CASE 6649: MORRIS R. ANTWEIL FOR AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO

6649 Application Transcripts. Sman Exhibits

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 Morris R. Antweil for an unorthodox gas well location, Lea County, New Mexico.

CASE 6649

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

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

For the Applicant:

William F. Carr, Esq. CAMPBELL & BLACK P. A. Jefferson Place Santa Fe, New Mexico 87501

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I N D E X

R. M. WILLIAMS

Direct	Examination	рÃ	Mr.	Carr	1
Cross	Evamination	hv i	Mr (Stamote	_

EXHIBITS

Applicant	EXUIDIT	one,	Plat		
Applicant	Exhibit	Two,	Plat		
Applicant	Exhibit	Three	e, Cross Section	n ·	

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
302.0 Plaza Blanca (6.05) 471-2462
Santa Fo, New Mexico 87501

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MR. STAMETS: We'll call next Case 6649.

MR. PADILLA: Application of Morris R.

Antweil for an unorthodox gas well location, Lea County,

New Mexico.

MR. CARR: May it please the Examiner, I'm William F. Carr, appearing on behalf of the applicant. I would like the record to show that we are calling the same witness that testified in the previous case and that he is still under oath.

MR. STAMETS: The record will so show.

R. M. WILLIAMS

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

DIRECT EXAMINATION

BY MR. CARR:

0. Mr. Williams, are you familiar with the application in this case?

A. Yes, I am.

MR. CARR: Mr. Examiner, are the witness' qualifications acceptable?

MR. STAMETS: Yes, he is still considered qualified.

Q (Mr. Carr continuing.) Mr. Williams, will

you briefly state what Morris R. Antweil seeks with this application?

A. Yes. We seek the approval of an unorthodox location to permit the drilling of a Morrow gas test at a location 660 feet from the south line and 1930 feet from the east line of Section 5, Township 12 South, Range 32 East, Lea County, New Mexico; that well to have dedicated to it the 320 acres being the east half of Section 5.

Q. Will you please refer to what has been marked Exhibit One and explain this to the Examiner?

A. Exhibit Number One shows the proposed location marked with the red spots, the proposed gas spacing proration unit, being the east half of Section 5. It shows the Mississippian oil well completion, the No. 1 Landlady Well, immediately to the south of our proposed location, and shows the location of the dry Morrow test in the vicinity of the proposed location.

Q. Will you refer to Exhibit Number Two and explain this to the Examiner?

A. Yes, Exhibit Two shows the proposed location that we are seeking and the acreage controlled by Antweil in this area, trying to demonstrate that we're not crowding other operators by our application.

Q. Will you now refer to Exhibit Number Three and explain this to the Examiner?

SALLY WALTON BOY CENTRIED SHORTHAND REPORT 3010 Plaza, Blanca (601), 471-34 Santa Fo, New Moxico 3750 The Exhibit Number Three is again the cross section that we used in the previous case to try to show here our reasoning for asking an unorthodox location for a Morrow -- possible Morrow completion for this well.

We propose to drill immediately north of our No. 1 Landlady Well, which is shown on the -- the log is shown on the cross section. That well will be drilled to a total depth sufficient to test both the Morrow and the Chester formations. If a completion is realized in the Chester, of course, we would expect it to be an oil completion, and would be bound by the 160-acre spacing rules that have been requested for the North Caprock Mississippian Field.

But our primary objective when we got into this area and drilled two wells already, has been a Morrow sand that showed on the older Murphy Well in the northwest quarter of Section 8. There's a well developed Morrow sand in that Murphy Well that was not tested. This was drilled as a Devonian test before the Morrow became a primary objective, and the log indicates good sand development in the Murphy Well. We drilled, on that basis, we drilled our No. 1 Landlady Well. The sand encountered in the Morrow in the Landlady Well was not -- did not have the porosity development and was not gas productive. Drilling the Well on through the Chester we discovered that the Chester pro-

LLY WALTON BOY'D IPPED SHORTHAND REPORTER PLAZE BEINGE (605) 471-246: nte Fo, New Moxico 575(1) 2

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Well in Section 9. We encountered the Morrow sand; had some porosity development; drill stem tested that interval and actually flowed 420 Mcf of gas per day, but the pressure data, we felt, indicated that the well could not be completed commercially and pipe was not -- was not run to attempt a completion. And of course you'll also note that the Buddy Well did not encounter the Chester sand pay development, and it was plugged as a dry hole.

Our proposal now to drill north of the Landlady Well to test both intervals. We still feel that locating this Morrow sand developed is a primary objective and so we're asking for the 320-acre unorthodox location for the well in the event of a Morrow completion. We're locating the well at an unorthodox location in regard to the Morrow to give us a direct offset to the Chester production and increase our chances of picking up the Chester pay or evaluating how far that sand runs in any direction.

0. Mr. Williams, were Exhibits One through Three prepared by you?

A. Yes.

MR. CARR: At this time, Mr. Examiner, we would offer Exhibits One through Three into evidence.

MR. STAMETS: These exhibits will be ad-

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Mr. Williams, back in the olden days Q. everybody used to draw the Mississippian at the base of the Barnet Shale, and the last few hearings people have started drawing the Mississippian below this Chester section.

CROSS EXAMINATION

Is there any significance to this? Is this a new -- new geologic thought in the area?

I'm an engineer and not a geologist. I understand there's an argument between -- between many of the geologists whether the Chester is the first member of the Mississippian or the last member of the Pennsylvanian.

The top of the Chester that is indicated on the cross section is the base of the Barnet, and my understanding is that below the Barnet you should be in Mississippian. Chester normally is a Mississippian type limestone, but is distinctive from the -- from the massive Mississippian limestone that's found deeper, and in consultation with the Oil Conservation Division people, they wish to call this a

Mississippian oil well compelted in the Chester.

MR. STAMETS: Any other questions? The witness may be excused.

Anything further in this case?

MR. CARR: Nothing further.

MR. STAMETS: The case will be taken under

advisement.

(Hearing concluded.)

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.
19.77
heard by me on
Oil Conservation Division

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STATE OF NEW MEXICO EHERGY AND MINERALS DEPARTMENT Oil Conservation Division State Land Office Building Santa Pe, New Mexico 5 Suptember 1979

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CASE 6649

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Direct Examination by Mr. Carr

Cross Examination by Mr. Stamets

EXHIBITS

Applicant Exhibit One, Plat Applicant Exhibit Two, Plat

Applicant Exhibit Three, Cross Section

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SALLY WALTON BOYD
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10 Plaza Blanca (606) 471-346
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MR. CARR: Nothing further.

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(Hearing concluded.)

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No.

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Conservation Division

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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.



Other

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING BANTA FE, NEW MEXICO 87501 1505) 827-2434

September 25, 1979

Mr. William F. Carr Campbell and Black	Re: CASE NO. 6649 ORDER NO. R-6125
Attorneys at Law Post Office Box 2208 Santa Fe, New Mexico	Applicant:
•	Morris R. Antweil
Dear Sir:	
Enclosed herewith are two conditions order recently enterested	ppies of the above-referenced ered in the subject case.
Yours very truly, JOE D. RAMEY Director	i.
•	
JDR/fd	
Copy of order also sent to:	
Hobbs OCD x Artesia OCD x	

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. 6649 Order No. R-6125

APPLICATION OF MORRIS R. ANTWEIL FOR AN UNORTHODOX GAS WELL LOCATION, 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, Morris R. Antweil, seeks approval of an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line of Section 5, Township 12 South, Range 32 East, NMPM, to test the Morrow formation, Lea County, New Mexico.
- (3) That the E/2 of said Section 5 is to be dedicated to the well.
- (4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location.
- (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

-2-Case No. 6649 Order No. R-6125

loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

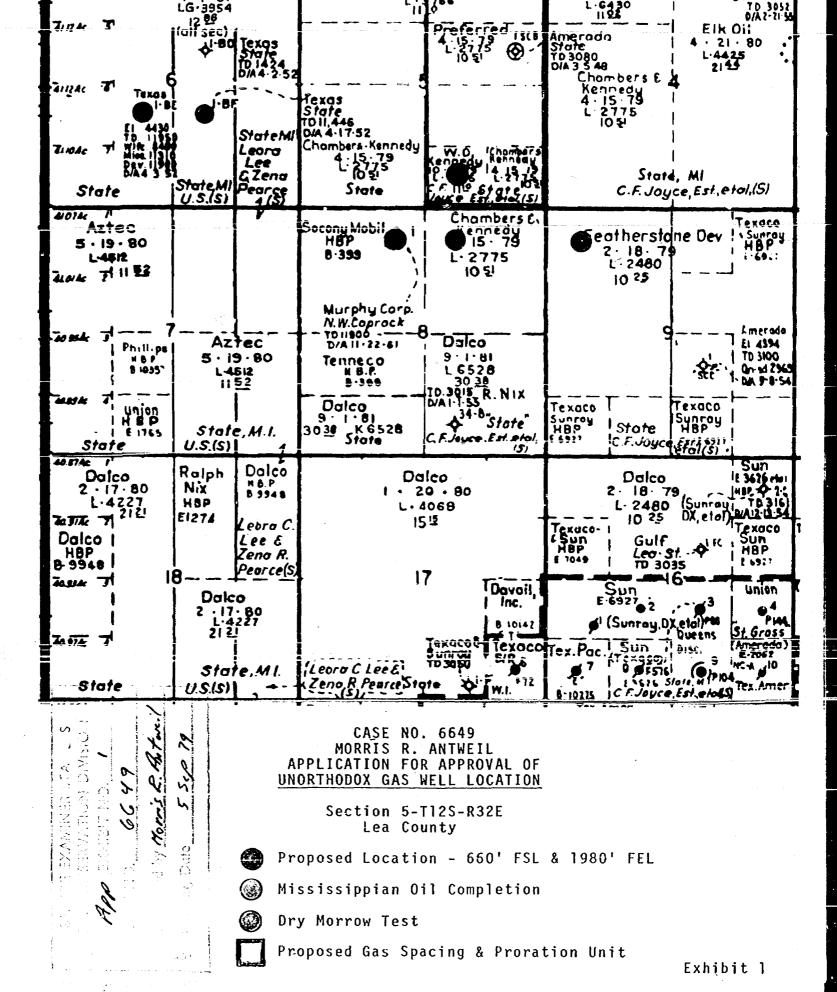
- (1) That Morris R. Antweil is hereby granted an unorthodox gas well location for the Morrow formation for a well to be drilled at a point 660 feet from the South line and 1980 feet from the East line of Section 5, Township 12 South, Range 32 East, NMPM, Lea County, New Mexico.
- (2) That the E/2 of said Section 5 shall be dedicated to the above-described well.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

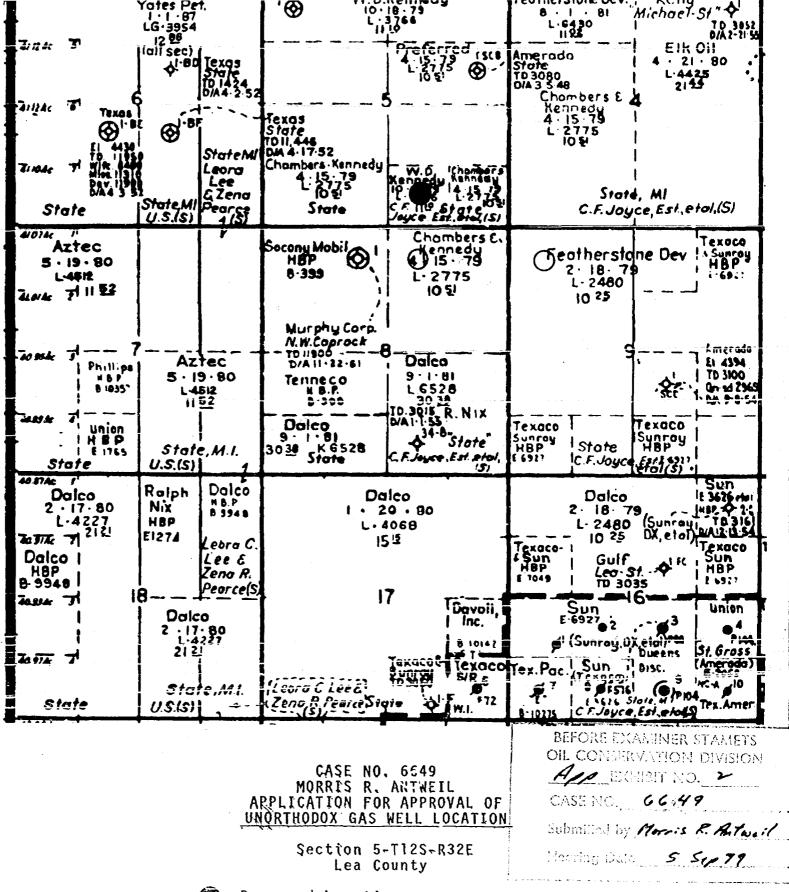
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
JOE D. RAMEY

/ Director

SEAL

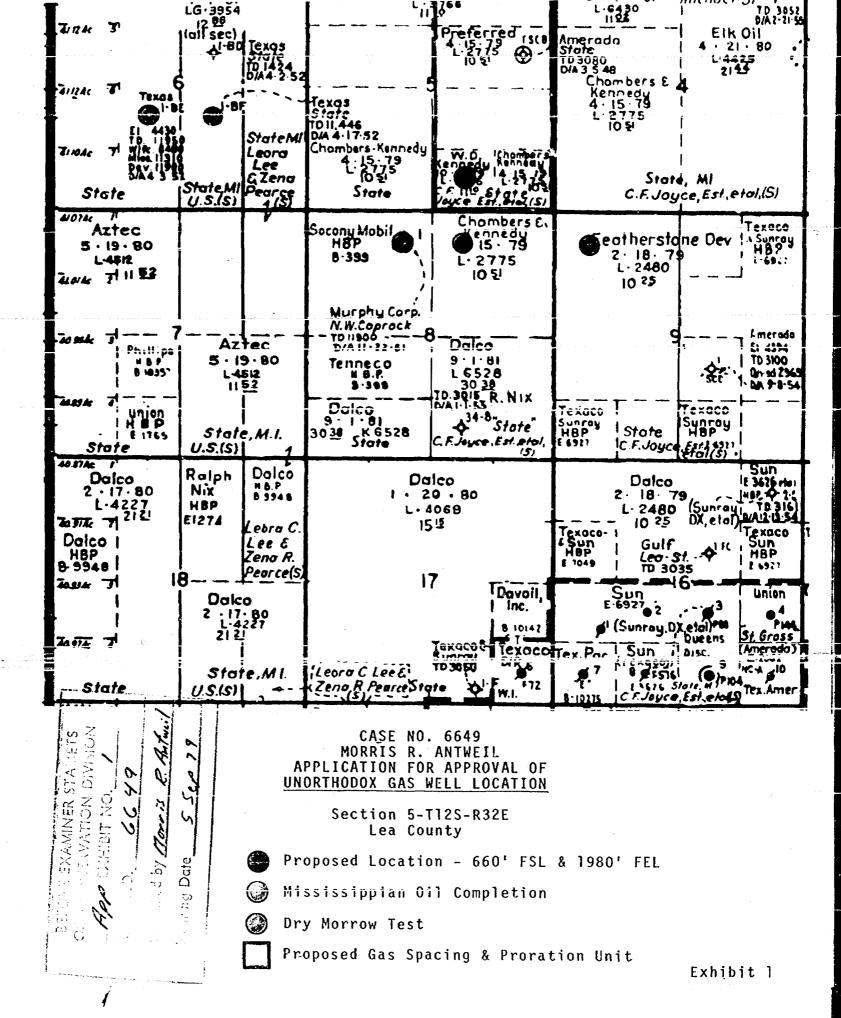




Proposed Location

Acreage Controlled by Antweil

Exhibit 2



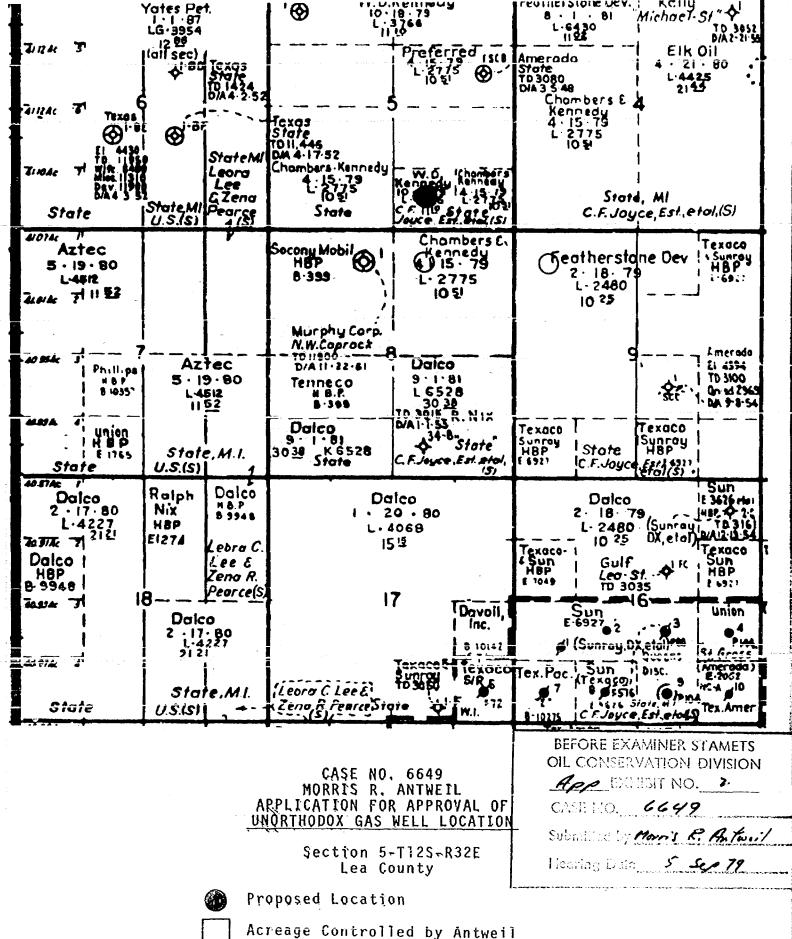
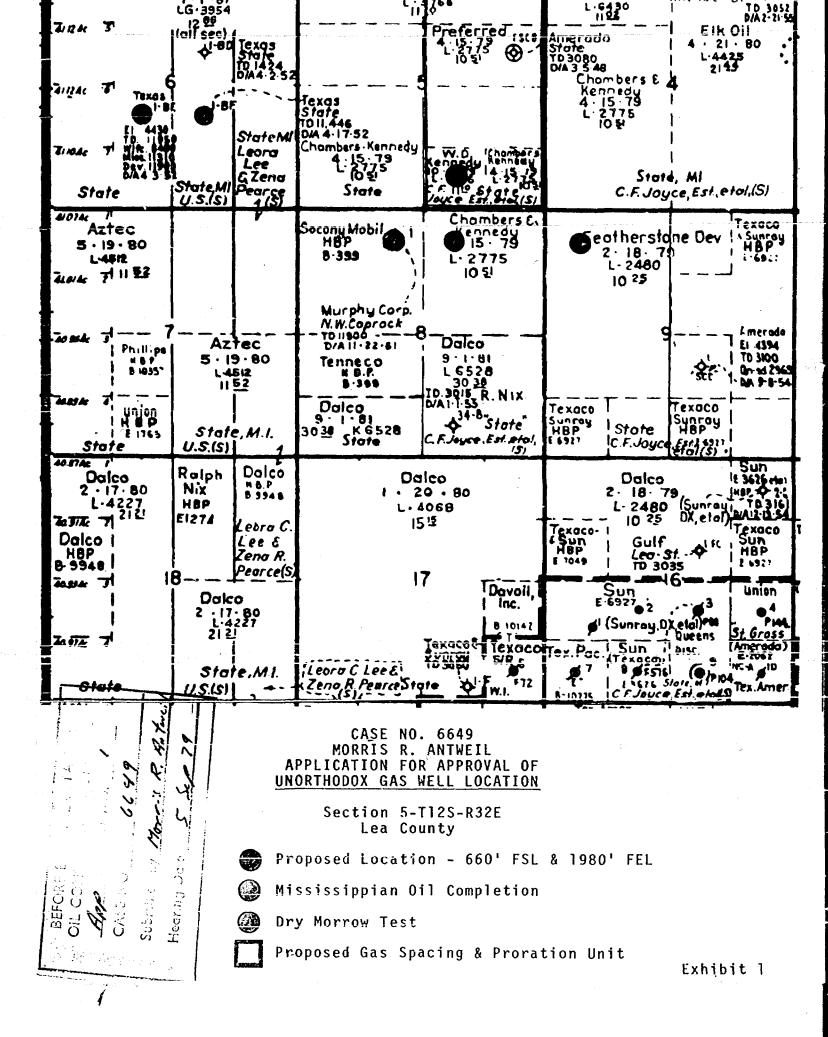
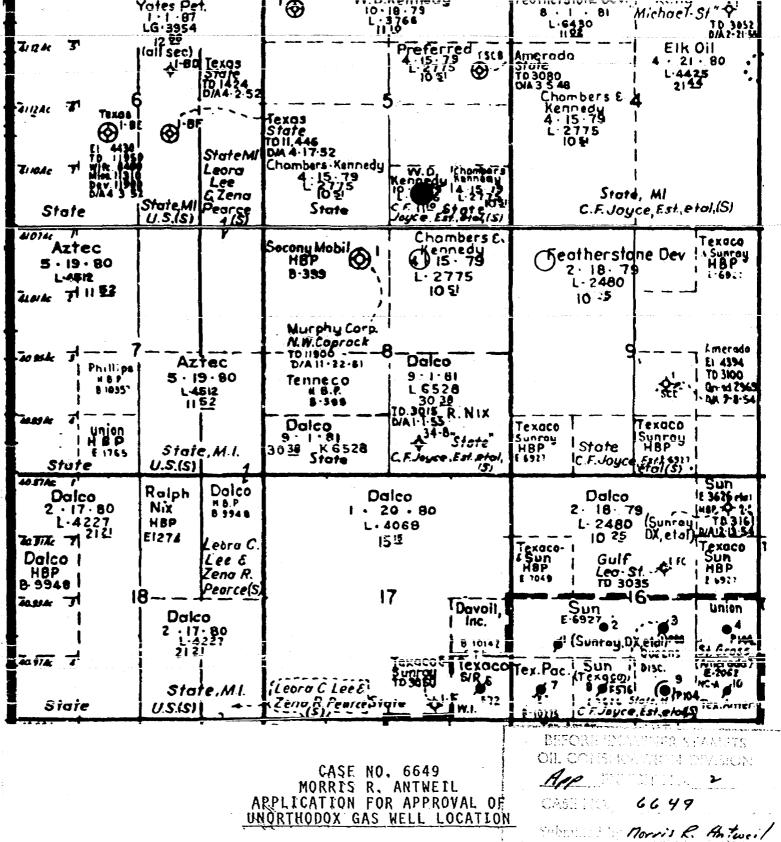


Exhibit 2





Section 5-T12S-R32E Lea County

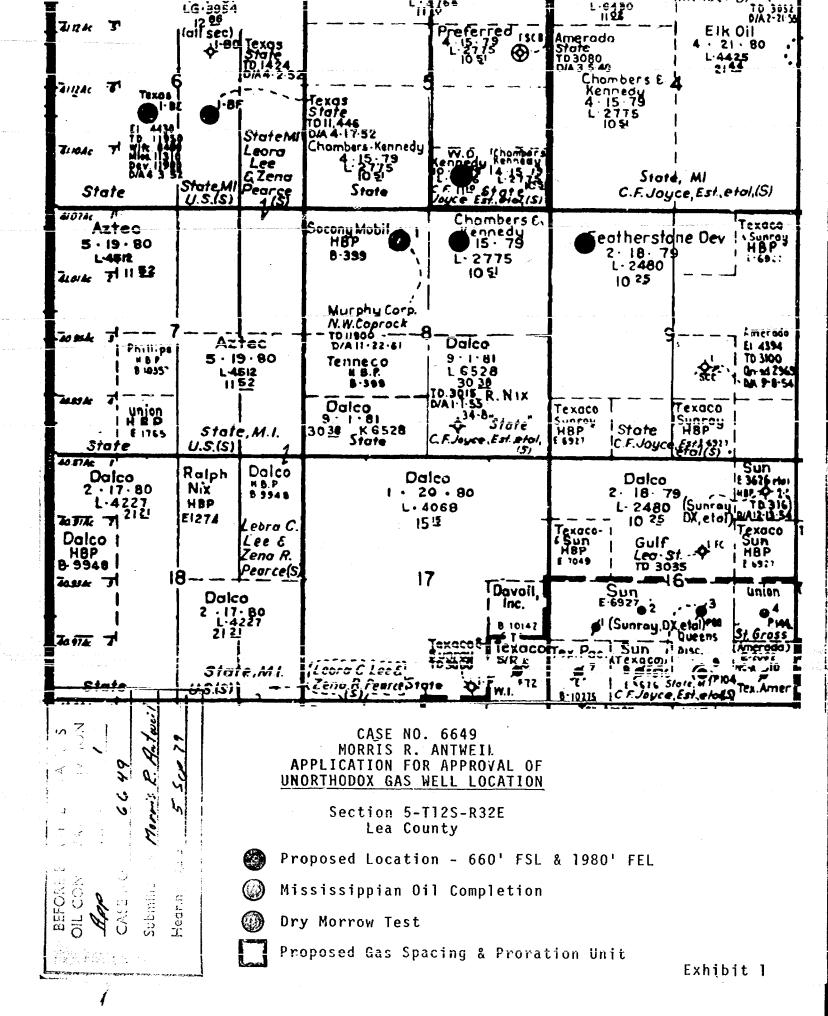
Proposed Location

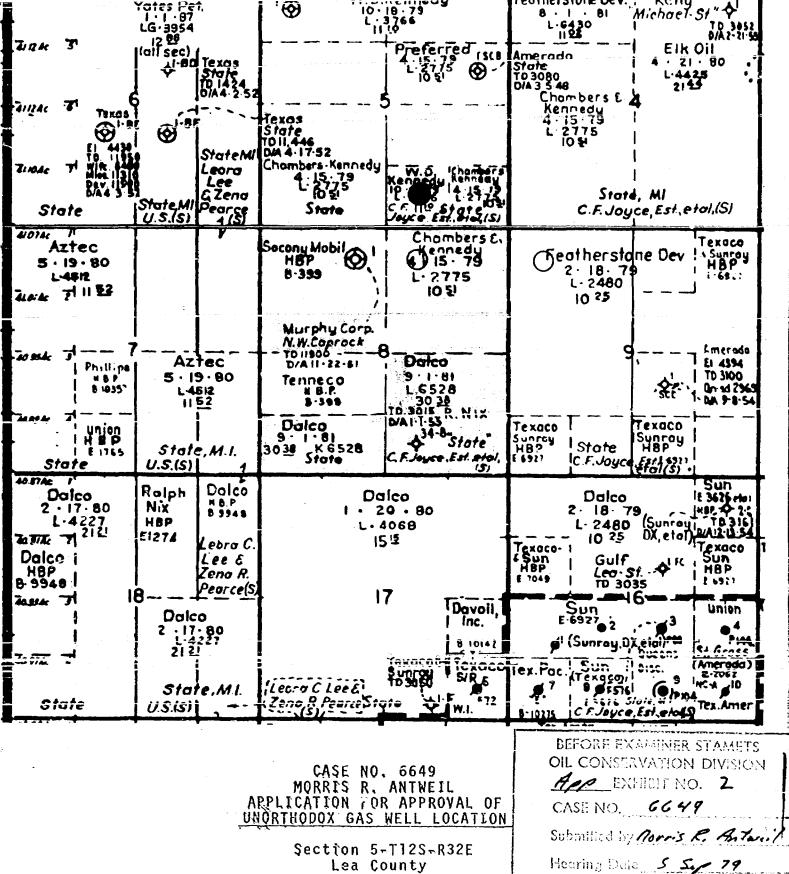
Acreage Controlled by Antweil

Exhibit 2

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Lea County

Proposed Location

Acreage Controlled by Antweil

Exhibit 2

- CASE 6645: Application of Depco Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Apache Springs Unit Area, comprising 31,199 acres, more or less, of State, federal, and fee lands in Townships 10, 11, and 12 South, Ranges 30 and 31 East.
- CASE 6646: Application of Belco Petroleum Corporation for approval of infill drilling and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of its James Ranch Unit Well No. 10 to be located in Unit N of Section 1, Township 23 South, Range 30 East, Morrow formation, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6638: (Continued from August 22, 1979, Examiner Hearing)

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 6647: Application of O. H. Berry for an unorthodox gas well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Seven Rivers well to be located 1650 feet from the North line and 330 feet from the East line of Section 15, Township 24 South. Range 36 East, Jalmat Gas Pool, the NE/4 of said Section 15 to be dedicated to the well.
- Application of Morris R. Antwell for pool creation and special pool rules, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks the creation of a new Mississippian oil pool for its
 Landlady Well No. 1 located in Unit B of Section 8, Township 12 South, Range 32 East, and special
 rules therefor, including 160-acre oil well spacing and a 4,000 to 1 gas-oil ratio.
- CASE 6649: Application of Morris R. Antweil for an unorthdox gas well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be located 660 feet from the South line and 1980 feet from the East line of Section 5, Township 12 South, Range 32 East, the E/2 of said Section 5 to be dedicated to the well.
- Application of Doyle Hartman for compulsory pooling, non-standard gas proration unit, and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the W/2 NE/4 of Section 36, Township 24 South, Range 36 East, to form an 80-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the North line and 1650 feet from the East line of said Section 36. 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 6651: Application of Alpha Twenty-One Production Company for a non-standard proration unit, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of its El Paso Plant Well No. 1 at an unorthodox location 1650 feet from the South line and 660 feet from the West line of Section 32 Tourship 23 South, Range 37 Feet, Johnstoff Cas Pool, is necessary to effectively and efficiently drain that portion of the non-standard proration unit, to comprise the N/2 SW/4 of said Section 32, which cannot be so drained by the existing well.
- CASE 6652: Application of Shell Oil Company for statutory unitization, less County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of a pressure maintenance project, all mineral interests in the North Hobbs Grayburg-San Andres Unit encompassing 10,650 acres, more or less, underlying all or portions of the following lands in Lea County, New Mexico: Sections 13, 14, 23, 24, 25, 26, and 36, Township 18 South, Range 37 East; Sections 17 thru 21 and 27 thru 34, Township 18 South, Range 38 East.

The unitized interval would be the Grayburg-San Andres Formation between the depths of 3,698 feet and 4,500 feet in Shell's State A Well No. 7, located in Unit H of Section 32, Township 18 South, Range 38 East.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations. (This case will be continued to September 19, 1979.)

OIL CONSERVATION DIVISION OIL CONSERVATION DIVISION SANTA FE

BEFORE THE

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

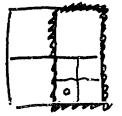
IN THE MATTER OF THE APPLICATION OF MORRIS R. ANTWEIL FOR AN UNORTHODOX GAS WELL LCCATION, LEA COUNTY, NEW MEXICO.

CASE 6649

APPLICATION

Comes now Morris R. Antweil, by its undersigned attorneys, and hereby makes application to the Oil Conservation Division for an unorthodox gas well location and in support thereof, respectfully states:

- 1. Applicant is the operator of the Pennsylvanian System underlying the E/2 of Section 5, Township 12 South, Range 32 East, N.M.P.M., Lea County, New Mexico, on which it plans to drill a well at a point located 660 feet from the South line and 1980 feet from the East line of said Section 5 to test the Morrow formation.
- 2. Applicant proposes to drill said well at this location to test the Mississipian Formation as well as the Pennsylvanian system.
- Said well is to be drilled and completed at an unorthodox location in the Morrow Formation in the Pennsylvanian system and applicant, therefore, seeks an exception to the well location requirements of Cil Conservation Division Rule 104 B, I, (a) for said well.
- That a standard 320-acre gas proration unit comprising the east half of said Section 5 should be dedicated to said wells.
- 5. That approval of this Application will afford applicant the opportunity to produce its just and equitable share of gas from the Morrow Formation and will protect correlative rights.



WHEREFORE, Morris R. Antweil requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division, that notice be given as required by law and the Rules of the Division and that the Application be approved.

Respectfully submitted,

CAMPBELL AND BLACK, P.A. Attorneys for Applicant Post Office Box 2208 Santa Fe, New Mexcio 87501

William F. Carr

AUG: 0 1979

OIL CONSERVATION DIVISION
SANTA FE

BEFORE THE

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NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF MORRIS R. ANTWEIL FOR AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.

CASE 6649

APPLICATION

Comes now Morris R. Antweil, by its undersigned attorneys, and hereby makes application to the Oil Conservation Division for an unorthodox gas well location and in support thereof, respectfully states:

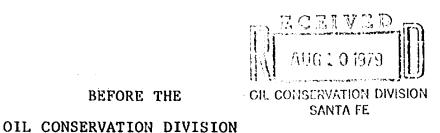
- 1. Applicant is the operator of the Pennsylvanian System underlying the E/2 of Section 5, Township 12 South, Range 32 East, N.M.P.M., Lea County, New Mexico, on which it plans to drill a well at a point located 660 feet from the South line and 1980 feet from the East line of said Section 5 to test the Morrow formation.
- 2. Applicant proposes to drill said well at this location to test the Mississipian Formation as well as the Pennsylvanian system.
- 3. Said well is to be drilled and completed at an unorthodox location in the Morrow Formation in the Pennsylvanian system and applicant, therefore, seeks an exception to the well location requirements of Oil Conservation Division Rule 104 B, I, (a) for said well.
- 4. That a standard 320-acre gas proration unit comprising the east half of said Section 5 should be dedicated to said wells.
- 5. That approval of this Application will afford applicant the opportunity to produce its just and equitable share of gas from the Morrow Formation and will protect correlative rights.

WHEREFORE, Morris R. Antweil requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division, that notice be given as required by law and the Rules of the Division and that the Application be approved.

Respectfully submitted,

CAMPBELL AND BLACK, P.A. Attorneys for Applicant Post Office Box 2208 Santa Fe, New Mexcio 87501

William F. Carr



BEFORE THE

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF MORRIS R. ANTWEIL FOR AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.

CASE 6649

APPLICATION

Comes now Morris R. Antweil, by its undersigned attorneys, and hereby makes application to the Oil Conservation Division for an unorthodox gas well location and in support thereof, respectfully states:

- 1. Applicant is the operator of the Pennsylvanian System underlying the E/2 of Section 5, Township 12 South, Range 32 East, N.M.P.M., Lea County, New Mexico, on which it plans to drill a well at a point located 660 feet from the South line and 1980 feet from the East line of said Section 5 to test the Morrow formation.
- 2. Applicant proposes to drill said well at this location to test the Mississipian Formation as well as the Pennsylvanian system.
- Said well is to be drilled and completed at an unorthodox location in the Morrow Formation in the Pennsylvanian system and applicant, therefore, seeks an exception to the well location requirements of Oil Conservation Division Rule 104 B, I, (a) for said well.
- 4. That a standard 320-acre gas proration unit comprising the east half of said Section 5 should be dedicated to said wells.
- That approval of this Application will afford applicant the opportunity to produce its just and equitable share of gas from the Morrow Formation and will protect correlative rights.

WHEREFORE, Morris R. Antweil requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division, that notice be given as required by law and the Rules of the Division and that the Application be approved.

Respectfully submitted,

CAMPBELL AND BLACK, P.A. Attorneys for Applicant Post Office Box 2208 Santa Fe, New Mexcio 87501

William F. Carr

DRAFT

dr/

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 6649

APPLICATION OF MORRIS R. ANTWEIL

FOR AN UNORTHODOX GAS WELL LOCATION,

LEA 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 September , 1979 , the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises, FIRES. (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, Morris R. Antweil seeks approval of an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line of Section 5 Township 12 South Range 32 East ____, NMPM, to test the Morrow formation, County, New Mexico. (3) That the $\frac{E/2}{}$ of said Section $\frac{5}{}$ is to be dedicated to the well.

- (4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location.

	Case NoOrder 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
	of an excessive number of wells, and will otherwise prevent waste and protect correlative rights. IT IS THEREFORE ORDERED: [1] That an unorthodox gas well location for the Morrow
	IT IS THEREFORE ORDERED:
1	formation is hereby approved for a well to be located at a point 660
	feet from the <u>South</u> line and <u>1980</u> feet from the <u>East</u>
	line of Section 5 , Township 12 South , Range 32 East
	NMPM, County,
	New Mexico.
	(2) That the $\frac{E/2}{}$ of said Section $\frac{5}{}$ shall be dedicated to
	the above-described well.
	(3) That jurisdiction of this cause is retained for the entry of such
	further orders as the Division may deem necessary.
	DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.