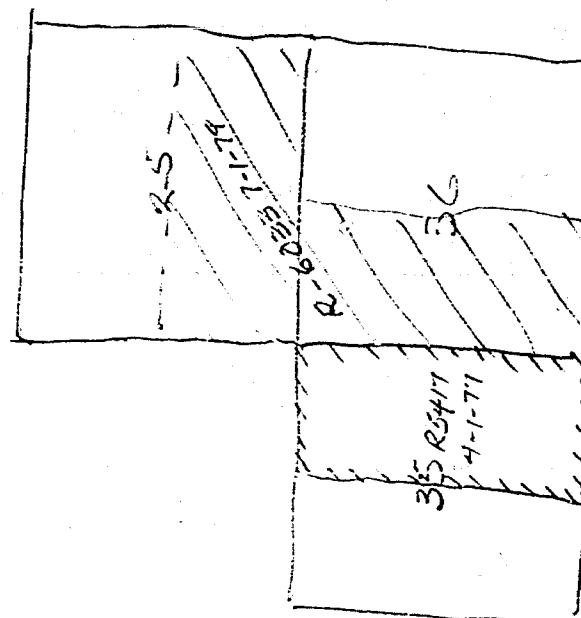


CASE 6642: BASS ENTERPRISES PRODUCTION
COMPANY FOR POOL CONTRACTION AND CREA-
TION, EDDY COUNTY, NEW MEXICO



6642

Application

Transcripts.

Small Exhibits

ETC.

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. 6642
Order No. R-6658

APPLICATION OF BASS ENTERPRISES
PRODUCTION COMPANY FOR POOL
CONTRACTION AND CREATION, EDDY
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 20th day of April, 1981, the Division
Director, having considered the record and the recommendations
of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6642 is hereby dismissed.

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



SEAL
fd/

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

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:

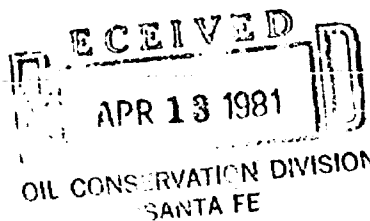
- CASE 6640: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Miles Production Company, National Surety Corporation, and all other interested parties to appear and show cause why the Thomas Drought Well No. 1 located in Unit A of Section 4, Township 15 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 I of Section 1, Township 29 North, Range 9 West.

BASS ENTERPRISES PRODUCTION CO.

DIVISION PRODUCTION OFFICE

P. O. BOX 2760

MIDLAND, TEXAS 79702



April 10, 1981

800 VAUGHN BUILDING
(915) 684-5723

Re: Oil Conservation Division
Case No. 6642
Limitation of Pool Rules and
Simultaneous Pool Creation
Big Eddy Unit No. 66
Eddy County, New Mexico

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

Attention: Mr. Richard L. Stamets
Technical Support Chief

Dear Mr. Stamets:

As you discussed with David Davis of this office on April 2, 1981, the subject case is still open. After reviewing our files, we believe it is no longer necessary to leave this case open. Bass Enterprises Production Company's application under the Natural Gas Policy Act for Section 102 gas has been approved.

We appreciate your handling of this case and allowing the record to remain open until the federal approval was received.

Yours very truly,


J. E. Pullig
Division Manager

JEP:DLD/jj

cc: Conrad Coffield - Hinkle, Cox, Eaton, Coffield, and Hensley (Midland)
Jim Deacon

Memo

From

R. L. STAMETS
Technical
Support Chief

To Florene

Put this in your
hold file.

Holding till GS

Acts on Bass
application for Section
102 determination.

OIL CONSERVATION DIVISION SANTA FE

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 Bass Enterprises) CASE
Production Company for pool contraction) 6642
and creation, Eddy County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: Conrad E. Coffield, Esq.
HINKLE LAW FIRM
P. O. Box 3580
Midland, Texas

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I N D E X

DAVID DAVIS

Direct Examination by Mr. Coffield	3
Cross Examination by Mr. Stamets	12

E X H I B I T S

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Applicant Exhibit Two, Structure Map	7
Applicant Exhibit Three, Pressure Analysis	9
Applicant Exhibit Four, Cross Section	10

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1 MR. STAMETS: We'll call next Case Number
2 6642.

3 MR. PADILLA: Application of Bass Enter-
4 prises Production Company for pool contraction and creation
5 in Eddy County, New Mexico.

6 MR. COFFIELD: Conrad Coffield with the
7 Hinkle Law Firm of Midland, Texas, appearing on behalf of
8 the applicant, Bass Enterprises Production Company, and I
9 have one witness.

10
11 (Witness sworn.)

12
13 DAVID DAVIS

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

16
17 DIRECT EXAMINATION

18 BY MR. COFFIELD:

19 Q Mr. Davis, would you state your name and
20 your address, your present occupation, and your employer,
21 please?

22 A My name is David Davis. I'm in Midland,
23 Texas. I work for Bass Enterprises Production Company in
24 the capacity of Production Engineer.

25 Q Mr. Davis, have you previously testified

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1 before the Oil Conservation Division as a production engineer?

2 A. No, sir.

3 Q. Would you please, then, state a resume of
4 your educational background and experience as a production
5 engineer?

6 A. I attended Baylor University for one seme-
7 ster and transferred to Texas Tech University and graduated
8 with a Bachelor of Science degree in petroleum and chemical
9 engineering.

10 I went to work for Chevron in Midland,
11 Texas, for approximately two years; then went to work for
12 Bass Enterprises fourteen months ago and have been there in
13 Midland ever since.

14 Q. What have you been doing for Bass?

15 A. I have been in the capacity of Production
16 Engineer all the time.

17 Q. Working where?

18 A. In the Permian Basin, southeast New
19 Mexico area.

20 Q. Mr. Davis, are you familiar with the ap-
21 plication of Bass Enterprises Production Company in this
22 case?

23 A. Yes, I am.

24 Q. And further, are you familiar with the
25 property and the well location involved here?

1 A. Yes.

2 MR. COFFIELD: Mr. Examiner, is the witness
3 considered qualified?

4 MR. STAMETS: Mr. Davis, what was the date
5 of your degree from Texas Tech?

6 A. 1976.

7 MR. STAMETS: Yes, the witness is con-
8 sidered qualified.

9 Q (Mr. Coffield continuing.) Mr. Davis,
10 what is it that Bass Enterprises Production Company seeks
11 in this particular application?

12 A. Bass seeks a horizontal limitation of the
13 existing Indian Flats-Morrow Gas Pool such that the south
14 1/2 of Section 25, Township 21 South, Range 28 East, is
15 excluded from the existing pool. We also ask that a new
16 pool be created for the production of gas from the Morrow
17 formation and that this pool be designated as the Northeast
18 Indian Flats Pool, and this would encompass the stated area.

19 Q All right, Mr. Davis, would you refer to
20 what we've marked as Exhibit One and explain that to the
21 Examiner?

22 A. Exhibit One is a surface map of a portion
23 of Eddy County, New Mexico, and on this map I have shown
24 several wells that I feel are important to this case.

25 The proposed or subject well is the Big

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1 Eddy Unit No. 66, which is located in Section 25, Township
2 21 South, Range 28 East. It is identified by a red color.

3 There are several other wells that I feel
4 are important to this case. 3.8 miles to the west of the
5 Big Eddy Unit 66 is the Bass Morrow Gas Field. This has
6 two producing wells, the Big Eddy Unit No. 39 and Big Eddy
7 Unit No. 54.

8 The next well is the Bass Big Eddy Unit
9 No. 32, which is located in Section 15 of the same township.
10 It is 2.9 miles northwest of the Big Eddy Unit No. 66, and
11 this was an unsuccessful Morrow gas test.

12 The PanAmerican Big Eddy Unit No. 16 is
13 located in Section 18, Township 21 South, Range 29 East.
14 This was 2.3 miles north/northeast of the Big Eddy 66. It
15 was also an unsuccessful test of the Morrow.

16 Located two miles to the east/southeast
17 of the 66 Well in Section 32, Township 21 South, Range 29
18 East, is the Bass Big Eddy Unit No. 42. This well was also
19 an unsuccessful test to the Morrow formation.

20 In Section 36, Township 21 South, Range
21 28 East, is the Shell Big Eddy Unit No. 1. This well was
22 also an unsuccessful Morrow test.

23 Moving to Section 35 is the Bass Big Eddy
24 Unit No. 41, and this well was in the Indian Flats-Morrow
25 Pool. It has since been abandoned and plugged back to the

1 Morrow formation. It is now producing in the Indian Flats-
2 Atoka Pool. This well is 1.3 miles southwest of the Big
3 Eddy 66. It was completed in October 31st of 1975 from
4 perforations 12,414 feet to 12,476 feet.

5 This is the interval that Bass designates
6 as the Lower Morrow formation. This well produced a total
7 of 112,444,000 cubic feet before being abandoned.

8 This well had no original bottom hole
9 pressure measurement taken due to the large volumes of water
10 that were produced by the well and initially the well was
11 completed for less than a million cubic feet a day with on
12 the order of 35 barrels of water a day, which we thought
13 was -- it would be dangerous to shut the well in with that
14 much water, so it was never measured; however, I have done
15 some volumetric calculations on this well based on some
16 average values that we have for the Morrow, and with this
17 assumption in mind, 112,000,000 cubic feet, using the known
18 data from log calculations, it would be a very small re-
19 servoir around this well, on the order of 10 acres, so we
20 feel that this is a -- was a very limited reservoir when
21 we abandoned it.

22 Q Anything else on this exhibit?

23 A That's all that I think is important.

24 Q Well, let's go on to Exhibit Two, Mr.
25 Davis, and explain that to the Examiner.

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1 A Exhibit Number Two is the same base map,
2 which is -- shows a structure map of the Lower Morrow in the
3 area and we present this only --

4 MR. STAMETS: Before we go on, let me ask
5 a question.

6 You have the Indian Flats-Morrow Gas
7 Field noted across the bottom of Township 21 South, 28 East.
8 What are the limits of the Indian Flats-Morrow Gas Pool?

9 A Well, the only well that ever produced in
10 that was the Big Eddy 41 in Section 35.

11 MR. STAMETS: Okay, so --

12 A It's really to the west of --

13 MR. STAMETS: -- at the present time there
14 are two producing wells or at least wells that did produce
15 out of the Indian Flats-Morrow Gas Pool?

16 A Well, the Big Eddy 66 has been placed by
17 the Conservation Division in the Indian Flats-Morrow Pool.
18 The only other well to produce is the 41. Everything else
19 was drilled and abandoned.

20 MR. STAMETS: Would it be inappropriate
21 for me to ask at this time why you want the 66 Well out of
22 the Indian Flats-Morrow?

23 A I believe I will show that in a later
24 exhibit, if you can --

25 MR. STAMETS; I can stand to wait.

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1 A. Okay.

2 Exhibit Two is a structure map on the Lower
3 Morrow formation and we present this merely as just informa-
4 tion only and feel that it has very little impact on the
5 outcome of this case; however, it's interesting to note that
6 there is a low that noses up through Section 36, 25, such
7 that Big Eddy 66 is slightly lower in the Lower Morrow form-
8 ation than the Big Eddy 41 in Section 35.

9 Q Let's go on to Exhibit Three, Mr. Davis,
10 and explain that, please.

11 A Exhibit Three is a compilation of pressure
12 buildup analysis that was performed on the Big Eddy Unit
13 No. 66 and following a 4-point test on the well in April 6,
14 1979, the well was shutin for a pressure buildup.

15 And the results of this pressure buildup
16 indicated a final shutin pressure of 5177 psig and when we
17 extrapolated that to an average reservoir pressure we found
18 a final pressure of 5187 psig.

19 This pressure is what we would expect to
20 be normal gradient for the Morrow formation in this portion
21 of Eddy County, New Mexico. This is in line with all the
22 other wells we've had buildup tests performed on in the
23 Morrow. So there's nothing unusual about that. It does
24 indicate to us that this is virgin reservoir pressure, that
25 this pool has never been produced by any other wells.

1 Q Let's go to Exhibit Four and discuss that
2 exhibit, please.

3 A Exhibit Four is a cross section A-A',
4 A being Big Eddy 66, the middle well being Big Eddy Unit
5 No. 1, and A' being the Bass Big Eddy Unit No. 41.

6 The cross section is hung on the datum of
7 the top of the Lower Morrow, and if you will notice, I've
8 noted in yellow a shale marker that we call the top of the
9 Lower Morrow, which is continuous across this area of the --
10 of Eddy County, New Mexico.

11 Above this is the top of the Middle Mor-
12 row, which is also identified by a shale marker which I
13 have also identified in yellow.

14 If you will look at the Big Eddy Unit No.
15 41, I have shown the perforations and noted the intervals
16 that we're completed in. They are noted in red and these
17 are essentially in the top of the Lower Morrow formation.

18 If you'll look at the Big Eddy No. 66,
19 we have completed one interval in the Morrow and these are
20 essentially the middle of the Middle Morrow formation, and
21 on a subsea basis there is a stratigraphic separation of
22 approximately 190 feet between these two intervals of com-
23 pletion, so we therefore feel that this shows that this is
24 a new reservoir, that there should be a new pool created
25 for the Big Eddy 66 separate from the Indian Flats-Morrow

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1 Pool.

2 Q Do you have anything else on that exhibit?

3 A No, I don't.

4 Q Okay, Mr. Davis, were these exhibits One
5 through Four either prepared by you or under your super-
6 vision or were they compiled by you from files for which you
7 have responsibility?

8 A The geologic structure map I did not pre-
9 pare, but I have reviewed it and I am familiar with this
10 information and I concur with it.

11 The other exhibits I prepared or had pre-
12 pared.

13 Q Now, Mr. Davis, in your opinion if this
14 application is approved by the Division, would the approval
15 of the application be in the interest of conservation,
16 prevention of waste, and protection of correlative rights?

17 A Yes.

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

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

22 MR. COFFIELD: And I have no other ques-
23 tions of Mr. Davis on direct examination.
24
25

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CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Davis, what does Bass Enterprises expect to derive as a benefit from the relief you've sought here?

A Okay. We essentially are doing this for the new Federal Natural Gas Policy Act, and this is an instance in which we feel like we need to have a new onshore reservoir. We need to classify this as a new pool to get our application for approval for this to be a separate reservoir, and this is why we are approaching this matter.

Q Is Bass Enterprises aware that the Division has approved applications for C-102 -- no, excuse me, let's go back.

Are you aware that the Division has approved applications for Section 102 determinations for new reservoirs within the boundaries of existing pools, such as you have described here?

A No, sir, I am not.

Q If you had been aware of that, would it have made a difference in whether you applied for this or just simply filed for a --

A It would not have made a difference in our operation of the subject well because it does not affect allowables. This is the first instance where we've had a

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1 reason. I would say it would not have affected.

2 Q Mr. Davis, have you looked at enough Mor-
3 row wells in Eddy County to know that this is a not uncommon
4 situation?

5 A Could you -- I don't understand what you
6 are asking.

7 Q Okay.

8 A I would say, if you're asking do you nor-
9 mally find the Morrow to have virgin pressure, I'd say yes,
10 we essentially, every time we drill a Morrow well we do
11 find virgin pressure.

12 Q Do you think the Division, as a matter of
13 practicality, could create a new Morrow gas pool every time
14 conditions such as you've described are encountered?

15 A Well, that I don't know.

16 Q How many Morrow gas wells are there in
17 Eddy County?

18 A There are quite a few.

19 Q You'll have to give me an estimate.

20 A I wouldn't even want to guess.

21 Q How many are there on your map?

22 A Probably on the order of 100.

23 Q Do you think it's practical to have 100
24 Morrow gas pools in an area this large?

25 A I would say, no, I don't -- yes, I don't

1 know.

2 Q Let's go off the record.

3 (There followed a discussion off
4 the record.)

5 MR. STAMETS: Are there any further ques-
6 tions of the witness? He may be excused.

7 Anything further in this case?

8 The case will be taken under advisement.

9
10 (Hearing concluded.)

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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.

SALLY WALTON BOYD
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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6643
heard by me on 9-5 1977.
Richard L. Starn, Examiner
Oil Conservation Division

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 Bass Enterprises) CASE
Production Company for pool contraction) 6642
and creation, Eddy County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

For the Applicant:

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

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I N D E X

DAVID DAVIS

Direct Examination by Mr. Coffield 3

Cross Examination by Mr. Stamets 12

E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Structure Map 7

Applicant Exhibit Three, Pressure Analysis 9

Applicant Exhibit Four, Cross Section 10

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Santa Fe, New Mexico 87501

1 MR. STAMETS: We'll call next Case Number
2 6642.

3 MR. PADILLA: Application of Bass Enter-
4 prises Production Company for pool contraction and creation
5 in Eddy County, New Mexico.

6 MR. COFFIELD: Conrad Coffield with the
7 Hinkle Law Firm of Midland, Texas, appearing on behalf of
8 the applicant, Bass Enterprises Production Company, and I
9 have one witness.

10
11 (Witness sworn.)

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

16
17 DIRECT EXAMINATION

18 BY MR. COFFIELD:

19 Q Mr. Davis, would you state your name and
20 your address, your present occupation, and your employer,
21 please?

22 A My name is David Davis. I'm in Midland,
23 Texas. I work for Bass Enterprises Production Company in
24 the capacity of Production Engineer.

25 Q Mr. Davis, have you previously testified

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Santa Fe, New Mexico 87501

1 before the Oil Conservation Division as a production engineer?

2 A. No, sir.

3 Q Would you please, then, state a resume of
4 your educational background and experience as a production
5 engineer?

6 A I attended Baylor University for one seme-
7 ster and transferred to Texas Tech University and graduated
8 with a Bachelor of Science degree in petroleum and chemical
9 engineering.

10 I went to work for Chevron in Midland,
11 Texas, for approximately two years; then went to work for
12 Bass Enterprises fourteen months ago and have been there in
13 Midland ever since.

14 Q What have you been doing for Bass?

15 A I have been in the capacity of Production
16 Engineer all the time.

17 Q Working where?

18 A In the Permian Basin, southeast New
19 Mexico area.

20 Q Mr. Davis, are you familiar with the ap-
21 plication of Bass Enterprises Production Company in this
22 case?

23 A Yes, I am.

24 Q And further, are you familiar with the
25 property and the well location involved here?

1 A. Yes.

2 MR. COFFIELD: Mr. Examiner, is the witness
3 considered qualified?

4 MR. STAMETS: Mr. Davis, what was the date
5 of your degree from Texas Tech?

6 A. 1976.

7 MR. STAMETS: Yes, the witness is con-
8 sidered qualified.

9 Q (Mr. Coffield continuing.) Mr. Davis,
10 what is it that Bass Enterprises Production Company seeks
11 in this particular application?

12 A Bass seeks a horizontal limitation of the
13 existing Indian Flats-Morrow Gas Pool such that the south
14 1/2 of Section 25, Township 21 South, Range 28 East, is
15 excluded from the existing pool. We also ask that a new
16 pool be created for the production of gas from the Morrow
17 formation and that this pool be designated as the Northeast
18 Indian Flats Pool, and this would encompass the stated area.

19 Q All right, Mr. Davis, would you refer to
20 what we've marked as Exhibit One and explain that to the
21 Examiner?

22 A Exhibit One is a surface map of a portion
23 of Eddy County, New Mexico, and on this map I have shown
24 several wells that I feel are important to this case.

25 The proposed or subject well is the Big

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1 Eddy Unit No. 66, which is located in Section 25, Township
2 21 South, Range 28 East. It is identified by a red color.

3 There are several other wells that I feel
4 are important to this case. 3.8 miles to the west of the
5 Big Eddy Unit 66 is the Bass Morrow Gas Field. This has
6 two producing wells, the Big Eddy Unit No. 39 and Big Eddy
7 Unit No. 54.

8 The next well is the Bass Big Eddy Unit
9 No. 32, which is located in Section 15 of the same township.
10 It is 2.9 miles northwest of the Big Eddy Unit No. 66, and
11 this was an unsuccessful Morrow gas test.

12 The PanAmerican Big Eddy Unit No. 16 is
13 located in Section 18, Township 21 South, Range 29 East.
14 This was 2.3 miles north/northeast of the Big Eddy 66. It
15 was also an unsuccessful test of the Morrow.

16 Located two miles to the east/southeast
17 of the 66 Well in Section 32, Township 21 South, Range 29
18 East, is the Bass Big Eddy Unit No. 42. This well was also
19 an unsuccessful test to the Morrow formation.

20 In Section 36, Township 21 South, Range
21 28 East, is the Shell Big Eddy Unit No. 1. This well was
22 also an unsuccessful Morrow test.

23 Moving to Section 35 is the Bass Big Eddy
24 Unit No. 41, and this well was in the Indian Flats-Morrow
25 Pool. It has since been abandoned and plugged back to the

1 Morrow formation. It is now producing in the Indian Flats--
2 Atoka Pool. This well is 1.3 miles southwest of the Big
3 Eddy 66. It was completed in October 31st of 1975 from
4 perforations 12,414 feet to 12,476 feet.

5 This is the interval that Bass designates
6 as the Lower Morrow formation. This well produced a total
7 of 112,444,000 cubic feet before being abandoned.

8 This well had no original bottom hole
9 pressure measurement taken due to the large volumes of water
10 that were produced by the well and initially the well was
11 completed for less than a million cubic feet a day with on
12 the order of 35 barrels of water a day, which we thought
13 was -- it would be dangerous to shut the well in with that
14 much water, so it was never measured; however, I have done
15 some volumetric calculations on this well based on some
16 average values that we have for the Morrow, and with this
17 assumption in mind, 112,000,000 cubic feet, using the known
18 data from log calculations, it would be a very small re-
19 servoir around this well, on the order of 10 acres, so we
20 feel that this is a -- was a very limited reservoir when
21 we abandoned it.

22 Q Anything else on this exhibit?

23 A That's all that I think is important.

24 Q Well, let's go on to Exhibit Two, Mr.

25 Davis, and explain that to the Examiner.

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1 A Exhibit Number Two is the same base map,
2 which is -- shows a structure map of the Lower Morrow in the
3 area and we present this only --

4 MR. STAMETS: Before we go on, let me ask
5 a question.

6 You have the Indian Flats-Morrow Gas
7 Field noted across the bottom of Township 21 South, 28 East.
8 What are the limits of the Indian Flats-Morrow Gas Pool?

9 A Well, the only well that ever produced in
10 that was the Big Eddy 41 in Section 35.

11 MR. STAMETS: Okay, so --

12 A It's really to the west of --

13 MR. STAMETS: -- at the present time there
14 are two producing wells or at least wells that did produce
15 out of the Indian Flats-Morrow Gas Pool?

16 A Well, the Big Eddy 66 has been placed by
17 the Conservation Division in the Indian Flats-Morrow Pool.
18 The only other well to produce is the 41. Everything else
19 was drilled and abandoned.

20 MR. STAMETS: Would it be inappropriate
21 for me to ask at this time why you want the 66 Well out of
22 the Indian Flats-Morrow?

23 A I believe I will show that in a later
24 exhibit, if you can --

25 MR. STAMETS: I can stand to wait.

1 A. Okay.

2 Exhibit Two is a structure map on the Lower
3 Morrow formation and we present this merely as just informa-
4 tion only and feel that it has very little impact on the
5 outcome of this case; however, it's interesting to note that
6 there is a low that noses up through Section 36, 25, such
7 that Big Eddy 66 is slightly lower in the Lower Morrow form-
8 ation than the Big Eddy 41 in Section 35.

9 Q. Let's go on to Exhibit Three, Mr. Davis,
10 and explain that, please.

11 A. Exhibit Three is a compilation of pressure
12 buildup analysis that was performed on the Big Eddy Unit
13 No. 66 and following a 4-point test on the well in April 6,
14 1979, the well was shutin for a pressure buildup.

15 And the results of this pressure buildup
16 indicated a final shutin pressure of 5177 psig and when we
17 extrapolated that to an average reservoir pressure we found
18 a final pressure of 5187 psig.

19 This pressure is what we would expect to
20 be normal gradient for the Morrow formation in this portion
21 of Eddy County, New Mexico. This is in line with all the
22 other wells we've had buildup tests performed on in the
23 Morrow. So there's nothing unusual about that. It does
24 indicate to us that this is virgin reservoir pressure, that
25 this pool has never been produced by any other wells.

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1 Q Let's go to Exhibit Four and discuss that
2 exhibit, please.

3 A Exhibit Four is a cross section A-A',
4 A being Big Eddy 66, the middle well being Big Eddy Unit
5 No. 1, and A' being the Bass Big Eddy Unit No. 41.

6 The cross section is hung on the datum of
7 the top of the Lower Morrow, and if you will notice, I've
8 noted in yellow a shale marker that we call the top of the
9 Lower Morrow, which is continuous across this area of the --
10 of Eddy County, New Mexico.

11 Above this is the top of the Middle Mor-
12 row, which is also identified by a shale marker which I
13 have also identified in yellow.

14 If you will look at the Big Eddy Unit No.
15 41, I have shown the perforations and noted the intervals
16 that we're completed in. They are noted in red and these
17 are essentially in the top of the Lower Morrow formation.

18 If you'll look at the Big Eddy No. 66,
19 we have completed one interval in the Morrow and these are
20 essentially the middle of the Middle Morrow formation, and
21 on a subsea basis there is a stratigraphic separation of
22 approximately 190 feet between these two intervals of com-
23 pletion, so we therefore feel that this shows that this is
24 a new reservoir, that there should be a new pool created
25 for the Big Eddy 66 separate from the Indian Flats-Morrow

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1 Pool.

2 Q Do you have anything else on that exhibit?

3 A No, I don't.

4 Q Okay, Mr. Davis, were these exhibits One
5 through Four either prepared by you or under your super-
6 vision or were they compiled by you from files for which you
7 have responsibility?

8 A The geologic structure map I did not pre-
9 pare, but I have reviewed it and I am familiar with this
10 information and I concur with it.

11 The other exhibits I prepared or had pre-
12 pared.

13 Q Now, Mr. Davis, in your opinion if this
14 application is approved by the Division, would the approval
15 of the application be in the interest of conservation,
16 prevention of waste, and protection of correlative rights?

17 A Yes.

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

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

22 MR. COFFIELD: And I have no other ques-
23 tions of Mr. Davis on direct examination.
24
25

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Davis, what does Bass Enterprises expect to derive as a benefit from the relief you've sought here?

A Okay. We essentially are doing this for the new Federal Natural Gas Policy Act, and this is an instance in which we feel like we need to have a new onshore reservoir. We need to classify this as a new pool to get our application for approval for this to be a separate reservoir, and this is why we are approaching this matter.

Q Is Bass Enterprises aware that the Division has approved applications for C-102 -- no, excuse me, let's go back.

Are you aware that the Division has approved applications for Section 102 determinations for new reservoirs within the boundaries of existing pools, such as you have described here?

A No, sir, I am not.

Q If you had been aware of that, would it have made a difference in whether you applied for this or just simply filed for a --

A It would not have made a difference in our operation of the subject well because it does not affect allowables. This is the first instance where we've had a

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1 reason. I would say it would not have affected.

2 Q Mr. Davis, have you looked at enough Mor-
3 row wells in Eddy County to know that this is a not uncommon
4 situation?

5 A Could you -- I don't understand what you
6 are asking.

7 Q Okay.

8 A I would say, if you're asking do you nor-
9 mally find the Morrow to have virgin pressure, I'd say yes,
10 we essentially, every time we drill a Morrow well we do
11 find virgin pressure.

12 Q Do you think the Division, as a matter of
13 practicality, could create a new Morrow gas pool every time
14 conditions such as you've described are encountered?

15 A Well, that I don't know.

16 Q How many Morrow gas wells are there in
17 Eddy County?

18 A There are quite a few.

19 Q You'll have to give me an estimate.

20 A I wouldn't even want to guess.

21 Q How many are there on your map?

22 A Probably on the order of 100.

23 Q Do you think it's practical to have 100
24 Morrow gas pools in an area this large?

25 A I would say, no, I don't -- yes, I don't

1 know.

2 Q Let's go off the record.

3 (There followed a discussion off
4 the record.)

5 MR. STAMETS: Are there any further ques-
6 tions of the witness? He may be excused.

7 Anything further in this case?

8 The case will be taken under advisement.

9
10 (Hearing concluded.)

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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

SALLY WALTON BOYD
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Santa Fe, New Mexico 87501

Talked to Conrad Cottrell
subsequent to hearing. He asked we
delay action on this application
pending USGS action on 102
application.

No OCD reason to not classify
in same pool. It is a
new reservoir but not practical
to name new pool each time
new Penna reservoir found

RLS 9-12-79

215-36E | Re Cases No 6635, 6636 + 6637
Sec 23, has no NSP order as it is a
standard 640 Ac. praction Sp. Area.
But new well has been approved
administratively as to unorthodox location:
Perm. Order NSH-1040 date 6/4/79.

E² Sec 10 - 215-36E

~~Has been transferred to NSP~~

Order No. NSP-77A, dated 1-24-55, approved the 320
acre NSP Unit.

W² Sec 31 - 205-37

Order NO. NSP-99, dated 3-2-55 approved the 320
acre NSP Unit.

INTER-OFFICE COMMUNICATION

MIDLAND OFFICE

DATE May 9, 1979

TO: Files

FOR: MR.

FROM: MR. D. L. Davis

RE: Big Eddy Unit No. 66
Pressure Buildup Analysis
File: 400-WF

BHP data, following a 4 point test on April 6, 1979, has been analyzed for the Morrow formation in the subject well. The average daily rate for the well was 636 MCF on 6/64" ck. The following results were calculated using the PARD program:

Permeability (mds)	.83
Completion Efficiency (%)	29.7
p* (psig)	5187.0
gradient, psi/ft	0.4226

The following data were used in the analysis:

Porosity (%)	6
Net Pay (ft)	10
Total Production (MCF)	318

The above results show low permeability. The gradient is slightly below our assumed normal Morrow gradient, which could indicate a limited reservoir. Δp vs Δt curve shows no obvious fracturing (possibly hidden in transition zone).

D. L. Davis
D. L. Davis

DLD:gp

cc: J. E. Greve

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

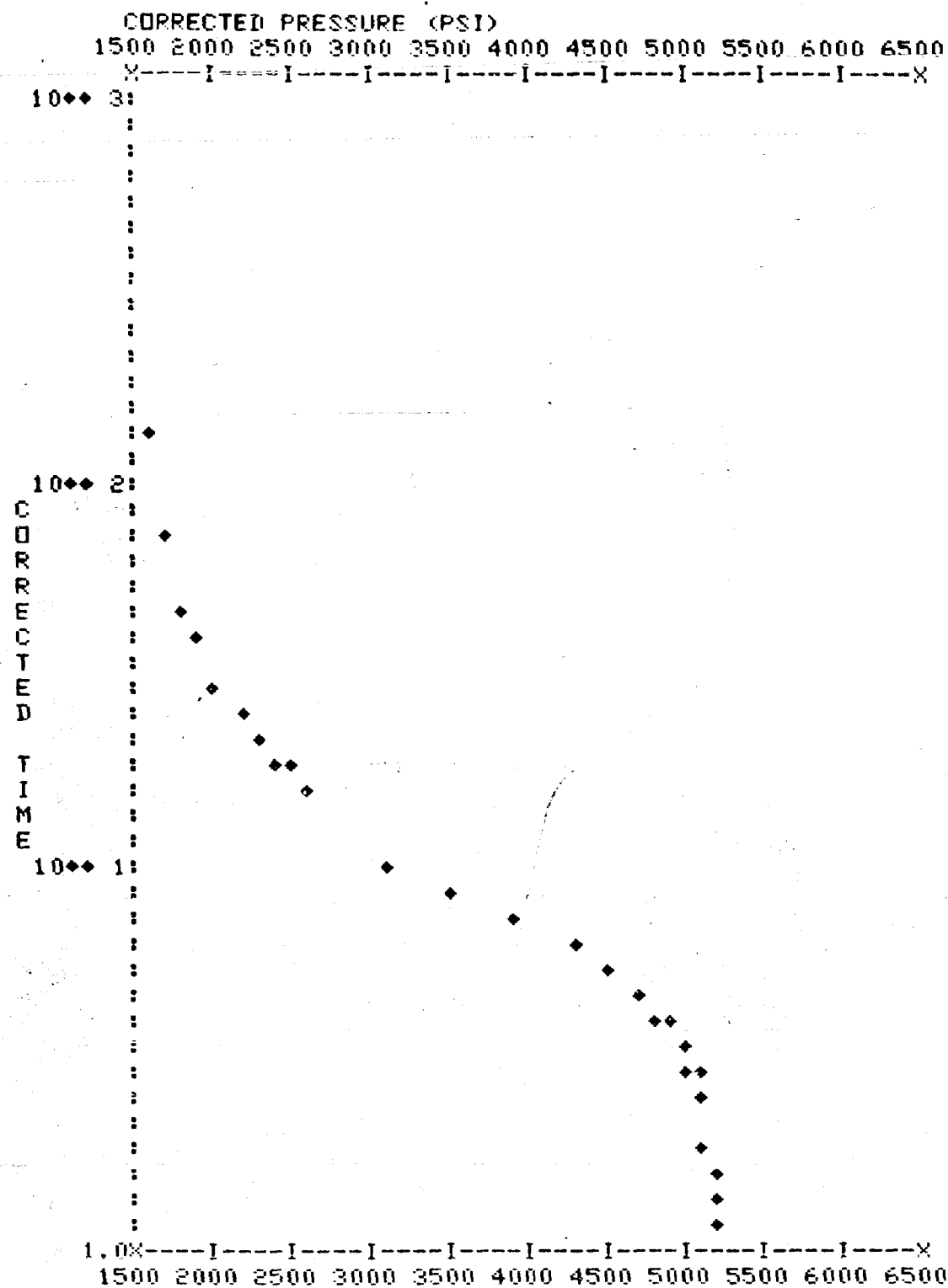
EXHIBIT NO. 3

CASE NO. 61642

Submitted by Bass

Hearing Date 9-5-79

MORROW GAS
EDDY CO, N.M.



1-

END-OF-JOB
READY.

?

BIG EDDY UNIT NO 66
 MORRISON GAS
 EDDY CO, N.M.

P R E S S U R E B U I L D - U P A N A L Y S I S

POINTS USED	RADIUS FEET, FT	SLOPE PSI/CYC	K (MDS)	P.I. M/D/PSI	COMPL. EFF., %	SIBHP PSIG	AVG. P PSIG
1- 2	25.	436.4	0.50	0.55	222.3	1694.	2494.
2- 4	30.	786.4	0.25	0.34	237.2	1927.	3133.
4- 6	34.	1343.0	0.13	0.23	261.0	2156.	3990.
6- 8	36.	1713.3	0.10	0.19	272.4	2360.	4499.
8-10	38.	2456.3	0.07	0.15	291.4	2584.	5425.
10-11	42.	2975.0	0.05	0.13	308.3	3065.	6030.
11-13	48.	4376.4	0.04	0.10	340.3	3917.	7421.
13-15	53.	5269.6	0.03	0.09	362.1	4549.	8149.
15-18	60.	3044.4	0.05	0.11	282.3	4909.	6640.
18-21	79.	1045.2	0.15	0.14	135.1	5055.	5507.
21-23	163.	441.9	0.35	0.15	65.4	5145.	5242.
23-29	512.	186.1	0.83	0.16	29.7	5175.	5187.

POINT	PRESSURE	CORRECTED PRESSURE [§]	DT (HOURS)	(T+DT)/DT	CORRECTED (T+DT)/DT ^{§§}	
ΔP^2						
1	1564.	1564.	15.1x10 ³	0.10	121.000	135.349
2	1694.	1694.	64.0	0.20	61.000	68.155
3	1821.	1821.	144.0	0.30	41.000	45.758
4	1927.	1927.	236.0	0.40	31.000	34.539
5	2044.	2044.	364.0	0.50	25.000	27.840
6	2156.	2156.	511.0	0.60	21.000	23.361
7	2262.	2262.	674.0	0.70	18.143	20.162
8	2360.	2360.	846.0	0.80	16.000	17.762
9	2467.	2467.	1.05x10 ⁴	0.90	14.333	15.896
10	2584.	2584.	1.31	1.00	13.000	14.403
11	3065.	3065.	2.64	1.50	9.000	9.925
12	3534.	3534.	4.38	2.00	7.000	7.687
13	3917.	3917.	6.13	2.50	5.800	6.345
14	4279.	4279.	8.05	3.00	5.000	5.450
15	4549.	4549.	9.66	3.50	4.429	4.811
16	4720.	4720.	10.6	4.00	4.000	4.333
17	4832.	4832.	11.5	4.50	3.667	3.960
18	4909.	4909.	12.0	5.00	3.400	3.663
19	4990.	4990.	12.6	6.00	3.000	3.216
20	5028.	5028.	12.9	7.00	2.714	2.898
21	5055.	5055.	13.1	8.00	2.500	2.659
22	5079.	5079.	13.2	10.00	2.200	2.325
23	5145.	5145.	13.7	20.00	1.600	1.660
24	5158.	5158.	13.8	30.00	1.400	1.439
25	5165.	5165.	13.9	40.00	1.300	1.329
26	5167.	5167.	13.9	50.00	1.240	1.263
27	5170.	5170.	13.9	60.00	1.200	1.219
28	5172.	5172.	13.9	70.00	1.171	1.188
29	5175.	5175.	13.9	80.00	1.150	1.164

§ CORRECTED FOR AFTERFLOW
 §§ CORRECTED FOR SUPERPOSITION

INTER-OFFICE COMMUNICATION

MIDLAND OFFICE

DATE May 9, 1979

TO: Files

FOR: MR.

FROM: MR. D. L. Davis

RE: Big Eddy Unit No. 66
Pressure Buildup Analysis
File: 400-WF

BHP data, following a 4 point test on April 6, 1979, has been analyzed for the Morrow formation in the subject well. The average daily rate for the well was 636 MCF on 6/64" ck. The following results were calculated using the PARD program:

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p* (psig)	5187.0
gradient, psi/ft	0.4226

The following data were used in the analysis:

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The above results show low permeability. The gradient is slightly below our assumed normal Morrow gradient, which could indicate a limited reservoir. Δp vs Δt curve shows no obvious fracturing (possibly hidden in transition zone).

D. L. Davis
D. L. Davis

DLD:gp
cc: J.E. Greve

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 3

CASE NO. 6642

Submitted by Bass

Hearing Date 9-5-79

MORROW GAS
EDDY CO, N.M.

CORRECTED PRESSURE (PSI)

1500 2000 2500 3000 3500 4000 4500 5000 5500 6000 6500

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1500 2000 2500 3000 3500 4000 4500 5000 5500 6000 6500

CORRECTED PRESSURE (PSI)

END-OF-JOB
READY.

?

BIG EDDY UNIT NO 66
 MORROM GAS
 EDDY CO, N.M.

P R E S S U R E B U I L D - U P A N A L Y S I S

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19	4990.	4990.	12.6	6.00	3.000	3.216
20	5028.	5028.	12.9	7.00	2.714	2.898
21	5055.	5055.	13.1	8.00	2.500	2.659
22	5079.	5079.	13.2	10.00	2.200	2.325
23	5145.	5145.	13.7	20.00	1.600	1.660
24	5158.	5158.	13.8	30.00	1.400	1.439
25	5165.	5165.	13.9	40.00	1.300	1.329
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2 CORRECTED FOR AFTERFLOW
 22 CORRECTED FOR SUPERPOSITION

INTER-OFFICE COMMUNICATION

MIDLAND OFFICE

DATE May 9, 1979

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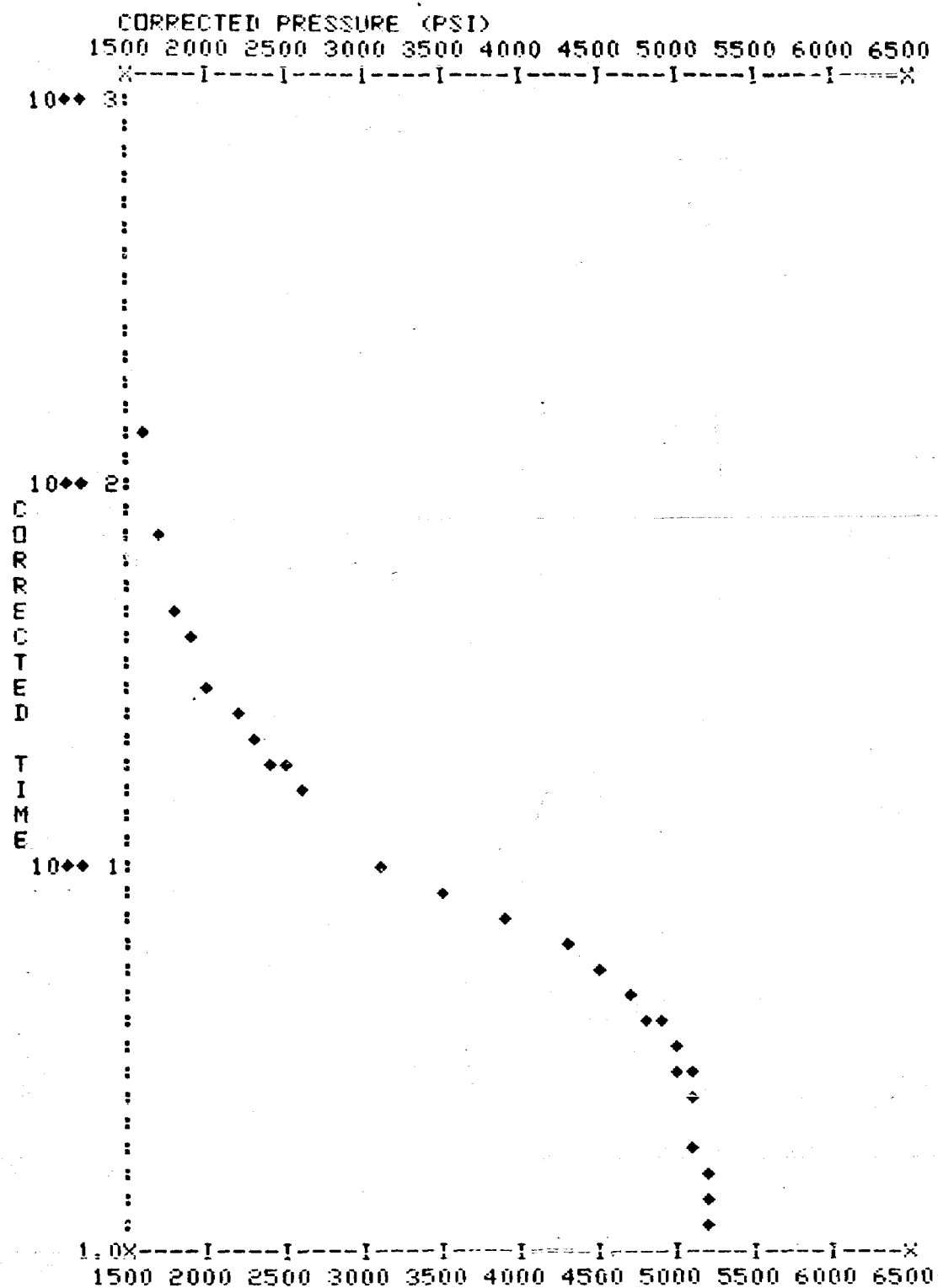
D. L. Davis
D. L. Davis

DLD:gp

cc: J. E. Greve

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION EXHIBIT NO. <u>3</u> CASE NO. <u>6642</u> Submitted by <u>Bass</u> Hearing Date <u>9-5-79</u>
--

MORROW GAS
EDDY CO, N.M.



END-OF-JOB
READY.

?

BIG EDDY UNIT NO 66
MORROW GAS
EDDY CO, N.M.

P R E S S U R E B U I L D - U P A N A L Y S I S

POINTS USED	RADIUS FELT, FT	SLOPE PSI/CYC	K (MDS)	P.I. M/D/PSI	COMPL. EFF., %	SIBHP PSIG	AVG. P PSIG
1- 2	25.	436.4	0.50	0.55	222.3	1694.	2494.
2- 4	30.	786.4	0.25	0.34	237.2	1927.	3133.
4- 6	34.	1343.0	0.13	0.23	261.0	2156.	3990.
6- 8	36.	1713.3	0.10	0.19	272.4	2360.	4499.
8-10	38.	2456.3	0.07	0.15	291.4	2584.	5425.
10-11	42.	2975.0	0.05	0.13	308.3	3065.	6030.
11-13	48.	4376.4	0.04	0.10	340.3	3917.	7421.
13-15	53.	5269.6	0.03	0.09	362.1	4549.	8149.
15-18	60.	3044.4	0.05	0.11	282.3	4909.	6640.
18-21	79.	1045.2	0.15	0.14	135.1	5055.	5507.
21-23	163.	441.9	0.35	0.15	65.4	5145.	5242.
23-29	512.	186.1	0.33	0.16	29.7	5175.	5187.

POINT	PRESSURE	CORRECTED PRESSURE ²	DT (HOURS)	(T+DT)/DT	CORRECTED (T+DT)/DT ²
Δp^2					
1	1564.	1564.	15.1x10 ³	0.10	121.000
2	1694.	1694.	64.0	0.20	61.000
3	1821.	1821.	144.0	0.30	41.000
4	1927.	1927.	256.0	0.40	31.000
5	2044.	2044.	364.0	0.50	25.000
6	2156.	2156.	511.0	0.60	21.000
7	2262.	2262.	674.0	0.70	18.143
8	2360.	2360.	846.0	0.80	16.000
9	2467.	2467.	1.05x10 ⁴	0.90	14.333
10	2584.	2584.	1.31	1.00	13.000
11	3065.	3065.	2.64	1.50	9.000
12	3534.	3534.	4.38	2.00	7.000
13	3917.	3917.	6.13	2.50	5.800
14	4279.	4279.	8.05	3.00	5.000
15	4549.	4549.	9.66	3.50	4.429
16	4720.	4720.	10.6	4.00	4.000
17	4832.	4832.	11.5	4.50	3.667
18	4909.	4909.	12.0	5.00	3.400
19	4990.	4990.	12.6	6.00	3.000
20	5028.	5028.	12.9	7.00	2.714
21	5055.	5055.	13.1	8.00	2.500
22	5079.	5079.	13.2	10.00	2.200
23	5145.	5145.	13.7	20.00	1.600
24	5158.	5158.	13.8	30.00	1.400
25	5165.	5165.	13.9	40.00	1.300
26	5167.	5167.	13.9	50.00	1.240
27	5170.	5170.	13.9	60.00	1.200
28	5172.	5172.	13.9	70.00	1.171
29	5175.	5175.	13.9	80.00	1.150

2 CORRECTED FOR AFTERFLOW
22 CORRECTED FOR SUPERPOSITION

HINKLE, COX, EATON, COFFIELD & HENSLEY

1000 FIRST NATIONAL BANK TOWER

POST OFFICE BOX 3580

MIDLAND, TEXAS 79702

(915) 683-4691

OF COUNSEL
CLARENCE E. HINKLE

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

ROSWELL, NEW MEXICO OFFICE
600 HINKLE BUILDING
(505) 622-6510ONLY ATTYS. COFFIELD, MARTIN, BOZARTH,
BOHANNON, FOSTER, ALLEN, ALLEN & BURFORD
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C. RAY ALLEN
JACQUELINE W. ALLEN
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD
JOHN S. NELSON
RICHARD E. OLSONOIL CONSERVATION DIVISION
SANTA FE

August 20, 1979

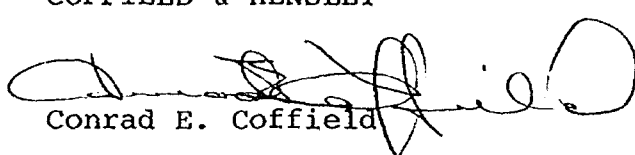
Mr. Dan Nutter
Chief Engineer
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501Re: Bass Enterprises Production
Company Application for
Creation of New Pool, Eddy
County, New Mexico

Dear Dan:

In accordance with our recent telephone conversation, enclosed you will find a revised Application which I believe will be in accord with the manner in which you have proposed to advertise this case. I have drafted the Application in such a fashion as to request the limitation of the previously created Indian Flats Morrow Gas Pool with horizontal limits so that the S $\frac{1}{2}$ Section 25, Township 21 South, Range 28 East, N.M.P.M., Eddy County, New Mexico is excluded. At the same time, the enclosed Application requests the creation of a new pool, being the Northeast Indian Flats Pool with horizontal limits embracing the identical S $\frac{1}{2}$ Section 25, Township 21 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Triplicate executed counterparts of this Application are enclosed, and I assume this is all that is needed in order to complete your file and have this properly set for hearing with the cases to be heard on September 5. However, if anything in addition is needed, please call.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

Conrad E. Coffield
CEC:rh
Enclosures

xc: Mr. J. E. Pullig
Bass Enterprises
Production Company
Post Office Box 2760
Midland, Texas 79702
xc: Mr. Jens Hansen
Bass Enterprises
Production Company
3100 Fort Worth Natl. Bank
Fort Worth, Texas 76002

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

APPLICATION OF BASS)
ENTERPRISES PRODUCTION)
COMPANY FOR LIMITATION)
OF POOL RULES AND POOL)
CREATION, EDDY COUNTY,)
NEW MEXICO)

APPLICATION

Bass Enterprises Production Company hereby makes application for limitation of pool rules and pool creation in connection with certain Eddy County, New Mexico lands as follows:

1. Applicant seeks a horizontal limitation of the Indian Flats-Morrow Gas Pool such that S $\frac{1}{2}$ Section 25, Township 21 South, Range 28 East, N.M.P.M., Eddy County, New Mexico is excluded therefrom.

2. In addition, Applicant seeks creation of a new gas pool in Eddy County, New Mexico for the production of gas from the Morrow formation with said pool to bear the designation of Northeast Indian Flats Pool. Said proposed Northeast Indian Flats Pool was discovered by the Big Eddy Unit Well No. 66 located in Unit K of Section 25, Township 21 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. It was completed April 6, 1979 in the Morrow formation.

3. The horizontal limits of the new pool should consist of the following described area:

Township 21 South, Range 28 East, N.M.P.M.

Section 25: S $\frac{1}{2}$

4. Matters urged by Applicant herein are in the interest of conservation, prevention of waste and protection of correlative rights.

5. Applicant requests that this matter be heard at the
September 5, 1979 Examiner's hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 

Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Bass Enterprises
Production Company

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

APPLICATION OF BASS)
ENTERPRISES PRODUCTION)
COMPANY FOR LIMITATION)
OF POOL RULES AND POOL)
CREATION, EDDY COUNTY,)
NEW MEXICO)

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HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 

Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Bass Enterprises
Production Company

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

APPLICATION OF BASS)
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COMPANY FOR LIMITATION)
OF POOL RULES AND POOL)
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NEW MEXICO)

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HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 

Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Bass Enterprises
Production Company

HINKLE, COX, EATON, COFFIELD & HENSLEY

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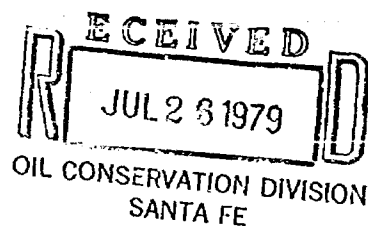
July 24, 1979

Mr. Dan Nutter
Chief Engineer
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501Re: Bass Enterprises Production
Company Application for
Creation of New Pool,
Eddy County, New Mexico

Dear Dan:

Transmitted herewith you will find triplicate executed
copies of an Application for Bass Enterprises Production
Company for creation of a new pool consisting of S $\frac{1}{4}$
Section 25, Township 21 South, Range 28 East, N.M.P.M.,
Eddy County, New Mexico.My client would appreciate this matter being set on
the docket for a date in early September, 1979.I trust that the enclosed copies of the Application
are all that is needed in order for this to be set for
an early September hearing. However, if anything is needed
in addition, please let me know.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY
Conrad E. CoffieldCEC:rf
Enclosures

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

APPLICATION OF BASS)
ENTERPRISES PRODUCTION)
COMPANY FOR POOL CREATION,)
EDDY COUNTY, NEW MEXICO)

Case 6642

APPLICATION

Bass Enterprises Production Company hereby makes
application for pool creation and states:

1. Applicant seeks an order creating a new gas pool in
Eddy County, New Mexico, for the production of gas from the
Morrow formation, said pool to bear the designation of
Northeast Indian Flats Pool. Said Indian Flats Pool was
discovered by the Big Eddy Unit Well No. 66 located in Unit
K of Section 25, Township 21 South, Range 28 East, N.M.P.M.,
Eddy County, New Mexico. It was completed April 6, 1979 in
the Morrow formation.

2. The new pool should consist of the following described
area:

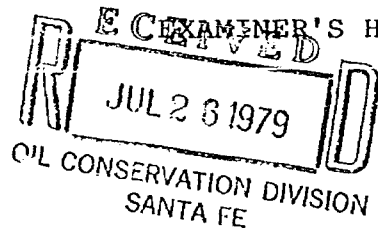
Township 21 South, Range 28 East, N.M.P.M.

Section 25: S $\frac{1}{2}$

3. Approval of the creation of a new pool will be in the
interest of conservation, prevention of waste and protection
of correlative rights.

4. APPLICANT REQUESTS THAT THIS MATTER BE HEARD AT AN

EXAMINER'S HEARING IN EARLY SEPTEMBER, 1979.



HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: Conrad E. Coffield
Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Bass Enterprises
Production Company

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

APPLICATION OF BASS)
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COMPANY FOR POOL CREATION,)
EDDY COUNTY, NEW MEXICO)

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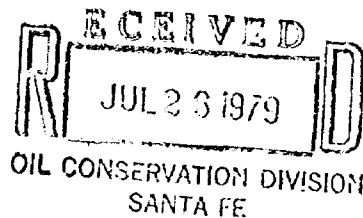
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HINKLE, COX, EATON,
COFFIELD & HENSLEY

By:

Conrad E. Coffield
Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Bass Enterprises
Production Company



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

APPLICATION OF BASS)
ENTERPRISES PRODUCTION)
COMPANY FOR POOL CREATION,)
EDDY COUNTY, NEW MEXICO)

Case 6642

APPLICATION

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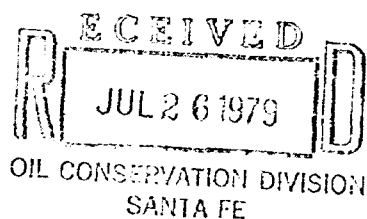
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HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: Conrad E. Coffield
Conrad E. Coffield
Post Office Box 3580
Midland, Texas 79702
Attorneys for Bass Enterprises
Production Company



DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

dr/

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

CASE NO. 6642

Order No. R- 6658

APPLICATION OF BASS ENTERPRISES
PRODUCTION COMPANY FOR POOL CONTRACTION
AND CREATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 5,
19 79, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of April, 19 81, the Division
Director, having considered the record and the recommendations of
the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6642 is hereby dismissed.

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