers that we received from the offset operators.

23 We sent waivers to all the offset operators
24 of record. We did receive back -- we did not receive back
25 any objections to our proposed location.

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1 We received approval from all operators
2 except two, those being James Davidson and Pennzoil Company.
3 These two did submit a waiver but it was a conditional
4 waiver. Their waivers were contingent on the fact that we
5 would not object to any future non-standard location on
6 their acreage to the north, so we therefore don't consider
7 that we did receive, in fact, a waiver from those two oper-
8 ators.

9 Q Mr. Tweed, in applications of this sort
10 it's often the case that structure maps are submitted for
11 review and interpretation. We have not done that in this
12 case. Could you explain briefly why?

13 A The reason we did not submit a structure
14 map in this case, it is not felt to be relevant. The
15 structure is simply just a monocline dipping to the south-
16 east, and the main relevance as to whether or not you get
17 production in this area is the depositional characteristics
18 of the Morrow sand, and not structural.

19 Rarely anywhere in the Morrow is structural
20 of consideration in where you want to drill.

21 I think this is pointed out by our State
22 "BV" No. 1 and the Pennzoil well, which the structure there
23 was of no consequence. Pennzoil just did not encounter
24 any sand, and therefore ended up drilling a dry hole.

25 Q And in a nutshell, would you say that the

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3050 Plaza Blanca (SOS) 471-4442
San Jose, New Mexico 87501

1 bases of your application in this case have to do with the
2 erratic nature of the Morrow formation on one hand --

3 A That is correct.

4 Q -- and together with your depositional
5 analysis?

6 A Right.

7 Q Mr. Tweed, were these Exhibits prepared
8 by you or under your supervision?

9 A Yes, they were.

10 Q And in your opinion will the approval of
11 this application prevent drilling of unnecessary wells and
12 otherwise prevent waste and protect correlative rights?

13 A Yes, it will.

14 MR. COFFIELD: Mr. Examiner, I move ad-
15 mission of Exhibits One through Five.

16 MR. STAMETS: These exhibits will be ad-
17 mitted.

18 MR. COFFIELD: I have no further questions
19 of this witness on direct examination.

20 CROSS EXAMINATION

21 BY MR. STAMETS:

22 Q Mr. Tweed, we also usually receive a map
23 showing the interpretation of the sand development in the
24 area on which to base an unorthodox location, and I don't
25

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1 see one in this package.

2 A No. Atlantic Richfield Company in this
3 case considers the depositional analysis to be confidential
4 and did not authorize me to -- to submit a sand depositional
5 analysis.

6 Q I think it would be very difficult for the
7 Examiner to find that an unorthodox location is needed be-
8 cause of the development of the sands when there is no evi-
9 dence to that effect.

10 A I do not have a depositional analysis with
11 me, nor am I authorized to submit one.

12 MR. STAMETS: Mr. Coffield, what would you
13 like to do?

14 MR. COFFIELD: If I might suggest this,
15 Mr. Examiner, Mr. Tweed could perhaps request management
16 authority to release the type of thing that you're needing
17 in order to make your more thorough review of the -- of the
18 application, and if you could hold the matter open to re-
19 ceive that, we could receive -- we could obtain management
20 authority to release the information.

21 MR. STAMETS: Well, would you propose to
22 submit that subsequent to the hearing?

23 MR. COFFIELD: Yes, sir, I would.

24 MR. STAMETS: All right. We will do that,
25 and along with that, I would suggest that there be an inter-

1 pretation, a written interpretation of the situation, so
2 that again, we can have an understanding of what the condi-
3 tions are in this particular area.

4 And I presume that Atlantic would be willing
5 to answer any questions that the Examiner has on this
6 point if they, indeed, submit the information?

7 A Yes, sir.

8 MR. STAMETS: Under those conditions, we
9 will accept that information, if Atlantic chooses to submit
10 it.

11 Any other questions of the witness? He
12 may be excused.

13 Anything further in this case?

14 MR. COFFIELD: No, sir.

15 MR. STAMETS: The case will be taken under
16 advisement.

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

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San Antonio, Texas 78201

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 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.

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 6587
 heard by me on 7-11 1979
Richard R. Starnes, Examiner
 Oil Conservation Division

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 Santa Fe, New Mexico 87501

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield Company) CASE
for an unorthodox gas well location, Eddy) 6589
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:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87503

For the Applicant:

Conrad Coffield, Esq.
HINKLE, COX, EATON, COFFIELD
& HENSLEY
Midland, Texas

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I N D E X

JERRY TWEED

Direct Examination by Mr. Coffield	3
Cross Examination by Mr. Stamets	11

E X H I B I T S

Applicant Exhibit One, Location plat	5
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MR. STAMETS: We'll call next Case 6589.

MR. PADILLA: Application of Atlantic Richfield Company for an unorthodox gas well location, Eddy County, New Mexico.

MR. COFFIELD: Conrad Coffield with the Hinkle Law Firm in Midland, Texas, appearing on behalf of the applicant, and I have one witness.

(Witness sworn.)

JERRY TWEED

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

DIRECT EXAMINATION

BY MR. COFFIELD:

Q Mr. Tweed, would you please state your name, address, occupation, and employer?

A I'm Jerry Tweed. I'm employed by Atlantic Richfield Company in Midland, Texas, as District Petroleum Engineer for southeast New Mexico.

Q Mr. Tweed, have you previously testified before the Division as an engineer?

A Yes, I have.

Q Were your qualifications made a matter of

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1 record and accepted by the Division?

2 A Yes, they were.

3 Q Are you familiar with the application on
4 this particular case?

5 A Yes.

6 Q And are you as well familiar with the
7 property and the proposed well location?

8 A Yes, I am.

9 MR. COFFIELD: Is the witness considered
10 qualified?

11 MR. STAMETS: He is.

12 Q Mr. Tweed, would you briefly state what
13 it is ARCO seeks by this application?

14 A Atlantic Richfield Company seeks applica-
15 tion for a non-standard unorthodox location for the State
16 "BV" No. 2. The unorthodox location would consist of the
17 well being located 2109 feet north -- from the north line,
18 and 1778 feet from the west line of Section 25, Township
19 17 South, Range 28 East, with the north half of Section 25
20 to be dedicated to the State "BV" No. 2. That would be a
21 standard proration unit.

22 Q Mr. Tweed is the basis of this application
23 seeking the non-standard location a geological basis?

24 A That is correct.

25 Q Okay, Mr. Tweed, would you refer to what

1 we've marked as Exhibit One and please explain that to the
2 Examiner?

3 A Exhibit One is simply a location plat
4 showing the proposed location of our State "BV" No. 2 as
5 being some 2109 feet from the north line and 1778 feet from
6 the south -- from the west line, excuse me.

7 MR. STAMETS: Mr. Tweed, why does that
8 plat identify the well as Hondo Oil and Gas Company?

9 A Hondo is a wholly-owned subsidiary of
10 Atlantic Richfield Company, and the well is being drilled
11 on what was previously Hondo acreage.

12 Q All right, Mr. Tweed, would you refer to
13 what has been marked as Exhibit Two and explain that to the
14 Examiner?

15 A Exhibit Two is a map showing all wells
16 drilled within one mile of the proposed location, essentially
17 nine, shows nine sections.

18 There were both shallow and deep wells
19 drilled in this area. The wells that are drilled to the
20 Morrow are shown in green, along with the proposed location
21 in red.

22 Q Is Atlantic Richfield the leasehold owner
23 and the proposed operator of this property?

24 A Yes, we are.

25 Q And does this map -- does this plat, then,

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1 show all of the offset owners?

2 A It shows all of the offset owners in both
3 the shallow and the deep horizons.

4 Q Where would the standard location be rela-
5 tive to where this proposed location is?

6 A The standard location would be 1980 feet
7 from the north line and 1980 feet from the west line.

8 Q So you're both further east and further
9 south than a standard location?

10 A Both further south and further west.

11 Q West, excuse me, further west.

12 Would you go on to what we've marked as
13 Exhibit Three and please explain that to the Examiner?

14 A Exhibit Three is a plat map showing those
15 wells -- just those wells that penetrated the Morrow.

16 There's a couple things I would like to
17 point out on this. The stippled acreage is acreage owned -- in
18 which Atlantic Richfield Company or its subsidiary, Hondo
19 Oil and Gas, own an interest. The -- all of Section 25,
20 all of Section 26, and the stippled parts of Section 35
21 and 36 are owned by Atlantic Richfield Company, Depco,
22 Husky, and Yates, and we all have the same interest in all
23 of that acreage. All of that acreage is also State acreage.

24 In addition, I would like to point out in
25 Section 30 Amoco's Empire South Deep No. 7. This well was

1 drilled to -- it's shown here in red in the south half of
2 Section 30.

3 This well was drilled to the Morrow, was
4 found to be non-productive in the Morrow, and was recompleated
5 in the Wolfcamp.

6 660 feet west of it is the Empire South
7 Deep Unit No. 13, which was drilled by Mr. Yates. That
8 well did encounter Morrow sands and it's been a good pro-
9 ducer in the Morrow.

10 For instance, the March production aver-
11 aged some 2,345-million Mcf -- or 2,000,345 cubic feet of
12 gas per day, and has a cumulative as of 1/1/79 of 7/10ths
13 of a billion; just 660 feet west of a well that did not
14 encounter any Morrow sands.

15 Also, I would like to point out our State
16 "BV" No. 1, which is in the south half of Section 25. In
17 this well we did encounter a good Morrow sand section, which
18 I will show on the next exhibit.

19 I'd also like to point out Pennzoil's well
20 in the south half of Section 24. They drilled at this
21 location and encountered no productive Morrow sand.

22 I point these out to show the fact that
23 the Morrow is quite erratic in this area. There are some
24 good productive wells in it, but the sand does -- is quite
25 erratic in development.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (661) 471-2462
Santa Fe, New Mexico 87501

1 The reason that we would like to drill at
2 the location proposed is that this is a location that we
3 conclude will result in an encounter with the thickest
4 Morrow sand underlying the tract. This is based on depo-
5 sitional analysis.

6 As you know, the Morrow is a deltaic type
7 sand deposit with channels and bar development, and it is
8 our conclusion that this would put us in the thickest part
9 of the channel development.

10 Q All right, Mr. Tweed, would you go to what
11 has been marked as Exhibit Number Four and explain that to
12 the Examiner?

13 A Exhibit Number Four is a two-well cross
14 section of the previously referred to wells, the one on
15 the left being ARCO, or rather our subsidiary, Hondo Oil
16 and Gas State "BV" Com No. 1, which was drilled in the
17 south half of Section 25.

18 We break the Morrow down into what we con-
19 sider depositional cycles. We break it down into four de-
20 positional cycles. Essentially shown here are cycle two
21 and cycle three. In this particular area depositional
22 cycle two is the one that contains the most significant
23 productive sand.

24 In our State "BV" Com No. 1 we encountered
25 some 100-foot of productive Morrow sand, very high porosity,

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3024 Plaza Blanca (148) 411-2462
Santa Fe, New Mexico 87501

1 high flow rate.

2 Since completion of this well in May, we've
3 flown the well at some 13-million cubic feet a day since
4 that time, and it continues to produce at that rate.

5 Pennzoil subsequently drilled their Aid
6 State Com No. 1 in Section 24. I believe it's the south
7 half of Section 24, shown on a previous exhibit.

8 They encountered very thin -- first of all,
9 cycle two, depositional cycle two had thinned. The poten-
10 tially productive sands had thinned to almost non-existence.
11 They did take a long drill stem test, which included both
12 cycle two and cycle three, and failed to produce any gas
13 on the drill stem test. They subsequently did plug and
14 abandon the well.

15 I think this points out the erratic nature
16 of the deposition of the Morrow in this area, and the de-
17 sire to go to a non-standard location to take full advantage
18 of what we believe to be the best part of the pay.

19 Q Now, Mr. Tweed, would you please go to Ex-
20 hibit -- what is marked as Exhibit Five, and identify that?

21 A Exhibit Five is -- are copies of the
22 waivers that we received from the offset operators.

23 We sent waivers to all the offset operators
24 of record. We did receive back -- we did not receive back
25 any objections to our proposed location.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (S.B.) 471-2482
Santa Fe, New Mexico 87501

1 We received approval from all operators
2 except two, those being James Davidson and Pennzoil Company.
3 These two did submit a waiver but it was a conditional
4 waiver. Their waivers were contingent on the fact that we
5 would not object to any future non-standard location on
6 their acreage to the north, so we therefore don't consider
7 that we did receive, in fact, a waiver from those two oper-
8 ators.

9 Q Mr. Tweed, in applications of this sort
10 it's often the case that structure maps are submitted for
11 review and interpretation. We have not done that in this
12 case. Could you explain briefly why?

13 A The reason we did not submit a structure
14 map in this case, it is not felt to be relevant. The
15 structure is simply just a monocline dipping to the south-
16 east, and the main relevance as to whether or not you get
17 production in this area is the depositional characteristics
18 of the Morrow sand, and not structural.

19 Rarely anywhere in the Morrow is structural
20 of consideration in where you want to drill.

21 I think this is pointed out by our State
22 "BV" No. 1 and the Pennzoil well, which the structure there
23 was of no consequence. Pennzoil just did not encounter
24 any sand, and therefore ended up drilling a dry hole.

25 Q And in a nutshell, would you say that the

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-3442
San Antonio, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (865) 471-2482
Santa Fe, New Mexico 87501

1 bases of your application in this case have to do with the
2 erratic nature of the Morrow formation on one hand --

3 A That is correct.

4 Q -- and together with your depositional
5 analysis?

6 A Right.

7 Q Mr. Tweed, were these Exhibits prepared
8 by you or under your supervision?

9 A Yes, they were.

10 Q And in your opinion will the approval of
11 this application prevent drilling of unnecessary wells and
12 otherwise prevent waste and protect correlative rights?

13 A Yes, it will.

14 MR. COFFIELD: Mr. Examiner, I move ad-
15 mission of Exhibits One through Five.

16 MR. STAMETS: These exhibits will be ad-
17 mitted.

18 MR. COFFIELD: I have no further questions
19 of this witness on direct examination.

20
21 CROSS EXAMINATION

22 BY MR. STAMETS:

23 Q Mr. Tweed, we also usually receive a map
24 showing the interpretation of the sand development in the
25 area on which to base an unorthodox location, and I don't

1 see one in this package.

2 A No. Atlantic Richfield Company in this
3 case considers the depositional analysis to be confidential
4 and did not authorize me to --- to submit a sand depositional
5 analysis.

6 Q I think it would be very difficult for the
7 Examiner to find that an unorthodox location is needed be-
8 cause of the development of the sands when there is no evi-
9 dence to that effect.

10 A I do not have a depositional analysis with
11 me, nor am I authorized to submit one.

12 MR. STAMETS: Mr. Coffield, what would you
13 like to do?

14 MR. COFFIELD: If I might suggest this,
15 Mr. Examiner, Mr. Tweed could perhaps request management
16 authority to release the type of thing that you're needing
17 in order to make your more thorough review of the -- of the
18 application, and if you could hold the matter open to re-
19 ceive that, we could receive -- we could obtain management
20 authority to release the information.

21 MR. STAMETS: Well, would you propose to
22 submit that subsequent to the hearing?

23 MR. COFFIELD: Yes, sir, I would.

24 MR. STAMETS: All right. We will do that,
25 and along with that, I would suggest that there be an inter-

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-2483
Santa Fe, New Mexico 87501

1 pretation, a written interpretation of the situation, so
2 that again, we can have an understanding of what the condi-
3 tions are in this particular area.

4 And I presume that Atlantic would be willing
5 to answer any questions that the Examiner has on this
6 point if they, indeed, submit the information?

7 A Yes, sir.

8 MR. STAMETS: Under those conditions, we
9 will accept that information, if Atlantic chooses to submit
10 it.

11 Any other questions of the witness? He
12 may be excused.

13 Anything further in this case?

14 MR. COFFIELD: No, sir.

15 MR. STAMETS: The case will be taken under
16 advisement.

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

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

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 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. _____ heard by me on _____ 19____

_____, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (S.E.) 471-4493
Santa Fe, New Mexico 87501

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All distances must be from the outer boundaries of the Section

Operator Hondo ARCO Oil & Gas		Page 1		State BV		Well No. 2	
First Letter F	Section 25	Trunkship 17 South	Range 28 East	County Eddy			
Actual Surface Location of Well: 2109 feet from the North line and 1778 feet from the West line							
Ground Level 3671.4	Producing Formation		Foot		Indicated Acreage		

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

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

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

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

<p>BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION EXHIBIT NO. 1</p> <p>CASE NO. 6589</p> <p>Submitted by Arco</p> <p>Hearing Date 7/11/79</p>		<p>REGISTERED LAND SURVEYOR No. 3239 NEW MEXICO RONALD J. EIDSON</p>
--	--	--

CERTIFICATION

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

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

Date Surveyed
June 5, 1979

Registered Professional Engineer
in Oil and Gas Surveying

Ronald J. Eidson
Certificate No. **John W. West 676**
Ronald J. Eidson 3239

0 300 600 900 1200 1500 1800 2100 2400 2700 3000 3300 3600

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/823-8801

ROSWELL, NEW MEXICO 86201

June 21, 1979

ARCO Oil & Gas Company
P. O. Box 1610
Midland, Texas 79702

Re: Unorthodox Well Location
Section 25
T-17S, R-28E
Eddy County, New Mexico

Gentlemen:

Enclosed please find a copy of your letter agreement dated June 19, 1979, concerning unorthodox well location in the above referenced area. The letter has been executed by Mr. George M. Yates on behalf of Harvey E. Yates Company.

Yours truly,

Carlyn M. Jarm
Carlyn M. Jarm
Land Department

CJ/ms
Enclosure

BEFORE FIVE HILL STATE'S
OIL COMMISSION DIVISION

EXHIBIT NO. 5

CASE NO. 6589

Submitted by Arco

Hearing Date 7/11/79

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

Harvey E. Yates
P. O. Box 1933
Roswell, New Mexico 88201

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.

J. L. Tweed
J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED.

BY: *[Signature]*

HARVEY E. YATES

RECEIVED JUN 21 1979

71
ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

Deeco Incorporated
1025 Petroleum Club Bldg
Denver, Colorado 80202

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

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Your prompt attention to this matter will be greatly appreciated.

J. L. Tweed
J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY: *CD Crump*
DEPCO INCORPORATED

JUN 21 1979

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

Yates Petroleum Corporation
207 South 4th
Artesia, New Mexico 88210

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.


J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY:


YATES PETROLEUM CORPORATION

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

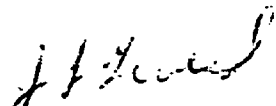
Park Weaver
P. O. Box 9300
Ft. Worth, Texas 76107

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.


J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY:


PARK WEAVER

CONOCO

L. P. Thompson
Division Manager

John R. Kemp
Assistant Division Manager

Production Department
Hobbs Division
North American Production

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

June 26, 1979

ARCO Oil and Gas Company
Permian District
P.O. Box 1610
Midland, Texas 79702

Attention Mr. J. L. Tweed

Gentlemen:

Application for Unorthodox Well Location, Section 25, T-17-S, R-28-E, Eddy
County, New Mexico

Continental Oil Company has no objection to your proposed location for a
Morrow test well as suggested in your letter dated June 19, 1979. An
approved copy is being returned to you.

Yours very truly,



HAI/jj
enc

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

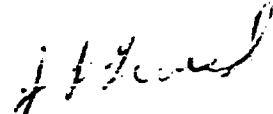
Continental
P. O. Box 1959
Midland, Texas 79702

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.

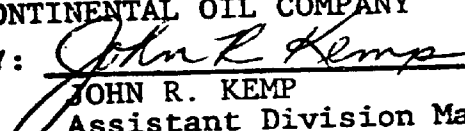

J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:
CONTINENTAL OIL COMPANY

BY:


JOHN R. KEMP

Assistant Division Manager

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

TENNECO
P. O. Box 2511
Houston, Texas 77001

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.

J. L. Tweed
J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY: *Jim B. Strickland*

TENNECO

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

RECEIVED
JUN 25 1979
LAND DEPT.

who SR

^X
INEXCO Oil Company
Suite 1900
1100 Milam Bldg.
Houston, Texas 77002

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.

J. L. Tweed
J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY: *Sam S. Reeves, Jr.*, June 28, 1979.
INEXCO OIL COMPANY

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

General American
Meadows Building
Dallas, Texas 75206

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.

J. L. Tweed
J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY: *W. T. Sullivan*
GENERAL AMERICAN Assist. Vice President, Production

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

Exxon
P. O. Box 1600
Midland, Texas 79702

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.

J. L. Tweed
J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY: *[Signature]*
EXXON CORPORATION
June 28, 1979



Husky Oil Company

600 South Cherry Street
Denver, Colorado 80222
(303) 320-4040

June 27, 1979

ARCO Oil and Gas Company
Permian District
P.O. Box 1610
Midland, Texas 79702

Attn: J. L. Tweed

RE: Unorthodox Location
State BV #2
Eddy County, New Mexico

Dear Mr. Tweed:

Please find attached one copy of your letter ballot
dated June 19, 1979, whereby Husky Oil Company has approved
the unorthodox location for subject well.

Yours very truly,

J. L. Corkill
Joint Interest Administrator

JLC:dh
Attach: (1)
cc: A.V.R. Coe

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100

JUN 22 1979



June 19, 1979

Husky Oil Corporation
600 S. Cherry
Denver, Colorado 80222

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.

J. L. Tweed
J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY: *R. C. Crumell* 6-27-79
HUSKY OIL CORPORATION

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-85

All distances must be from the outer boundaries of the Section

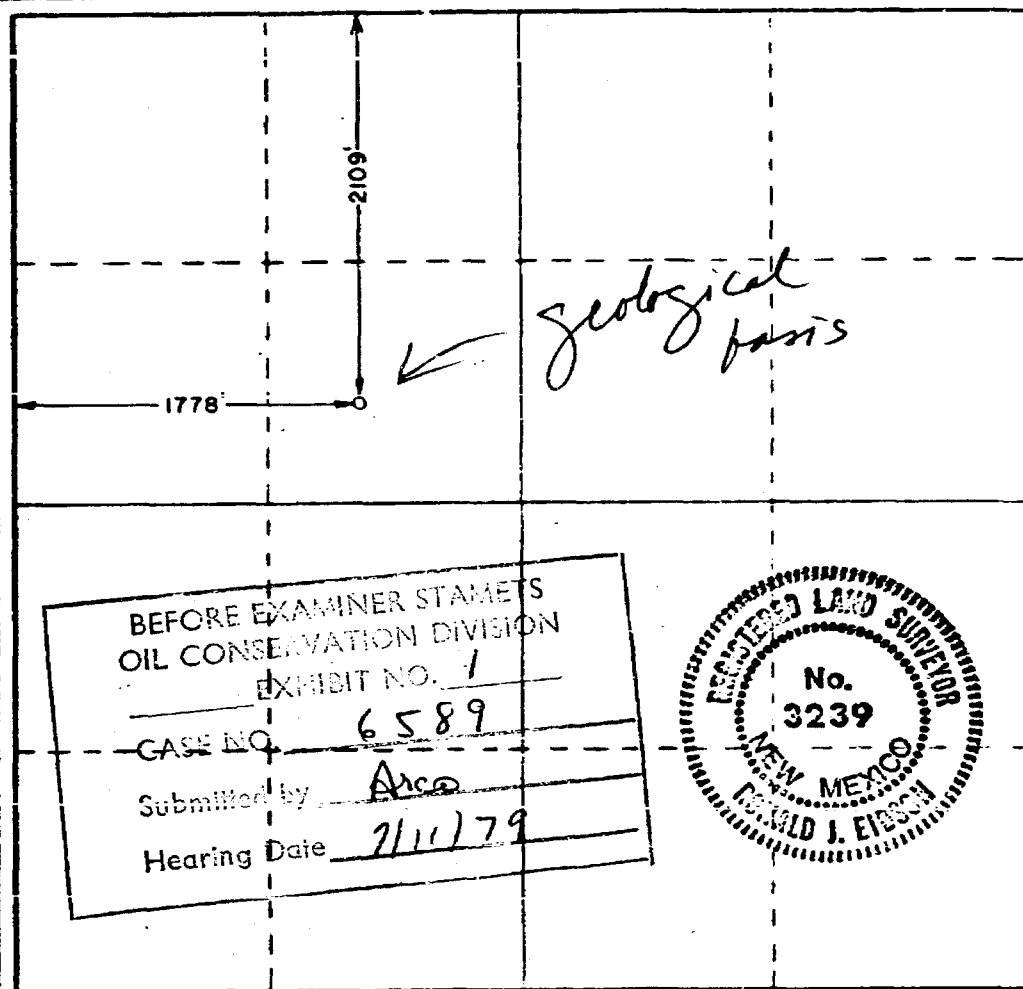
Operator Hondo ARCO Oil & Gas		State BV		Well No. 2
Unit Letter F	Section 25	Township 17 South	Range 28 East	County Eddy
Actual Well Location of Well:				
2109	feet from the	North	line and	1778
				feet from the
				West
Ground Level Elev. 3671.4	Producing Formation:		Foot:	Indicate All Other:
				Acres

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

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

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

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



CERTIFICATION

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

Name _____
Position _____
Company _____
City _____

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

Date Surveyed: **June 5, 1979**

Registered Professional Engineer
in the State of New Mexico

Ronald J. Eidsen

Certificate No. **John W. West 676**
Ronald J. Eidsen 3239

0 300 600 900 1200 1500 1800 2100 2400 2700 3000 3300 3600 3900 4200 4500 4800 5100 5400 5700 6000

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P. O. BOX 1833

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/823-8801

ROSWELL, NEW MEXICO 88201

June 21, 1979

ARCO Oil & Gas Company
P. O. Box 1610
Midland, Texas 79702

Re: Unorthodox Well Location
Section 25
T-17S, R-28E
Eddy County, New Mexico

Gentlemen:

Enclosed please find a copy of your letter agreement dated June 19, 1979, concerning unorthodox well location in the above referenced area. The letter has been executed by Mr. George M. Yates on behalf of Harvey E. Yates Company.

Yours truly,

Carlyn M. Jarm
Carlyn M. Jarm
Land Department

CJ/ms
Enclosure

BEFORE EXAMINER STATES	
OIL COM. REGULATION DIVISION	
EXHIBIT NO.	5
CASE NO.	6589
Submitted by	Asco
Hearing Date	7/11/79

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

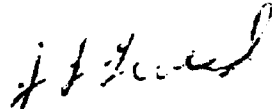
Harvey E. Yates
P. O. Box 1933
Roswell, New Mexico 88201

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.


J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY: 

HARVEY E. YATES

RECEIVED JUN 21 1979

71
ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

Depco Incorporated
1025 Petroleum Club Bldg
Denver, Colorado 80202

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

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Your prompt attention to this matter will be greatly appreciated.

J. L. Tweed
J. L. Tweed

JLT:ad

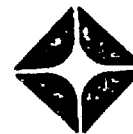
attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY: *CD Crump*
DEPCO INCORPORATED

JUN 21 1979

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

Yates Petroleum Corporation
207 South 4th
Artesia, New Mexico 88210

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

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Your prompt attention to this matter will be greatly appreciated.


J. L. Tweed

JLT:ad

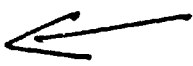
attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY:


YATES PETROLEUM CORPORATION

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

Park Weaver
P. O. Box 9300
Ft. Worth, Texas 76107

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.

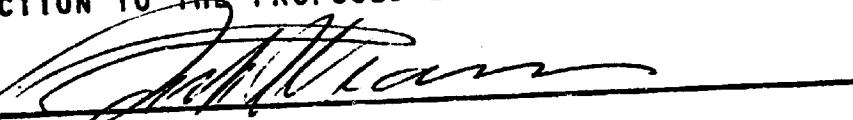

J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY:


PARK WEAVER



L. P. Thompson
Division Manager

John R. Kemp
Assistant Division Manager

Production Department
Petro Division
North American Production

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

June 26, 1979

ARCO Oil and Gas Company
Permian District
P.O. Box 1610
Midland, Texas 79702

Attention Mr. J. L. Tweed

Gentlemen:

Application for Unorthodox Well Location, Section 25, T-17-S, R-28-E, Eddy
County, New Mexico

Continental Oil Company has no objection to your proposed location for a
Morrow test well as suggested in your letter dated June 19, 1979. An
approved copy is being returned to you.

Yours very truly,

HAI/jj
enc

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

Continental
P. O. Box 1959
Midland, Texas 79702

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.


J. L. Tweed

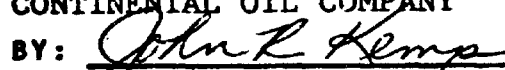
JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

CONTINENTAL OIL COMPANY

BY:


JOHN R. KEMP
Assistant Division Manager

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

TENNECO
P. O. Box 2511
Houston, Texas 77001

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.

J. L. Tweed
J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY:

Jim B. Struthers
TENNECO

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

RECEIVED
JUN 25 1979
LAND DEPT.

6/26 SR

^X
INEXCO Oil Company
Suite 1900
1100 Milam Bldg.
Houston, Texas 77002

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.

J. L. Tweed
J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY: *Sam S. Reeves, Jr.*, June 28, 1979,
INEXCO OIL COMPANY

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

General American
Meadows Building
Dallas, Texas 75206

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.

J. L. Tweed
J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY:

W. T. [Signature]

GENERAL AMERICAN Assist. Vice President, Production

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100



June 19, 1979

Exxon
P. O. Box 1600
Midland, Texas 79702

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.

J. L. Tweed
J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY: *[Signature]*
EXXON CORPORATION
June 28, 1979

Husky

Husky Oil Company

600 South Cherry Street
Denver, Colorado 80222
(303) 320-4040

June 27, 1979

ARCO Oil and Gas Company
Permian District
P.O. Box 1610
Midland, Texas 79702


Attn: J. L. Tweed

RE: Unorthodox Location
State BV #2
Eddy County, New Mexico

Dear Mr. Tweed:

Please find attached one copy of your letter ballot dated June 19, 1979, whereby Husky Oil Company has approved the unorthodox location for subject well.

Yours very truly,


J. L. Corkill
Joint Interest Administrator

JLC:dh
Attach: (1)
cc: A.V.R. Coe

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100

JUN 22 1979



June 19, 1979

Husky Oil Corporation
600 S. Cherry
Denver, Colorado 80222

Gentlemen:

Attached is a copy of an application filed by ARCO Oil & Gas Company with the New Mexico Oil Conservation Commission requesting approval of an unorthodox well location 2109 feet from the north line and 1778 feet from the west line of section 25, township 17 south, range 28 east, Eddy County, New Mexico. This is to test the Morrow formation.

If you have no objection to the proposed location, please so note in the space provided below and return one copy of this letter to ARCO Oil & Gas Company, P. O. Box 1610, Midland, Texas 79702, Attention: Mr. J. L. Tweed.

Your prompt attention to this matter will be greatly appreciated.

J. L. Tweed
J. L. Tweed

JLT:ad

attachments

OBJECTION TO THE PROPOSED LOCATION IS HEREBY WAIVED:

BY: *R. L. Cornill* 6-27-79
HUSKY OIL CORPORATION

Dockets Nos. 27-79 and 78-79 are tentatively set for hearing on July 25 and August 8, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 11, 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 6583: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of B.S. Mesa-Gallup and Basin-Dakota production in the wellbore of its Jicarilla Apache 102 Well No. 13 located in Unit B of Section 10, Township 26 North, Range 4 West.
- CASE 6584: Application of Texas Oil & Gas Corp. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Shugart State Com. Well No. 2 660 feet from the South line and 1930 feet from the East line of Section 16, Township 18 South, Range 31 East, to test the Wolfcamp through Mississippian formations, the E/2 of said Section 16 to be dedicated to the well.
- CASE 6574: (Continued from June 13, 1979, Examiner Hearing)
- Application of Texas Oil & Gas Corp. for an unorthodox gas well location and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Morrow formations underlying the E/2 of Section 6, Township 17 South, Range 35 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and East lines of said Section 6. 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 6563: (Continued from June 27, 1979, Examiner Hearing)
- Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his North Woolworth Ranch Unit area, comprising 1,280 acres, more or less, of State lands in Township 23 South, Range 35 East.
- CASE 6585: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of undesignated Fruitland and West Kutz-Pictured Cliffs production in the wellbores of its Paul Wells Nos. 1 and 2 located in Units G and C of Section 19, Township 27 North, Range 11 West.
- CASE 6586: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Conner-Fruitland and undesignated Pictured Cliffs production in the wellbores of the following wells: Big Field Well No. 2 in Unit C of Section 3; Big Field Well No. 5 in Unit P of Section 10; Dinero Well No. 1 in Unit H of Section 13; and Molly Pitcher Well No. 2 in Unit H of Section 14, all in Township 30 North, Range 14 West.
- CASE 6587: Application of Caribou Four Corners, Inc., for three unorthodox well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of the following wells in the Cha Cha-Gallup Pool: Kirtland Wells Nos. 3 and 4 located 730 feet from the North line and 2250 feet from the East line and 1450 feet from the North line and 595 feet from the East line, respectively, of Section 18, Township 29 North, Range 14 West; and Kirtland Well No. 2 260 feet from the North line and 2100 feet from the East line of Section 13, Township 29 North, Range 15 West.
- CASE 6588: Application of Caribou Four Corners, Inc., for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 64.32-acre non-standard oil proration unit comprising the NW/4 NW/4 and that part of Lot 5 lying north of the San Juan River, all in Section 18, Township 29 North, Range 14 West, Cha Cha-Gallup Oil Pool.
- CASE 6589: Application of Atlantic Richfield Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State "BV" No. 2 Well 2109 feet from the North line and 1778 feet from the West line of Section 25, Township 17 South, Range 28 East, to test the Morrow formation, the N/2 of said Section 25 to be dedicated to the well.

- CASE 6590:** Application of Grace Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Lots 9, 10, 15, and 16 and the SE/4 of Section 6, Township 21 South, Range 32 East, to be dedicated to a well to be drilled at an unorthodox location 4650 feet from the South line and 660 feet from the East line of said Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs 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 6591:** Application of Exxon Corporation for vertical pool limit redefinition, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the vertical limits of the Langlie Mattix Pool to include the lowermost 165 feet of the Seven Rivers formation and the concomitant contraction of the vertical limits of the Jalmat Gas Pool underlying the NE/4 of Section 2, Township 24 South, Range 36 East.
- CASE 6592:** Application of Maddox Energy Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Malaga Well No. 1 located in Unit G of Section 3, Township 24 South, Range 28 East, to produce gas from the Atoka and Morrow formations through parallel strings of tubing.
- CASE 6593:** Application of Dyco Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the San Andres, Glorieta and Tubb formations in the open-hole interval from 4894 feet to 8725 feet in its C. S. Stone Well No. 3 located in Unit F of Section 22, Township 15 South, Range 38 East, Medicine Rock-Devonian Pool.
- CASE 6594:** Application of Flag-Redfern Oil Co. for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine in an unlined surface pit located in Unit K, Section 2, Township 19 South, Range 31 East, Shugart Field.
- CASE 6595:** Application of Stevens Oil Company 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 SW/4 of Section 30, Township 8 South, Range 29 East, 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 6270:** (Reopened and Readvertised)
- In the matter of Case 6270 being reopened pursuant to the provisions of Order No. R-5771 which order created the South Peterson-Fusselman Pool, Roosevelt County, New Mexico, and provided for 30-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

Docket No. 26-79

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 18, 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:

- ALLOWABLE:**
- (1) Consideration of the allowable production of gas for August, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for August, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

LAW OFFICES

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
JAMES N. BOZARTH

1000 FIRST NATIONAL BANK TOWER
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691

OF COUNSEL
CLARENCE E. HINKLE

W. E. BONDURANT, JR. (1984-1973)

ROSWELL, NEW MEXICO OFFICE
600 HINKLE BUILDING
(505) 822-6510

ONLY ATTYS. COFFIELD, MARTIN, BOZARTH,
BOHANNON, FOSTER, ALLEN, ALLEN & BURFORD
LICENSED IN TEXAS

DOUGLAS L. LUNSFORD
PAUL M. BOHANNON
J. DOUGLAS FOSTER
K. DOUGLAS PERRIN
C. RAY ALLEN
JACQUELINE W. ALLEN
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD
JOHN S. NELSON
RICHARD E. OLSON

June 12, 1979

Mr. Dan Nutter
Chief Engineer
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Dear Dan:

Transmitted herewith you will find triplicate executed copies of an Application for Atlantic Richfield Company for an unorthodox well location in Section 25, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

It is my understanding that the docket setting for July 11 is still available for this matter, and accordingly, we request that it be heard on that date.

I trust that the enclosed copies of the Application are all that is needed in order for this to be set for the July 11 hearing. However, if anything else is needed in addition, please let me know.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


Conrad E. Coffield

CEC:rf
Enclosures

xc: Mr. Jerry Tweed
Atlantic Richfield Company
Post Office Box 1610
Midland, Texas 79702

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

APPLICATION OF ATLANTIC)
RICHFIELD COMPANY FOR AN)
UNORTHODOX WELL LOCATION,)
EDDY COUNTY, NEW MEXICO)

Case 6589

APPLICATION

Atlantic Richfield Company hereby makes application for approval of an unorthodox gas well location and states:

1. Applicant seeks approval of an unorthodox gas well location for its State "BV" No. 2 Well to be drilled 2109 feet from the North line and 1778 feet from the West line of Section 25, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, to test the Morrow formation.

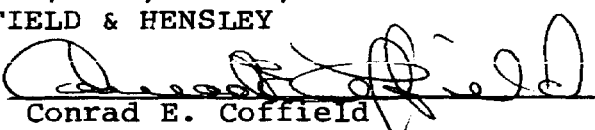
2. That the N½ of Section 25 is to be dedicated to the well.

3. Approval of the unorthodox location will be in the interest of conservation, prevention of waste and protection of correlative rights.

4. Applicant requests that this matter be heard at the July 11, 1979 Examiner's hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By:


Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Atlantic
Richfield Company

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

APPLICATION OF ATLANTIC)
RICHFIELD COMPANY FOR AN)
UNORTHODOX WELL LOCATION,)
EDDY COUNTY, NEW MEXICO)

Case 6589

APPLICATION

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2. That the N½ of Section 25 is to be dedicated to the well.
3. Approval of the unorthodox location will be in the interest of conservation, prevention of waste and protection of correlative rights.
4. Applicant requests that this matter be heard at the July 11, 1979 Examiner's hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 

Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Atlantic
Richfield Company

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

APPLICATION OF ATLANTIC)
RICHFIELD COMPANY FOR AN)
UNORTHODOX WELL LOCATION,)
EDDY COUNTY, NEW MEXICO)

Case 6589

APPLICATION

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1. Applicant seeks approval of an unorthodox gas well location for its State "BV" No. 2 Well to be drilled 2109 feet from the North line and 1778 feet from the West line of Section 25, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, to test the Morrow formation.
2. That the N $\frac{1}{2}$ of Section 25 is to be dedicated to the well.
3. Approval of the unorthodox location will be in the interest of conservation, prevention of waste and protection of correlative rights.
4. Applicant requests that this matter be heard at the July 11, 1979 Examiner's hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 

Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Atlantic
Richfield Company

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. 6589

ORDER NO. R- 6081

APPLICATION OF ATLANTIC RICHFIELD 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 July 11,
1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets
NOW, on this August day of July, 19 79, 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, Atlantic Richfield Company,
for its State "BV" Well No. 2 to be drilled at a point
seeks approval of an unorthodox gas well location/ 2109
feet from the North line and 1778 feet from the
West line of Section 25, Township 17 South
Range 28 East, NMPM, to test the Morrow
formation, South Empire-Morrow Gas Pool, Eddy
County, New Mexico.

(3) That the N/2 of said Section 25 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.

-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 Morrow
the Atlantic Richfield Company State "BV" Well No. 2
formation is hereby approved for ~~to be drilled~~ to be drilled at a point 2109
feet from the North line and 1778 feet from the West
line of Section 25, Township 17 South, Range 28 East
NMPM, South Empire Morrow Gas Pool, Eddy County,
New Mexico.

(2) That the N/2 of said Section 25 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.