Case No. <u>6592</u>

Application
Transcripts

Small Exhibits

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 Maddox Energy Corporation) CASE for a dual completion, Eddy County, New Mexico.

) 6592

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

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

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 MR. STAMETS: We'll call next Case 6592.

MR. PADILLA: Application of Maddox Energy

Corporation for dual completion, Eddy County, New Mexico.

MR. STAMETS: Applicant has requested that this case be dismissed, and it will.

(Hearing concluded.)

REPORTER'S CERTIFICATE

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

Sally W. Boyd, C.S.R.

I do here to so it that the foregoing is a complete and of the process lings in the Examiner hearing of Case No. 6512

neard by me on

_ ____

Oil Conservation Division

SALLY WALTON BOYC CHIRTHED SHORTHAND REPORTE 3510 Plusa Blance (665) 411-444 Bastil Pe, New Moston 3161 10

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

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(Hearing concluded.)

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

Sally W. Boyd, C.S.R.

SALLY WALTON BO CERTIFIED SHORTHAND REPORT SESSIFTARE SHARM (845) 471-SHARM FIS, New Maxico 871

LARRY KEHOE SECRETARY

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

July 31, 1979

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

Re: Mr. C. D. Martin Hinkle, Cox, Eaton, Coffield & Hensley Attorneys at Law P. O. Box 3580 Midland, Texas 79702	CASE NO. 6592 ORDER NO. R-6067 Applicant:
Dear Sir:	
Enclosed herewith are two copies Division order recently entered	
JOE D. RAMEY Director	
JDR/fd	
Copy of order also sent to:	
Hobbs OCD X Artesia OCD X Aztec OCD	
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. 6592 Order No. R-6067

APPLICATION OF MADDOX ENERGY CORPORATION FOR A DUAL COMPLETION, 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.

MOW, on this 30+h day of July, 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. 6592 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

JOE D. RAMEY

Director

EAL d/ LAW OFFICES

HINKLE, COX, EATON, COFFIELD & HENSLEY

1000 FIRST NATIONAL BANK TOWER

POST OFFICE BOX 3580

MIDLAND, TEXAS 79702

(915) 683-4691

OF QUINSEL

W. E. BONDURANT, OR: 1889 STANTATION DIVISION ROSWELL, NEW MEXICO OFFICE A FE

600 HINKEE BUILDING (605) 622-6510

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

July 9, 1979

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

Re: Application of Maddox
Energy Corporation for
Dual Completion of Its
No. 1 Malaga Well, Eddy
County, New Mexico -New Mexico Oil Conservation
Division Case No. 6592

Dear Dan:

LEWIE C. COX, JR. PAUL W. EATON, JR

CONRAD E.COFFIELD HAROLD L.HENSLEY, JR

STUART D. SHANOR

PAUL J. KELLY, JR.

JAMES H. BOZARTH

DOUGLAS L.LUNSFORD

J. DOUGLAS POSTER

K.DOUGLAS PERRIN C. RAY ALIJEN

RICHARD E.OLSON

JACQUELINE W ALLEN T. CALDER EZZELL,JR. WILLIAM B. BURFORD JOHN S. NELSON

C. D. MARTIN

I was advised this afternoon by the engineer for Maddox Energy Corporation that their testing in the Morrow formation in connection with the captioned Application indicated that they will not be dually completing the Morrow formation and the Atoka formation.

As a result, I would appreciate your dismissing this case from your docket.

We have this date attempted to contact you by telephone. As we were unable to make the connection, we left word with your secretary for you to return the cal¹.

I appreciate your aid in connection with this matter.

Sincerely yours,

HINKLE, COX, EATON, COFFIELD & HENSLEY

C. D. Martin

CDM:rf

xc: Mr. S. J. Mansfield, Jr.

xc: Mr. Bill Baker

- 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.
- 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.
- 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 80-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.

Dockets Nos. 27-79 and 28-79 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:

- 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 abovestyled 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 East.

- 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-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.
- 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.
- 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 ite State "BV" No. 2 Well 2109 feet from the North line and 1.778 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.

LAW OFFICES

HINKLE, COX, EATON, COFFIELD & HENSLEY

1000 FIRST NATIONAL BANK TOWER

OF COUNSEL CLARENCE E.HINKLE

POST OFFICE BOX 3580

W. E. SONDURANT, JR. (1914-1973)

MAROLD L. HENSLEY, JR. STUART D. SHANOR

C. D. MARTIN JAMES H. BOZASTH

BAUL W. EATON. JR. CONRAD E.COFFIELD

> MIDLAND, TEXAS 79702 (915) 683-4591

ROSWELL, NEW MEXICO OFFICE 600 HINKLE BUILDING

(805) 622-6510

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

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



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 Maddox Energy Corporation for Dual Completion of the Maddox No. 1 Malaga Well in Eddy County, New Mexico.

It is my understanding that the docket setting for July 11, 1979 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 is needed in addition, please let me know.

Very truly yours,

HINKLE, COX, EATON, COFFIELD & HENSLEY

c J. Martin

CDM:rf Enclosures

xc: Mr. S. J. Mansfield, Jr. Maddox Energy Corporation

BEFORE THE OIL CONSERVATION DIVISION DEPARTMENT OF ENERGY AND MINERALS



STATE OF NEW MEXICO

APPLIC	CATION	OF	MAI	XOQC	ENERGY	ľ
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COMPLE	MOITS	OF :	ITS	NQ.	1 MAL	AGA
WELL,	EDDY	COU	YTY,	, NEV	MEXIC	CO

euse 6592

APPLICATION

Maddox Energy Corporation, by its undersigned attorneys, hereby makes application for an order approving dual completion of its No. 1 Malaga Well located in the E½ of Section 3, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show:

- 1. Applicant has drilled its No. 1 Malaga Well to a total depth of 13,100 feet, said well being located 1980 feet from the North and East lines of Section 3.
- 2. Applicant's No. 1 Malaga Well encountered productive zones in both the Atoka and Morrow formations, and desires to dually complete said well between the Atoka and Morrow gas zones for the production of gas from each zone through parallel strings of tubing.
- 3. The approval of dual completion of the Maddox Energy Corporation No. 1 Malaga Well in the Atoka and Morrow zones will avoid drilling of unnecessary wells, prevent waste and protect correlative rights.
- 4. Applicant requests that this matter be heard at the July 11, 1979 Examiner's hearing.

HINKLE, COX, EATON, COFFIELD & HENSLEY

By:

C. D. Martin

Post Office Box 3580 Midland, Texas 79702 Attorneys for Maddox

Energy Corporation

BEFORE THE OIL CONSERVATION DIVISION JUN : 1 1979

DEPARTMENT OF ENERGY AND MINERAL SCONSERVATION DIVISION SANTA FE

STATE OF NEW MEXICO

APPLICATION OF MADDOX ENERGY ENERGY CORPORATION FOR DUAL COMPLETION OF ITS NO. 1 MALAGA WELL, EDDY COUNTY, NEW MEXICO

Car 6592

APPLICATION

Maddox Energy Corporation, by its undersigned attorneys, hereby makes application for an order approving dual completion of its No. 1 Malaga Well located in the E½ of Section 3, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show:

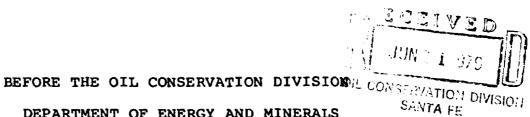
- 1. Applicant has drilled its No. 1 Maraga Well to a total depth of 13,100 feet, said well being located 1980 feet from the North and East lines of Section 3.
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- 4. Applicant requests that this matter be heard at the July 11, 1979 Examiner's hearing.

By:

C. D. Martin

HINKLE, COX, EATON, COFFIELD & HENSLEY

Post Office Box 3580 Midland, Texas 79702 Attorneys for Maddox Energy Corporation



DEPARTMENT OF ENERGY AND MINERALS

STATE OF NEW MEXICO

APPLICATION OF MADDOX ENERGY ENERGY CORPORATION FOR DUAL COMPLETION OF ITS NO. 1 MALAGA WELL, EDDY COUNTY, NEW MEXICO

Case 6992

APPLICATION

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- 1. Applicant has drilled its No. 1 Malaga Well to a total depth of 13,100 feet, said well being located 1980 feet from the North and East lines of Section 3.
- 2. Applicant's No. 1 Malaga Well encountered productive zones in both the Atoka and Morrow formations, and desires to dually complete said well between the Atoka and Morrow gas zones for the production of gas from each zone through parallel strings of tubing.
- 3. The approval of dual completion of the Maddox Energy Corporation No. 1 Malaga Well in the Atoka and Morrow zones will avoid drilling of unnecessary wells, prevent waste and protect correlative rights.
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C. D. Martin

HINKLE, COX, EATON, COFFIELD & HENSEEY

> Post Office Box 3580 Midland, Texas 79702

Attorneys for Maddox

Energy Corporation

	maddox Kenergy Coxp
	duel Completion
	Malaga Well mo!
	1980 N & E 3-245-28E Eddy B
	aloka & morrow
	perallel strings
	Bud Martin 10:30 am 6/14 writen appl to Jacean
to the second se	kearing July 11
- 	

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.	6592
Order No.	R- (0067

APPLICATION OF MADDOX ENERGY CORPORATION FOR A DUAL COMPLETION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION



designated.

BI THE DIVISION:	
This cause came on for hearing at 9 a.m. on _	July 11
19 79, at Santa Fe, New Mexico, before Examiner	Richard L. Stame
NOW, on this <u>day of July</u> , 1979	_, the Division
Director, having considered the record and the rec	commendations of
the Examiner, and being fully advised in the premi	lses,
FINDS:	
That the applicant's request for dismissal sh	nould be granted.
IT IS THEREFORE ORDERED:	
That Case No. 6592 is hereby dismiss	sed.
DONE at Canta Fo New Meyico on the day and	waar harainahawa