

CASE 6636: EXXON CORPORATION FOR A UN-
ORTHODOX WELL LOCATION AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO

*Continue to
September 5*

CASE NO.

6636

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

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

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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) CASES
an unorthodox well location and) 6635
simultaneous dedication, Lea County,) 6636
New Mexico.) 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 simultaneous 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.

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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 identifies 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.

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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

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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 fact 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-

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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

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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?

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

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

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REPORTER'S CERTIFICATE

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

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. _____
 heard by me on _____ 19____.

_____, Examiner
 Oil Conservation Division

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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

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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.)
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3620 Plaza Blanca (505) 471-3462
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.

I do hereby certify that the foregoing is
 a complete report 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

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 3030 Plaza Blanca (985) 471-2482
 Santa Fe, New Mexico 87501



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

September 25, 1979

POST OFFICE BOX 2008
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Conrad E. Coffield
Hinkle, Cox, Eaton, Coffield
& Hensley
Attorneys at Law
Post Office Box 3580
Midland, Texas 79702

Re: CASE NO. 6636
ORDER NO. R-6118

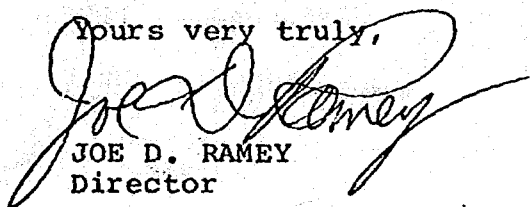
Applicant:

Exxon Corporation

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/fd

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6636
Order No. R-6118

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 New Mexico "G" State Well No. 20 located 660 feet from the South line and 660 feet from the West line of Section 23, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.
- (3) That the applicant further seeks to simultaneously dedicate all of said Section 23 to the above described well and to its New Mexico "G" State Well No. 5 located in Unit E of said section.
- (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 or simultaneous dedication.

-2-

Case No. 6636
Order No. R-6118

(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.

(7) That Division Administrative Order NSL-1040 should be superseded.

IT IS THEREFORE ORDERED:

(1) That Exxon Corporation is hereby authorized to drill its New Mexico "G" State Well No. 20 at an unorthodox location 660 feet from the South line and 660 feet from the West line of Section 23, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

(2) That all of said Section 23 shall be simultaneously dedicated to the above-described well and to applicant's New Mexico "G" State Well No. 5 located in Unit E of said section.

(3) That Division Administrative Order NSL-1040 is hereby superseded.

(4) 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/

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 (A11 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)

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 6635, 6636, 6637

Submitted by EXXON

Hearing Date 9-5-79

JKL/gw
8/28/79

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

<u>Lease Name & 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. <u>3</u> CASE NO. <u>6635, 6636, 6637</u> Submitted by <u>EXXON</u> Hearing Date <u>9-5-79</u>

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

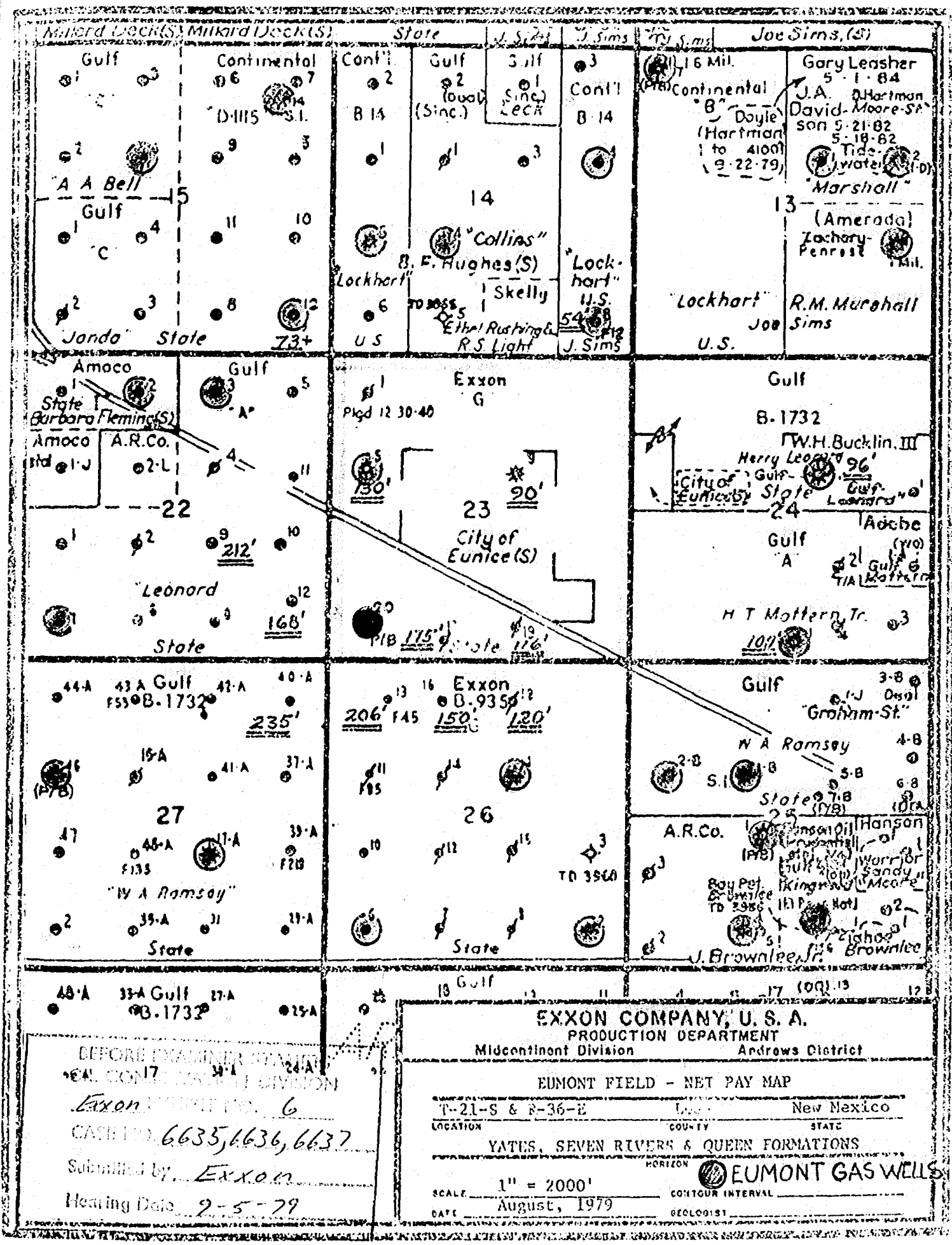
JKL:dt
8-31-79

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 4

CASE NO. 6635, 6636, 6637

Submitted by EXXON

Hearing Date 9-5-79



Milard Lock (S) Milard Lock (S) State J. S. Sims J. Sims J. Sims Joe Sims (S)

Gulf Continental Cont'l Gulf Gulf Cont'l 16 Mil. Gary Leasher 5-1-84 J.A. Hartman David Moore-Son 5-21-82 5-19-82 Tideswater (S) Marshall (Amerada) Zachary Penrose 1 Mil. R.M. Marshall Sims

A.A. Bell Gulf 14 Collins B.F. Hughes (S) Lockhart U.S. Skelly 54-28 Ethel Rushing R.S. Light J. Sims

Jonda State 73+ U.S. Lockhart U.S. Joe Sims

Amoco State Barbara Fleming (S) Amoco A.R.Co. 2-L 4 11 22 Leonord State 212' 168'

Gulf 5 A 11 23 City of Eunice (S) 90' 150' 175' 176'

Exxon G Pkgd 12 30-40

Gulf B-1732 W.H. Bucklin III Harry Leach 96' City of Eunice State 24 Adche Gulf A 21 Gulf 6 TIA Mattern H T Mattern Jr. 107 3

44-A 43-A Gulf 42-A 40-A 235' 206' 145 150 120' 16 Exxon B-935 12 26 27 19-A 41-A 31-A 47 48-A 17-A 39-A 33-A 11-A 19-A Ramsey State 113 115 10 12 15 3 TO 3960

Gulf 3-B 1-J Dool Graham-St. N A Ramsey 4-B 5-B 6-B 7-B 8-B 9-B 10-B 11-B 12-B 13-B 14-B 15-B 16-B 17-B 18-B 19-B 20-B 21-B 22-B 23-B 24-B 25-B 26-B 27-B 28-B 29-B 30-B 31-B 32-B 33-B 34-B 35-B 36-B 37-B 38-B 39-B 40-B 41-B 42-B 43-B 44-B 45-B 46-B 47-B 48-B 49-B 50-B 51-B 52-B 53-B 54-B 55-B 56-B 57-B 58-B 59-B 60-B 61-B 62-B 63-B 64-B 65-B 66-B 67-B 68-B 69-B 70-B 71-B 72-B 73-B 74-B 75-B 76-B 77-B 78-B 79-B 80-B 81-B 82-B 83-B 84-B 85-B 86-B 87-B 88-B 89-B 90-B 91-B 92-B 93-B 94-B 95-B 96-B 97-B 98-B 99-B 100-B

A.R.Co. 100-101-102-103-104-105-106-107-108-109-110-111-112-113-114-115-116-117-118-119-120-121-122-123-124-125-126-127-128-129-130-131-132-133-134-135-136-137-138-139-140-141-142-143-144-145-146-147-148-149-150-151-152-153-154-155-156-157-158-159-160-161-162-163-164-165-166-167-168-169-170-171-172-173-174-175-176-177-178-179-180-181-182-183-184-185-186-187-188-189-190-191-192-193-194-195-196-197-198-199-200-201-202-203-204-205-206-207-208-209-210-211-212-213-214-215-216-217-218-219-220-221-222-223-224-225-226-227-228-229-230-231-232-233-234-235-236-237-238-239-240-241-242-243-244-245-246-247-248-249-250-251-252-253-254-255-256-257-258-259-260-261-262-263-264-265-266-267-268-269-270-271-272-273-274-275-276-277-278-279-280-281-282-283-284-285-286-287-288-289-290-291-292-293-294-295-296-297-298-299-300-301-302-303-304-305-306-307-308-309-310-311-312-313-314-315-316-317-318-319-320-321-322-323-324-325-326-327-328-329-330-331-332-333-334-335-336-337-338-339-340-341-342-343-344-345-346-347-348-349-350-351-352-353-354-355-356-357-358-359-360-361-362-363-364-365-366-367-368-369-370-371-372-373-374-375-376-377-378-379-380-381-382-383-384-385-386-387-388-389-390-391-392-393-394-395-396-397-398-399-400-401-402-403-404-405-406-407-408-409-410-411-412-413-414-415-416-417-418-419-420-421-422-423-424-425-426-427-428-429-430-431-432-433-434-435-436-437-438-439-440-441-442-443-444-445-446-447-448-449-450-451-452-453-454-455-456-457-458-459-460-461-462-463-464-465-466-467-468-469-470-471-472-473-474-475-476-477-478-479-480-481-482-483-484-485-486-487-488-489-490-491-492-493-494-495-496-497-498-499-500-501-502-503-504-505-506-507-508-509-510-511-512-513-514-515-516-517-518-519-520-521-522-523-524-525-526-527-528-529-530-531-532-533-534-535-536-537-538-539-540-541-542-543-544-545-546-547-548-549-550-551-552-553-554-555-556-557-558-559-560-561-562-563-564-565-566-567-568-569-570-571-572-573-574-575-576-577-578-579-580-581-582-583-584-585-586-587-588-589-590-591-592-593-594-595-596-597-598-599-600-601-602-603-604-605-606-607-608-609-610-611-612-613-614-615-616-617-618-619-620-621-622-623-624-625-626-627-628-629-630-631-632-633-634-635-636-637-638-639-640-641-642-643-644-645-646-647-648-649-650-651-652-653-654-655-656-657-658-659-660-661-662-663-664-665-666-667-668-669-670-671-672-673-674-675-676-677-678-679-680-681-682-683-684-685-686-687-688-689-690-691-692-693-694-695-696-697-698-699-700-701-702-703-704-705-706-707-708-709-710-711-712-713-714-715-716-717-718-719-720-721-722-723-724-725-726-727-728-729-730-731-732-733-734-735-736-737-738-739-740-741-742-743-744-745-746-747-748-749-750-751-752-753-754-755-756-757-758-759-760-761-762-763-764-765-766-767-768-769-770-771-772-773-774-775-776-777-778-779-780-781-782-783-784-785-786-787-788-789-790-791-792-793-794-795-796-797-798-799-800-801-802-803-804-805-806-807-808-809-810-811-812-813-814-815-816-817-818-819-820-821-822-823-824-825-826-827-828-829-830-831-832-833-834-835-836-837-838-839-840-841-842-843-844-845-846-847-848-849-850-851-852-853-854-855-856-857-858-859-860-861-862-863-864-865-866-867-868-869-870-871-872-873-874-875-876-877-878-879-880-881-882-883-884-885-886-887-888-889-890-891-892-893-894-895-896-897-898-899-900-901-902-903-904-905-906-907-908-909-910-911-912-913-914-915-916-917-918-919-920-921-922-923-924-925-926-927-928-929-930-931-932-933-934-935-936-937-938-939-940-941-942-943-944-945-946-947-948-949-950-951-952-953-954-955-956-957-958-959-960-961-962-963-964-965-966-967-968-969-970-971-972-973-974-975-976-977-978-979-980-981-982-983-984-985-986-987-988-989-990-991-992-993-994-995-996-997-998-999-1000-1001-1002-1003-1004-1005-1006-1007-1008-1009-1010-1011-1012-1013-1014-1015-1016-1017-1018-1019-1020-1021-1022-1023-1024-1025-1026-1027-1028-1029-1030-1031-1032-1033-1034-1035-1036-1037-1038-1039-1040-1041-1042-1043-1044-1045-1046-1047-1048-1049-1050-1051-1052-1053-1054-1055-1056-1057-1058-1059-1060-1061-1062-1063-1064-1065-1066-1067-1068-1069-1070-1071-1072-1073-1074-1075-1076-1077-1078-1079-1080-1081-1082-1083-1084-1085-1086-1087-1088-1089-1090-1091-1092-1093-1094-1095-1096-1097-1098-1099-1100-1101-1102-1103-1104-1105-1106-1107-1108-1109-1110-1111-1112-1113-1114-1115-1116-1117-1118-1119-1120-1121-1122-1123-1124-1125-1126-1127-1128-1129-1130-1131-1132-1133-1134-1135-1136-1137-1138-1139-1140-1141-1142-1143-1144-1145-1146-1147-1148-1149-1150-1151-1152-1153-1154-1155-1156-1157-1158-1159-1160-1161-1162-1163-1164-1165-1166-1167-1168-1169-1170-1171-1172-1173-1174-1175-1176-1177-1178-1179-1180-1181-1182-1183-1184-1185-1186-1187-1188-1189-1190-1191-1192-1193-1194-1195-1196-1197-1198-1199-1200-1201-1202-1203-1204-1205-1206-1207-1208-1209-1210-1211-1212-1213-1214-1215-1216-1217-1218-1219-1220-1221-1222-1223-1224-1225-1226-1227-1228-1229-1230-1231-1232-1233-1234-1235-1236-1237-1238-1239-1240-1241-1242-1243-1244-1245-1246-1247-1248-1249-1250-1251-1252-1253-1254-1255-1256-1257-1258-1259-1260-1261-1262-1263-1264-1265-1266-1267-1268-1269-1270-1271-1272-1273-1274-1275-1276-1277-1278-1279-1280-1281-1282-1283-1284-1285-1286-1287-1288-1289-1290-1291-1292-1293-1294-1295-1296-1297-1298-1299-1300-1301-1302-1303-1304-1305-1306-1307-1308-1309-1310-1311-1312-1313-1314-1315-1316-1317-1318-1319-1320-1321-1322-1323-1324-1325-1326-1327-1328-1329-1330-1331-1332-1333-1334-1335-1336-1337-1338-1339-1340-1341-1342-1343-1344-1345-1346-1347-1348-1349-1350-1351-1352-1353-1354-1355-1356-1357-1358-1359-1360-1361-1362-1363-1364-1365-1366-1367-1368-1369-1370-1371-1372-1373-1374-1375-1376-1377-1378-1379-1380-1381-1382-1383-1384-1385-1386-1387-1388-1389-1390-1391-1392-1393-1394-1395-1396-1397-1398-1399-1400-1401-1402-1403-1404-1405-1406-1407-1408-1409-1410-1411-1412-1413-1414-1415-1416-1417-1418-1419-1420-1421-1422-1423-1424-1425-1426-1427-1428-1429-1430-1431-1432-1433-1434-1435-1436-1437-1438-1439-1440-1441-1442-1443-1444-1445-1446-1447-1448-1449-1450-1451-1452-1453-1454-1455-1456-1457-1458-1459-1460-1461-1462-1463-1464-1465-1466-1467-1468-1469-1470-1471-1472-1473-1474-1475-1476-1477-1478-1479-1480-1481-1482-1483-1484-1485-1486-1487-1488-1489-1490-1491-1492-1493-1494-1495-1496-1497-1498-1499-1500-1501-1502-1503-1504-1505-1506-1507-1508-1509-1510-1511-1512-1513-1514-1515-1516-1517-1518-1519-1520-1521-1522-1523-1524-1525-1526-1527-1528-1529-1530-1531-1532-1533-1534-1535-1536-1537-1538-1539-1540-1541-1542-1543-1544-1545-1546-1547-1548-1549-1550-1551-1552-1553-1554-1555-1556-1557-1558-1559-1560-1561-1562-1563-1564-1565-1566-1567-1568-1569-1570-1571-1572-1573-1574-1575-1576-1577-1578-1579-1580-1581-1582-1583-1584-1585-1586-1587-1588-1589-1590-1591-1592-1593-1594-1595-1596-1597-1598-1599-1600-1601-1602-1603-1604-1605-1606-1607-1608-1609-1610-1611-1612-1613-1614-1615-1616-1617-1618-1619-1620-1621-1622-1623-1624-1625-1626-1627-1628-1629-1630-1631-1632-1633-1634-1635-1636-1637-1638-1639-1640-1641-1642-1643-1644-1645-1646-1647-1648-1649-1650-1651-1652-1653-1654-1655-1656-1657-1658-1659-1660-1661-1662-1663-1664-1665-1666-1667-1668-1669-1670-1671-1672-1673-1674-1675-1676-1677-1678-1679-1680-1681-1682-1683-1684-1685-1686-1687-1688-1689-1690-1691-1692-1693-1694-1695-1696-1697-1698-1699-1700-1701-1702-1703-1704-1705-1706-1707-1708-1709-1710-1711-1712-1713-1714-1715-1716-1717-1718-1719-1720-1721-1722-1723-1724-1725-1726-1727-1728-1729-1730-1731-1732-1733-1734-1735-1736-1737-1738-1739-1740-1741-1742-1743-1744-1745-1746-1747-1748-1749-1750-1751-1752-1753-1754-1755-1756-1757-1758-1759-1760-1761-1762-1763-1764-1765-1766-1767-1768-1769-1770-1771-1772-1773-1774-1775-1776-1777-1778-1779-1780-1781-1782-1783-1784-1785-1786-1787-1788-1789-1790-1791-1792-1793-1794-1795-1796-1797-1798-1799-1800-1801-1802-1803-1804-1805-1806-1807-1808-1809-1810-1811-1812-1813-1814-1815-1816-1817-1818-1819-1820-1821-1822-1823-1824-1825-1826-1827-1828-1829-1830-1831-1832-1833-1834-1835-1836-1837-1838-1839-1840-1841-1842-1843-1844-1845-1846-1847-1848-1849-1850-1851-1852-1853-1854-1855-1856-1857-1858-1859-1860-1861-1862-1863-1864-1865-1866-1867-1868-1869-1870-1871-1872-1873-1874-1875-1876-1877-1878-1879-1880-1881-1882-1883-1884-1885-1886-1887-1888-1889-1890-1891-1892-1893-1894-1895-1896-1897-1898-1899-1900-1901-1902-1903-1904-1905-1906-1907-1908-1909-1910-1911-1912-1913-1914-1915-1916-1917-1918-1919-1920-1921-1922-1923-1924-1925-1926-1927-1928-1929-1930-1931-1932-1933-1934-1935-1936-1937-1938-1939-1940-1941-1942-1943-1944-1945-1946-1947-1948-1949-1950-1951-1952-1953-1954-1955-1956-1957-1958-1959-1960-1961-1962-1963-1964-1965-1966-1967-1968-1969-1970-1971-1972-1973-1974-1975-1976-1977-1978-1979-1980-1981-1982-1983-1984-1985-1986-1987-1988-1989-1990-1991-1992-1993-1994-1995-1996-1997-1998-1999-2000-2001-2002-2003-2004-2005-2006-2007-2008-2009-2010-2011-2012-2013-2014-2015-2016-2017-2018-2019-2020-2021-2022-2023-2024-2025-2026-2027-2028-2029-2030-2031-2032-2033-2034-2035-2036-2037-2038-2039-2040-2041-2042-2043-2044-2045-2046-2047-2048-2049-2050-2051-2052-2053-2054-2055-2056-2057-2058-2059-2060-2061-2062-2063-2064-2065-2066-2067-2068-2069-2070-2071-2072-2073-2074-2075-2076-2077-2078-2079-2080-2081-2082-2083-2084-2085-2086-2087-2088-2089-2090-2091-2092-2093-2094-2095-2096-2097-2098-2099-2100-2101-2102-2103-2104-2105-2106-2107-2108-2109-2110-2111-2112-2113-2114-2115-2116-2117-2118-2119-2120-2121-2122-2123-2124-2125-2126-2127-2128-2129-2130-2131-2132-2133-2134-2135-2136-2137-2138-2139-2140-2141-2142-2143-2144-2145-2146-2147-2148-2149-2150-2151-2152-2153-2154-2155-2156-2157-2158-2159-2160-2161-2162-2163-2164-2165-2166-2167-2168-2169-2170-2171-2172-2173-2174-2175-2176-2177-2178-2179-2180-2181-2182-2183-2184-2185-2186-2187-2188-2189-2190-2191-2192-2193-2194-2195-2196-2197-2198-2199-2200-2201-2202-2203-2204-2205-2206-2207-2208-2209-2210-2211-2212-2213-2214-2215-2216-2217-2218-2219-2220-2221-2222-2223-2224-2225-2226-2227-2228-2229-2230-2231-2232-2233-2234-2235-2236-2237-2238-2239-2240-2241-2242-2243-2244-2245-2246-2247-2248-2249-2250-2251-2252-2253-2254-2255-2256-2257-2258-2259-2260-2261-2262-2263-2264-2265-2266-2267-2268-2269-2270-2271-2272-2273-2274-2275-2276-2277-2278-2279-2280-2281-2282-2283-2284-2285-2286-2287-2288-2289-2290-2291-2292-2293-2294-2295-2296-2297-2298-2299-2300-2301-2302-2303-2304-2305-2306-2307-2308-2309-2310-2311-2312-2313-2314-2315-2316-2317-2318-2319-2320-2321-2322-2323-2324-2325-2326-2327-2328-2329-2330-2331-2332-2333-2334-2335-2336-2337-2338-2339-2340-2341-2342-2343-2344-2345-2346-2347-2348-2349-2350-2351-2352-2353-2354-2355-2356-2357-2358-2359-2360-2361-2362-2363-2364-2365-2366-2367-2368-2369-2370-2371-2372-2373-2374-2375-2376-2377-2378-2379-2380-2381-2382-2383-2384-2385-2386-2387-2388-2389-2390-2391-2392-2393-2394-2395-2396-2397-2398-2399-2400-2401-2402-2403-2404-2405-2406-2407-2408-2409-2410-2411-2412-2413-2414-2415-2416-2417-2418-2419-2420-2421-2422-2423-2424-2425-2426-2427-2428-2429-2430-2431-2432-2433-2434-2435-2436-2437-2438-2439-2440-2441-2442-2443-2444-2445-2446-2447-2448-2449-2450-2451-2452-2453-2454-2455-2456-2457-2458-2459-2460-2461-2462-2463-2464-2465-2466-2467-2468-2469-2470-2471-2472-2473-2474-2475-2476-2477-2478-2479-2480-2481-2482-2483-2484-2485-2486-2487-2488-2489-2490-2491-2492-2493-2494-2495-2496-2497-2498-2499-2500-2501-2502-2503-2504-2505-2506-2507-2508-2509-2510-2511-2512-2513-2514-2515-2516-2517-2518-2519-2520-2521-2522-2523-2524-2525-2526-2527-2528-2529-2530-2531-2532-2533-2534-2535-2536-2537-2538-2539-2540-2541-2542-2543-

Docket No. 35-79

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-Yaso 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-Yaso 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

western union
Telegram
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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

Cont to 9/5

RECEIVED

AUG 20 1979

Oil Conservation

Dockets Nos. 35-79 and 36-79 are tentatively set for September 5 and 19, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 22, 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 July 25, 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 6626: Application of T. H. McElvain Oil & Gas Properties for pool commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the commingling of Gallup and Dakota production in its Miller B Well No. 6 located in Unit G of Section 12, Township 24 North, Range 7 West.

CASE 6627: Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying a previously approved 64.32-acre non-standard unit comprising the NW/4 NW/4 and that portion of Lot 5 lying north of the San Juan River, all in Section 18, Township 29 North, Range 14 West, Cha Cha-Gallup Oil Pool, 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 6628: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Skaggs-Glorieta, Skaggs-Drinkard and East Weir-Blinbry production in the wellbore of its M. B. Weir "B" Well No. 9 located in Unit O of Section 12, Township 20 South, Range 37 East.

CASE 6629: Application of Hilliard Oil & Gas, Inc. for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Hanson Bonds Well No. 1 located 1650 feet from the North line and 330 feet from the East line of Section 20, Township 9 South, Range 35 East, to a Devonian bottom hole location within 100 feet of a point 1325 feet from the North line and 430 feet from the East line of said Section 20.

CASE 6630: 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 BS Mesa-Gallup production in the wellbore of its San Juan 27-4 Unit Well No. 37 located in Unit N of Section 33, Township 27 North, Range 4 West.

CASE 6631: Application of Reserve Oil, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat gas and Langlie Mattix oil production in the wellbore of its Cooper Jal Unit Well No. 149-306 located in Unit J of Section 18, Township 24 South, Range 37 East.

CASE 6632: Application of Mesa Petroleum Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Frank State Well No. 1 located in Unit I of Section 7, Township 19 South, Range 23 East, to produce gas from the Abo and Morrow formations, Runyan Ranch Field, through the casing-tubing annulus and through tubing.

CASE 6633: Application of Mesa Petroleum Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Yates Federal Com Well No. 1-Y located in Unit J of Section 20, Township 17 South, Range 27 East, to produce gas from the Logan Draw-Cisco Canyon Gas Pool and an undesignated Morrow pool through the casing-tubing annulus and through tubing.

CASE 6634: Application of Durham Inc. for special pool rules or a spacing exception, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Lake Arthur-Pennsylvanian Gas Pool to provide for 320-acre spacing rather than 160 acres. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Pennsylvanian gas pools rather than the present 160-acre spacing. In the alternative applicant seeks to limit the application of the pool's rules to the horizontal limits of the pool, being the SW/4 of Section 31, Township 15 South, Range 27 East.

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 "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: 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 E. 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 Bisti-Farmington Pool. The discovery well is Dome Petroleum Corporation Hanlad Federal Well No. 1 located in Unit F of Section 31, Township 26 North, Range 12 West, NMPM. Said pool would comprise:

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

PRODUCTION DEPARTMENT
MIDCONTINENT DIVISION

July 16, 1979

Request Simultaneous Dedication
of 640 Acre Proration Unit,
Section 23, T-21-S, R-26-E,
Lea County, N.M., to N.M. "G"
State, Wells 5 and 20
(20 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 640 acre unit consisting of Sec. 23, T-21-S, R-26-E, Lea County, N.M., to New Mexico "G" State, Well #5 and 20, with authority to produce from either in any proportion. Well No. 5 is located in Unit "E" and Well No. 20 is located in Unit "M" Sec 23, T-21-S, R-36-E, a plat of the area is attached.

Current production:

N.M. "G" State, Well #5, is a marginal well and has averaged
409 MCF/MO through May, 1979.

N.M. "G" State, Well #20, (new completion) flow test 6-30-79,
514 MCF/D.

Your consideration of this request will be appreciated.

Yours very truly,

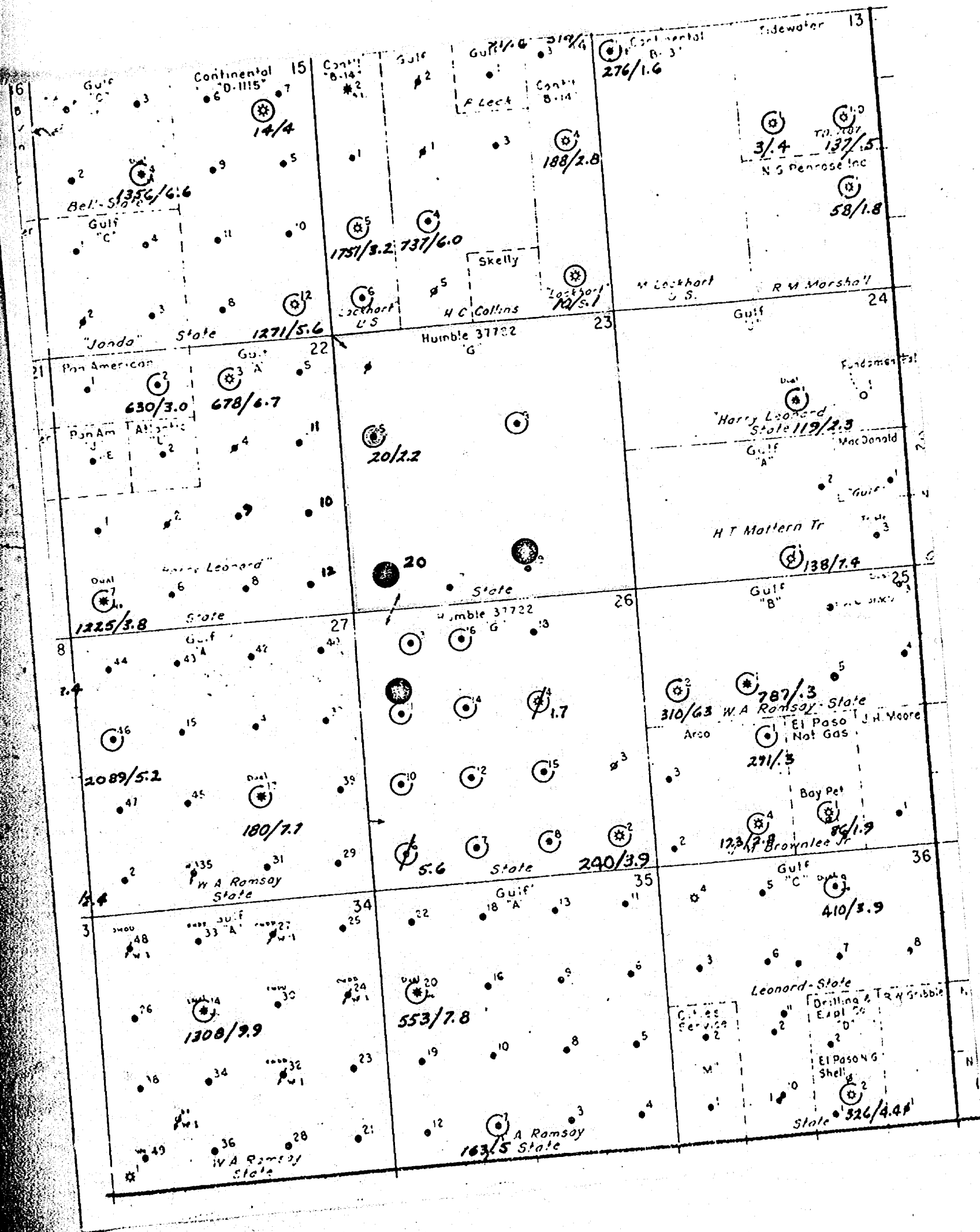
[Signature]
D. L. Clemmer, Unit Head
Revenue & Regulatory Accounting

DFL/DLC

Attachment **RECEIVED**
JUL 20 1979
OIL CONSERVATION DIVISION
SANTA FE

cc: OCC, Hobbs, N.M.

*Case 6636 Del for hearing
on or the day of
to simultaneous
dedication*



Lease No. _____ NEW MEXICO OIL CONSERVATION COMMISSION
State Lease No. _____ WELL LOCATION AND ACREAGE DEDICATION PLAT

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

Federal Lease No. _____ All distances must be from the outer boundaries of the Section.

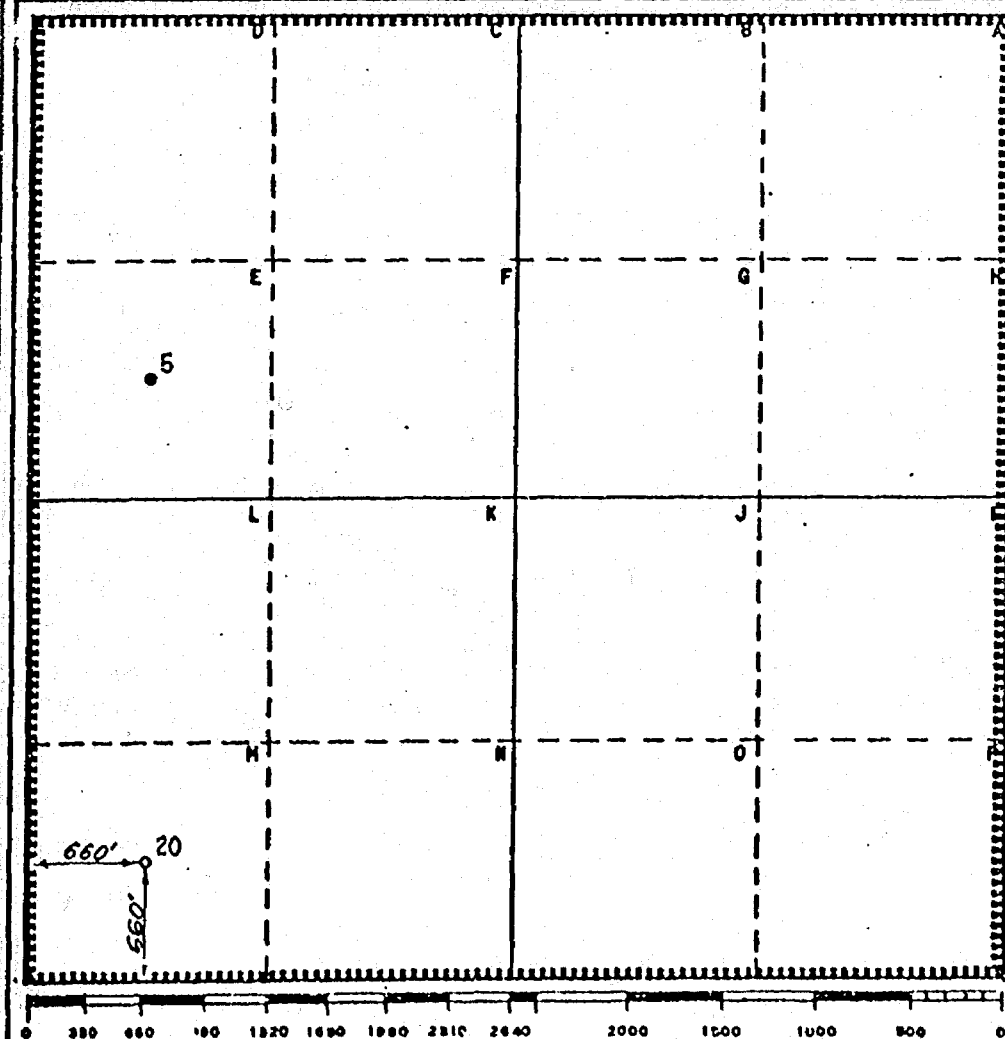
Operator Exxon Corporation		Lease New Mexico - G- State		Well No. 20
Unit Letter M	Section 23	Township 21 S	Range 36 E	County Lea
Actual Footage Location of Well: 660 feet from the South line and 660 feet from the West line				
Ground Level Elev:	Producing Formation Queen	Pool Eumont	Dedicated Acreage: 640 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
Melvin Kripling
Position
Proration Specialist

Company Exxon Corporation
Box 1600 Midland, Texas

Date
5-10-79

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
5-9-79

Registered Professional Engineer
and/or Land Surveyor

H. S. Hesterfeld
Certificate No.
1352

5 Miles NW of Eunice, New Mexico

C.E. Sec. File No. W-A-7182

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

PRODUCTION DEPARTMENT
MIDCONTINENT DIVISION

July 16, 1979

Request Simultaneous Dedication
of 640 Acre Proration Unit,
Section 23, T-21-S, R-26-E,
Lea County, N.M., to N.M. "G"
State, Wells 5 and 20
(20 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 6636

Dear Sir:

Exxon respectfully requests simultaneous dedication of 640 acre unit consisting of Sec. 23, T-21-S, R-26-E, Lea County, N.M., to New Mexico "G" State, Well #5 and 20, with authority to produce from either in any proportion. Well No. 5 is located in Unit "E" and Well No. 20 is located in Unit "M" Sec 23, T-21-S, R-36-E, a plat of the area is attached.

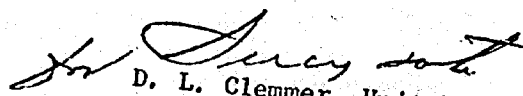
Current production:

N.M. "G" State, Well #5, is a marginal well and has averaged
409 MCF/MO through May, 1979.

N.M. "G" State, Well #20, (new completion) flow test 6-30-79,
514 MCF/D.

Your consideration of this request will be appreciated.

Yours very truly,

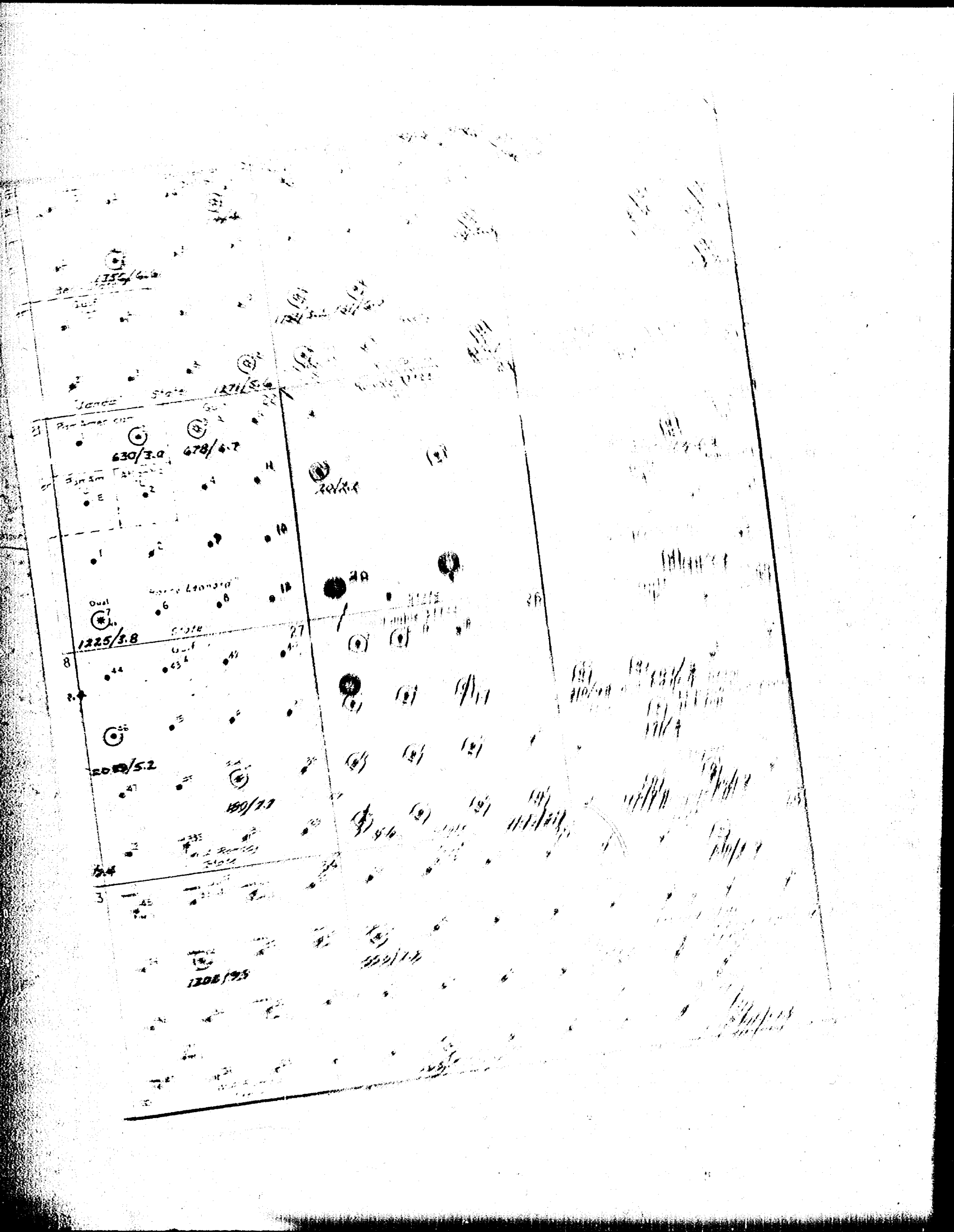

D. L. Clemmer, Unit Head
Revenue & Regulatory Accounting

DFL/DLC

Attachments

cc: OCC, Hobbs, N.M.

A DIVISION OF EXXON CORPORATION



Lease No. _____ NEW MEXICO OIL CONSERVATION COMMISSION
State Lease No. _____ WELL LOCATION AND ACREAGE DEDICATION PLAT
Federal Lease No. _____ All distances must be from the outer boundaries of the Section.

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

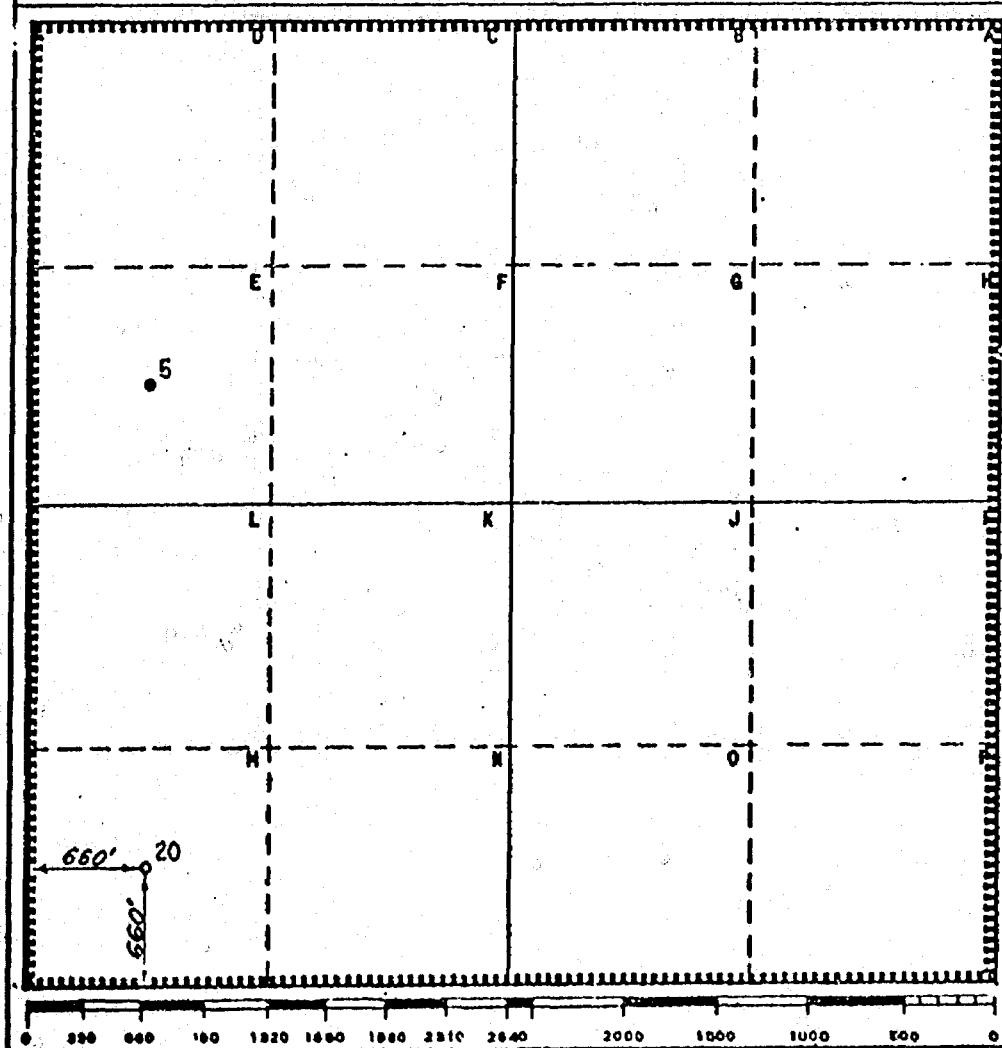
Operator Exxon Corporation		Lease New Mexico - G - State		Well No. 20
Unit Letter M	Section 23	Township 21 S	Range 36 E	County Lea
Actual Footage Location of Well: 660 feet from the South line and 660 feet from the West line				
Ground Level Elev:	Producing Formation Queen	Pool Eumont	Dedicated Acreage: 640 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

Melva Knippling

Position

Proration Specialist

Company Exxon Corporation

Box 1600 Midland, Texas

Date

5-10-79

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

5-9-79

Registered Professional Engineer and/or Land Surveyor

H. S. Chesterfield

Certificate No.

1382

S 11100 NW of Eunice, New Mexico

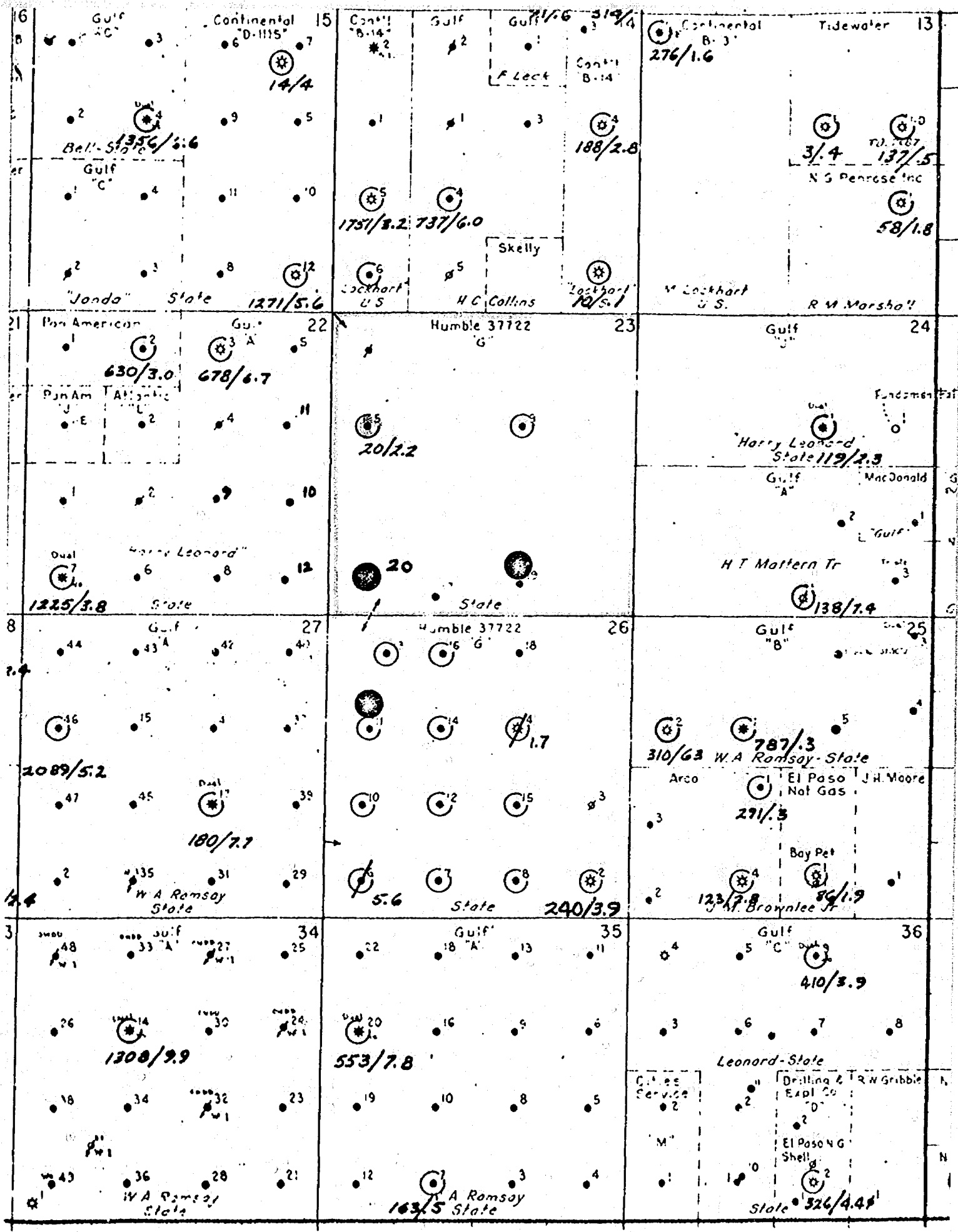
C.E. Sec. File No. W-A-7182

Current production:

N.M. 409 MCF/MD through May, 1950

N.M. 514 MCF/D.

Our consideration of this request



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

Federal Les. No. All distances must be from the outer boundaries of the Section.

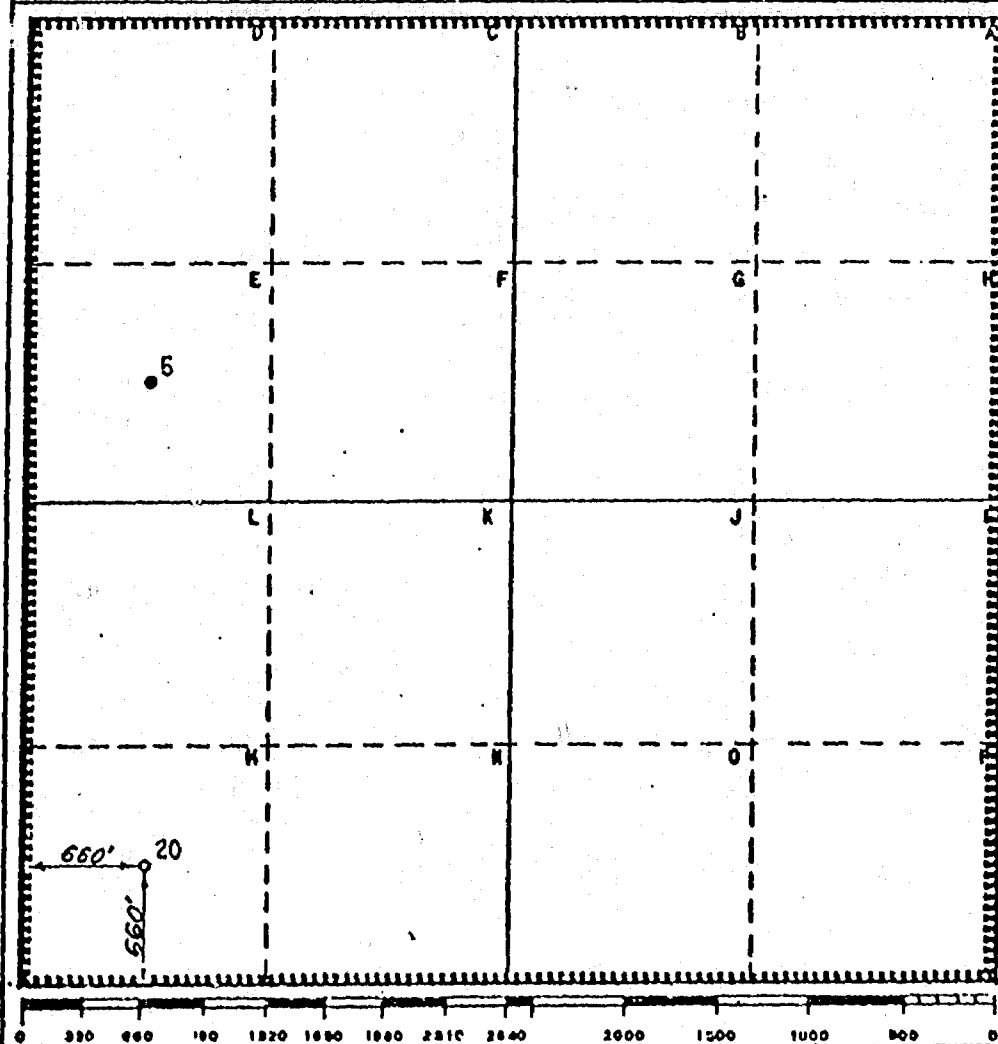
Operator Exxon Corporation		Lease New Mexico "G" State		Well No. 20
Unit Letter M	Section 23	Township 21 S	Range 36 E	County Lea
Actual Footage Location of Well: 660 feet from the South line and 660 feet from the West line				
Ground Level Elev:	Producing Formation Queen	Pool Eumont	Dedicated Acreage: 640 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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

Allen Kripling

Position

Proration Specialist

Company Exxon Corporation

Box 1600 Midland, Texas

Date

5-10-79

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

5-9-79

Registered Professional Engineer
and/or Land Surveyor

H. S. Hesterfield

Certificate No.

1352

5 Miles NW of Eunice, New Mexico

C.E. Sec. File No. W-A-7182

⁶⁷
(4) That Division Administrative Order ~~NSL~~
NSL 1040 should be superseded.

-24
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:

23 (1) That Exxon Corporation is hereby authorized to drill its ^{New Mexico} ~~State~~ Well No ²⁰ ~~20~~ at an unorthodox location 660 feet from the South line and 660 ~~feet~~ feet from the West line of Section ~~36~~ ²¹, Township ~~21~~ South Range ~~36~~ ³⁶ East, NMPH Eumont Gas Pool, Lea County, New Mexico.

~~New Mexico~~

(2) That the ⁷¹¹ ~~2020~~ of said Section ²³ ~~36~~ shall be dedicated to the above-described well and to applicant's ^{New Mexico} ~~State~~ Well No ²⁰ ~~20~~ located in Unit E of said section

5 (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.

(3) That Division Administrative Order NSL 1040 is hereby superseded.