

CASE 6635: EXXON CORPORATION FOR AN UN-  
ORTHODOX WELL LOCATION AND SIMULTANEOUS  
DEDICATION, LEA COUNTY, NEW MEXICO

*Continue to*

*September 5*

CASE NO.

6635

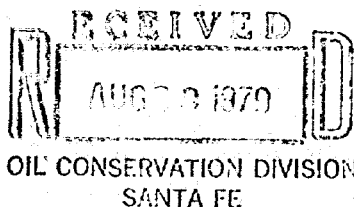
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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

**EXXON** COMPANY, U.S.A.  
POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702

PRODUCTION DEPARTMENT  
MIDCONTINENT DIVISION  
L. H. BYRD  
MANAGER



August 20, 1979

*File*  
Re: Cases No. 6635, 6636, 6637  
August 22, 1979, Docket

Energy and Minerals Department  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Dan Nutter

Dear Sir:

This is to please request that the three subject cases concerning simultaneous dedication of acreage to Exxon wells in the Eumont Gas Field, Lea County, New Mexico, be continued for hearing to the September 5, 1979, docket.

Yours very truly,

*for P.W. Henderson*  
L. H. Byrd

JKL/slc



**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. 6635  
Order No. R-6117

APPLICATION OF EXXON CORPORATION  
FOR AN UNORTHODOX WELL LOCATION AND  
SIMULTANEOUS DEDICATION, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 5, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th 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, Exxon Corporation, seeks approval of an unorthodox gas well location for its Aggies State Well No. 13 located 660 feet from the South line and 1650 feet from the West line of Section 31, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.
- (3) That the applicant further seeks to simultaneously dedicate the W/2 of said Section 31 to the above described well and to its Aggies State Well No. 4 located in Unit F of said Section 31.
- (4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location and simultaneous dedication.

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Case No. 6635  
Order No. R-6117

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That Exxon Corporation is hereby authorized to drill its Aggies State Well No. 13 at an unorthodox location 660 feet from the South line and 1650 feet from the West line of Section 31, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

(2) That the W/2 of said Section 31 shall be simultaneously dedicated to the above-described well and to applicant's Aggies State Well No. 4 located in Unit F of said Section 31.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

  
S E A L

fd/

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Exxon Corporation for  
an unorthodox well location and  
simultaneous dedication, Lea County,  
New Mexico.

CASES  
6635  
6636  
6637

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:

Conrad E. Coffield, Esq.  
The HINKLE LAW FIRM  
P. O. Box 3580  
Midland, Texas

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I N D E X

JOHN K. LYTLE

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JOHN W. IRVING

Direct Examination by Mr. Coffield 17

E X H I B I T S

Applicant Exhibit One, Map 6

Applicant Exhibit Two, Tabulation 7

Applicant Exhibit Three, Tabulation 9

Applicant Exhibit Four, Tabulation 10

Applicant Exhibit Five, Log 18

Applicant Exhibit Six, Plat 19

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1 MR. STAMETS: We'll call next Case 6635.

2 MR. PADILLA: Application of Exxon Corpor-  
3 ation for an unorthodox well location and simultaneuous dedi-  
4 cation, Lea County, New Mexico.

5 MR. STAMETS: Call for appearances in this  
6 case.

7 MR. COFFIELD: Conrad Coffield with the  
8 Hinkle Law Firm, Midland, Texas, appearing on behalf of  
9 Exxon Corporation. I have two witnesses.

10 MR. STAMETS: I'd like to have them both  
11 stand and be sworn at this time, please.

12  
13 (Witnesses sworn.)  
14

15 MR. COFFIELD: Mr. Examiner, in connection  
16 with -- before we get started -- in connection with this  
17 particular case and the two cases that immediately follow,  
18 the exhibits are virtually identical and I think it would  
19 be helpful for all involved if you would permit the conso-  
20 lidation of the two cases following with this case, so they  
21 can be discussed as an entity.

22 MR. STAMETS: Okay, any objections? Mr.  
23 Padilla, would you call the next two cases, being 6636 and  
24 6637, and they will be consolidated for the purposes of  
25 testimony.

1 MR. PADILLA: Application of Exxon Corpor-  
2 ation for unorthodox well location and simultaneous dedica-  
3 tion, Lea County, New Mexico, and Application of Exxon Cor-  
4 poration for an unorthodox well location, and simultaneous  
5 dedication, Lea County, New Mexico.

6  
7 JOHN K. LYTLE  
8 being called as a witness and having been duly sworn upon  
9 his oath, testified as follows, to-wit:

10  
11 DIRECT EXAMINATION

12 BY MR. COFFIELD:

13 Q All right, Mr. Lytle, would you please  
14 state your name, address, your occupation, and by whom you  
15 are employed?

16 A My name is John K. Lytle. I reside in  
17 Midland, Texas. I'm an engineer for Exxon Company U.S.A.

18 Q Mr. Lytle, have you previously testified  
19 before the Division as a petroleum engineer?

20 A Yes, I have.

21 Q Were your qualifications made a matter of  
22 record and were they accepted by the Division?

23 A Yes, they were.

24 Q Are you familiar with the application of  
25 Exxon Corporation in these cases?

1 A. Yes.

2 Q. Are you familiar with the property and  
3 the proposed well locations involved in these cases?

4 A. Yes, sir.

5 MR. COFFIELD: Mr. Examiner, is the wit-  
6 ness considered qualified?

7 MR. STAMETS: Yes.

8 Q. (Mr. Coffield continuing.) Mr. Lytle,  
9 would you please state briefly what it is that Exxon seeks  
10 by these applications?

11 A. These applications, we seek approval for  
12 an unorthodox well location and the simultaneous dedication  
13 of acreage in each case. All of these cases are in Lea  
14 County, New Mexico.

15 Case 6635 is for the simultaneous dedi-  
16 cation of the west half of Section 31, 20 South, 37 East,  
17 to the Exxon Aggies State Well No. 4, which is located in  
18 Unit F, and to the Exxon Aggies State No. 13, a newly  
19 drilled infill well, which is at an unorthodox location 660  
20 feet from the south line and 1650 feet from the west line  
21 in Section 31.

22 Case 6636 concerns the same matters for  
23 our "G" State No. 5 Well, which is located in Unit E of  
24 Section 23, 21 South, 36 East, and our "G" State No. 20  
25 Well at an unorthodox location in Unit M of said Section 23

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1 and for the simultaneous dedication of acreage to both of  
2 those wells for the 640-acre unit.

3 Case 6637 concerns the Exxon Knox Well No.  
4 1, which is located in Unit J of Section 10, 21 South, 36  
5 East, and the Knox Well No. 13 at an unorthodox location  
6 1650 feet from the north line and 990 feet from the east  
7 line in the same Section 10, and for a simultaneous dedi-  
8 cation of the east half of Section 10, which is 320 acres.

9 Q Mr. Lytle, would you refer then to what  
10 we've marked as Exhibit One and discuss that exhibit, please?

11 A Exhibit One is a map of a portion of the  
12 Eumont Field area and covers portions of Township 20 South,  
13 Range 37 East, and Township 21 South, Range 36 East.  
14 There are numerous wells on the map which are colored in  
15 red. These are wells which, according to our records, are  
16 producing from the Eumont Gas Field.

17 Four wells on the map are -- have a red  
18 dot pasted on them. These are four recently drilled infill  
19 wells on existing proration units, which have been drilled  
20 by Exxon. Each of those is within the border of a yellow  
21 colored area, which is the proration unit for each of those  
22 new wells.

23 In each case the proration unit also has  
24 an existing Eumont gas well producing on it.

25 The yellow colored area down at the south

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1 is a 640-acre unit. That's the "G" State Unit. There are  
2 two 320-acre units shown in the middle of the map. One of  
3 these, which is the west half of Section 10 of 21 South,  
4 36 East, is not the subject of a hearing today but it's set  
5 for a similar type hearing on the 19th of September on the  
6 Division Docket. It is shown here because we had anticipated  
7 the possibility of the consolidation of all four cases for  
8 hearing.

9 The unit shown up in the upper left corner  
10 of the plat is a 320-acre proration unit, also.

11 There are other features on this exhibit  
12 which will be covered later by the geological witness.

13 My main point to make from this map is  
14 that there is a predominance of red colored Eumont gas wells  
15 on this map, showing that the field has been drilled to a  
16 much greater density than one well per 640 acres, which is  
17 the standard proration unit for the Eumont gas field.

18 Q All right, Mr. Lytle, let's go to Exhibit  
19 Two and let's discuss that exhibit, please.

20 A Exhibit Two is a tabulation, which is  
21 titled Additional Recovery Attributable to Infill Drilling  
22 in the Eumont Gas Field, and on the left it lists the names  
23 of the four proration units which were shown outlined in  
24 yellow on the Exhibit One, and the description of the pro-  
25 ration units.

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1 The next column shows the number of acres  
2 in the proration unit. For three of them the unit acres are  
3 320 acres. These are non-standard proration units.

4 Only one there is a standard proration  
5 unit for the Eumont Field.

6 Now, in the third column under the heading  
7 Recoverable Gas in Place, Bcf, this is our estimate of the  
8 amount of gas recoverable from that proration unit. It's  
9 a theoretical amount based on a volumetric calculation, and  
10 it is units of billions of cubic feet.

11 The next column is the estimated ultimate  
12 recovery from the existing well on that particular proration  
13 unit, and it shows the Bcf of gas which we estimate the well  
14 will produce, and it identifies in parentheses the existing  
15 well on the unit.

16 The last column, then, is the estimated  
17 recovery attributable to the new well that has been drilled  
18 on that existing proration unit. It's in volumes of billions  
19 of cubic feet and identified the new well.

20 This exhibit was prepared to show, in my  
21 opinion, the necessity for drilling additional wells on  
22 the proration unit; that there will be additional recovery  
23 gained from the new well..

24 Once again, the fourth well that is listed  
25 here, the last well that is listed, is not the subject of

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1 today's hearing but will be the subject of a hearing on  
2 September the 19th.

3 Q Mr. Lytle, refer now then to Exhibit Three  
4 and discuss this, please.

5 A Exhibit Three is a tabulation on the ex-  
6 isting wells on the four proration units that were shown on  
7 Exhibit Two, and it shows the name of the lease and the well  
8 and the location of the well in the section.

9 It shows the spud date, the completion  
10 date, the current rate of production, which is based on re-  
11 cent well test, and the cumulative production rounded off  
12 to the nearest millions of cubic feet.

13 This exhibit was prepared to conform with  
14 the data required on the Commission's Order R-6013 that  
15 has to do with meeting NGPA requirements, the Rule Nine in  
16 that Order.

17 All of these wells are still producing.  
18 I should point out that the completion date shown is the  
19 day of first completion of the well and in each case it is  
20 not the date that the well was completed into the Eumont  
21 gas pay. These wells were initially completed in the Eumont  
22 oil pay and then recompleted in the Eumont gas pay.

23 Q All right, Mr. Lytle, referring to what  
24 we're marked as Exhibit Four, and discuss that exhibit,  
25 please.

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1 A Exhibit Four is a tabulation of data on  
2 the new infill wells that were drilled on the proration unit,  
3 and the column on the left once again identifies the name  
4 and number of the well and the location.

5 The next column is the data that the well  
6 was spudded. As you can see, these wells were all spudded  
7 in either June or July of 1979.

8 The next column is the completion date in  
9 the Eumont gas pay.

10 Then it shows the perforated interval and  
11 the last three columns have to do with the initial potential  
12 test on the well, showing the choke setting, the flowing  
13 tubing pressure, and the amount of gas produced on test.

14 Q Mr. Lytle, were all of the other -- refer-  
15 ring back to Exhibit One, please -- were all of the other  
16 Eumont gas wells which you've spotted on that Exhibit One  
17 spudded and completed prior to the spudding of the three  
18 wells which we're considering here today?

19 A Yes, to our knowledge they were.

20 Q So would it be then a logical assumption  
21 to state that it appears that the Division has, prior to  
22 the spudding of the three wells which we're considering,  
23 established the reasonable necessity of infill drilling in  
24 this particular area?

25 A Yes.



1 MR. STAMETS: Okay, would you run that  
2 argument by me one more time?

3 MR. COFFIELD: All of the other wells which  
4 are spotted on Exhibit One were spudded and completed prior  
5 to the spudding of the three wells we're considering today.  
6 And all of those are Eumont gas wells.

7 Accordingly, it would be logical to assume  
8 that the Division has established, by virtue of the infill  
9 pattern almost universally found across this area, established  
10 the policy that such infill drilling is necessary in order  
11 to more effectively and efficiently drain the reservoirs --  
12 reservoir involved.

13 MR. STAMETS: Okay, thank you.

14 Q (Mr. Coffield continuing.) Mr. Lytle,  
15 were these Exhibits One through Four prepared by you or  
16 under your supervision?

17 A Yes, sir, they were.

18 Q I guess, perhaps, with the exception of  
19 the geological data that's on this Exhibit One, would that  
20 be correct?

21 A That's correct. I collaborated somewhat  
22 in the preparation of all of them.

23 Q And in your opinion will the approval of  
24 the applications considered here be in the interest of the  
25 prevention of waste, increasing ultimate recovery, and

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1 protection of correlative rights?

2 A. Yes, in my opinion it will.

3 Q. Also, finally, let me ask you this as well.

4 The wells which we're considering here today, would you say  
5 they were necessary in order to effectively and efficiently  
6 drain the portion of the reservoir covered by the proration  
7 unit on which each is located?

8 A. Yes, I believe my testimony shows that  
9 that is my opinion.

10 Q. Okay, and furthermore, would you state --  
11 would it be your opinion that the particular proration unit  
12 for each of these wells could not have been effectively and  
13 efficiently drained by any existing well or pre-existing  
14 well in each of these proration units?

15 A. That is right. I showed that the existing  
16 wells would not drain the proration unit.

17 MR. COFFIELD: Mr. Examiner, I move the  
18 admission of Exhibits One through Four.

19 MR. STAMETS: These exhibits will be ad-  
20 mitted.

21 MR. COFFIELD: And I have no further ques-  
22 tions of this witness on direct examination.  
23  
24  
25

CROSS EXAMINATION

BY MR. STAMETS:

Q Okay, let's start at the back and work to the front, Mr. Lytle.

The point was made that the large number of infill wells on Exhibit Number One and also the large number that the Division has approved in the Eumont Gas Pool demonstrates that the Division has made an implicit finding that infill is needed in the Eumont, presumably to recover additional gas.

Could this -- could the large number of infill wells in there also be to permit the operators to produce closer to the allowable, rather than to just get more gas out of the reservoir?

A. I think that is also a reason why the Commission has permitted the drilling of so many wells. It's probably multiple reasons to continue to produce at or near top allowable for the proration unit, but also to permit an increased ultimate recovery of gas from the reservoir.

Q Do you have any records or transcripts or exhibits in other cases concerning infill drilling in the Eumont that you could refer the Examiner to to prove this theory, or this point that has been made here, that indeed the findings were to increase recovery and not just to increase the unit's ability to meet the allowable?

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1 A. No, sir, this is assumption on my part from  
2 the number of wells that are shown on the map.

3 Q I believe the Examiner will hold the re-  
4 cord open for awhile in this case to permit you to submit  
5 that evidence, or copies of transcripts or references to  
6 pages of transcripts that would do that, so that we would  
7 have something in this case that ties in with these other  
8 cases and the other exceptions that we've made to the  
9 spacing in the unit itself.

10 Now, Exhibit Number Two, you show figures  
11 for expected ultimate recovery and also for recoverable gas  
12 in place, but you don't provide me any of the raw data with  
13 which to check that.

14 A. Well, the recoverable gas in place number  
15 was calculated based on the assumption that an acre foot of  
16 Eumont gas pay would be of the same quality under each of  
17 the proration units, and the volume of gas in place that I  
18 used, 330 Mcf per acre foot of pay, and I took 80 percent  
19 of that as being a recoverable gas, which gave me a number  
20 of 264 Mcf per acre foot of pay.

21 Q Okay, but I presume now that you made in-  
22 dividual calculations on each well based on the feet of pay,  
23 the porosity of the individual zones, the pressures at the  
24 time the wells were completed.

25 A. Well, the feet of pay, yes; the pressure

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1 was built into this initial gas in place number.

2 The 264 Mcf per acre foot was then multi-  
3 plied by the number of acre feet under each proration unit.

4 Q Were all these wells completed at the same  
5 time?

6 A No, sir, but they have all been completed  
7 for quite a few -- number of years.

8 Q Had no drainage gone on between the time  
9 the first well was completed and the last well?

10 A This is a rough calculation that would not  
11 take that into consideration.

12 Q How did you arrive at the ultimate recovery  
13 from each well?

14 A This is based on the cumulative recovery  
15 to date and then in each case it appeared as though the  
16 well had exhibited a decline trend and was declining the  
17 remaining --

18 Q Did you do a production decline curve --

19 A Yes, sir.

20 Q -- against each well?

21 A Yes.

22 Q Do you have copies of those here?

23 A No, I don't. This was done not by me but  
24 in our office. I didn't bring those along.

25 I think I might point out that the cumu-

1 lative recoveries shown on Exhibit Number Three is substantially  
2 close to the ultimate recovery shown on Exhibit Two.

3 These wells are for the most part close to  
4 their ultimate recovery.

5 MR. STAMETS: Let's go off the record a  
6 minute.

7 (Thereupon a discussion was  
8 had off the record.)

9 MR. STAMETS: At this time we'll take  
10 about a 15-minute recess.

11 (Thereupon a recess was  
12 taken.)

13 MR. STAMETS: The hearing will please come  
14 to order.

15 MR. COFFIELD: Does the Examiner have any  
16 further questions of Mr. Lytle from a cross examination  
17 standpoint?

18 MR. STAMETS: Well, I have no further  
19 questions of the witness. I would like to clarify for the  
20 record at this point exactly what Exxon is seeking in this  
21 case.

22 MR. COFFIELD: Mr. Examiner, the matters  
23 sought by Exxon in this case are precisely as they are ad-  
24 vertised relative to unorthodox well locations and simul-  
25 taneous dedication of the three wells noted in these three

1 cases, and we are not at this time going to pursue matters  
2 relative to the NGPA and FERC findings which might otherwise  
3 on which there has been some testimony.

4 MR. STAMETS: Okay, very good.

5 Are there any questions of this witness?

6 He may be excused.

7  
8 JOHN W. IRVING

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

11  
12 DIRECT EXAMINATION

13 BY MR. COFFIELD:

14 Q Mr. Irving, would you please state your  
15 name, address, by whom you're employed, and in what position?

16 A John W. Irving. I'm employed by Exxon  
17 Company, U.S.A. in Midland, Texas, as a geologist.

18 Q Mr. Irving, have you previously testified  
19 before the Division as a geologist?

20 A Yes, sir.

21 Q And were your qualifications made a matter  
22 of record and accepted by the Division?

23 A Yes, sir.

24 Q And are you familiar with the applications  
25 in these three cases?

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1 A. Yes, I am.

2 Q Are you familiar with the property or well  
3 locations involved in each?

4 A. Yes, sir.

5 MR. COFFIELD: Mr. Examiner, is the witness  
6 considered qualified?

7 MR. STAMETS: Yes.

8 Q (Mr. Coffield continuing.) Mr. Irving,  
9 would you please refer to what we've marked as Exhibit Five  
10 and explain to the Examiner what that represents?

11 A. Exhibit Five we've selected as a typical  
12 representation of the Eumont Pool. Specifically, this ex-  
13 hibit is a portion of a wireline log, being the gamma ray  
14 neutron curves on Exxon's Knox No. 6, located in Section 10,  
15 Township 21 South, Range 36 East.

16 On the exhibit the Eumont interval has  
17 been identified as being that interval from the top of the  
18 Yates at a depth of 2715 feet on the exhibit, to the base of  
19 the Queen at a depth of 3703 on the exhibit.

20 This is inclusive of the Yates, Seven Rivers,  
21 and Queen formations.

22 Q All right, now would you refer to what is  
23 marked Exhibit One, which has previously been introduced,  
24 Mr. Irving, and discuss geologic data represented there?

25 A. Yes, sir. Exhibit One, as has been pointed



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1 out before, is a plat of the area covering the units in  
2 consideration. It's a scale of 1-inch to 2000-feet.

3 On this plat the contour intervals repre-  
4 sent structure on top of the Yates formation, which is the  
5 top of the Yates -- excuse me, top of the Eumont Pool.  
6 Contouring interval is 50 feet.

7 Looking at the map we see a northwest/south-  
8 east trending anticline with dips off the flank of 150 to  
9 200 feet per mile.

10 The location of two of the proposed unit  
11 areas is on the crest of this anticlinal feature and wells  
12 drilled on these units are in the best places, as we could  
13 determine, to drill additional wells and recover the hydro-  
14 carbons from the reservoir most efficiently.

15 Q All right, Mr. Irving, would you refer to  
16 what we've marked as Exhibit Six and explain what that re-  
17 presents?

18 A Yes, sir. Exhibit Six is a -- covers a  
19 portion of that area covered by Exhibit Number One, and has  
20 located centrally on the exhibit Section 23, which is Exxon's  
21 State "G" Lease, 640 acres. It has two Eumont gas comple-  
22 tions on the section.

23 Again, the colored, the red colored spots  
24 indicate Eumont Gas Pool completions and the numbers that  
25 have the double lines under them in Section 23 and imme-

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1 diately around Section 23, represent the net pay in the  
2 Eumont interval.

3 Looking at these figures in the northeast  
4 quarter of Section 23, we see 90 feet of net pay thickness.  
5 Moving to the southwest, a definite increase in thickness to  
6 175 feet in the southwest corner and just off of the southwest  
7 corner of Section 23 there are wells that exhibit from 168  
8 to 235 net feet of pay.

9 In view of these figures we selected the  
10 southwest quarter of Section 23 to drill our well on to more  
11 efficiently drain the reservoir of hydrocarbons on Exxon's  
12 lease.

13 Q Is it your opinion, then, Mr. Irving, that  
14 as far as geological data is concerned, that throughout the  
15 entire area, both from a sense of structure and the -- as to  
16 the first two wells discussed, and as to the amount of net  
17 pay as to the last well discussed, that these locations are  
18 the best locations to place these wells?

19 A Yes, sir, that's my opinion.

20 Q Were Exhibits Five and Six and the geological mat-  
21 ters represented on Exhibit One prepared by you or under  
22 your supervision?

23 A Yes, sir.

24 Q And in your opinion will the applications  
25 of Exxon in these cases prevent waste and protect correlative

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3026 Plaza Blanca (G06) 471-2462  
Santa Fe, New Mexico 87501

1 rights?

2 A. Yes.

3 MR. COFFIELD: I move the admission of  
4 Exhibits Five and Six.

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

7 MR. COFFIELD: And we have no further  
8 testimony.

9 MR. STAMETS: Are there any questions of  
10 this witness? He may be excused.

11 A couple of things I would like to have in  
12 the next few days would be the numbers of the orders which  
13 authorize the non-standard proration units in Section 31 and  
14 Section 10, and the NSP that authorized the location in  
15 Section 23.

16 MR. COFFIELD: All right.

17 MR. STAMETS: Anything further in this  
18 case? Or these cases?

19 They will be taken under advisement.

20  
21 (Hearing concluded.)  
22  
23  
24  
25

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. 6635, 6636, & 6637  
 heard by me on 9-5 1979.

Richard R. Stamb, Examiner  
 Oil Conservation Division

SALLY WALTON BOYD  
 CERTIFIED SHORTHAND REPORTER  
 2020 Plaza Blanca (SOS) 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  
22 August 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Exxon Corporation for  
an unorthodox well location and  
simultaneous dedication, Lea County,  
New Mexico.

CASES  
6635  
6636  
6637

BEFORE: Daneil 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  
3030 Plaza Blanca (SOS) 471-2462  
Santa Fe, New Mexico 87501

1 MR. NUTTER: Call next Case Numbers 6635,  
2 6636, and 6637, all of which have the same style.

3 MR. PADILLA: Application of Exxon Corpor-  
4 ation for an unorthodox well location and simultaneous dedi-  
5 cation, Lea County, New Mexico.

6 MR. NUTTER: Applicant in these cases has  
7 requested that the cases be continued.

8 Case Number 6635, 6636, and 6637 will be  
9 continued to the Examiner Hearing scheduled to be held at  
10 this same place at 9:00 o'clock a. m. September 5th, 1979.

11  
12 (Hearing concluded.)  
13  
14  
15  
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24  
25

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (605) 471-2462  
Santa Fe, New Mexico 87501

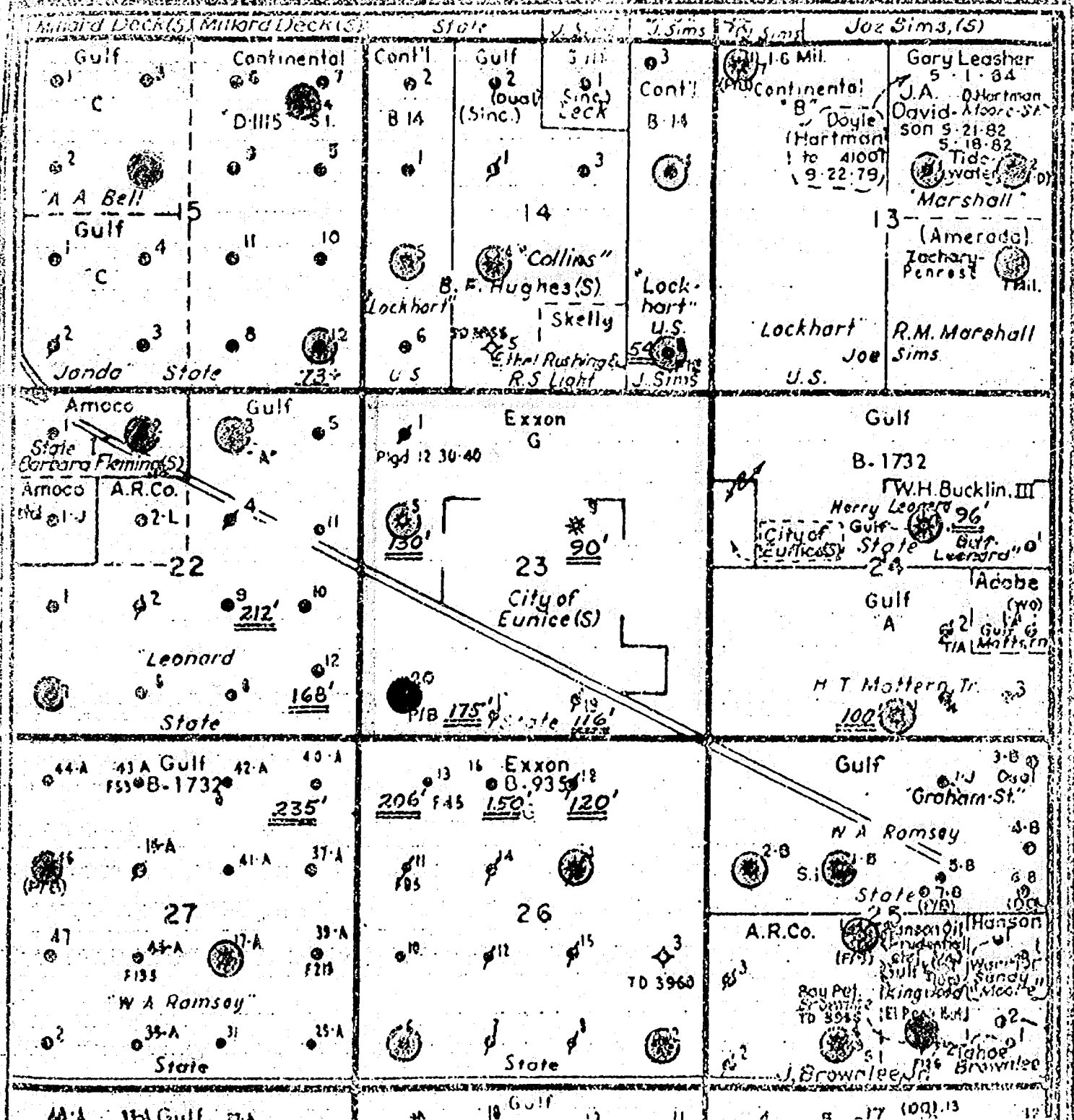
REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY  
 CERTIFY that the foregoing and attached Transcript of  
 Hearing before the Oil Conservation Division was reported  
 by me; that 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.

SALLY WALTON BOYD  
 CERTIFIED SHORTHAND REPORTER  
 3010 Plaza Blanca (SOS) 471-2462  
 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. 6635, 36, 37  
 heard by me on 8/22 1979.  
[Signature], Examiner  
 Oil Conservation Division



BEFORE ME, Notary Public for the State of New Mexico, on this 17th day of August, 1979, I saw the following persons, who acknowledged to me that they executed the foregoing instrument for the purposes and consideration therein expressed:

*Exxon* EXHIBIT NO. 6

CASE NO. 6635, 6636, 6637

Submitted by *Exxon*

Hearing Date *9-5-79*

**EXXON COMPANY, U. S. A.**  
 PRODUCTION DEPARTMENT  
 Midcontinent Division Andrews District

**EUMONT FIELD - NET PAY MAP**

T-21-S & R-36-E Lea New Mexico  
 LOCATION COUNTY STATE

YATES, SEVEN RIVERS & QUEEN FORMATIONS

**EUMONT GAS WELLS**

SCALE 1" = 2000'  
 DATE AUGUST, 1979



Additional Recovery Attributable to Infill Drilling  
Eumont Gas Field  
Lea County, New Mexico

<u>Proration Unit</u>	<u>Unit Acres</u>	<u>Recoverable Gas in Place - Bcf</u>	<u>Estimated Ultimate Recovery from Existing Well - Bcf</u>	<u>Estimated Recovery Attributable to New Well - Bcf</u>
Exxon Aggies State (W/2 Sec. 31-20S-37E)	320	8.45	6.05 (Well No. 4)	2.40 (Well No. 13)
N.M. "G" State (All Sec. 23-21S-36E)	640	7.43	2.43 (Well No. 5)	5.00 (Well No. 20)
John D. Knox (E/2 Sec. 10-21S-36E)	320	9.29	8.26 (Well No. 1)	1.03 (Well No. 13)
A. J. Adkins Com. (W/2 Sec. 10-21S-36E)	320	9.97	6.94 (Well No. 1)	3.03 (Well No. 2)

330 MCF per acre ft L Based on  
volumetric  
calcs

JKL/gw  
8/28/79

BEFORE EXAMINER STATES
OIL CONSERVATION DIVISION
EXHIBIT NO. 2
CASE NO. 6635, 6636, 6637
Submitted by EXXON
Hearing Date 9-5-79

EXXON CO. U.S.A.  
EXISTING WELL DATA - EUMONT GAS FIELD  
LEA COUNTY, NEW MEXICO

*Initially in oil  
comp zone*

<u>Lease Name &amp; Well Location</u>	<u>Spud Date</u>	<u>Compl. Date</u>	<u>Current Rate of Production-Mcf/Day</u>	<u>Cumulative Production MMCF</u>
Exxon Aggies State #4 Sec. 31-20S-37E Unit F	Aug. 1936	Sep. 1936	187	5900
N. M. "G" State #5 Sec. 23-21S-36E Unit E	Oct. 1952	Jul. 1956	31	2200
John D. Knox #1 Sec. 10-21S-36E Unit J	Feb. 1936	Mar. 1936	700	6400
A. J. Adkins Com. #1 Sec. 10-21S-36E Unit L	Apr. 1936	May 1936	631	5900

JKL:dt  
8-31-79

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION  
EXHIBIT NO. 3  
CASE NO. 6635, 6636, 6637  
Submitted by EXXON  
Hearing Date 9-5-79

EXXON COMPANY, U.S.A.  
NEW WELL INFILL COMPLETIONS - EUMONT GAS FIELD  
LEA COUNTY, NEW MEXICO

<u>Lease - Well # Location</u>	<u>Spud Date</u>	<u>Comp. Date</u>	<u>Perforation Interval</u>	<u>Choke Setting</u>	<u>Flowing T.P.-PSI</u>	<u>MCF/D</u>
New Mexico 'G' St. #20 Sec. 23 T-21-s, R-36-E Unit M Lea County, New Mexico	6-12-79	7-03-79	3053'-3666'	29/64"	60	515
Exxon Aggies State #13 Sec. 31 t-20-s, R-37-E Unit N Lea County, New Mexico	6-21-79	7-06-79	2775'-3483'	13/64"	90	616
John D. Knox #13 Sec. 10 T-21-S, R-36-E Unit H Lea County, New Mexico	6-29-79	7-10-79	3365'-3545'	30/64"	100	777
A. J. Adkins Com. #2 Sec. 10 T-21-S, R-36-E Unit F Lea County, New Mexico	7-05-79	7-24-79	3388'-3565'	32/64"	140	931

JKL:dt  
8-31-79

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 4

CASE NO. 66635, 66636, 66637

Submitted by EXXON

Hearing Date 9-5-79

Dockets Nos. 36-79 and 37-79 are tentatively set for September 19 and October 3, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 5, 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 6640: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Miles Production Company, National Surety Corporation, and all other interested parties to appear and show cause why the Thomas Drought Well No. 1 located in Unit A of Section 4, Township 15 North, Range 6 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6641: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Willow Creek Unit Area, comprising 25,881 acres, more or less, of State, federal, and fee lands in Townships 4 and 5 South, Range 25 East.
- CASE 6642: Application of Bass Enterprises Production Company for pool contraction and creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Indian Flats-Morrow Gas Pool by the deletion of the S/2 of Section 25, Township 21 South, Range 28 East, and the creation of a new Morrow gas pool comprising said lands for its Big Eddy Unit Well No. 66 in Unit K of said Section 25.
- CASE 6635: (Continued from August 22, 1979, Examiner Hearing)  
Application of Exxon Corporation for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of the W/2 of Section 31, Township 20 South, Range 37 East, Eumont Pool, to its Aggies State Well No. 4 located in Unit F, and to its Well No. 13, at an unorthodox location 660 feet from the South line and 1650 feet from the West line, both in said Section 31.
- CASE 6636: (Continued from August 22, 1979, Examiner Hearing)  
Application of Exxon Corporation for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of all of Section 23, Township 21 South, Range 36 East, Eumont Pool, to its New Mexico "G" State Well No. 5 located in Unit E, and to its Well No. 20, at an unorthodox location in Unit M, both in said Section 23.
- CASE 6637: (Continued from August 22, 1979, Examiner Hearing)  
Application of Exxon Corporation for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of the E/2 of Section 10, Township 21 South, Range 36 East, Eumont Pool, to its Knox Well No. 1 located in Unit J, and to its Well No. 13, at an unorthodox location 1650 feet from the North line and 990 feet from the East line, both in said Section 10.
- CASE 6643: Application of BTA Oil Producers for the amendment of Order No. R-5905, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5905 to provide that the N/2 of Section 27, Township 25 South, Range 33 East, be dedicated to its 7811 JV-P Rojo Well No. 1 rather than the W/2.
- CASE 6655: Application of BTA Oil Producers for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its 7811 JV-P Rojo "B" Well No. 1, a Devonian test to be located 660 feet from the South line and 1980 feet from the East line of Section 28, Township 25 South, Range 33 East, the E/2 of said Section 28 to be dedicated to the well.
- CASE 6644: Application of Tenneco Oil Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Pictured Cliffs production in the wellbores of its State K Com Well No. 12 located in Unit E of Section 16, Township 30 North, Range 9 West, and its Florence Well No. 60R in Unit L of Section 1, Township 29 North, Range 9 West.

**CASE 6653:** Application of Shell Oil Company for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its North Hobbs Grayburg-San Andres Unit, by the injection of water thru 70 wells into the Grayburg-San Andres formation, and the adoption of special rules governing said project. (This case will be continued to September 19, 1979.)

**CASE 6654:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Grama Ridge-Morrow Gas Pool. The discovery well is Pogo Producing Company State L-922 Well No. 2 located in Unit J of Section 28, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM  
Section 28: S/2

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Tansill-Yates production and designated as the East Sioux Tansill-Yates Gas Pool. The discovery well is DA&S Oil Well Servicing, Inc. Federal "B" Well No. 1 located in Unit B of Section 10, Township 26 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 10: NE/4

(c) ABOLISH the North Wilson Yates-Seven Rivers Pool in Lea County, New Mexico, described as:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM  
Section 29: S/2  
Section 31: All  
Section 32: All

(d) EXTEND the Airstrip-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 25: SE/4

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 30: W/2

(e) EXTEND the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 27: S/2

(f) EXTEND the Atoka-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 34: NW/4 SW/4

(g) EXTEND the West Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM  
Section 10: E/2  
Section 11: All  
Section 14: All

(h) EXTEND the Austin-Mississippian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM  
Section 8: W/2  
Section 17: NW/4

(i) EXTEND the East Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM  
Section 31: N/2

- (w) EXTEND the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 27: N/2

- (x) EXTEND the Penasco Draw San Andres-Yeso Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 1: W/2 SE/4, SW/4 NE/4 and SW/4 SW/4  
Section 2: SE/4 SE/4

- (y) EXTEND the North Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
Section 18: N/2

- (z) EXTEND the Race Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM  
Section 19: N/2 NW/4

- (aa) EXTEND the East Red Lake Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 36: S/2 NW/4

- (bb) EXTEND the South Red Lake-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 15: W/2 SW/4  
Section 16: S/2

- (cc) EXTEND the Richard Knob Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM  
Section 33: W/2

- (dd) EXTEND the Rock Lake-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM  
Section 28: SE/4

- (ee) EXTEND the Runyan Ranch-Abo Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM  
Section 7: SE/4  
Section 18: NE/4

- (ff) EXTEND the Runyan Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM  
Section 7: E/2

- (gg) EXTEND the Sams Ranch-Grayburg Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 28 EAST, NMPM  
Section 11: NE/4

- (hh) EXTEND the Sand Ranch-Atoka Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM  
Section 22: E/2

- (ii) EXTEND the Shoebar-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM  
Section 27: SW/4  
Section 28: SE/4  
Section 34: NW/4

ALEATHA WARLICK  
BOX 1600  
MIDLAND TX 79702

western union

Mailgram®



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DAN NUTTER  
ENERGY AND MINERALS DEPT OIL CONSERVATION COMMISSION PO BOX 2088  
SANTA FE NM 87501

*File*

THIS IS A CONFIRMATION COPY OF A PREVIOUSLY PHONE-DELIVERED TELEGRAM

IN REGARD TO CASE NUMBER 6635 6636 AND 6637 AUGUST 22 DOCKET  
THIS IS TO PLEASE REQUEST THAT THE THREE SUBJECT CASES CONCERNING  
SIMULTANEOUS DEDICATION OF ACREAGE TO EXXON WELLS IN THE EUMONT GAS  
FIELD LEE COUNTY NEW MEXICO BE CONTINUED FOR HEARING TO THE SEPTEMBER  
5 1979 DOCKET. YOURS VERY TRULY

P W HENDERSON  
BOX 1600  
MIDLAND TX 79702

1025 EST

MGMCOMP MGM

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AUG 22 1979  
Oil Conservation

TO REPLY BY MAILGRAM, PHONE WESTERN UNION ANY TIME, DAY OR NIGHT:

FOR YOUR LOCAL NUMBER, SEE THE WHITE PAGES

OF YOUR TELEPHONE DIRECTORY

OR

DIAL (TOLL FREE) 800-257-2241

(EXCEPT IN NEW JERSEY 800-632-2271)

OR DIAL WESTERN UNION'S INFOMASTER SYSTEM DIRECTLY:

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PMS DAN NUTTER RPT DLY MGM COPY MESSAGE, FONE

ENERGY AND MINERALS DEPT OIL CONSERVATION COMMISSION PO BOX 2088

SANTA FE NM 87501

IN REGARD TO CASE NUMBER 6635 6636 AND 6637 AUGUST 22 DOCKET

THIS IS TO PLEASE REQUEST THAT THE THREE SUBJECT CASES CONCERNING

SIMULTANEOUS DEDICATION OF ACREAGE TO EXXON WELLS IN THE EUMONT GAS

FIELD LEE COUNTY NEW MEXICO BE CONTINUED FOR HEARING TO THE SEPTEMBER

5 1979 DOCKET. YOURS VERY TRULY

P W HENDERSON

BOX 1600

MIDLAND TX 79702

1024 EST

IPMFEKA SANA

CASE 6635: Application of Exxon Corporation for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of the W/2 of Section 31, Township 20 South, Range 37 East, Eumont Pool, to its Aggies State Well No. 4 located in Unit F, and to its Well No. 13, at an unorthodox location 660 feet from the South line and 1650 feet from the West line, both in said Section 31.

CASE 6636: Application of Exxon Corporation for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of all of Section 23, Township 21 South, Range 36 East, Eumont Pool, to its New Mexico "C" State Well No. 5 located in Unit E, and to its Well No. 20, at an unorthodox location in Unit M, both in said Section 23.

CASE 6637: Application of Exxon Corporation for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of the E/2 of Section 10, Township 21 South, Range 36 East, Eumont Pool, to its Knox Well No. 1 located in Unit J, and to its Well No. 13, at an unorthodox location 1650 feet from the North line and 990 feet from the East line, both in said Section 10.

CASE 6638: Application of Ladd Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Largo-Gallup and Basin-Dakota production in the wellbore of its Lindrith Well No. 24 located in Unit F of Section 4, Township 26 North, Range 7 West.

CASE 6610: (Continued from July 25, 1979, Examiner Hearing)

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 Wells "A" Well No. 7 located in Unit E of Section 35, Township 26 South, Range 37 East, Rhodes Field.

CASE 6579: (Continued from July 25, 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 July 25, 1979, Examiner 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 6622: (Continued from August 8, 1979, Examiner Hearing)

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 6639: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in McKinley, Rio Arriba, Sandoval, and San Juan Counties, New Mexico:

(a) CREATE a new pool in McKinley County, New Mexico, classified as an oil pool for Mesaverde production and designated as the Star-Mesaverde Oil Pool. The discovery well is WTR Oil Company State Well No. 1 located in Unit D of Section 16, Township 19 North, Range 6 West, NMPM. Said pool would comprise:

TOWNSHIP 19 NORTH, RANGE 6 WEST, NMPM  
Section 16: NW/4

(b) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Farmington production and designated as the Disti-Farmington Pool. The discovery well is Dome Petroleum Corporation Haniel Federal Well No. 1 located in Unit F of Section 31, Township 26 North, Range 12 West, NMPM. Said pool would comprise:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 4: N/2 and SE/4  
 Section 5: N/2  
 Section 6: N/2  
 Section 9: NE/4  
 Section 10: NW/4

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM

Section 19: SW/4  
 Section 20: W/2  
 Section 31: W/2

(c) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production and designated as the Farmer-Fruitland Pool. The discovery well is Manana Gas, Incorporated Bobbie Herrera Well No. 1 located in Unit K of Section 4, Township 30 North, Range 11 West, NMPM. Said pool would comprise:

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM

Section 4: SW/4

(d) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Big Gap-Pennsylvanian Oil Pool. The discovery well is Bass Enterprises Production Company Navajo 20 Well No. 1 located in Unit O of Section 20, Township 27 North, Range 19 West, NMPM. Said pool would comprise:

TOWNSHIP 27 NORTH, RANGE 19 WEST, NMPM

Section 20: SE/4

(e) EXTEND the Aztec-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 29: NE/4

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 25: SE/4

(f) EXTEND the Aztec-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM

Section 35: E/2

(g) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 14 WEST, NMPM

Section 9: E/2 SE/4  
 Section 10: SW/4  
 Section 15: N/2 NE/4

(h) EXTEND the Blanco Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Section 4: N/2

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM

Section 30: All (Partial Section)  
 Section 31: All (Partial Section)

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM

Section 16: W/2  
 Section 20: E/2  
 Section 21: NW/4

(i) EXTEND the Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM

Section 4: NW/4  
 Section 5: NE/4

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM  
Section 35: N/2 and SE/4

- (q) EXTEND the Harris Mesa-Chacra Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM  
Section 5: NE/4

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM  
Section 32: E/2

- (r) EXTEND the Kutz-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM  
Section 32: NE/4

- (s) EXTEND the West Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM  
Section 26: SW/4

- (t) EXTEND the La Plata-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 13 WEST, NMPM  
Section 32: N/2 and SW/4

- (u) EXTEND the West Lincoln Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM  
Section 6: S/2 (Partial Section)  
Section 18: All (Partial Section)

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM  
Section 5: N/2  
Section 6: N/2  
Section 24: SE/4  
Section 25: NE/4

- (v) EXTEND the Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM  
Section 3: All  
Section 4: All  
Section 10: N/2 and SE/4

- (w) EXTEND the Rusty-Chacra Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM  
Section 20: SE/4  
Section 21: E/2 and SW/4

- (x) EXTEND the Straight Canyon-Dakota Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM  
Section 14: SE/4

- (y) EXTEND the MAN Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM  
Section 29: S/2  
Section 30: E/2  
Section 32: N/2

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM  
Section 13: E/2 and SW/4  
Section 14: SE/4

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM  
Section 18: E/2

**EXXON** COMPANY, U.S.A.  
POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702

PRODUCTION DEPARTMENT  
MIDCONTINENT DIVISION

July 16, 1979

Request Simultaneous Dedication  
of 320 Acre Proration Unit, W/2  
Section 31, T-20-S, R-37-E,  
Lea County, New Mexico,  
to Exxon Aggies State, Wells  
No. 4 and 13 (#13 new completion)

Mr. J.D. Ramey, Secretary Director  
Energy and Minerals Department  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Sir:

Exxon respectfully requests simultaneous dedication of 320 acre nonstandard unit; Administrative Order NSP-99, consisting of W/2 Sec. 31, T-20-S, R-37-E, Lea County, New Mexico, to Exxon Aggies State, Well No. 4 and 13, with authority to produce from either in any proportion. Well No. 4 is located in Unit "F", and No. 13 is located in Unit "N", Sec. 31, T-20-S, R-37-E, a plat of the area is attached.

Current production:

Exxon Aggies State, Well #4 is a marginal well and has averaged 8233 MCF/Mo. thru May, 1979.

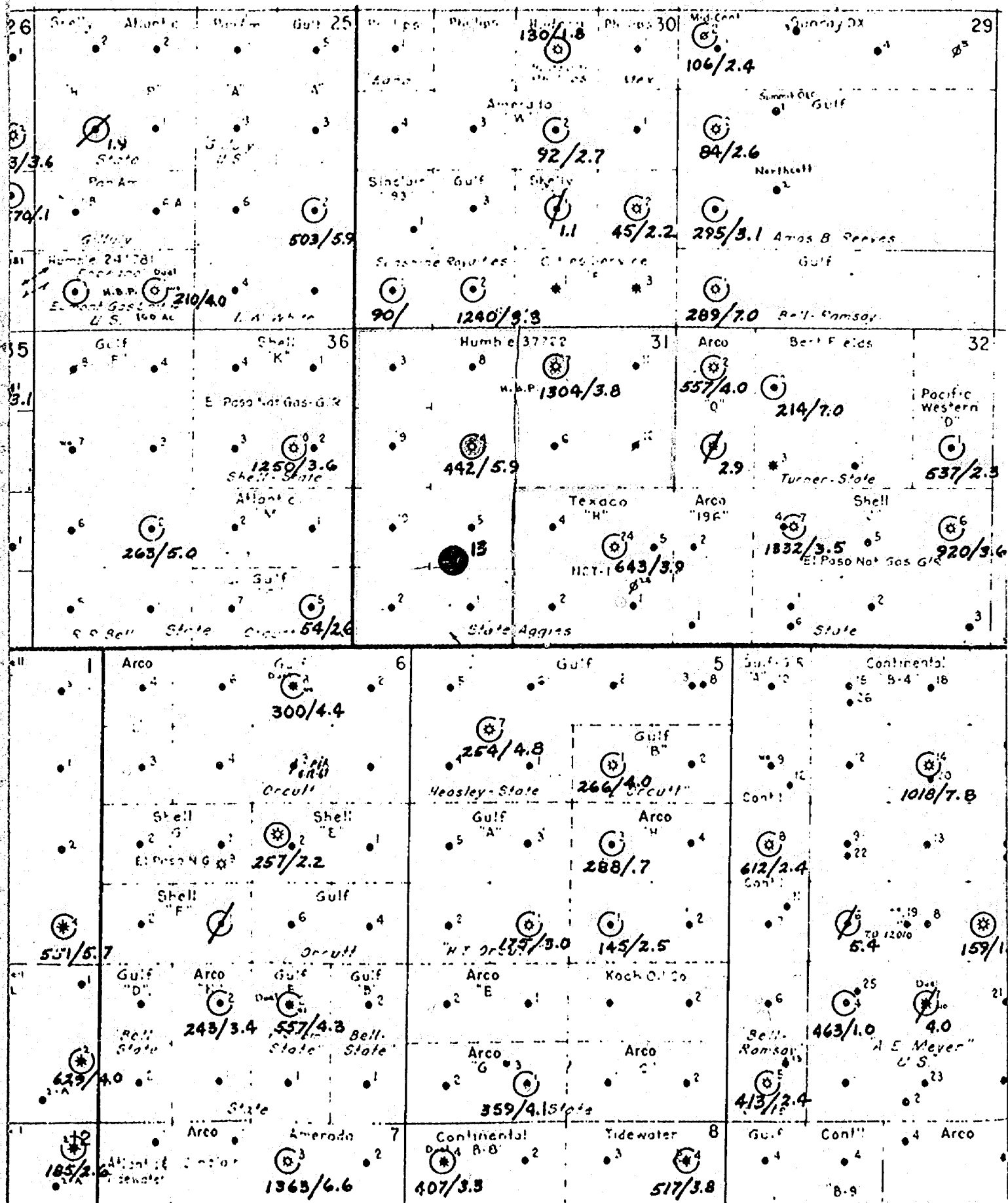
Exxon Aggies State, Well #13 (new completion) flow test 7-4-79  
587 MCF/D.

Your consideration of this request will be appreciated.

Yours very truly,

*[Signature]*  
D. L. Clemmer, Unit Head  
Revenue & Regulatory Accounting

RECEIVED  
JUL 20 1979  
DFL/DLC  
Attachment  
OIL CONSERVATION DIVISION  
SANTA FE  
cc: OCC - Hobbs, N.M.



Exxon Lsa. No. \_\_\_\_\_ NEW MEXICO OIL CONSERVATION COMMISSION  
State Lsa. No. \_\_\_\_\_ WELL LOCATION AND ACREAGE DEDICATION PLAT

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

Federal Lsa. No. \_\_\_\_\_ All distances must be from the outer boundaries of the Section.

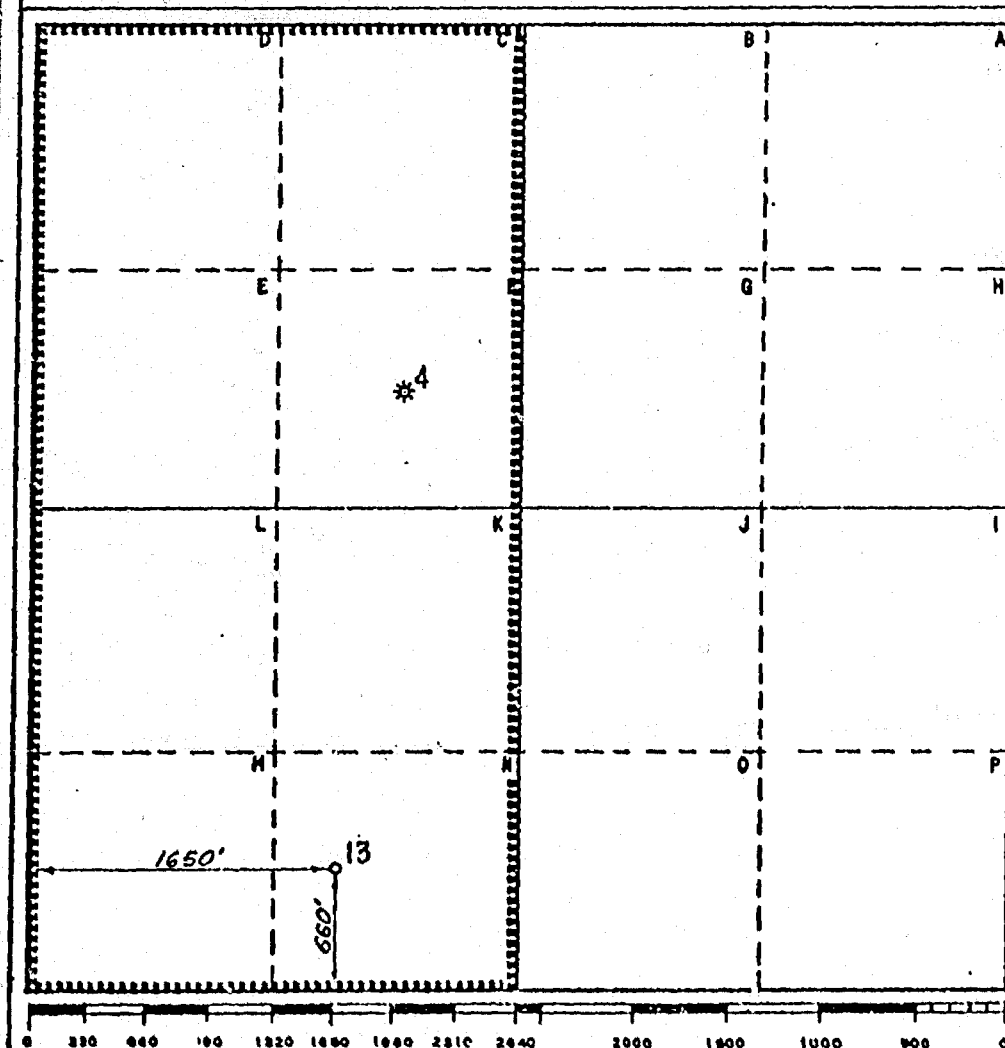
Operator Exxon Corporation			Lease Exxon Aggies State		Well No. 13
Unit Letter N	Section 31	Township 20-S	Range 37-E	County Lea	
Actual Footage Location of Well: 660 feet from the South line and 1650 feet from the West line					
Ground Level Elev.	Producing Formation Queen (Gas)		Pool Eumont	Dedicated Acreage: 320 Acres	

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

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

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

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



#### CERTIFICATION

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

Name  
*Melba Knipling*  
Position  
Proration Specialist

Company Exxon Corporation  
Box 1600 Midland, Texas

Date  
5-11-79

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

Date Surveyed  
5-11-79

Registered Professional Engineer  
and/or Land Surveyor

*H. S. Winterfeldt*  
Certificate No.  
1382

**EXXON** COMPANY, U.S.A.  
POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702

PRODUCTION DEPARTMENT  
MIDCONTINENT DIVISION

July 16, 1979

Request Simultaneous Dedication  
of 320 Acre Proration Unit, W/2  
Section 31, T-20-S, R-37-E,  
Lea County, New Mexico,  
to Exxon Aggies State, Wells  
No. 4 and 13 (#13 new completion)

Mr. J.D. Ramey, Secretary Director  
Energy and Minerals Department  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

*Case 6635*

Dear Sir:

Exxon respectively requests simultaneous dedication of 320 acre nonstandard unit; Administrative Order NSP-99, consisting of W/2 Sec. 31, T-20-S, R-37-E, Lea County, New Mexico, to Exxon Aggies State, Well No. 4 and 13, with authority to produce from either in any proportion. Well No. 4 is located in Unit "F", and No. 13 is located in Unit "N", Sec. 31, T-20-S, R-37-E, a plat of the area is attached.

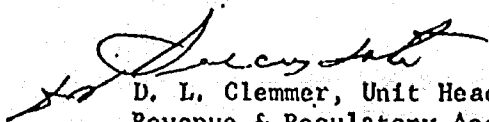
Current production:

Exxon Aggies State, Well #4 is a marginal well and has averaged 8233 MCF/Mo. thru May, 1979.

Exxon Aggies State, Well #13 (new completion) flow test 7-4-79  
587 MCF/D.

Your consideration of this request will be appreciated.

Yours very truly,

  
D. L. Clemmer, Unit Head

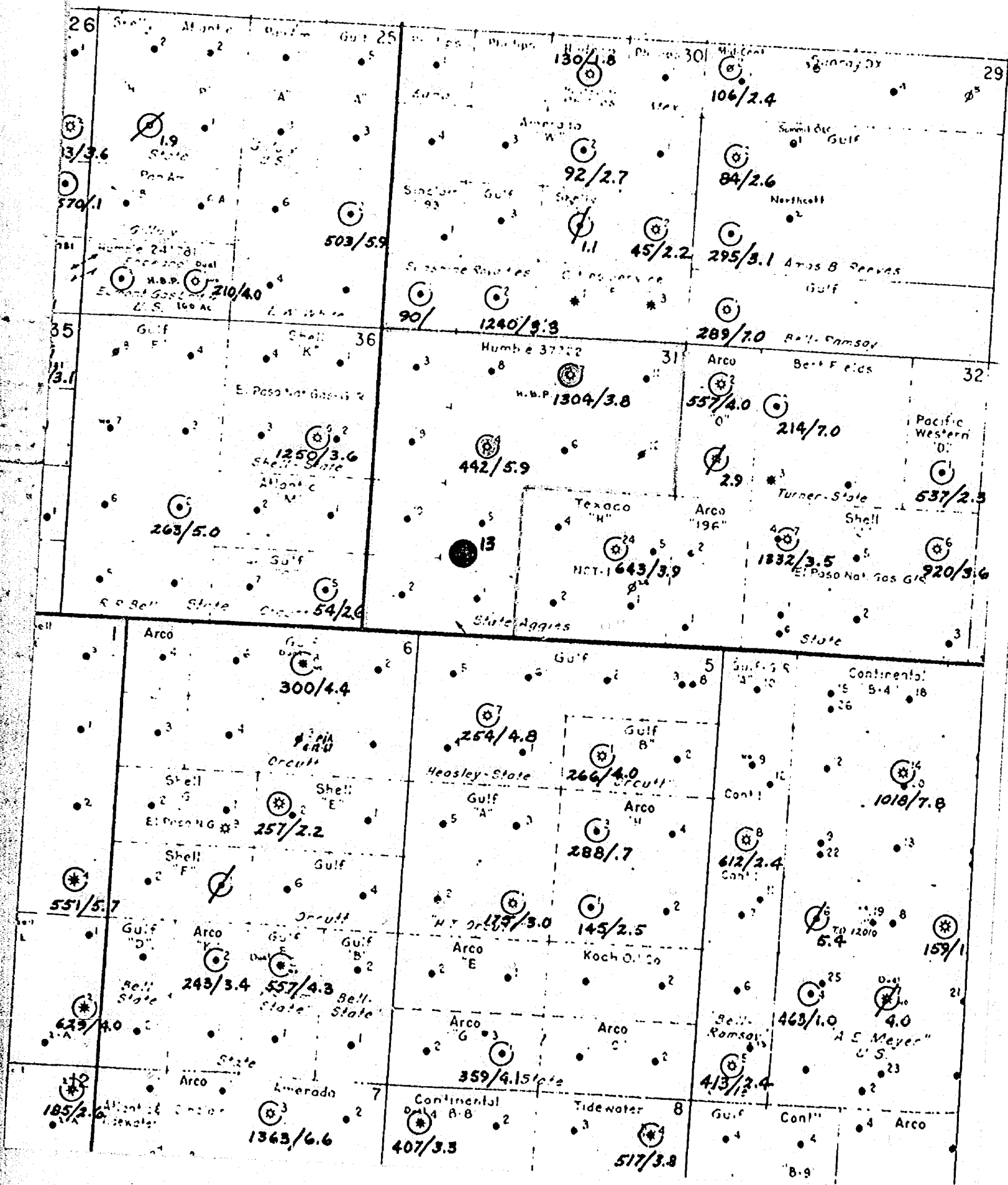
Revenue & Regulatory Accounting

DFL/DLC

Attachments

cc: OCC - Hobbs, N.M.





NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

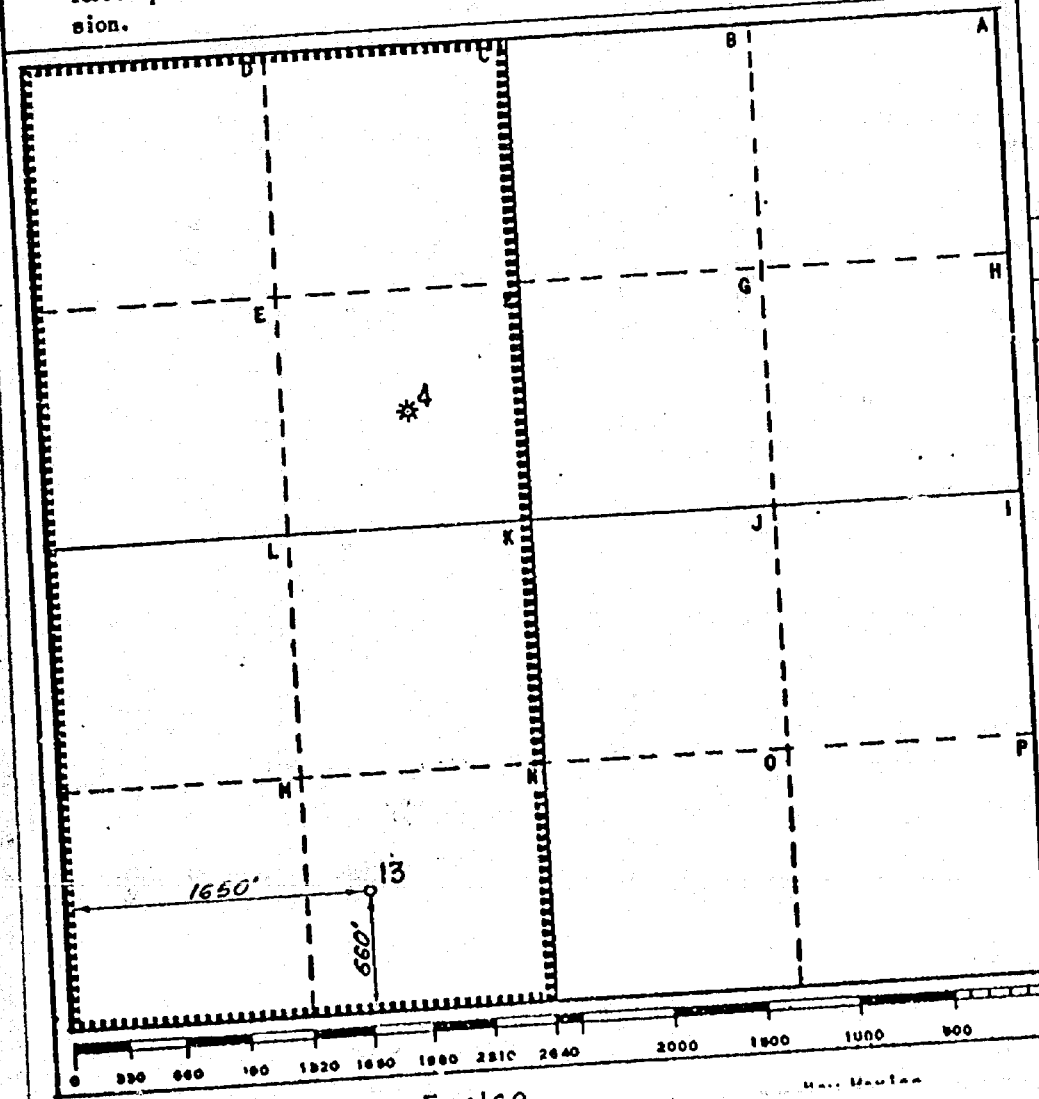
Form C-102  
Supersedes C-128  
Effective 1-1-65

Exxon Lease No. \_\_\_\_\_ State Lease No. \_\_\_\_\_ Federal Lease No. \_\_\_\_\_ All distances must be from the outer boundaries of the Section.

Operator Exxon Corporation		Lease Exxon Aggles State		Well No. 13
Unit Letter N	Section 31	Township 20-S	Range 37-E	County Lea
Actual Footage Location of Well: 660 feet from the South line and 1650 feet from the West line				
Ground Level Elev. _____		Producing Formation Queen (Gas)	Pool Eumont	Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_  
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name Melba Knippling  
Position Proration Specialist  
Company Exxon Corporation  
Box 1600 Midland, Texas  
Date 5-11-79

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

Date Surveyed  
5-11-79

Registered Professional Engineer  
and/or Land Surveyor

H. S. Winterfield  
Certificate No. 1382

C. E. File No. W-A-7186

**EXXON COMPANY, U.S.A.**  
POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702

PRODUCTION DEPARTMENT  
MIDCONTINENT DIVISION

July 16, 1979

Request Simultaneous Dedication  
of 320 Acre Proration Unit, W/2  
Section 31, T-20-S, R-37-E,  
Lea County, New Mexico,  
to Exxon Aggies State, Wells  
No. 4 and 13 (#13 new completion)

Mr. J.D. Ramey, Secretary Director  
Energy and Minerals Department  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

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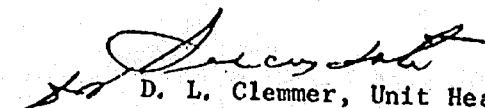
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587 MCF/D.

Your consideration of this request will be appreciated.

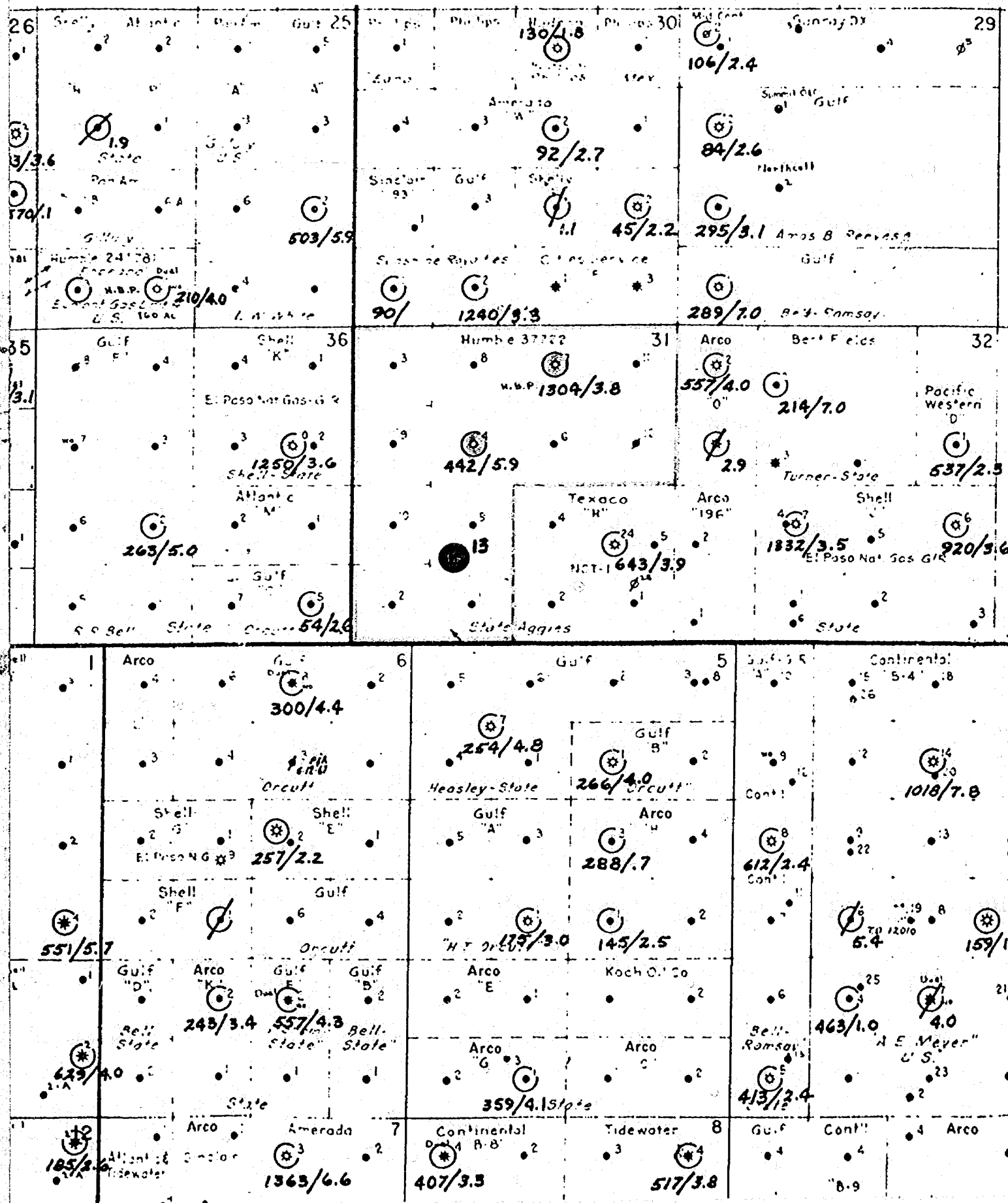
Yours very truly,

  
D. L. Clemmer, Unit Head  
Revenue & Regulatory Accounting

DFL/DEC

Attachments

cc: OCC - Hobbs, N.M.



Exxon Lse. No. \_\_\_\_\_ NEW MEXICO OIL CONSERVATION COMMISSION  
State Lse. No. \_\_\_\_\_ WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-120  
Effective 1-1-65

Federal Lse. No. \_\_\_\_\_ All distances must be from the outer boundaries of the Section.

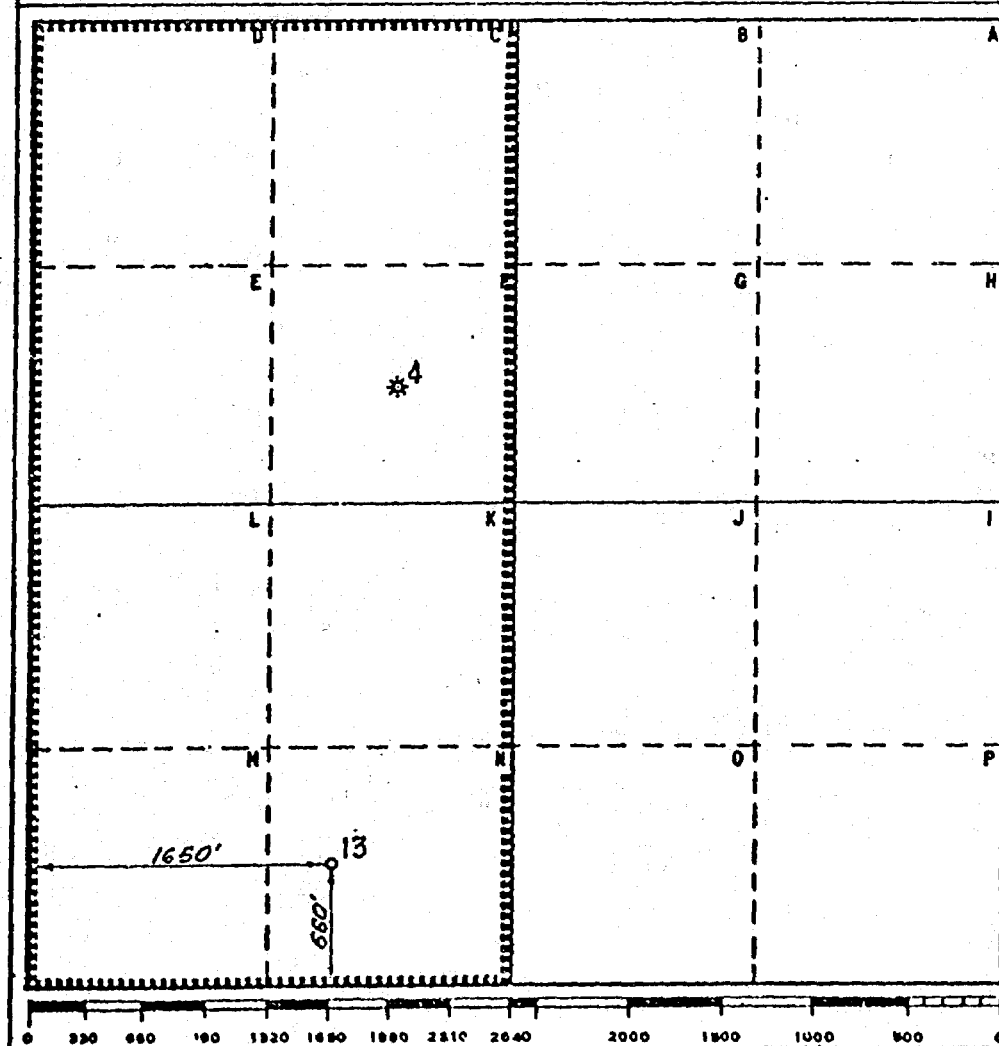
Operator <b>Exxon Corporation</b>		Lease <b>Exxon Aggies State</b>		Well No. <b>13</b>
Unit Letter <b>N</b>	Section <b>31</b>	Township <b>20-S</b>	Range <b>37-E</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>660</b> feet from the <b>South</b> line and <b>1650</b> feet from the <b>West</b> line				
Ground Level Elev:	Producing Formation <b>Queen (Gas)</b>	Pool <b>Eumont</b>	Dedicated Acreage: <b>320</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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#### CERTIFICATION

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

Name  
*Melba Knippling*  
Position  
**Proration Specialist**

Company **Exxon Corporation**  
Box 1600 Midland, Texas

Date  
**5-11-79**

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

Date Surveyed  
**5-11-79**

Registered Professional Engineer  
and/or Land Surveyor

*H. S. Westergaard*  
Certificate No.  
**1382**

-2-

Case No. \_\_\_\_\_

Order No. R- \_\_\_\_\_

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

*Township 20 South, Range 37 East, NMPH,  
Eumont & Gas Pool, Lea County, New Mexico*

*(1) That Exxon Corporation is hereby authorized to drill its Aggies State Well No 13 at an unorthodox location 660 feet from the South line and 1650 feet from the West line of Section 31, Township 20 South Range 37 East, NMPH Eumont Gas Pool, Lea County, New Mexico.*

~~Noted.~~

(2) That the W/2 of said Section 31 shall be dedicated to the above-described well and to applicant's Aggies State Well No 4 located in Unit F of said Section 31. *simultaneously*

(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.