

CASE NO.

6602

---

APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

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

Re: CASE NO. 6602  
ORDER NO. R-6092

**Applicant:**

Tenneco Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

**JOE D. RAMEY**  
Director

JDR/ed

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. 6602  
Order No. R-6092

APPLICATION OF TENNECO OIL COMPANY  
FOR AN UNORTHODOX WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 8, 1979,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of September, 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, Tenneco Oil Company, seeks approval  
of an unorthodox oil well location for its Federal 33 C Well No.  
2 to be drilled 1010 feet from the North line and 1710 feet from  
the West line of Section 33, Township 17 South, Range 29 East,  
NMPM, to test the Wolfcamp formation, South Empire-Wolfcamp Pool,  
Eddy County, New Mexico.

(3) That the E/2 NW/4 of said Section 33 is to be dedicated  
to the well.

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

(5) That no offset operator objected to the proposed un-  
orthodox location.

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

-2-

Case No. 6602  
Order No. R-6092

share of the oil and 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 oil well location is hereby approved for the Tenneco Oil Company Federal 33 C Well No. 2 to be drilled at a point 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, NMPM, South Empire-Wolfcamp Pool, Eddy County, New Mexico.

(2) That the E/2 NW/4 of said Section 33 shall be dedicated to the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



*Joe D. Ramey*  
JOE D. RAMEY  
Director

SEAL

fd/



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico  
8 August 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company  
for an unorthodox well location,  
Eddy County, New Mexico.

CASE  
6602

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 Bldg.  
Santa Fe, New Mexico 87503

For the Applicant:

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

**SALLY WALTON BOYD**  
**CERTIFIED SHORTHAND REPORTER**  
 1120 Plaza Blanca (666) 471-2462  
 Santa Fe, New Mexico 87501

# I N D E X

## DAVID B. PEARCY

Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Stamets	13

# E X H I B I T S

Applicant Exhibit One. Map	4
Applicant Exhibit Two, Structure Map	5
Applicant Exhibit Three, Document	8
Applicant Exhibit Four, Cross Section	10
Applicant Exhibit Five, Cross Section	11

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (666) 471-2463  
Santa Fe, New Mexico 87101

1 MR. STAMETS: We will call next Case 6602.

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

5 MR. KELLAHIN: Tom Kellahin of Santa Fe,  
6 New Mexico, appearing on behalf of Tenneco Oil Company,  
7 and I have one witness.

8  
9 (Witness sworn.)

10  
11 DAVID B. PEARCY  
12 being called as a witness and having been duly sworn upon  
13 his oath, testified as follows, to-wit:

14  
15 DIRECT EXAMINATION

16 BY MR. KELLAHIN:

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

19 A My name is David Percy. I am a geological  
20 engineer with Tenneco Oil Company.

21 Q Mr. Percy, have you previously testified  
22 before the Oil Conservation Division and had your qualifi-  
23 cations as an expert witness accepted and made a matter of  
24 record?

25 A Yes.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2126 Plaza Blanca (S.E.) 411-2452  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (SOS) 411-2462  
Santa Fe, New Mexico 87501

1 Q Have you made a study of and are you fami-  
2 liar with the facts surrounding this application?

3 A Yes, I have.

4 MR. KELLAHIN: We tender Mr. Pearcy as an  
5 expert witness.

6 MR. STAMETS: The witness is considered  
7 qualified.

8 Q (Mr. Kellahin continuing.) Would you  
9 please refer to what we've marked as Applicant Exhibit Num-  
10 ber ONE, identify that and explain what Tenneco is seeking  
11 to accomplish?

12 A Map One is a base map indicating Section  
13 33 of Township 17 South, Range 29 East. It is in the north-  
14 west quarter of this section, namely in the east half of  
15 the northwest quarter, where Tenneco intends to drill the  
16 well indicated as No. 2 Federal 33 C.

17 Q You're in what pool, Mr. Pearcy?

18 A This is less than one mile from the known  
19 limits of the South Empire-Wolfcamp Field.

20 Q And this will be a Wolfcamp test?

21 A Yes, it will.

22 Q And what is the spacing of the South Empire-  
23 Wolfcamp Pool?

24 A The spacing is 80 acres.

25 Q And what is the acreage to be dedicated to

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1020 Plaza Blanca (S.B.) 411-4463  
Santa Fe, New Mexico 87501

1 this well?

2 A We will dedicate the east half of the north-  
3 west quarter to this well.

4 Q Would you describe for the Examiner what  
5 the exact footage location is for the proposed Wolfcamp  
6 test?

7 A The proposed Wolfcamp test is to be located  
8 1710 feet from the west line and 1010 feet from the north  
9 line of Section 33.

10 Q Your plat shows the existence of other  
11 wells in this section. Would you describe specifically the  
12 other wells that have been drilled in this particular 80-  
13 acre tract?

14 A Yes, sir. This particular 80-acre tract  
15 has two oil wells, numbered one and three, which are both  
16 Grayburg completions in the Grayburg-Jackson Field.

17 The No. 1-33 is a Morrow completion oper-  
18 ated by Tenneco Oil.

19 Q Your plat shows all wells, regardless of  
20 what formation they have tested, on this map?

21 A That's correct.

22 Q Would you please refer to Exhibit Number  
23 Two and identify it?

24 A Number Two is a structure map of the top  
25 of the Lower Wolfcamp pay zone which is seen in the area.

1 Noted over in Section 32 on the left side  
2 of the map are the two current completions in the South  
3 Empire-Wolfcamp Field, namely the South Empire Deep Unit  
4 No. 4 and No. 11.

5 Q Who is the operator of those wells?

6 A Amoco Production Company.

7 Q And that's over in the lefthand margin of  
8 the plat?

9 A That's correct.

10 Q Show me where your structural contour  
11 lines are and what controls you've used for the structural  
12 contour lines on the plat.

13 A The structure indicates a generally mono-  
14 clinal dip down to the southeast. The other control points  
15 I've used besides the two South Empire Deep Wells is a well  
16 up in Section 29 labeled the Green A-3, with a subsea of  
17 4774; in Section 28 I've used the well labeled 28-2, with a  
18 subsea of 4902. In Section 30 -- excuse me, 27 over in  
19 the righthand side, it's the Fed Com well. It's barely on  
20 the map; subsea 5161. I've used the Tenneco Fed Com No. 1  
21 Well, shown in Section 33, with a subsea of 5051. And the  
22 last well I've used is on the south edge of the map, the  
23 South Empire Deep Unit No. 1, minus 5104.

24 Q What, if any, significance does structure  
25 play with regards to potential Wolfcamp production in this

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1030 Plaza Blanca (995) 471-4401  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
302 Plaza Blanca (666) 471-2442  
Santa Fe, New Mexico 87501

1 proration unit?

2 A From what we've seen so far, the structure  
3 is not significant. We have not observed any oil/water con-  
4 tact to date.

5 Q Would you describe for us the Morrow test  
6 that's producing in this proration unit, the Federal Com 31-1  
7 Well?

8 A That's 33-1. This well was drilled in  
9 1974 to the Morrow zone and was completed in the Morrow.  
10 We do have logs through the Wolfcamp interval which have  
11 indicated that we have potential pay behind the pipe, and  
12 it's because of an analysis of this well and comparison to  
13 the other nearby South Empire-Wolfcamp producers that we  
14 believe that we should make a completion in this area in  
15 the Wolfcamp.

16 Q Your plat also shows net pay contour lines.  
17 Would you describe those for us and how you came to put that  
18 information on this plat?

19 A Yes. The net pay contours are numbered  
20 10 through 40 feet. We've arrived at those numbers by ana-  
21 lysis of the other wells which penetrate the Wolfcamp, namely  
22 the Lower Wolfcamp zone, in the area and have used a five  
23 percent density cutoff to indicate our net pay.

24 Q What, if any, significance has net pay in  
25 the Wolfcamp been to your determination of the well location?

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3130 Plaza Blanca (985) 471-4403  
Santa Fe, New Mexico 87501

1 A The net pay is of primary consideration  
2 for locating the proposed well. We want to certainly get  
3 in the area that does have the best net pay, and by our  
4 analysis we can see that as we go to the north of the Fed  
5 Com 33 No. 1 we rapidly lose our net pay.

6 This is also illustrated in the two South  
7 Empire Deep Wells in Section 32 where we go from 13 feet to  
8 3 feet within a distance of about 700 feet.

9 Q What is a standard location for the South  
10 Empire-Wolfcamp Pool?

11 A The standard location in this area would  
12 be within 150 feet of the center of a quarter quarter 40-  
13 acre tract.

14 Q What advantage, if any, does the proposed  
15 unorthodox location have over a standard location in the  
16 south half of this proration unit?

17 A The location, as shown, that Tenneco is  
18 proposing has the advantage of being a close offset to the  
19 Fed Com 33 No. 1, which we believe to be the best Wolfcamp  
20 section in the area. We feel that if we get too far away  
21 from this well, or especially too far north, that we run  
22 the risk of getting a substandard well or even a dry hole.

23 Q Would you refer to Exhibit Number Three  
24 and identify it?

25 A Number Three is a blow-up plat of a portion



SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
8820 Plaza Blanca (661) 471-2462  
Santa Fe, New Mexico 87501

1 of Section 33 of a scale of 1-inch to 100-feet.

2 It shows the center of a quarter quarter,  
3 Unit C, up in the upper righthand corner, and the 150-foot  
4 radius circle that would circumscribe the area with -- in  
5 which we could stake a legal location.

6 It also shows the location that Tenneco  
7 is proposing roughly in the center of the map as revised  
8 location for No. 2 Federal 33-C.

9 Furthermore, we have indicated some of the  
10 topographical constraints that we have in the area, namely  
11 the well for the Tenneco No. 1 Fed Com and the tank and  
12 production facilities around that well.

13 Shall I explain the other two contours on  
14 there, too?

15 Q You might mention the contours, yes.

16 A All right. I've also illustrated on this  
17 map where the 40-foot net pay contour should come across.  
18 This is taken from my other geologic maps. And where we've  
19 interpolated a 35-foot net pay contour north of the Tenneco  
20 No. 1 Fed Com.

21 Q With regards to a standard location that  
22 could be located in the northern 40-acre tract of this  
23 proration unit, what advantage, if any, does the nonstandard  
24 or the unorthodox location have over a standard location?

25 A The unorthodox location as proposed has a

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3010 Plaza Blanca (999) 471-2403  
Santa Fe, New Mexico 87501

1 definite geological advantage, because any well which we  
2 could locate at a standard location within that circle would  
3 run the risk of having from, oh, 30 to 35 feet of pay as  
4 compared to the 40 feet of pay that we see in No. 1 Fed Com.

5 So we believe that by moving to this non-  
6 standard location we're gaining 10, perhaps even 20, feet  
7 of pay for the proposed well, and will be able to drain the  
8 reservoir more efficiently.

9 Q In addition to the geological reasons, there  
10 are certain topographical restraints upon a standard loca-  
11 tion, as you've shown on Exhibit Number Three.

12 A Yes.

13 Q Would you turn to Exhibit Number Four now  
14 and explain what information it contains?

15 A Exhibit Number Four is a cross section.  
16 It shows the two Amoco operated wells in the existing South  
17 Empire-Wolfcamp Field.

18 We show on the righthand side the South  
19 Empire Deep Unit No. 4, which was the original discovery  
20 well for the field, and as shown here, we have 13 feet of  
21 pay from the 5 percent density cutoff in the well, and all  
22 13 feet here were perforated and the well was put on pro-  
23 duction for 303 barrels a day in 1974.

24 Also shown on the lefthand side is an off-  
25 set well which Amoco drilled for the Wolfcamp zone; however,

SALLY WALTON BOYD  
(CERTIFIED SHORTHAND REPORTER)  
1020 Plaza Blanca (981) 471-2462  
San Antonio, New Mexico 87501

1 they found only 3 feet of pay as indicated on the density  
2 log, although I have some reservations about the quality of  
3 the pay. It just looks a little spikey and we really wonder  
4 if it's that good at all, and the IP on the well also in-  
5 dicated that it was much inferior to the first well. Their  
6 initial potential was only 80 barrels a day from this well.

7 Q All right, sir, would you refer to Exhibit  
8 Five and identify it?

9 A This exhibit is a north/south cross section  
10 which runs from the Empire South Deep No. 8, shown on the  
11 southern part of the map, through the Tenneco Fed Com No. 1,  
12 which is a well which sets up the proposed location, and a  
13 Horizon Well No. 2-28 to the north, and again we see good  
14 pay quality in the Amoco No. 8 Well, 25 feet of potential  
15 pay, which has not yet been tested; however, the best well  
16 on the cross section again is the Tenneco operated well  
17 which has 40 feet of good-looking pay through the zone of  
18 interest. I'd like to add that this zone was not tested  
19 but we drilled the well on down to the Morrow and made our  
20 first completion there and still have substantial reserves  
21 in this wellbore.

22 Q You said the Amoco well tested the Wolf-  
23 camp formation. Where does it produce from?

24 A Okay, excuse me. The Amoco well went  
25 through the Wolfcamp formation. It is completed right now

1 in the Strawn.

2 The last well on the righthand side shows  
3 very poor pay in the Wolfcamp interval. It was not tested  
4 and we believe this well would not be commercial.

5 Q In your opinion, Mr. Percy, is the proposed  
6 unorthodox location the optimum location from which to test  
7 the Wolfcamp formation for this particular proration unit?

8 A Yes, it is. The location that we would  
9 like to have drilled offers the best geological possibili-  
10 ties, being a close offset to the No. 1 Fed Com. It is not  
11 to the north, where we feel we'd be losing our net pay  
12 quality rapidly. It is also not located farther south to-  
13 ward the Amoco No. 8 Well, which we feel has some definite  
14 possibilities, although the pay here is inferior to what  
15 we've seen in the Fed Com wells.

16 We would like to get as close as possible  
17 to the Fed Com well.

18 Q Were Exhibits One through Five either pre-  
19 pared by you directly or compiled under your direction and  
20 supervision?

21 A Yes, they were.

22 Q And in your opinion will approval of this  
23 application be in the best interests of conservation, the  
24 prevention of waste, and the protection of correlative  
25 rights?

1 A It certainly will.

2 MR. KELLAHIN: We move the introduction of  
3 Exhibits One through Five.

4 MR. STAMETS: These exhibits will be ad-  
5 mitted.

6  
7 CROSS EXAMINATION

8 BY MR. STAMETS:

9 Q Mr. Pearcy, on Exhibit Number Three you  
10 show a square or a rectangle around the proposed wellsite.  
11 Is that the amount of acreage that would be involved in the  
12 drilling pad for this well?

13 A That's correct. We estimate that we'd need  
14 a pad approximately 300x400 feet to fit all the drilling  
15 equipment in the area.

16 I also neglected to mention, sir, that we  
17 have an archaeological site to the north, which presents  
18 some additional constraints upon our location. We had hoped  
19 to drill 100 feet farther north from where the well is  
20 located right now to get a little bit closer to a standard  
21 location, but an archaeological survey indicated that we  
22 have to move to where is shown.

23 Q Okay. Any other questions of the witness?  
24 He may be excused.

25 Anything further in this case? The case  
will be taken under advisement.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (955) 471-5463  
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 the said transcript is a full, true, and correct  
record of the hearing, prepared by me to the best of my  
ability 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. 6607  
heard by me on 8-8 1977  
Richard R. Starnes, Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (SOS) 471-2482  
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico  
8 August 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company  
for an unorthodox well location,  
Eddy County, New Mexico.

CASE  
6602

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 Bldg.  
Santa Fe, New Mexico 87503

For the Applicant:

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

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3010 Plaza Blanca (SSE) 411-4462  
Santa Fe, New Mexico 87501

I N D E X

DAVID B. PEARCY

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Stamets 13

E X H I B I T S

Applicant Exhibit One, Map 4

Applicant Exhibit Two, Structure Map 5

Applicant Exhibit Three, Document 8

Applicant Exhibit Four, Cross Section 10

Applicant Exhibit Five, Cross Section 11

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1020 Plaza Blanca (SOS) 471-2492  
Santa Fe, New Mexico 87501



1 MR. STAMETS: We will call next Case 6602.

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

5 MR. KELLAHIN: Tom Kellahin of Santa Fe,  
6 New Mexico, appearing on behalf of Tenneco Oil Company,  
7 and I have one witness.

8  
9 (Witness sworn.)

10  
11 DAVID B. PEARCY

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

14  
15 DIRECT EXAMINATION

16 BY MR. KELLAHIN:

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

19 A My name is David Percy. I am a geological  
20 engineer with Tenneco Oil Company.

21 Q Mr. Percy, have you previously testified  
22 before the Oil Conservation Division and had your qualifi-  
23 cations as an expert witness accepted and made a matter of  
24 record?

25 A Yes.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3110 Plaza Blanca (SOS) 471-3462  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3120 Plaza Blanca (999) 471-2493  
Dallas, Texas, New Mexico 87501

1 Q Have you made a study of and are you fami-  
2 liar with the facts surrounding this application?

3 A Yes, I have.

4 MR. KELLAHIN: We tender Mr. Pearcy as an  
5 expert witness.

6 MR. STAMETS: The witness is considered  
7 qualified.

8 Q (Mr. Kellahin continuing.) Would you  
9 please refer to what we've marked as Applicant Exhibit Num-  
10 ber ONE, identify that and explain what Tenneco is seeking  
11 to accomplish?

12 A Map One is a base map indicating Section  
13 33 of Township 17 South, Range 29 East. It is in the north-  
14 west quarter of this section, namely in the east half of  
15 the northwest quarter, where Tenneco intends to drill the  
16 well indicated as No. 2 Federal 33 C.

17 Q You're in what pool, Mr. Pearcy?

18 A This is less than one mile from the known  
19 limits of the South Empire-Wolfcamp Field.

20 Q And this will be a Wolfcamp test?

21 A Yes, it will.

22 Q And what is the spacing of the South Empire-  
23 Wolfcamp Pool?

24 A The spacing is 80 acres.

25 Q And what is the acreage to be dedicated to

1 this well?

2 A We will dedicate the east half of the north-  
3 west quarter to this well.

4 Q Would you describe for the Examiner what  
5 the exact footage location is for the proposed Wolfcamp  
6 test?

7 A The proposed Wolfcamp test is to be located  
8 1710 feet from the west line and 1010 feet from the north  
9 line of Section 33.

10 Q Your plat shows the existence of other  
11 wells in this section. Would you describe specifically the  
12 other wells that have been drilled in this particular 80-  
13 acre tract?

14 A Yes, sir. This particular 80-acre tract  
15 has two oil wells, numbered one and three, which are both  
16 Grayburg completions in the Grayburg-Jackson Field.

17 The No. 1-33 is a Morrow completion oper-  
18 ated by Tenneco Oil.

19 Q Your plat shows all wells, regardless of  
20 what formation they have tested, on this map?

21 A That's correct.

22 Q Would you please refer to Exhibit Number  
23 Two and identify it?

24 A Number Two is a structure map of the top  
25 of the Lower Wolfcamp pay zone which is seen in the area.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2030 Plaza Blanca (SOS) 471-2462  
Santa Fe, New Mexico 87501

1 Noted over in Section 32 on the left side  
2 of the map are the two current completions in the South  
3 Empire-Wolfcamp Field, namely the South Empire Deep Unit  
4 No. 4 and No. 11.

5 Q Who is the operator of those wells?

6 A Amoco Production Company.

7 Q And that's over in the lefthand margin of  
8 the plat?

9 A That's correct.

10 Q Show me where your structural contour  
11 lines are and what controls you've used for the structural  
12 contour lines on the plat.

13 A The structure indicates a generally mono-  
14 clinal dip down to the southeast. The other control points  
15 I've used besides the two South Empire Deep Wells is a well  
16 up in Section 29 labeled the Green A-3, with a subsea of  
17 4774; in Section 28 I've used the well labeled 28-2, with a  
18 subsea of 4902. In Section 30 -- excuse me, 27 over in  
19 the righthand side, it's the Fed Com well. It's barely on  
20 the map; subsea 5161. I've used the Tenneco Fed Com No. 1  
21 Well, shown in Section 33, with a subsea of 5051. And the  
22 last well I've used is on the south edge of the map, the  
23 South Empire Deep Unit No. 1, minus 5104.

24 Q What, if any, significance does structure  
25 play with regards to potential Wolfcamp production in this

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1016 Plaza Blanca (985) 471-2482  
Santa Fe, New Mexico 87501

1 proration unit?

2 A From what we've seen so far, the structure  
3 is not significant. We have not observed any oil/water con-  
4 tact to date.

5 Q Would you describe for us the Morrow test  
6 that's producing in this proration unit, the Federal Com 31-  
7 Well?

8 A That's 33-1. This well was drilled in  
9 1974 to the Morrow zone and was completed in the Morrow.  
10 We do have logs through the Wolfcamp interval which have  
11 indicated that we have potential pay behind the pipe, and  
12 it's because of an analysis of this well and comparison to  
13 the other nearby South Empire-Wolfcamp producers that we  
14 believe that we should make a completion in this area in  
15 the Wolfcamp.

16 Q Your plat also shows net pay contour lines.  
17 Would you describe those for us and how you came to put that  
18 information on this plat?

19 A Yes. The net pay contours are numbered  
20 10 through 40 feet. We've arrived at those numbers by ana-  
21 lysis of the other wells which penetrate the Wolfcamp, namely  
22 the Lower Wolfcamp zone, in the area and have used a five  
23 percent density cutoff to indicate our net pay.

24 Q What, if any, significance has net pay in  
25 the Wolfcamp been to your determination of the well location?

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3010 Plaza Blanca (SOS) 471-4482  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3036 Plaza Blanca (S98) 471-2462  
Santa Fe, New Mexico 87501

1           A           The net pay is of primary consideration  
2 for locating the proposed well. We want to certainly get  
3 in the area that does have the best net pay, and by our  
4 analysis we can see that as we go to the north of the Fed  
5 Com 33 No. 1 we rapidly lose our net pay.

6                   This is also illustrated in the two South  
7 Empire Deep Wells in Section 32 where we go from 13 feet to  
8 3 feet within a distance of about 700 feet.

9           Q           What is a standard location for the South  
10 Empire-Wolfcamp Pool?

11           A           The standard location in this area would  
12 be within 150 feet of the center of a quarter quarter 40-  
13 acre tract.

14           Q           What advantage, if any, does the proposed  
15 unorthodox location have over a standard location in the  
16 south half of this proration unit?

17           A           The location, as shown, that Tenneco is  
18 proposing has the advantage of being a close offset to the  
19 Fed Com 33 No. 1, which we believe to be the best Wolfcamp  
20 section in the area. We feel that if we get too far away  
21 from this well, or especially too far north, that we run  
22 the risk of getting a substandard well or even a dry hole.

23           Q           Would you refer to Exhibit Number Three  
24 and identify it?

25           A           Number Three is a blow-up plat of a portion

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (SOS) 471-3462  
Santa Fe, New Mexico 87501

1 of Section 33 of a scale of 1-inch to 100-feet.

2 It shows the center of a quarter quarter,  
3 Unit C, up in the upper righthand corner, and the 150-foot  
4 radius circle that would circumscribe the area with -- in  
5 which we could stake a legal location.

6 It also shows the location that Tenneco  
7 is proposing roughly in the center of the map as revised  
8 location for No. 2 Federal 33-C.

9 Furthermore, we have indicated some of the  
10 topographical constraints that we have in the area, namely  
11 the well for the Tenneco No. 1 Fed Com and the tank and  
12 production facilities around that well.

13 Shall I explain the other two contours on  
14 there, too?

15 Q You might mention the contours, yes.

16 A All right. I've also illustrated on this  
17 map where the 40-foot net pay contour should come across.  
18 This is taken from my other geologic maps. And where we've  
19 interpolated a 35-foot net pay contour north of the Tenneco  
20 No. 1 Fed Com.

21 Q With regards to a standard location that  
22 could be located in the northern 40-acre tract of this  
23 proration unit, what advantage, if any, does the nonstandard  
24 or the unorthodox location have over a standard location?

25 A The unorthodox location as proposed has a

1 definite geological advantage, because any well which we  
2 could locate at a standard location within that circle would  
3 run the risk of having from, oh, 30 to 35 feet of pay as  
4 compared to the 40 feet of pay that we see in No. 1 Fed Com.

5 So we believe that by moving to this non-  
6 standard location we're gaining 10, perhaps even 20, feet  
7 of pay for the proposed well, and will be able to drain the  
8 reservoir more efficiently.

9 Q In addition to the geological reasons, there  
10 are certain topographical restraints upon a standard loca-  
11 tion, as you've shown on Exhibit Number Three.

12 A Yes.

13 Q Would you turn to Exhibit Number Four now  
14 and explain what information it contains?

15 A Exhibit Number Four is a cross section.  
16 It shows the two Amoco operated wells in the existing South  
17 Empire-Wolfcamp Field.

18 We show on the righthand side the South  
19 Empire Deep Unit No. 4, which was the original discovery  
20 well for the field, and as shown here, we have 13 feet of  
21 pay from the 5 percent density cutoff in the well, and all  
22 13 feet here were perforated and the well was put on pro-  
23 duction for 303 barrels a day in 1974.

24 Also shown on the lefthand side is an off-  
25 set well which Amoco drilled for the Wolfcamp zone; however,

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1010 Plaza Blanca (800) 471-4462  
Santa Fe, New Mexico 87501



SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3039 Plaza Blanca (666) 471-2483  
Santa Fe, New Mexico 87501

1 they found only 3 feet of pay as indicated on the density  
2 log, although I have some reservations about the quality of  
3 the pay. It just looks a little spikey and we really wonder  
4 if it's that good at all, and the IP on the well also in-  
5 dicated that it was much inferior to the first well. Their  
6 initial potential was only 80 barrels a day from this well.

7 Q All right, sir, would you refer to Exhibit  
8 Five and identify it?

9 A This exhibit is a north/south cross section  
10 which runs from the Empire South Deep No. 8, shown on the  
11 southern part of the map, through the Tenneco Fed Com No. 1,  
12 which is a well which sets up the proposed location, and a  
13 Horizon Well No. 2-28 to the north, and again we see good  
14 pay quality in the Amoco No. 8 Well, 25 feet of potential  
15 pay, which has not yet been tested; however, the best well  
16 on the cross section again is the Tenneco operated well  
17 which has 40 feet of good-looking pay through the zone of  
18 interest. I'd like to add that this zone was not tested  
19 but we drilled the well on down to the Morrow and made our  
20 first completion there and still have substantial reserves  
21 in this wellbore.

22 Q You said the Amoco well tested the Wolf-  
23 camp formation. Where does it produce from?

24 A Okay, excuse me. The Amoco well went  
25 through the Wolfcamp formation. It is completed right now

1 in the Strawn.

2 The last well on the righthand side shows  
3 very poor pay in the Wolfcamp interval. It was not tested  
4 and we believe this well would not be commercial.

5 Q In your opinion, Mr. Percy, is the proposed  
6 unorthodox location the optimum location from which to test  
7 the Wolfcamp formation for this particular proration unit?

8 A Yes, it is. The location that we would  
9 like to have drilled offers the best geological possibili-  
10 ties, being a close offset to the No. 1 Fed Com. It is not  
11 to the north, where we feel we'd be losing our net pay  
12 quality rapidly. It is also not located farther south to-  
13 ward the Amoco No. 8 Well, which we feel has some definite  
14 possibilities, although the pay here is inferior to what  
15 we've seen in the Fed Com wells.

16 We would like to get as close as possible  
17 to the Fed Com well.

18 Q Were Exhibits One through Five either pre-  
19 pared by you directly or compiled under your direction and  
20 supervision?

21 A Yes, they were.

22 Q And in your opinion will approval of this  
23 application be in the best interests of conservation, the  
24 prevention of waste, and the protection of correlative  
25 rights?

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3930 Plaza Blanca (866) 471-4482  
Santa Fe, New Mexico 87501

1 A It certainly will.

2 MR. KELLAHIN: We move the introduction of  
3 Exhibits One through Five.

4 MR. STAMETS: These exhibits will be ad-  
5 mitted.

6  
7 CROSS EXAMINATION

8 BY MR. STAMETS:

9 Q Mr. Pearcy, on Exhibit Number Three you  
10 show a square or a rectangle around the proposed wellsite.  
11 Is that the amount of acreage that would be involved in the  
12 drilling pad for this well?

13 A That's correct. We estimate that we'd need  
14 a pad approximately 300x400 feet to fit all the drilling  
15 equipment in the area.

16 I also neglected to mention, sir, that we  
17 have an archaeological site to the north, which presents  
18 some additional constraints upon our location. We had hoped  
19 to drill 100 feet farther north from where the well is  
20 located right now to get a little bit closer to a standard  
21 location, but an archaeological survey indicated that we  
22 have to move to where is shown.

23 Q Okay. Any other questions of the witness?  
24 He may be excused.

25 Anything further in this case? The case  
will be taken under advisement.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3000 Plaza Blanca (SOS) 411-2463  
Santa Fe, New Mexico 87501

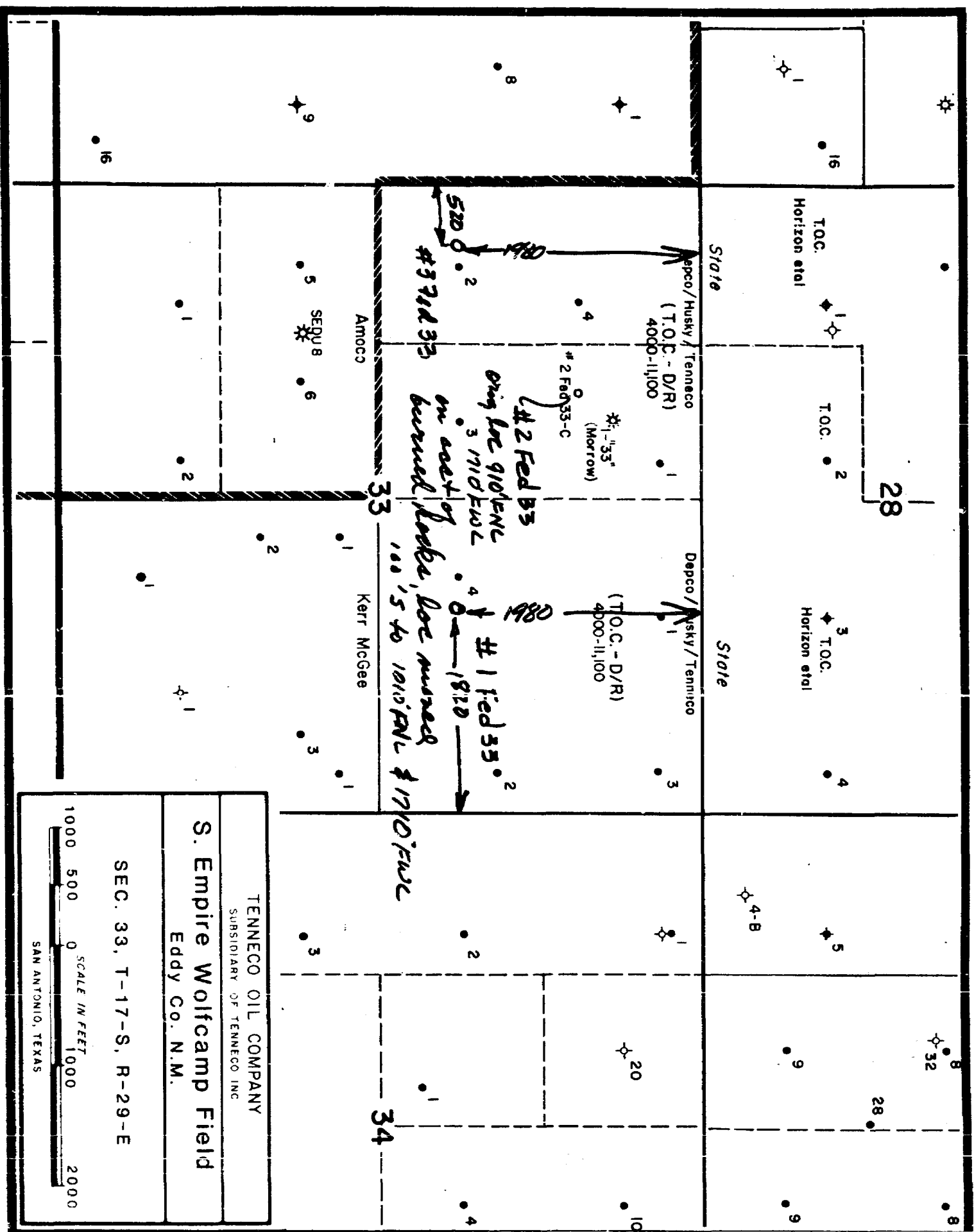
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

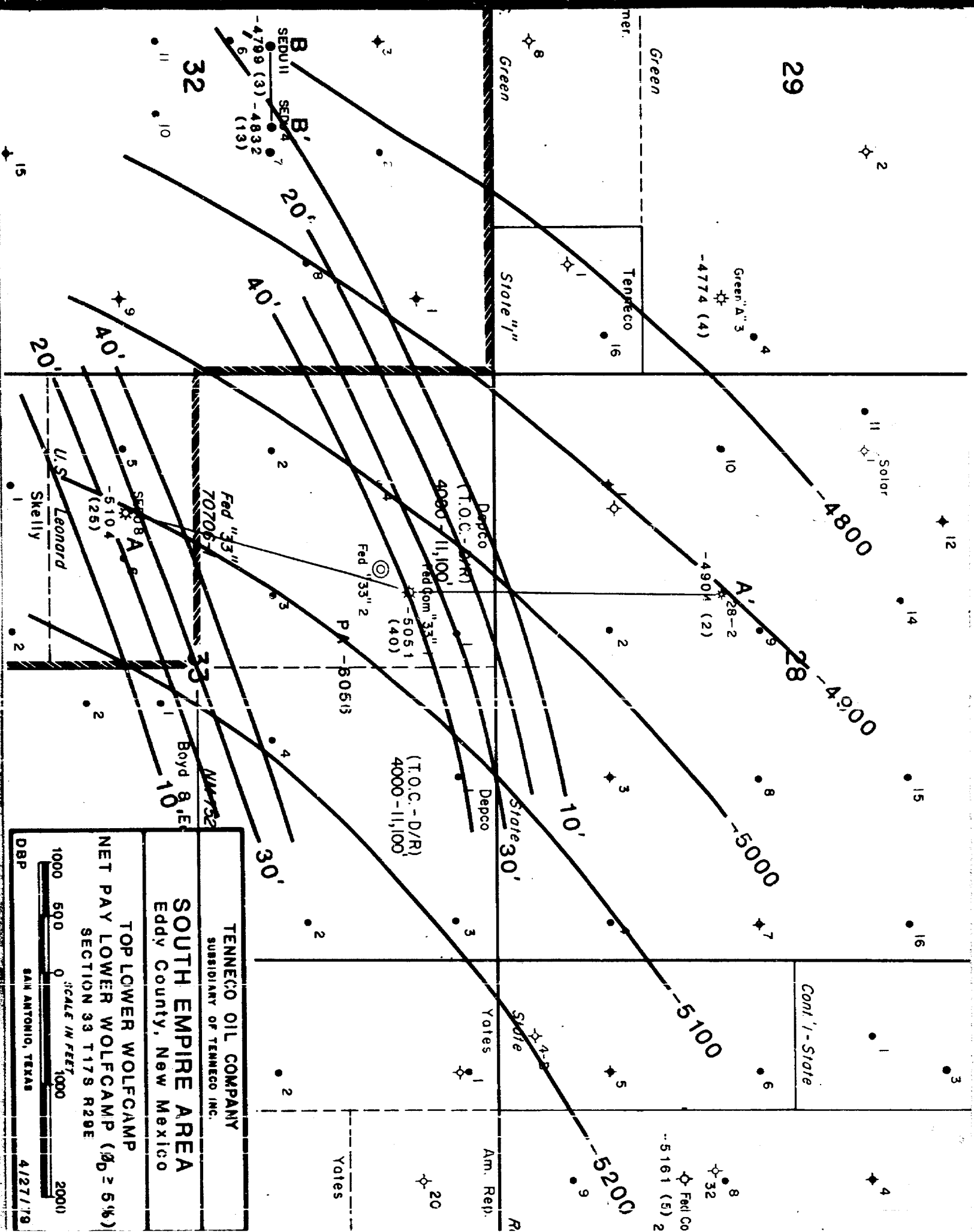
**SALLY WALTON BOYD**  
**CERTIFIED SHORTHAND REPORTER**  
 6030 Plaza Blanca (944) 471-2462  
 Santa Fe, New Mexico 87501

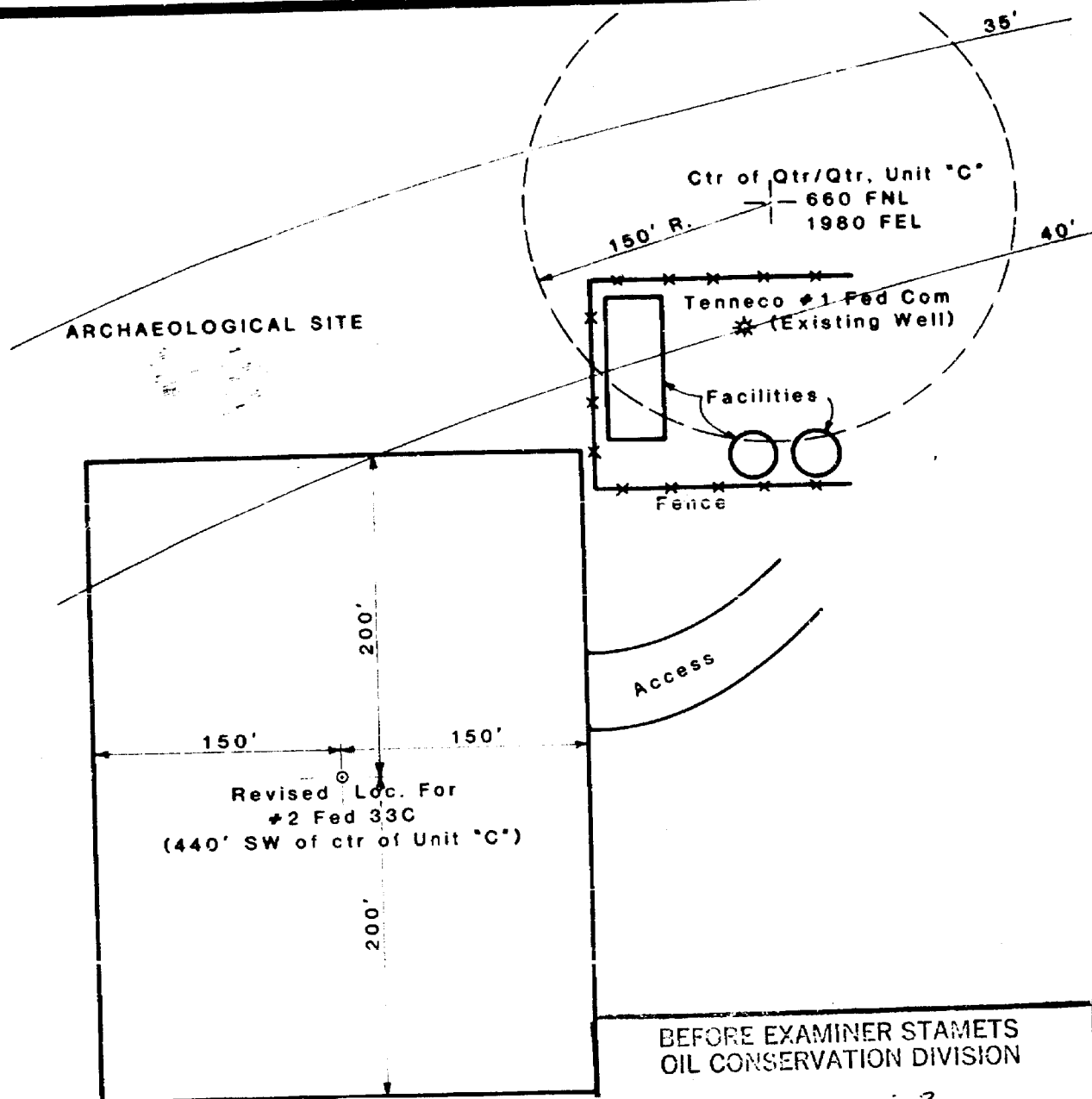
Sally W. Boyd, C.S.R.

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







BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. 6602

Submitted by Tenneco Oil Co.

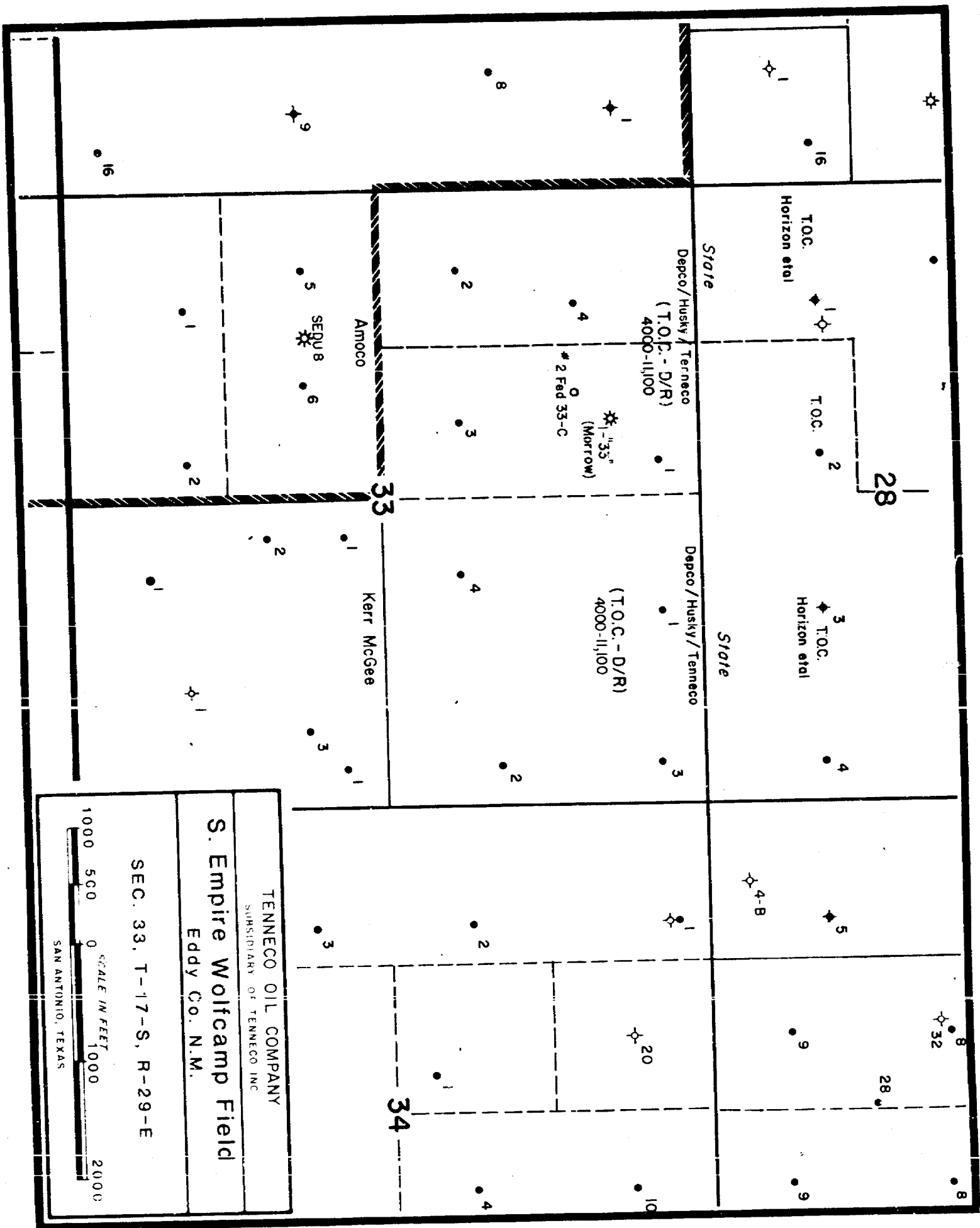
Hearing Date Aug 8 1979

TENNECO OIL COMPANY  
SUBSIDIARY OF TENNECO INC.

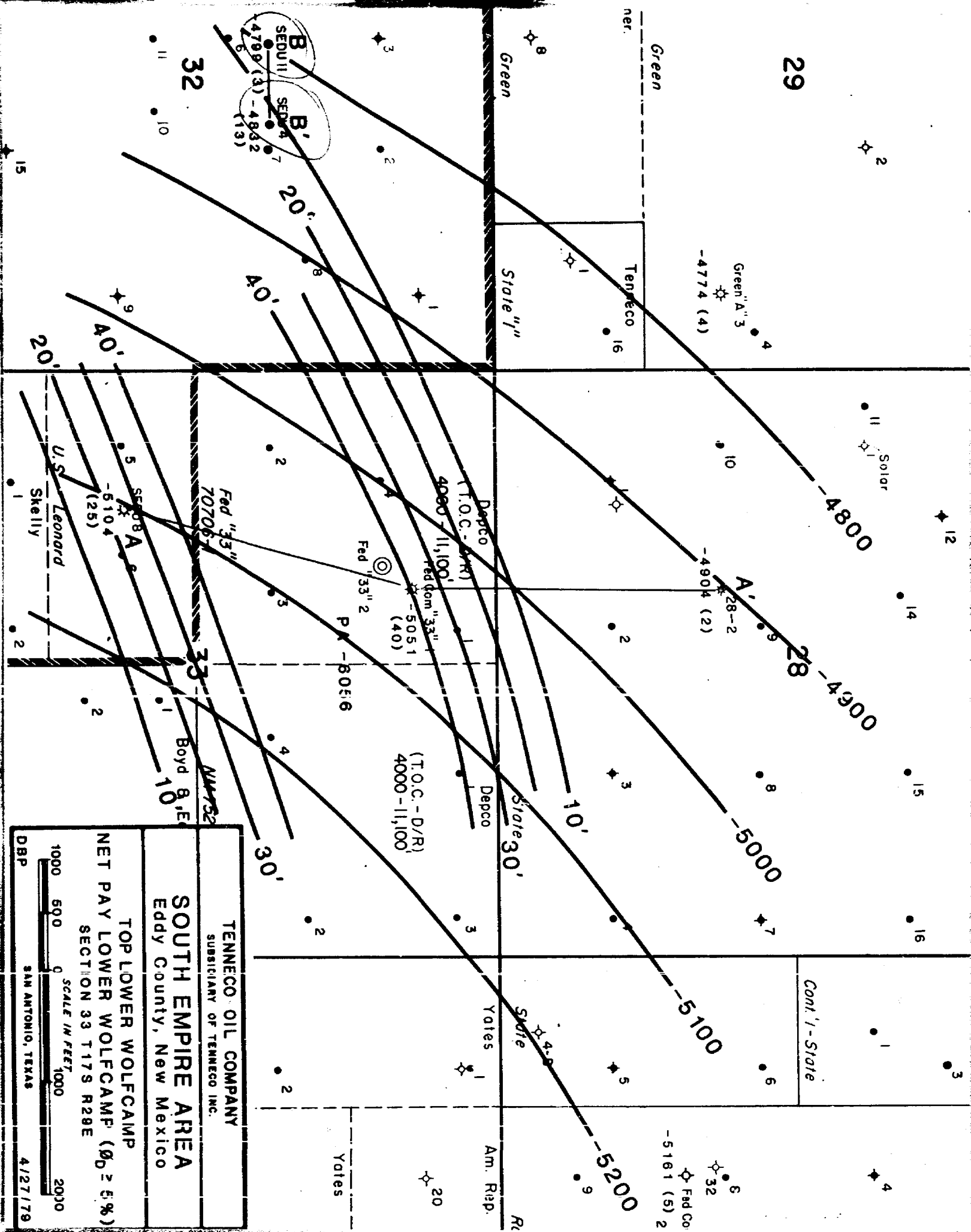
#2 Federal 33-C  
Eddy Co. N.M.

1010' FNL 1710' FWL  
SEC. 33, T-17-S, R-29-E

SCALE IN FEET  
100 50 0 100 200  
SAN ANTONIO, TEXAS







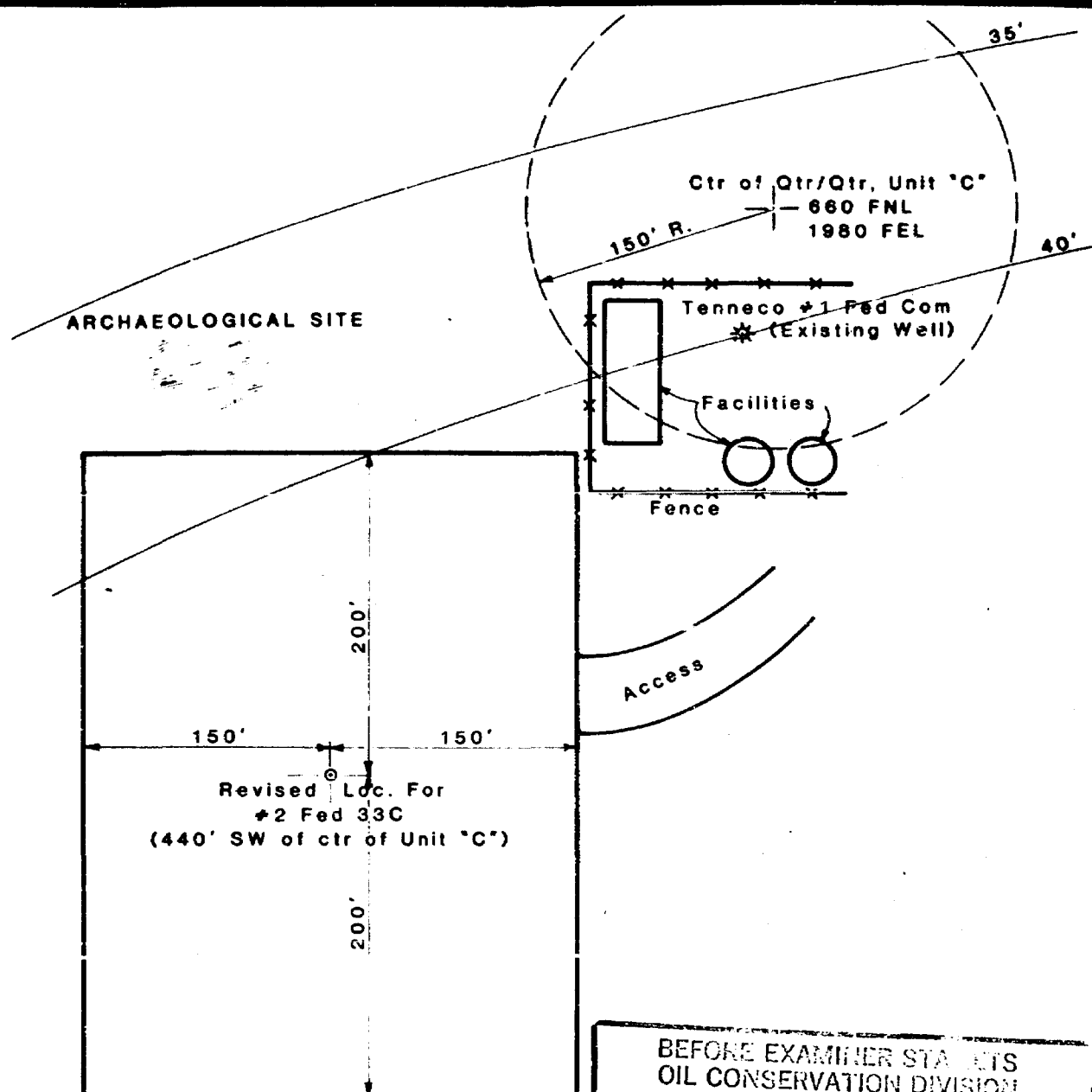
TENNECO OIL COMPANY  
SUBSIDIARY OF TENNECO INC.

**SOUTH EMPIRE AREA**  
Eddy County, New Mexico

TOP LOWER WOLFCAMP  
NET PAY LOWER WOLFCAMP (80% ± 5%)  
SECTION 33 T17S R29E

SCALE IN FEET  
1000 500 0 1000 2000

SAN ANTONIO, TEXAS  
4/27/79  
DBP



BEFORE EXAMINER STATEMENTS  
OIL CONSERVATION DIVISION

Tenneco EXHIBIT NO. 3

CASE NO. 6602

Submitted by \_\_\_\_\_

Hearing Date \_\_\_\_\_

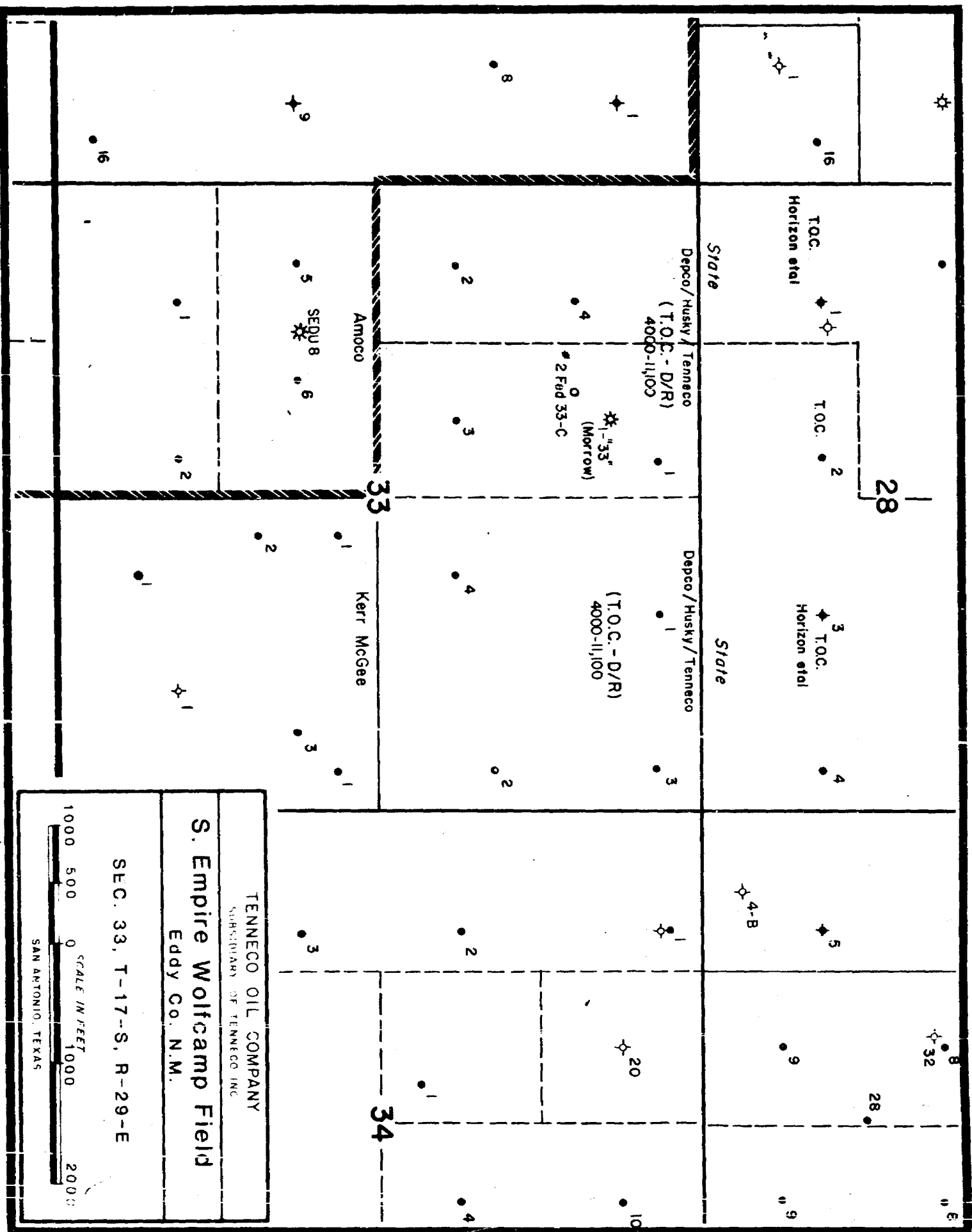
TENNECO OIL COMPANY  
SUBSIDIARY OF TENNECO INC

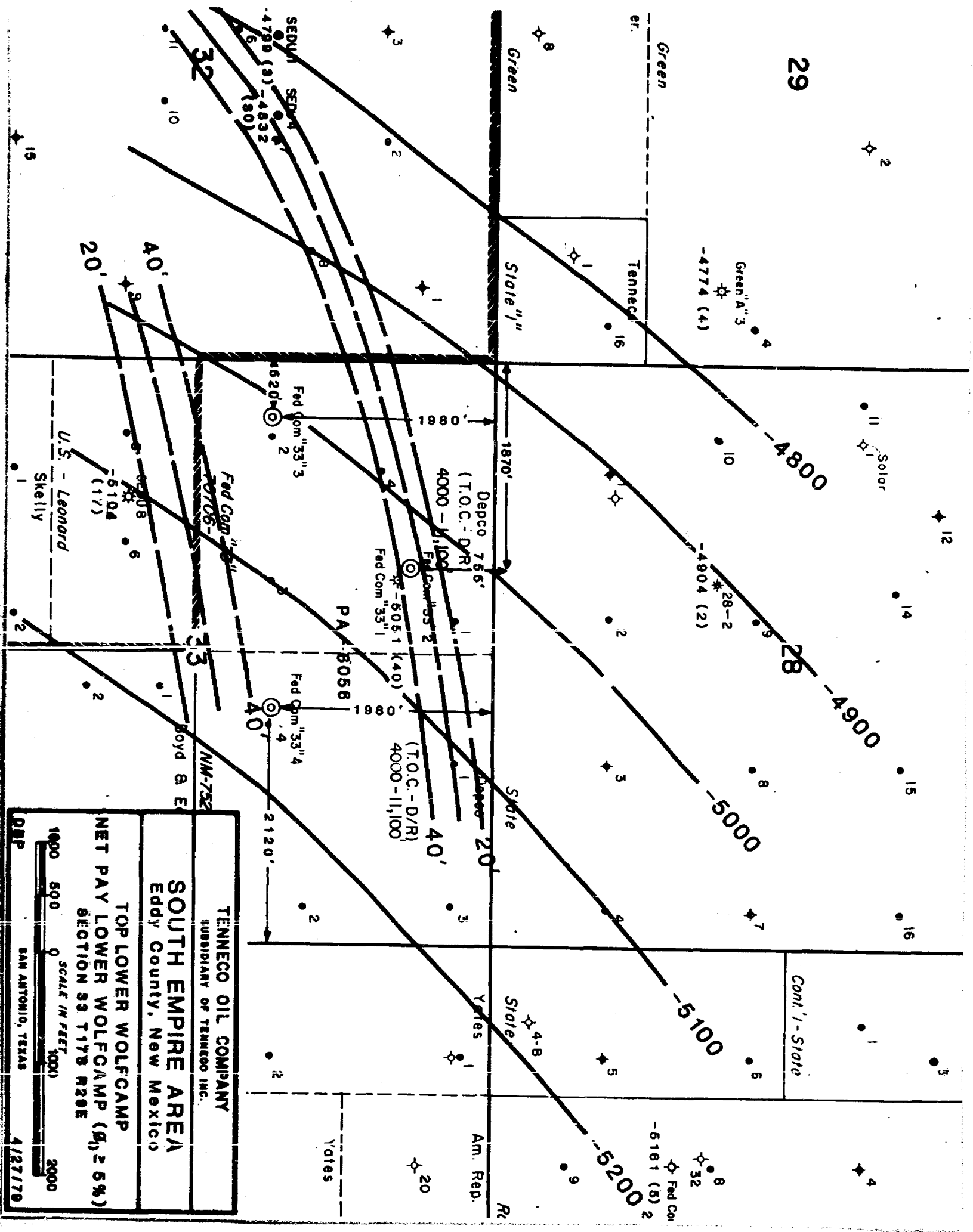
**#2 Federal 33-C**  
Eddy Co. N.M.

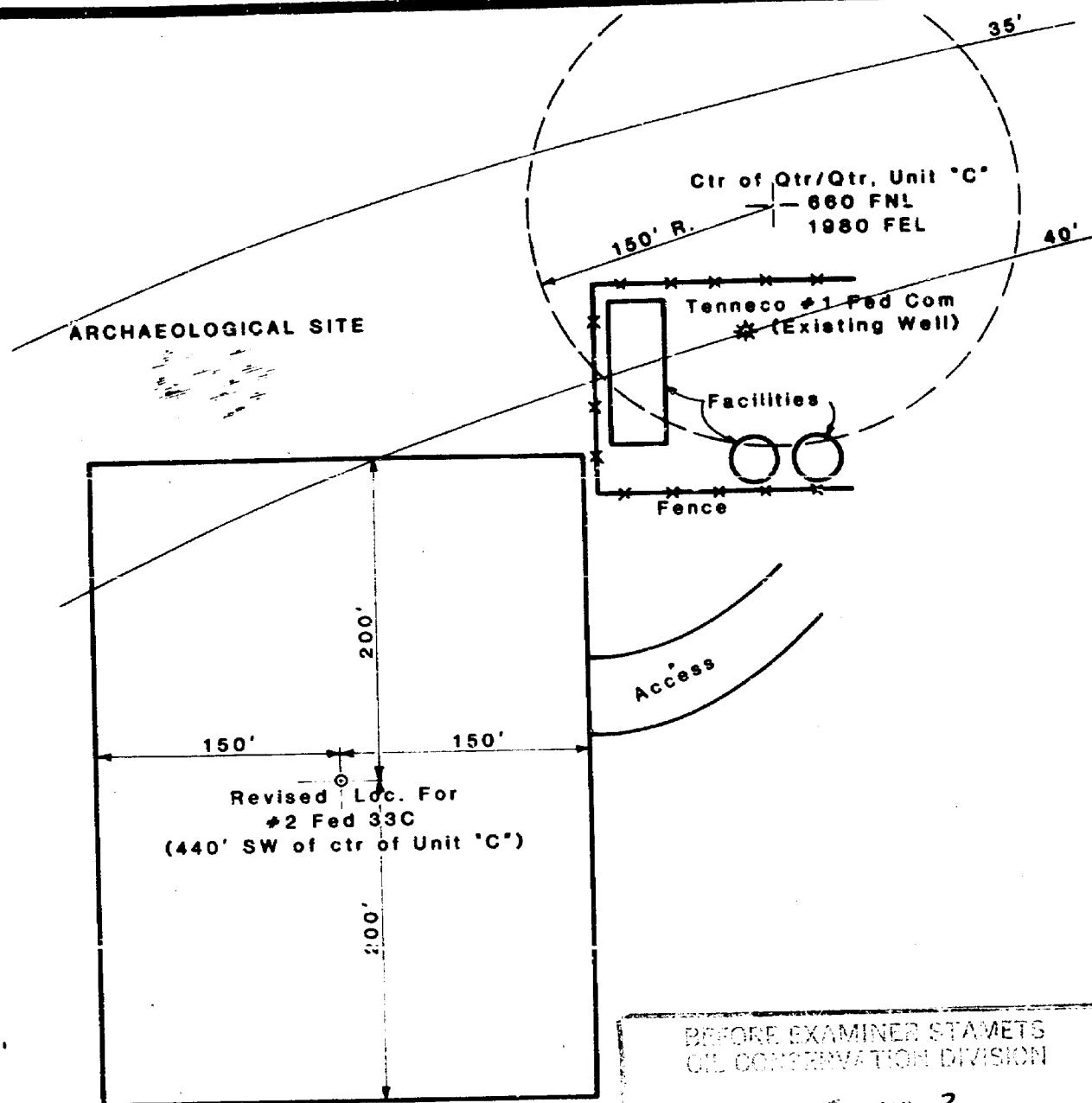
1010' FNL 1710' FWL  
SEC. 33, T-17-S, R-29-E

100 50 0 SCALE IN FEET 100 200

SAN ANTONIO, TEXAS







BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. 6602

Submitted by Tenneco Oil Co.

Hearing Date Aug 8 1979

TENNECO OIL COMPANY  
SUBSIDIARY OF TENNECO INC.

#2 Federal 33-C  
Eddy Co. N.M.

1010' FNL 1710' FWL  
SEC. 33, T-17-S, R-29-E

SCALE IN FEET  
100 50 0 100 200  
SAN ANTONIO, TEXAS

**Tenneco Oil**  
**Exploration and Production**  
A Tenneco Company



Southwestern Division

June 27, 1979

6800 Park Ten Blvd. • Suite 200 North  
San Antonio, Texas 78213  
(512) 734-8161

Certified Mail - Return Receipt Requested

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

Re: Application of Tenneco Oil  
Company for Unorthodox Well  
Location in the South Empire-  
Wolfcamp Field

Attn: Mr. Dan Nutter  
Chief Engineer  
Oil Conservation Division

Transmitted herewith you will find triplicate executed copies of Tenneco Oil Company's Application for Unorthodox Well Location for the South Empire-Wolfcamp field in connection with its' No. 2 Federal 33 C well to be drilled 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, Eddy County, New Mexico.

It is my understanding that the docket setting for July 25, 1979, is still available for this matter, and accordingly, I ask that this matter be heard on that date.

The South Empire-Wolfcamp Field Rules (Byram's Service Section II page 81) provides for the location of wells within 150 feet from the center of a governmental quarter-quarter section or lot. Tenneco Oil Company cannot locate its No. 2 Federal 33 C well at its desired legal location due to the presence of topographical conditions, ie. surface production facilities and an archeological site. (see drill site plat).

I trust that the enclosed copies of the Application with attachments are all that is needed in order for this matter to be set for July 25, 1979. If additional information is necessary, please advise.

Very truly yours,

Gregory E. Simmons  
Division Attorney



Attachment: Drill Site Plat  
Ownership Plat  
Offset Operations Waivers

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

APPLICATION OF TENNECO OIL )  
COMPANY FOR UNORTHODOX WELL )  
LOCATION IN THE SOUTH EMPIRE- )  
WOLFCAMP FIELD )

Case 6602

APPLICATION

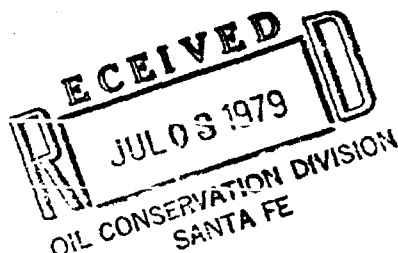
Tenneco Oil Company hereby makes application for an exception to the field rules in connection with the South Empire-Wolfcamp Pool in Eddy County, New Mexico and states:

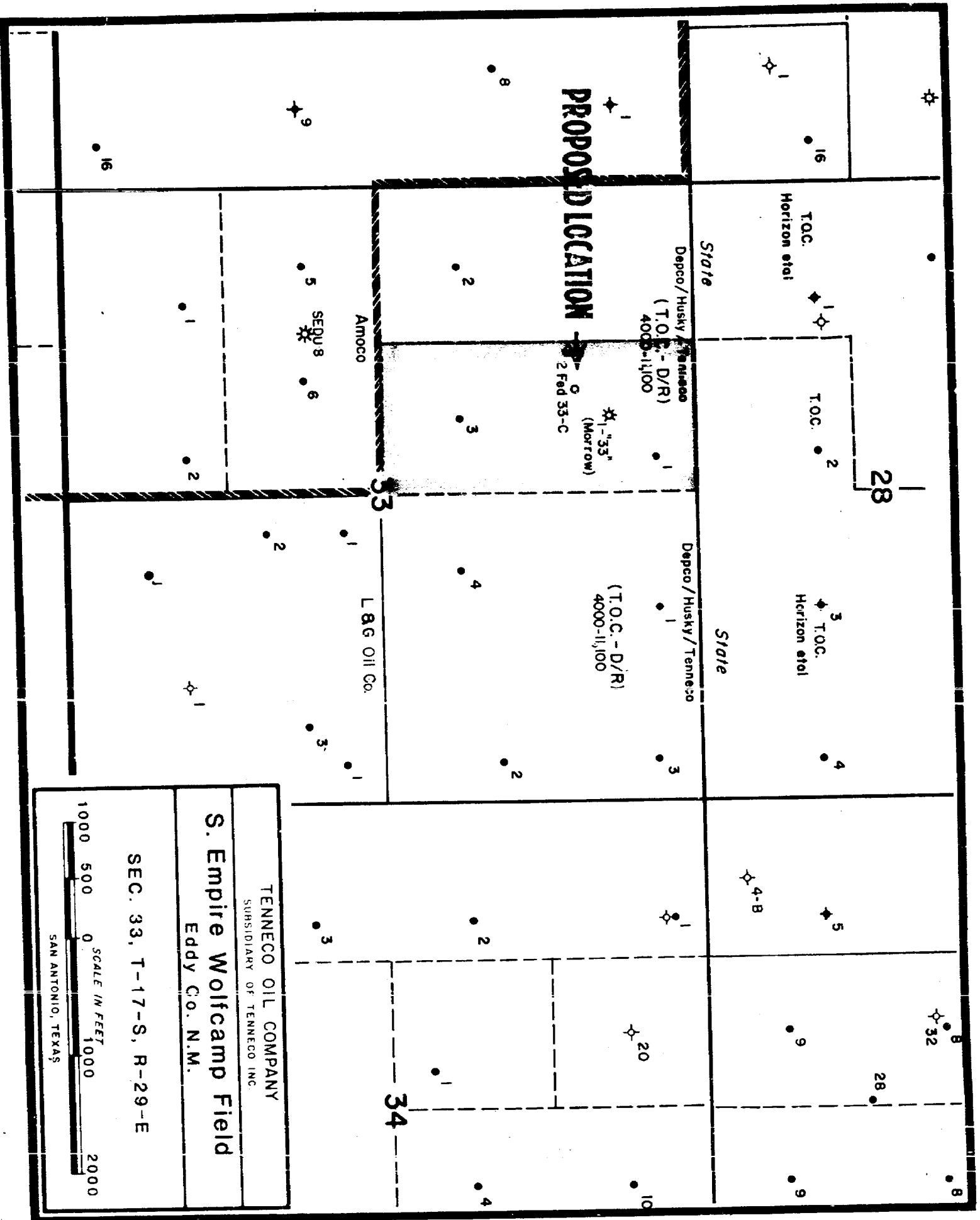
1. Applicant seeks approval of an unorthodox well location for its No. 2 Federal 33 C well to be located 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, Eddy County, New Mexico, said location is in the South Empire-Wolfcamp Pool.
2. That the East half Northwest Quarter (E/2 NW/4) of Section 33 is to be dedicated to the No. 2 Federal 33 C well.
3. That the unorthodox well location is necessitated by topographical conditions.
4. That the unorthodox well location is the most desirable to insure production from the Wolfcamp Pool.
5. That all operators offsetting the unorthodox well location and proration unit dedicated thereto have been given notice of this application for unorthodox well location by certified mail.
6. Approval of the requested unorthodox well location will be in the interest of conservation, prevention of waste and protection of correlative rights.
7. Applicant requests that this matter be heard at the July 25, 1979 Examiners hearing.

TENNECO OIL COMPANY

By: Don S. Taylor

Don S. Taylor,  
General Manager





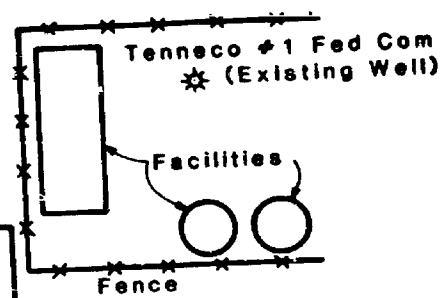
TENNECO OIL COMPANY  
 SUBSIDIARY OF TENNECO INC.  
**S. Empire Wolfcamp Field**  
 Eddy Co. N.M.

SEC. 33, T-17-S, R-29-E  
 SCALE IN FEET  
 1000 500 0 1000 2000  
 SAN ANTONIO, TEXAS



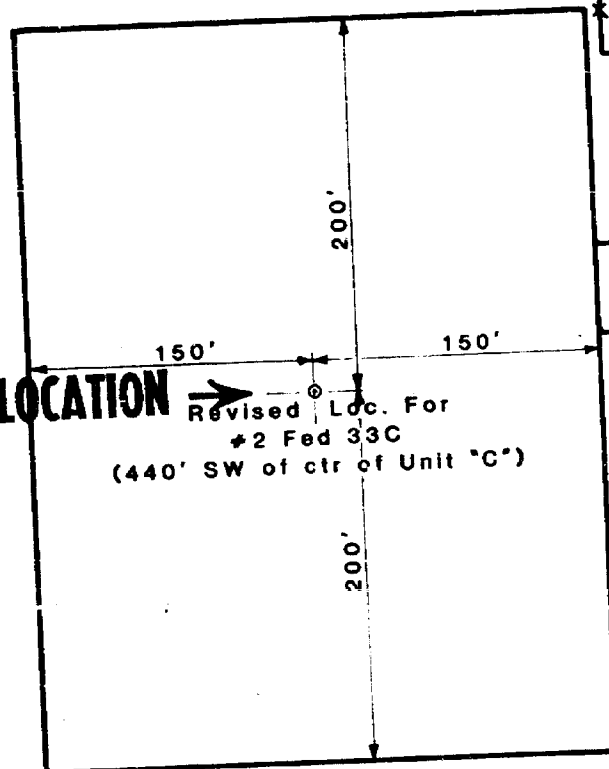
Ctr of Qtr/Qtr, Unit "C"  
880 FNL  
1980 FEL

ARCHAEOLOGICAL SITE



**PROPOSED LOCATION** →

Revised Loc. For  
#2 Fed 33C  
(440' SW of ctr of Unit "C")



TENNECO OIL COMPANY  
SUBSIDIARY OF TENNECO INC.

#2 Federal 33-C  
Eddy Co. N.M.

1010' FNL 1710' FWL  
SEC. 33, T-17-S, R-29-E

SCALE IN FEET  
100 50 0 100 200  
SAN ANTONIO, TEXAS

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

APPLICATION OF TENNECO OIL )  
COMPANY FOR UNORTHODOX WELL )  
LOCATION IN THE SOUTH EMPIRE- )  
WOLFCAMP FIELD )

Case 6602

APPLICATION

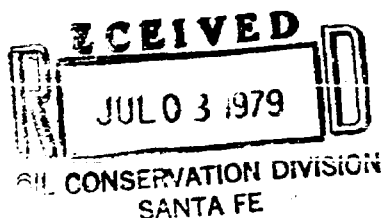
Tenneco Oil Company hereby makes application for an exception to the field rules in connection with the South Empire-Wolfcamp Pool in Eddy County, New Mexico and states:

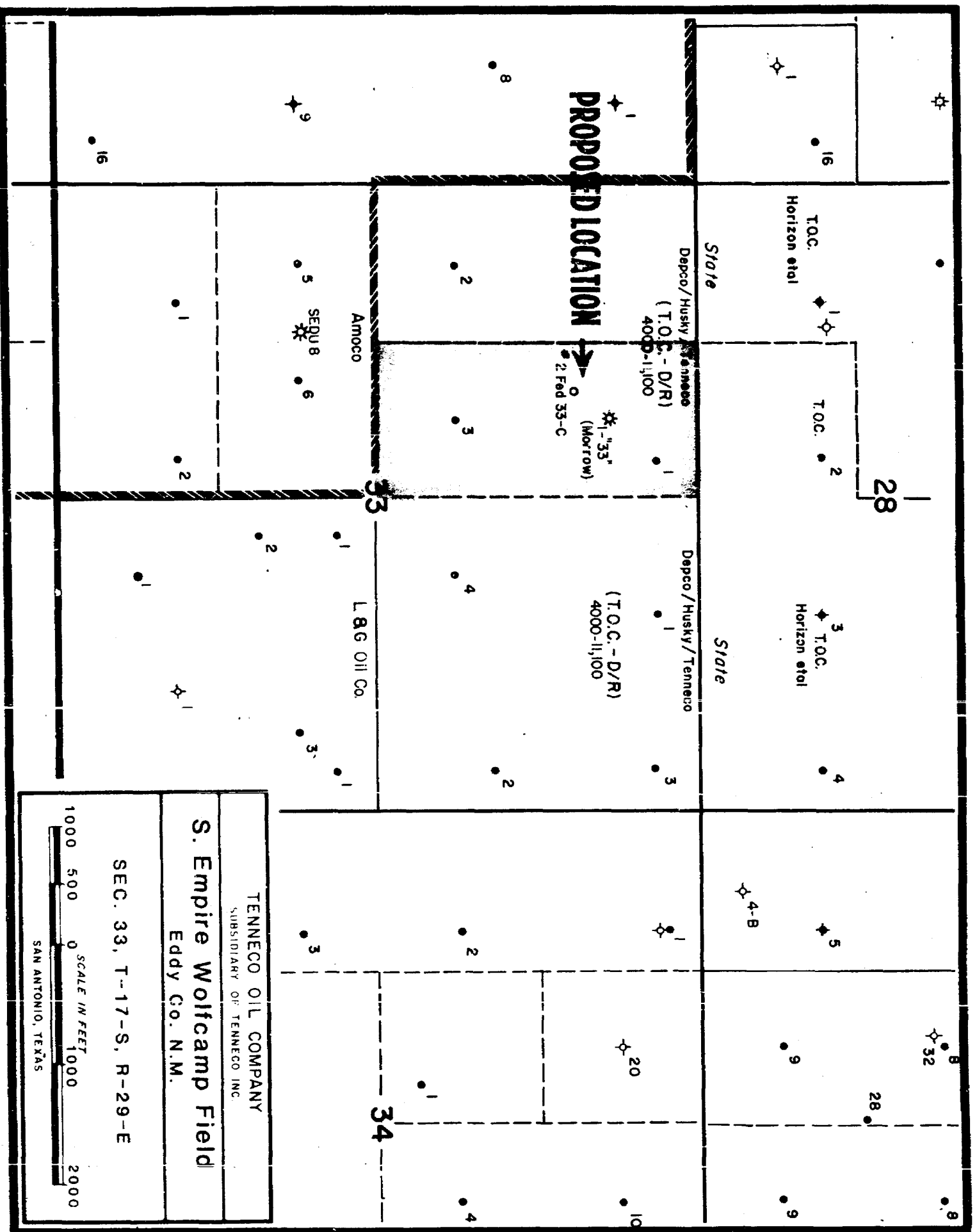
1. Applicant seeks approval of an unorthodox well location for its No. 2 Federal 33 C well to be located 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, Eddy County, New Mexico, said location is in the South Empire-Wolfcamp Pool.
2. That the East half Northwest Quarter (E/2 NW/4) of Section 33 is to be dedicated to the No. 2 Federal 33 C well.
3. That the unorthodox well location is necessitated by topographical conditions.
4. That the unorthodox well location is the most desirable to insure production from the Wolfcamp Pool.
5. That all operators offsetting the unorthodox well location and proration unit dedicated thereto have been given notice of this application for unorthodox well location by certified mail.
6. Approval of the requested unorthodox well location will be in the interest of conservation, prevention of waste and protection of correlative rights.
7. Applicant requests that this matter be heard at the July 25, 1979 Examiners hearing.

TENNECO OIL COMPANY

By: Don S. Taylor

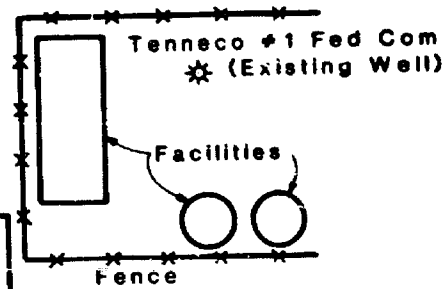
Don S. Taylor  
General Manager



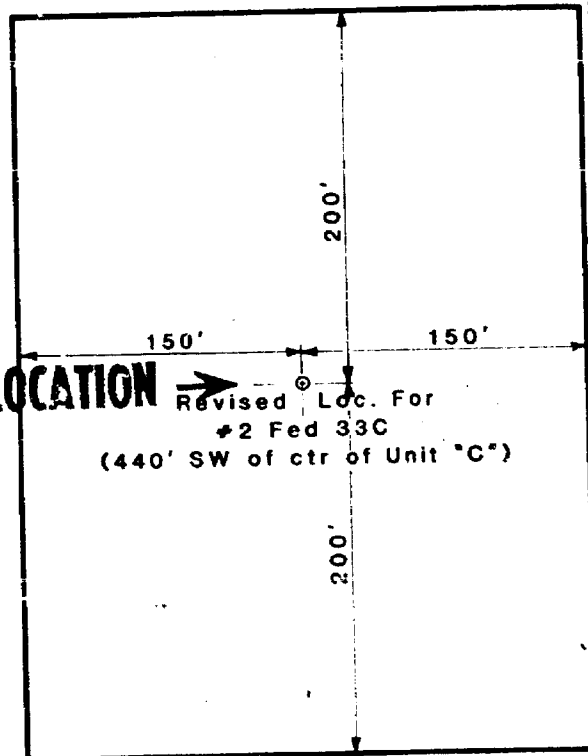


Ctr of Qtr/Qtr, Unit "C"  
+ 660 FNL  
+ 1980 FEL

ARCHAEOLOGICAL SITE



PROPOSED LOCATION



Revised Loc. For  
#2 Fed 33C  
(440' SW of ctr of Unit "C")

TENNECO OIL COMPANY  
SUBSIDIARY OF TENNECO INC.

#2 Federal 33-C  
Eddy Co. N.M.

1010' FNL 1710' FWL  
SEC. 33, T-17-S, R-29-E

SCALE IN FEET  
100 50 0 100 200  
SAN ANTONIO, TEXAS

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

APPLICATION OF TENNECO OIL )  
COMPANY FOR UNORTHODOX WELL )  
LOCATION IN THE SOUTH EMPIRE- )  
WOLFCAMP FIELD )

Case 6602

APPLICATION

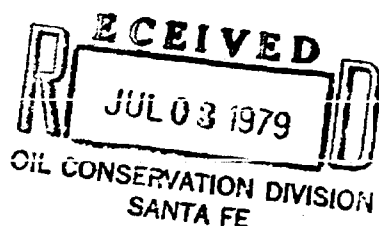
Tenneco Oil Company hereby makes application for an exception to the field rules in connection with the South Empire-Wolfcamp Pool in Eddy County, New Mexico and states:

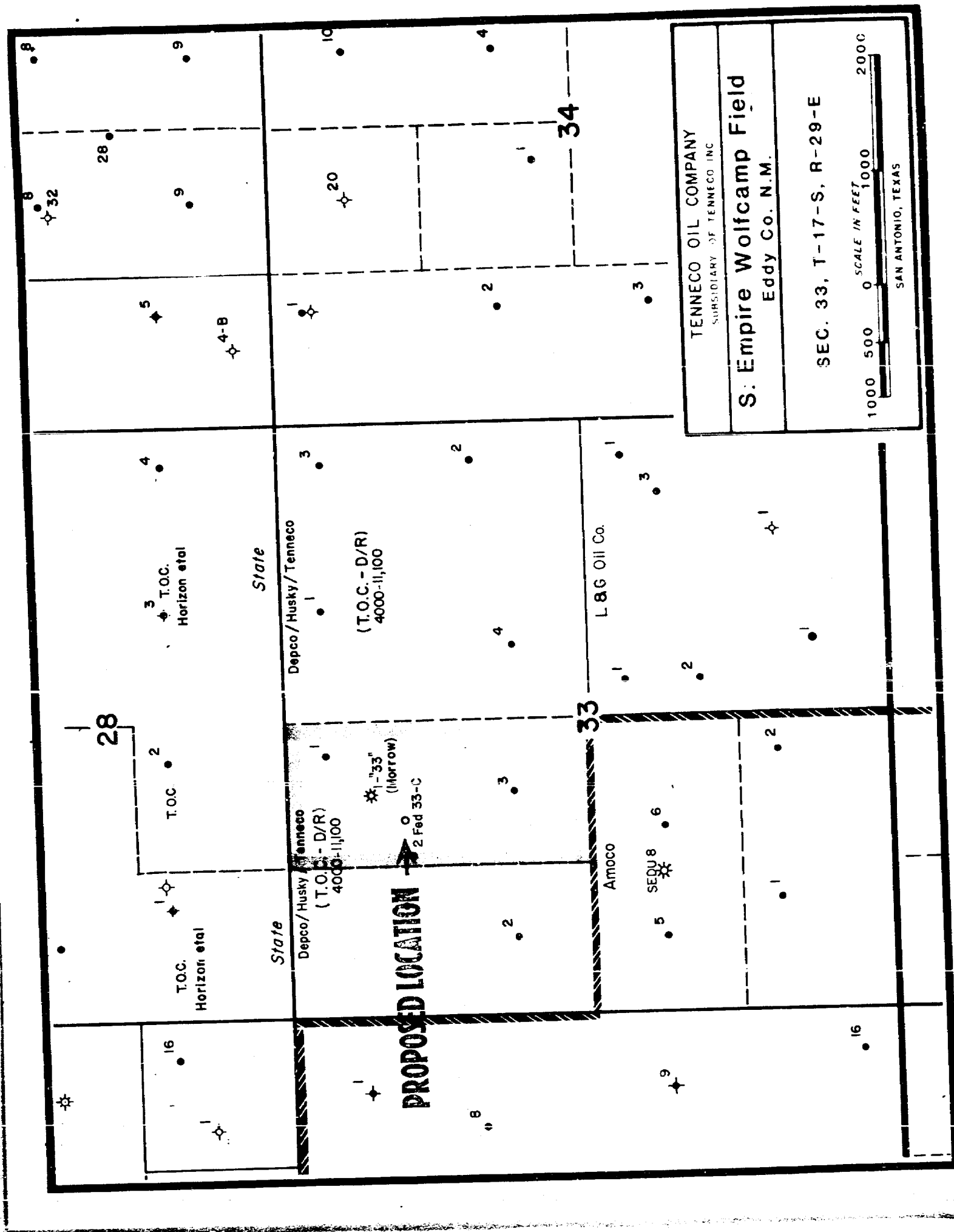
1. Applicant seeks approval of an unorthodox well location for its No. 2 Federal 33 C well to be located 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, Eddy County, New Mexico, said location is in the South Empire-Wolfcamp Pool.
2. That the East half Northwest Quarter (E/2 NW/4) of Section 33 is to be dedicated to the No. 2 Federal 33 C well.
3. That the unorthodox well location is necessitated by topographical conditions.
4. That the unorthodox well location is the most desirable to insure production from the Wolfcamp Pool.
5. That all operators offsetting the unorthodox well location and proration unit dedicated thereto have been given notice of this application for unorthodox well location by certified mail.
6. Approval of the requested unorthodox well location will be in the interest of conservation, prevention of waste and protection of correlative rights.
7. Applicant requests that this matter be heard at the July 25, 1979 Examiners hearing.

TENNECO OIL COMPANY

By: Don S. Taylor

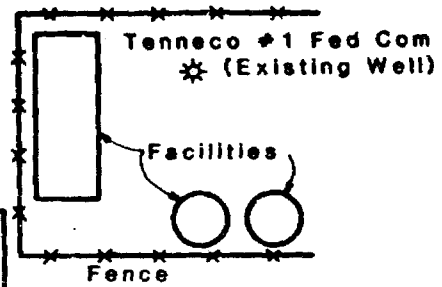
Don S. Taylor  
General Manager



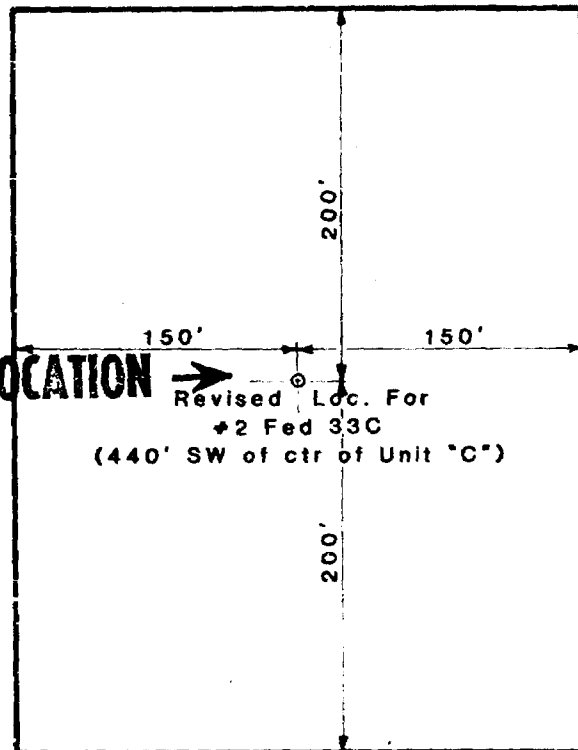


Ctr of Qtr/Qtr, Unit "C"  
660 FNL  
1980 FEL

ARCHAEOLOGICAL SITE



**PROPOSED LOCATION** →



TENNECO OIL COMPANY SUBSIDIARY OF TENNECO INC.
<b>#2 Federal 33-C</b> Eddy Co. N.M.
1010' FNL 1710' FWL SEC. 33, T-17-S, R-29-E
SCALE IN FEET 100 50 0 100 200 SAN ANTONIO, TEXAS

**Tenneco Oil**  
**Exploration and Production**  
A Tenneco Company



Southwestern Division

6800 Park Ten Blvd. • Suite 200 North  
San Antonio, Texas 78213  
(512) 734-8161

ATTACHED WAIVERS HAVE BEEN SENT TO ALL OFFSET OPERATORS. WHEN  
EXECUTED COPIES ARE RECEIVED BY TENNECO OIL, SAME WILL BE MAILED TO  
COMMISSION.

*Gregory E. Simmons*

---



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

APPLICATION OF TENNECO OIL )  
COMPANY FOR UNORTHODOX WELL )  
LOCATION IN THE SOUTH EMPIRE-) )  
WOLFCAMP FIELD )

WAIVER OF OBJECTION TO  
TENNECO OIL COMPANY'S  
APPLICATION FOR UNORTHODOX  
WELL LOCATION IN THE SOUTH  
EMPIRE-WOLFCAMP FIELD

NOW COMES Horizon Oil and Gas Company of Texas in the above  
entitled and states:

1. That Horizon Oil and Gas Company of Texas received notice  
of the above entitled by certified mail from Tenneco Oil Company;  
and,

2. That Horizon Oil and Gas Company of Texas is an offset  
operator of Tenneco Oil Company's No. 2 Federal 33 C well to be  
located 1010 feet from the North line and 1710 feet from the West  
line of Section 33, Township 17 South, Range 29 East, Eddy County,  
New Mexico, an unorthodox location; and,

3. That Horizon Oil and Gas Company of Texas is an offset  
operator of the proration unit comprising all of the East half  
Northwest Quarter (E/2 NW/4) of Section 33, Township 17 South,  
Range 29 East, Eddy County, New Mexico, to be dedicated to Tenneco  
Oil Company's No. 2 Federal 33 C Well; and,

4. That Horizon Oil and Gas Company of Texas does not object  
and hereby consents to Tenneco Oil Company's drilling of its No. 2  
Federal 33 C well 1010 feet from the North line and 1710 feet from  
the West line of Section 33, Township 17 South, Range 29 East,  
Eddy County, New Mexico.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 1979.

HORIZON OIL & GAS COMPANY OF TEXAS

By: \_\_\_\_\_



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

APPLICATION OF TENNECO OIL )  
COMPANY FOR UNORTHODOX WELL )  
LOCATION IN THE SOUTH EMPIRE-) )  
WOLFCAMP FIELD )

WAIVER OF OBJECTION TO  
TENNECO OIL COMPANY'S  
APPLICATION FOR UNORTHODOX  
WELL LOCATION IN THE SOUTH  
EMPIRE-WOLFCAMP FIELD

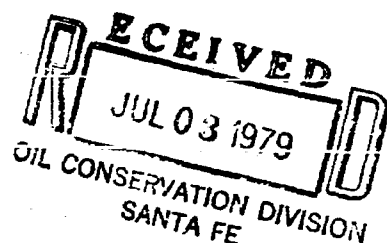
NOW COMES Depco Inc., in the above entitled and states:

1. That Depco Inc. received notice of the above entitled by certified mail from Tenneco Oil Company; and,
2. That Depco Inc. is an offset operator of Tenneco Oil Company's No. 2 Federal 33 C well to be located 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, Eddy County, New Mexico, an unorthodox location; and,
3. That Depco Inc. is an offset operator of the proration unit comprising all of the East half Northwest Quarter (E/2 NW/4) of Section 33, Township 17 South, Range 29 East, Eddy County, New Mexico, to be dedicated to Tenneco Oil Company's No. 2 Federal 33 C Well; and,
4. That Depco Inc. does not object and hereby consents to Tenneco Oil Company's drilling of its No. 2 Federal 33 C well 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, Eddy County, New Mexico.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 1979.

DEPCO INC.

By: \_\_\_\_\_



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

APPLICATION OF TENNECO OIL )  
COMPANY FOR UNORTHODOX WELL )  
LOCATION IN THE SOUTH EMPIRE- )  
WOLFCAMP FIELD )

WAIVER OF OBJECTION TO  
TENNECO OIL COMPANY'S  
APPLICATION FOR UNORTHODOX  
WELL LOCATION IN THE SOUTH  
EMPIRE-WOLFCAMP FIELD

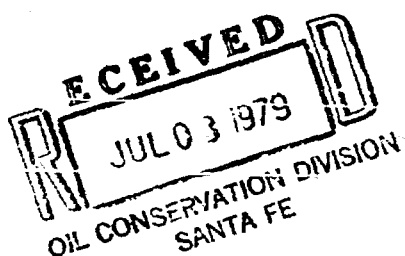
NOW COMES L. & G. Oil Company in the above entitled and  
states:

1. That L. & G. Oil Company received notice of the above  
entitled by certified mail from Tenneco Oil Company; and,
2. That L. & G. Oil Company is an offset operator of Tenneco  
Oil Company's No. 2 Federal 33 C well to be located 1010 feet from  
the North line and 1710 feet from the West line of Section 33,  
Township 17 South, Range 29 East, Eddy County, New Mexico, an  
unorthodox location; and,
3. That L. & G. Oil Company is an offset operator of the  
proration unit comprising all of the East half Northwest Quarter  
(E/2 NW/4) of Section 33, Township 17 South, Range 29 East, Eddy  
County, New Mexico, to be dedicated to Tenneco Oil Company's No. 2  
Federal 33 C Well; and,
4. That L. & G. Oil Company does not object and hereby consents  
to Tenneco Oil Company's drilling of its No. 2 Federal 33 C well  
1010 feet from the North line and 1710 feet from the West line of  
Section 33, Township 17 South, Range 29 East, Eddy County, New  
Mexico.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 1979.

L. & G. OIL COMPANY

By: \_\_\_\_\_



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

APPLICATION OF TENNECO OIL )  
COMPANY FOR UNORTHODOX WELL )  
LOCATION IN THE SOUTH EMPIRE-) )  
WOLFCAMP FIELD )

WAIVER OF OBJECTION TO  
TENNECO OIL COMPANY'S  
APPLICATION FOR UNORTHODOX  
WELL LOCATION IN THE SOUTH  
EMPIRE-WOLFCAMP FIELD

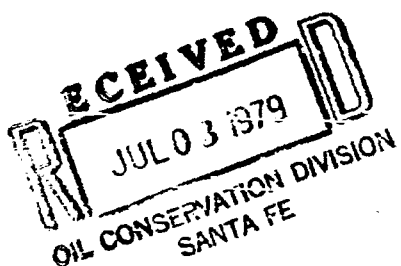
NOW COMES AMOCO Production Company in the above entitled and  
states:

1. That AMOCO Production Company received notice of the above  
entitled by certified mail from Tenneco Oil Company; and,
2. That AMOCO Production Company is an offset operator of  
Tenneco Oil Company's No. 2 Federal 33 C well to be located 1010  
feet from the North line and 1710 feet from the West line of Section  
33, Township 17 South, Range 29 East, Eddy County, New Mexico, an  
unorthodox location; and,
3. That AMOCO Production Company is an offset operator of  
the proration unit comprising all of the East half Northwest Quarter  
(E/2 NW/4) of Section 33, Township 17 South, Range 29 East, Eddy  
County, New Mexico, to be dedicated to Tenneco Oil Company's No. 2  
Federal 33 C Well; and,
4. That AMOCO Production Company does not object and hereby  
consents to Tenneco Oil Company's drilling of its No. 2 Federal 33  
C well 1010 feet from the North line and 1710 feet from the West  
line of Section 33, Township 17 South, Range 29 East, Eddy County,  
New Mexico.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 1979.

AMOCO PRODUCTION COMPANY

By: \_\_\_\_\_



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

APPLICATION OF TENNECO OIL )  
COMPANY FOR UNORTHODOX WELL )  
LOCATION IN THE SOUTH EMPIRE-) )  
WOLFCAMP FIELD )

WAIVER OF OBJECTION TO  
TENNECO OIL COMPANY'S  
APPLICATION FOR UNORTHODOX  
WELL LOCATION IN THE SOUTH  
EMPIRE-WOLFCAMP FIELD

NOW COMES Husky Oil Company in the above entitled and states:

1. That Husky Oil Company received notice of the above entitled  
by certified mail from Tenneco Oil Company; and,

2. That Husky Oil Company is an offset operator of Tenneco  
Oil Company's No. 2 Federal 33 C well to be located 1010 feet from  
the North line and 1710 feet from the West line of Section 33,  
Township 17 South, Range 29 East, Eddy County, New Mexico, an  
unorthodox location; and,

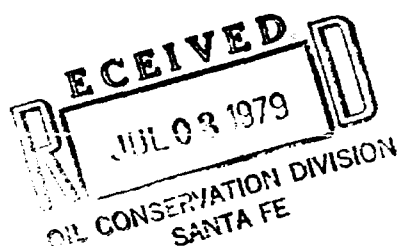
3. That Husky Oil Company is an offset operator of the  
proration unit comprising all of the East half Northwest Quarter  
(E/2 NW/4) of Section 33, Township 17 South, Range 29 East, Eddy  
County, New Mexico, to be dedicated to Tenneco Oil Company's No.  
2 Federal 33 C Well; and,

4. That Husky Oil Company does not object and hereby consents  
to Tenneco Oil Company's drilling of its No. 2 Federal 33 C well  
1010 feet from the North line and 1710 feet from the West line of  
Section 33, Township 17 South, Range 29 East, Eddy County, New  
Mexico.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 1979.

HUSKY OIL COMPANY

By: \_\_\_\_\_

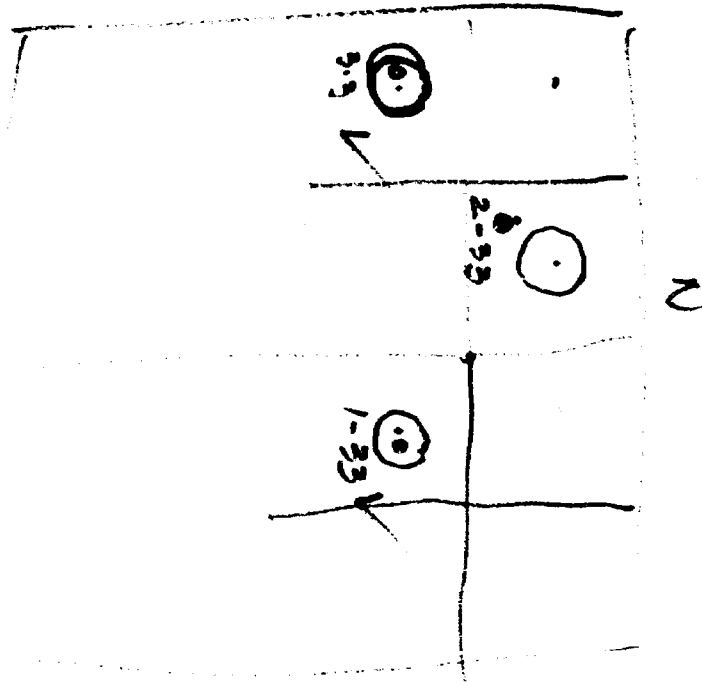


# Memo

From

R. L. STAMETS  
Technical  
Support Chief

To



Oil Conservation Commission — Santa Fe, New Mexico

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company for ) CASE  
an unorthodox well location, Eddy County, ) 6602  
New Mexico. )

BEFORE: Daniel S. Nutter

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 Bldg.  
Santa Fe, New Mexico 87503

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3036 Plaza Blanca (SSE) 471-2482  
Santa Fe, New Mexico 87501

1 MR. NUTTER: We'll call next Case 6602.

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

5 MR. NUTTER: The applicant has requested  
6 the continuance of this case. It will be continued to the  
7 Examiner Hearing scheduled to be held at this same place  
8 at 9:00 o'clock a. m. August 22nd, 1979.

9  
10 (Hearing concluded.)  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3936 Plaza Blanca (995) 471-2492  
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.  
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. 6602  
heard by me on 7/26 19 77.  
[Signature], Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (595) 471-2462  
Santa Fe, New Mexico 87501

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company for )  
an unorthodox well location, Eddy County, ) CASE  
New Mexico. ) 6602

BEFORE: Daniel S. Nutter

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 Bldg.  
Santa Fe, New Mexico 87503

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3910 Plaza Blanca (SSE) 471-2402  
Santa Fe, New Mexico 87501

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. NUTTER: We'll call next Case 6602.

MR. PADILLA: Application of Tenneco Oil Company for an unorthodox well location, Eddy County, New Mexico.

MR. NUTTER: The applicant has requested the continuance of this case. It will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. August 22nd, 1979.

(Hearing concluded.)

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (806) 411-2482  
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.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
1020 Plaza Blanca (SOS) 471-4462  
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 6603  
heard by me on 2/25 19 79.

  
Oil Conservation Division Examiner

Archaeological Clearance Report

for

Tenneco Oil Company

No.1 Federal 33-G\*  
No.2 Federal 33-C  
No.3 Federal 33-E

Prepared

By

Dr. J. Loring Haskell

Submitted

By

Dr. J. Loring Haskell  
Principal Investigator  
New Mexico Archaeological Services, Inc.  
Carlsbad, New Mexico

21 June 1979

Permit No.78-NM-120

\* This well has been redesignated No. 1 Las Cruces 33-G. All wells are in Sec. 33-T7S-R29E.

### Introduction

On 20 June 1979, New Mexico Archaeological Services, Inc., (NMAS), Carlsbad, undertook for Tenneco Oil Company, an archaeological reconnaissance of lands administered by the Bureau of Land Management in Eddy County, New Mexico. Reconnoitered areas will be impacted by the construction of new drill locations and associated access roads. This project was advanced by Ms. Chris Worsham, Powers Elevation Company, Inc., Eagle Colorado, and expedited by Dr. J. Loring Haskell, Principal Investigator, NMAS. Dr. Haskell was assisted in the field by Mr. Charles A. Aylward, Staff Archaeologist.

### Survey Technique

For this investigation, Tenneco Oil Company's proposed locations were reconnoitered for evidence of man's past activities by walking them in a series of 20 ft wide, close interval (15<sup>°</sup> or less), zigzag transects. In addition, an added zone embracing 20 ft on each side of the staked 400 X 400 ft location, and hence lying outside their proposed work areas, was investigated by a similar means. Access roads were checked similarly. Methodologically, this procedure served to promote optimal conditions for the visual examination of areas to be impacted by construction-related activities.

#1 Federal 33-G

### Location

Tenneco Oil Company's proposed location will measure 400 X 400 ft on federal land and will be situated 1980 ft from

the north line and 1820 ft from the east line of:

Section 33, T17S, R29E, NMPM, Eddy County, NM

Thus it will be situated in the:

SW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, Section 33, T17S, R29E, NMPM, Eddy County, NM

The associated access road will measure 12 X 18 ft on federal land and will be situated in the:

SW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, Section 33, T17S, R29E, NMPM, Eddy County, NM

Map Reference: USGS Red Lake SE Quadrangle, 7.5 Minute Series, 1955.

### Terrain

In general, this location is situated on a landform distinguished by a broad expanse of plain which is broken on an occasional basis by large subsidence structures. This landform is coextensive with the Querecho Plains. Locally, the contemporary surface is distinguished by low coppice-type dunes and inter-dunal areas which are subject to sheetwash. Attendant soils belong to the Typic Torripsamment subgroup and generally consist of sandy loams and loamy sands. Peds generally lack lithic inclusions.

### Floristics

The local floral assemblage is distinguished by an over-story largely dominated by a diminutive cover of Prosopis juliflora. Prosopis, in general, averages 30 cm or less in height. Observed forbs include Dithyrea wislizenii, Lepidium sp., Calylophus sp., Salsola kali, Chamaesaracha sp., Solanum eleaegnifolium, and Nama sp. Grasses are represented by

Aristida spp., Panicum sp., Bouteloua eriododa, and Setaria macrostachya.

#### Cultural Resources

No archaeological sites were recorded during this reconnaissance. One isolated manifestation, a chert primary decoration flake, was recorded during this reconnaissance. Remains of this type are attributable to en passant activities and represent the end-product of social units engaged in hunting-related activities. Usage of this locality was ephemeral and sporadic.

#### Recommendations

NMAS recommends clearance for Tenneco Oil Company's proposed #1 Federal 33-G and its access road and suggests that work-related activities proceed in accordance with company plans.

#### #2 Federal 33-C

#### Location

The proposed location will measure 400 X 400 ft on federal lands and will be situated 910 ft from the north line and 1710 ft from the west line of:

Section 33, T17S, R29E, NMPM, Eddy County, NM

Thus it will be situated in the:

NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 33, T17S, R29E, NMPM, Eddy County, NM

The associated access road will measure 12 X 100 ft on federal lands and will be situated in the:

NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 33, T17S, R29E, NMPM, Eddy County, NM



Map Reference: USGS Red Lake SE Quadrangle, 7.5 Minute Series, 1955.

### Terrain

The local landform is marked by a generally south-facing slope of a low ridge. Drainage is into a swale-like depression. Physiographically, this area is part of the Querecho Plains. Soils individuals belong to the Haplargid-Torripsamment association with representations of each subgroup being present in the immediate area. Peds, belonging to the former type, invariably are fine-grained, non-calcareous, clay loams while the latter are notable for their coarse-textured sandy loams and loamy sands. Caliche inclusions commonly occur in these in the latter soils.

### Floristics

As a whole, this area is dominated by an often luxuriant growth of Prosopis juliflora which is often associated with Dithyrea wislizenii, Setaria macrostachya and Muhlenbergia porteri. In addition to the aforementioned, Nama sp., Cirsium sp., Solanum elaeagnifolium, Lepidium sp., Lesquerella sp., Calceolaria sp., and Salsola kali. The Gramineae is represented principally by Aristida sp. and Cenchrus incertus as well as those mentioned above in the content of the Prosopis association. Several specimens of Atriplex canescens occur locally.

### Cultural Resources

During the course of this reconnaissance, NMAS recorded an occupation zone consisting of occasional chert and quartzite primary and secondary decortication flakes, a few pieces of

ground stone and burned- and fire-cracked caliche. One, highly eroded, fire hearth was observed immediately northwest of the location. These remains represent ephemeral usage of this area by prehistoric social units. Associated cultural detritus lacks concentration and is sporadic in occurrence; consequently, these remains do not warrant site designation and are termed an isolated manifestation or occupation zone. These remains are largely confined to the northern quarter of the proposed location.

#### Recommendations

NMAS recommends clearance for #2 Federal 33-C and its associated access road provided the location is shifted 100 ft to the south in order to avoid impacting the fire hearth and attendant remains. As proposed #2 Federal 33-C will be 1010 ft from the north line and 1710 ft from the west line.

#### #3 Federal 33-E

#### Location

This location will measure 400 X 400 ft on federal lands and will be situated 1980 ft from the north line and 520 ft from the west line of:

Section 33, T17S, R29E, NMPM, Eddy County, NM

Thus it will be situated in the:

SW $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 33, T17S, R29E, NMPM, Eddy County, NM

It is situated on an existing lease road.

Map Reference: USGS Red Lake SE Quadrangle, 7.5 Minute Series, 1955.

#### Terrain

Topographically, this landform consist of an essentially flat surface which is coextensive with the Querecho Plains. The contemporary surface is relieved by occasional coppice dunes which stand to approximately 1 m. Local soils are medium-coarse textured sandy loams and loamy sands containing gravel-sized caliche inclusions. Underlying soils are stable, well-consolidated, Pleistocene deposits. Surficial areas tend to support a loose and calcareous Holocene-aged cover. Peds are intergrades of the Typic Torripsamment subgroups.

#### Floristics

The local floral assemblage is both richer and more abundant on the coppice dunes. Prosopis juliflora predominates there in association with an occasional Atriplex canescens, plentiful Dytheria sp., and the grass Setaria macrostachya. Inter-dunal areas are marked by virtually pure stands of Gutierrezia arothrae. Occasionally intersperced forbs include: Zinnia acerosa, Croton sp., Nama sp., Lesquerella sp., and Lonicium sp. Grasses observed are Aristida sp., Panicum obtusum and Monroa squarrosa.

#### Cultural Resources

No evidence of man's past activities can be observed in the area of this location. A variety of concomitant factors contribute to this observation. Among them are: a lack of locally potable water, the inavailability of shelter from the elements, and the absence of lithic material suitable for tool manufacture. These conditions forced man's past movements through the area to be ephemeral and transitory in nature.

Recommendations

NMAS recommends clearance for Tenneco's proposed #3 Federal 33-E and suggests that work-related activities proceed in accordance with company plans.

**Tenneco Oil  
Exploration and Production**  
A Tenneco Company



Southwestern Division

July 24, 1979

6800 Park Ten Blvd. • Suite 200 North  
San Antonio, Texas 78213  
(512) 734-8161

Certified Mail - Return Receipt Requested

Re: Application of Tenneco Oil Company  
for Unorthodox Well Location in  
the South Empire Field

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

Attn: Mr. Dan Nutter  
Chief Engineer  
Oil Conservation Division

Dear Mr. Nutter:

On June 27, 1979, Tenneco Oil Company mailed triplicate executed copies of its Application for Unorthodox Well location for the South Empire-Wolfcamp Field in connection with its No. 2 Federal 33 C Well to be drilled 1010' FNL and 1710' FWL of Section 33, T17S-R29E, Eddy County, New Mexico.

Subsequent to the mailing of the above described Application for Unorthodox Well location, Tenneco Oil Company has received waivers from all offset operators which are attached hereto for filing with the Division.

Pursuant to Rule 5 of the Special Rules and Regulations for the South Empire-Wolfcamp pool, Tenneco Oil Company requests that the Division administratively approve its Application for Unorthodox Well location.

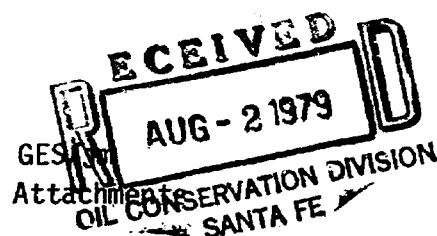
Please note that when Tenneco filed its Application for Unorthodox Well location, it attached copies of the waivers sent to offset operators. One of the waivers sent to the Division was prepared for signature by L&G Oil Company. Tenneco has since learned that Kerr-McGee is the operator of the area previously designated to L&G Oil Company; therefore, a Waiver executed by Kerr-McGee Corporation rather than L&G Oil Company, is attached.

It is Tenneco's present understanding that its application for Unorthodox Well Location is set for hearing on August 8, 1979. If the Division cannot administratively approve Tenneco's application before August 8, 1979, please set the matter for hearing on the next hearing date.

If the Division needs additional information, please advise.

Very truly yours,

*G. E. Simmons*  
G. E. Simmons  
Acting Division Attorney



*It cannot be advised Simmons 8/2*

L. & G. OIL COMPANY  
OIL PRODUCERS  
JOHNSTON-LEWIS BUILDING  
214/758-8261 P. O. Box 2067  
LONGVIEW, TEXAS  
75601

July 2, 1979

Tenneco Oil Company  
6800 Park Ten Blvd. Suite 200 North  
San Antonio, TX 78213

Attention: Mr. D. B. Pearcy

Gentlemen:

The enclosed was sent to us in error. We neither own  
or operate any oil property in New Mexico.

I am sending you a copy of letter I received in 1978  
from a man trying to locate L & G Oil & Royalty Company. I  
sent him my last information about them which was a merger  
with Landa Oil Co. and perhaps this is the company you need.

Yours very truly,

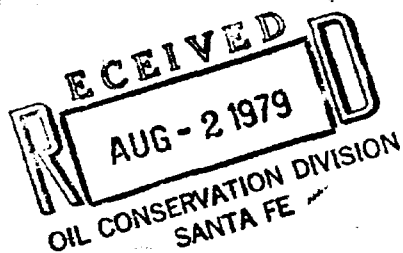
L & G OIL COMPANY

*Polly Disharoon*

POLLY DISHAROON

Encls.

7/6/79 State of NM Land & Co says it's Kerr-McGee. JBP





**Amoco Production Company**

Houston Region  
500 Jefferson Building  
Post Office Box 3092  
Houston, Texas 77001

J. R. Barnett  
Regional Engineering  
Manager

July 3, 1979

File: JCA-986.51NM-3832

Re: Request for Approval of an  
Unorthodox Well Location  
Section 33, T17S-R29E  
S. Empire-Wolfcamp Field  
Eddy County, New Mexico

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

Tenneco Oil Company plans to drill a 9200' Wolfcamp oil well at a non-standard location 1010' FNL and 1710' FWL of Section 33, T17S-R29E, Eddy County, New Mexico under the provisions of Rule 5 of the South Empire - Wolfcamp Field Rules.

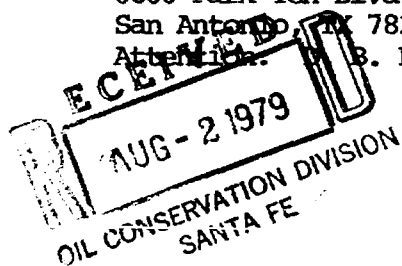
We understand a non-standard location for No. 2 Federal 33C is being requested because of topographical conditions and as an offset operator Amoco Production Company has no objections to this drilling location and hereby waive notice and hearing.

Yours very truly,

*J. R. Barnett*  
*mlc*

MLC/rw

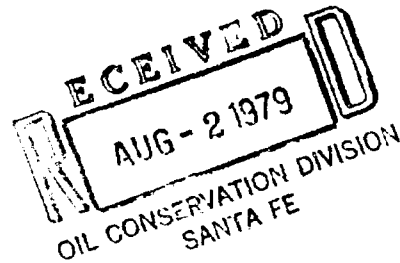
cc: Tenneco Oil Company  
6800 Park Ten Blvd., Suite 200N  
San Antonio, TX 78213  
Attention: B. Percy



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

APPLICATION OF TENNECO OIL )  
COMPANY FOR UNORTHODOX WELL )  
LOCATION IN THE SOUTH EMPIRE- )  
WOLFCAMP FIELD )

WAIVER OF OBJECTION TO  
TENNECO OIL COMPANY'S  
APPLICATION FOR UNORTHODOX  
WELL LOCATION IN THE SOUTH  
EMPIRE-WOLFCAMP FIELD



NOW COMES Husky Oil Company in the above entitled and states:

1. That Husky Oil Company received notice of the above entitled by certified mail from Tenneco Oil Company; and,

2. That Husky Oil Company is an offset operator of Tenneco Oil Company's No. 2 Federal 33 C well to be located 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, Eddy County, New Mexico, an unorthodox location; and,

3. That Husky Oil Company is an offset operator of the proration unit comprising all of the East half Northwest Quarter (E/2 NW/4) of Section 33, Township 17 South, Range 29 East, Eddy County, New Mexico, to be dedicated to Tenneco Oil Company's No. 2 Federal 33 C Well; and,

4. That Husky Oil Company does not object and hereby consents to Tenneco Oil Company's drilling of its No. 2 Federal 33 C well 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, Eddy County, New Mexico.

Dated this 29 day of June 1979.

HUSKY OIL COMPANY

By: J. Z. Carrill



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

APPLICATION OF TENNECO OIL )  
COMPANY FOR UNORTHODOX WELL )  
LOCATION IN THE SOUTH EMPIRE-) )  
WOLFCAMP FIELD )

WAIVER OF OBJECTION TO  
TENNECO OIL COMPANY'S  
APPLICATION FOR UNORTHODOX  
WELL LOCATION IN THE SOUTH  
EMPIRE-WOLFCAMP FIELD

NOW COMES Depco Inc., in the above entitled and states:

1. That Depco Inc. received notice of the above entitled by certified mail from Tenneco Oil Company; and,
2. That Depco Inc. is an offset operator of Tenneco Oil Company's No. 2 Federal 33 C well to be located 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, Eddy County, New Mexico, an unorthodox location; and,
3. That Depco Inc. is an offset operator of the proration unit comprising all of the East half Northwest Quarter (E/2 NW/4) of Section 33, Township 17 South, Range 29 East, Eddy County, New Mexico, to be dedicated to Tenneco Oil Company's No. 2 Federal 33 C Well; and,
4. That Depco Inc. does not object and hereby consents to Tenneco Oil Company's drilling of its No. 2 Federal 33 C well 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, Eddy County, New Mexico.

Dated this 29<sup>th</sup> day of July 1979.

DEPCO INC.

By:

C. D. Crump  
VP Production

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

APPLICATION OF TENNECO OIL )  
COMPANY FOR UNORTHODOX WELL )  
LOCATION IN THE SOUTH EMPIRE-) )  
WOLFCAMP FIELD )

WAIVER OF OBJECTION TO  
TENNECO OIL COMPANY'S  
APPLICATION FOR UNORTHODOX  
WELL LOCATION IN THE SOUTH  
EMPIRE-WOLFCAMP FIELD

NOW COMES Horizon Oil and Gas Company of Texas in the above  
entitled and states:

1. That Horizon Oil and Gas Company of Texas received notice  
of the above entitled by certified mail from Tenneco Oil Company;  
and,

2. That Horizon Oil and Gas Company of Texas is an offset  
operator of Tenneco Oil Company's No. 2 Federal 33 C well to be  
located 1010 feet from the North line and 1710 feet from the West  
line of Section 33, Township 17 South, Range 29 East, Eddy County,  
New Mexico, an unorthodox location; and,

3. That Horizon Oil and Gas Company of Texas is an offset  
operator of the proration unit comprising all of the East half  
Northwest Quarter (E/2 NW/4) of Section 33, Township 17 South,  
Range 29 East, Eddy County, New Mexico, to be dedicated to Tenneco  
Oil Company's No. 2 Federal 33 C Well; and,

4. That Horizon Oil and Gas Company of Texas does not object  
and hereby consents to Tenneco Oil Company's drilling of its No. 2  
Federal 33 C well 1010 feet from the North line and 1710 feet from  
the West line of Section 33, Township 17 South, Range 29 East,  
Eddy County, New Mexico.

Dated this 16th day of July 1979.

HORIZON OIL & GAS COMPANY OF TEXAS

By:

Curtis & Caldwell  
President

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

APPLICATION OF TENNECO OIL )  
COMPANY FOR UNORTHODOX WELL )  
LOCATION IN THE SOUTH EMPIRE- )  
WOLFCAMP FIELD )

WAIVER OF OBJECTION TO  
TENNECO OIL COMPANY'S  
APPLICATION FOR UNORTHODOX  
WELL LOCATION IN THE SOUTH  
EMPIRE-WOLFCAMP FIELD

NOW COMES Kerr-McGee Corporation in the above entitled and  
states:

1. That Kerr-McGee Corporation received notice of the  
above entitled by certified mail from Tenneco Oil Company; and,
2. That Kerr-McGee Corporation is an offset operator of  
Tenneco Oil Company's No. 2 Federal 33 C Well to be located 1010  
feet from the North line and 1710 feet from the West line of  
Section 33, Township 17 South, Range 29 East, Eddy County, New  
Mexico, an unorthodox location; and,
3. That Kerr-McGee Corporation is an offset operator of the  
proration unit comprising all of the East half Northwest Quarter  
(E/2 NW/4) of Section 33, Township 17 South, Range 29 East, Eddy  
County, New Mexico, to be dedicated to Tenneco Oil Company's No.  
2 Federal 33 C Well; and,
4. That Kerr-McGee Corporation does not object and hereby  
consents to Tenneco Oil Company's drilling of its No. 2 Federal 33  
C well 1010 feet from the North line and 1710 feet from the West  
line of Section 33, Township 17 South, Range 29 East, Eddy County,  
New Mexico.

Dated this 18 day of JULY 1979.

KERR-MCGEE CORPORATION

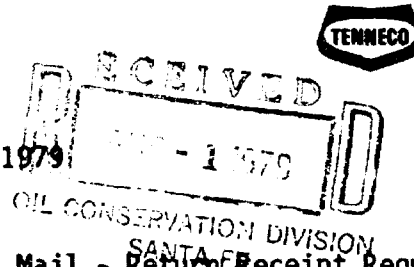
By: W. T. Short

**Tenneco Oil  
Exploration and Production**  
A Tenneco Company

Southwestern Division

6800 Park Ten Blvd. • Suite 200 North  
San Antonio, Texas 78213  
(512) 734-8161

July 27, 1979



Certified Mail - Return Receipt Requested

A handwritten signature in dark ink, appearing to be "G. E. Simmons".

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

Re: Application of Tenneco Oil Company  
for Unorthodox Well Location in  
the South Empire-Wolfcamp Field  
Case #6602

Attn: Mr. Dan Nutter,  
Chief Engineer  
Oil Conservation Division

Dear Mr. Nutter:

By letter dated June 27, 1979, Tenneco Oil Company filed its application for unorthodox well location for the S. Empire Field in connection with its No. 2 Federal 33 C well to be drilled 1010 feet from the north line and 1710 feet from the west line of Section 33, T17S, R29E, Eddy County, New Mexico.

On July 23, 1979, the undersigned contacted Florene Davidson of the Oil Conservation Division, and requested that Case #6602 set for July 25, 1979, be continued to a date certain. Mrs. Davidson advised that Case #6602 would be set August 8, 1979.

Very truly yours,

A handwritten signature in dark ink, appearing to be "G. E. Simmons".

G. E. Simmons  
Acting Division Attorney

GES/jm

Dockets Nos. 32-79 and 33-79 are tentatively set for hearing on August 22 and September 5, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - AUGUST 7, 1979

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

CASE 6590: (Continued from July 25, 1979, Examiner Hearing)

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 6612: Application of Gulf Oil 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 thru 16 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 6555: (DE NOVO)

Application of Jake L. Hamon for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 660 feet from the North line and 560 feet from the East line of Section 30, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, all of said Section 30 to be dedicated to the well.

Upon application of Texas Oil & Gas Corp. this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6596: (Continued from July 24, 1979, Commission Hearing)

Application of Harvey E. Yates Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Upper Pennsylvanian gas pool to be designated as the Southeast Indian Basin-Upper Pennsylvanian Gas Pool for its Southeast Indian Basin Well No. 1 located in Unit A of Section 23, Township 22 South, Range 23 East, and special pool rules therefor including 320-acre gas well spacing.

CASE 6597: (Continued from July 24, 1979, Commission Hearing)

Application of Harvey E. Yates 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 Southeast Indian Basin Well No. 2, an Upper Pennsylvanian well to be drilled 660 feet from the North and West lines of Section 24, Township 22 South, Range 23 East, with the N/2 or all of said Section 24 to be dedicated to the well, depending on the outcome of Case No. 6596.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 8, 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 6613: Application of Grace Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Smith Ranch Unit Area, comprising 1,600 acres, more or less, of State and federal lands in Township 20 South, Range 33 East.

CASE 6602: (Continued from July 25, 1979, Examiner Hearing)

Application of Tenneco Oil Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 33 C No. 2 Well 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, South Empire-Wolfcamp Pool, the E/2 NW/4 of said Section 33 to be dedicated to the well.

CASE 6611: (Continued from July 25, 1979, Examiner Hearing)

Application of Cabot Corp. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the disposal of produced salt water in the Devonian formation through the perforated interval from 12,156 feet to 12,574 feet in its Reed Well No. 1 located in Unit H of Section 35, Township 13 South, Range 37 East, King Field.

CASE 6614: Application of Texaco Inc. for the amendment of Order No. R-4442, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4442 to remove the top unit allowable restriction from producing wells in the Vacuum Grayburg San Andres Unit which are offset by "lease line" injection wells.

CASE 6615: Application of Southland Royalty Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Kutz-Gallup and Basin-Dakota production in the wellbore of its Frontier "E" Well No. 1 located in Unit O of Section 4, Township 27 North, Range 11 West.

CASE 6616: Application of Watson Treating Plant for an oil treating plant permit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 NW/4 of Section 34, Township 8 South, Range 35 East.

CASE 6617: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Otero-Gallup production in the wellbore of its Jicarilla 67 Well No. 10 located in Unit M of Section 30, Township 25 North, Range 5 West.

CASE 6618: Application of Harvey E. Yates Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Yates gas pool for its DEPCO Federal Well No. 1 located in Unit D of Section 19, Township 18 South, Range 29 East, and special rules therefor, including 80-acre gas well spacing.

CASE 6619: Application of Harvey E. Yates Company for an unorthodox well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 62.75-acre non-standard Yates gas proration unit comprising Lots 1 and 2 of Section 19, Township 18 South, Range 29 East, to be dedicated to its DEPCO Federal Well No. 1 drilled 330 feet from the North line and 660 feet from the West line of said Section 19.

CASE 6620: Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Austin Monteith Well No. 1 located in Unit K of Section 8, Township 14 South, Range 36 East.

CASE 6621: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Penn formations underlying the S/2 of Section 4, Township 18 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. (This case will be dismissed.)

CASE 6601: (Continued from July 25, 1979, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 8, Township 14 South, Range 36 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 6622: Application of Adams Exploration Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Penn formations underlying the N/2 of Section 15, Township 24 South, Range 28 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 6623: Application of Penroc Oil Corporation for approval of infill drilling and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the recompletion in the Morrow formation of its Dero "A" Federal Well No. 1 located in Unit N of Section 35, Township 19 South, Range 28 East, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6624: Application of Belco Petroleum Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of a well to be located in Unit K of Section 31, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6625: Application of Mewbourne Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be located 660 feet from the North line and 1315 feet from the East line of Section 30, Township 20 South, Range 27 East, the E/2 of said Section 30 to be dedicated to the well.

CASE 6603: (Continued from July 25, 1979, Examiner Hearing)

Application of Conoco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Penrose Skelly and Eumont production in the wellbore of its Hawk B-1 Well No. 12 located in Unit O of Section 8, Township 21 South, Range 37 East.

CASE 6587: (Continued and Readvertised)

Application of Caribou Four Corners, Inc., for an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Kirtland Well No. 4 located 1450 feet from the North line and 595 feet from the West line of Section 18, Township 29 North, Range 14 West.

\*\*\*\*\*

Docket No. 31-79

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 15, 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 September, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for September, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.



Dockets Nos. 29-79 and 31-79 are tentatively set for hearing on August 8 and 22, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - JULY 24, 1979

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

CASE 6596: Application of Harvey E. Yates Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Upper Pennsylvanian gas pool to be designated as the Southeast Indian Basin-Upper Pennsylvanian Gas Pool for its Southeast Indian Basin Well No. 1 located in Unit A of Section 23, Township 22 South, Range 23 East, and special pool rules therefor including 320-acre gas well spacing.

CASE 6597: Application of Harvey E. Yates 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 Southeast Indian Basin Well No. 2, an Upper Pennsylvanian well to be drilled 660 feet from the North and West lines of Section 24, Township 22 South, Range 23 East, with the N/2 or all of said Section 24 to be dedicated to the well, depending on the outcome of Case No. 6596.

\*\*\*\*\*

Docket No. 28-79

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 25, 1979

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

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

CASE 6545: (Continued from June 27, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Corinne Grace, Travelers Indemnity Company, and all other interested parties to appear and show cause why the Kuklah Baby Well No. 1 located in Unit G of Section 24, Township 22 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6598: Application of Gulf Oil Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Otero-Gallup and Basin-Dakota production in the wellbores of its Apache Federal Wells No. 8 located in Unit C of Section 8 and No. 9 located in Unit D of Section 17, both in Township 24 North, Range 5 West.

CASE 6599: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fusselman and Montoya production, North Justis Field, in the wellbore of its W. A. Ramsay Well No. 4 located in Unit M of Section 36, Township 24 South, Range 37 East.

CASE 6600: Application of Mesa Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 10, Township 16 South, Range 27 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 6601: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 8, Township 14 South, Range 36 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 6602: Application of Tenneco Oil Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 33 C No. 2 Well 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, South Empire-Wolfcamp Pool, the E/2 NW/4 of said Section 33 to be dedicated to the well.



CASE 6603: (This case will be continued to the August 8 hearing.)

Application of Conoco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Penrose Skelly and Eumont production in the wellbore of its Hawk B-1 Well No. 12 located in Unit O of Section 8, Township 21 South, Range 37 East.

CASE 6604: Application of Cities Service Company for rescission of Division Order No. R-5921, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-5921 which order provided for the compulsory pooling of all of the mineral interests in the Pennsylvanian formation underlying the S/2 of Section 8, Township 23 South, Range 28 East.

CASE 6605: Application of Estoril Producing 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 the W/2 of Section 15, Township 20 South, Range 34 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North and West lines of said Section 15. 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 6564: (Continued and Readvertised)

Application of Herndon Oil & Gas Co. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its O. A. Woody Well No. 1 to be drilled 2310 feet from the North line and 330 feet from the West line of Section 35, Township 16 South, Range 38 East, Knowles-Devonian Pool.

CASE 6606: Application of Getty Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Yates formation in the open-hole interval from 3810 feet to 4169 feet in its State "AA" Well No. 1 located in Unit I of Section 35, Township 21 South, Range 34 East.

CASE 6607: Application of Getty Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Getty 36 State Well No. 1 located in Unit F of Section 36, Township 21 South, Range 34 East, to produce oil from the Wolfcamp formation and gas from the Morrow formation through parallel strings of tubing.

CASE 6608: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Getty 36 State Well No. 1 located in Unit F of Section 36, Township 21 South, Range 34 East, and special rules therefor, including 160-acre oil well spacing.

CASE 6609: Application of Napeco Inc. for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn oil pool for its Benson Deep Unit Well No. 1 located in Unit O of Section 33, Township 18 South, Range 30 East, and special rules therefor, including 160-acre spacing and standard well locations.

CASE 6610: Application of Koch Industries, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Rustler formation through the perforated interval from 1190 feet to 1210 feet in its Wills "A" Well No. 7 located in Unit E of Section 35, Township 26 South, Range 37 East, Rhodes Field.

CASE 6611: Application of Cabot Corp. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the disposal of produced salt water in the Devonian formation through the perforated interval from 12,156 feet to 12,574 feet in its Reed Well No. 1 located in Unit H of Section 35, Township 13 South, Range 37 East, King Field.

CASE 6487: (Continued from May 23, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6471: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6472: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6473: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6474: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6475: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6535: (Continued from June 13, 1979, Examiner Hearing)

Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.

CASE 6579: (Continued from June 27, 1979, Examiner Hearing)

Application of R. N. Hillin for an unorthodox well location and approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of a Morrow gas well at an unorthodox location 800 feet from the South line and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East, is necessary to effectively and efficiently drain that portion of the E/2 of said Section 34 which cannot be so drained by the existing well.

CASE 6580: (Continued from June 27, 1979, Examiner Hearing) (This case will be continued to the August 22 hearing.)

Application of Continental Oil Company for a carbon dioxide injection project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot carbon dioxide injection project in the Grayburg-San Andres formation in Units H and I of Section 20, Township 17 South, Range 32 East, Maljamar Pool, for tertiary recovery purposes.

CASE 6270: (Continued from July 11, 1979, Examiner Hearing)

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.

CASE 6590: (Continued from July 11, 1979, Examiner Hearing)

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 Taurus Oil Company

northeast of Location Fed 33 Well No 2

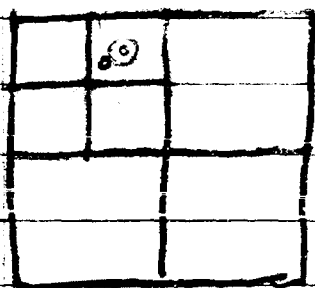
1010 FNL

33-175-29E Eddy Co

1710 FWL

E/2 NW 1/4 to be dedicated.

South Empire-Walfcamp



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. 6602

ORDER NO. R- 6092

APPLICATION OF TENNECO OIL COMPANY  
FOR AN UNORTHODOX ~~CAS~~ WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 8, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets. NOW, on this 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, Tenneco Oil Company, for its Federal 33 C Well No. 2 located to be drilled seeks approval of an unorthodox oil well location/ 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South Range 29 East, NMPM, to test the formation, South Empire-Wolfcamp Pool, Eddy County, New Mexico.

(3) That the E/2 NW/4 of said Section 33 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, as representing a phenomenal usage of this area by prehistoric gas.

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

Original No 4

-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 <sup>oil and</sup> 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 <sup>oil</sup> gas well location for the ~~the~~ Tenneco Oil Company Federal 33 C Well No. 2 ~~formation~~ is hereby approved for ~~xxxxx~~ to be ~~drilled~~ at a point 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East NMPM, South Empire-Wolfcamp Pool, Eddy County, New Mexico.

(2) That the E/2 NW/4 of said Section 33 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.