

CASE 6784: MERRION & BAYLESS FOR A NON-
STANDARD PROBATION UNIT AND UNORTHODOX
GAS WELL LOCATION, SAN JUAN COUNTY, NEW
MEXICO

CASE NO.

6784

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

March 12, 1980

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

Mr. Robert L. Bayless
Merrion & Bayless
P. O. Box 1541
Farmington, New Mexico 87401

Re: CASE NO. 6784
ORDER NO. R-6281

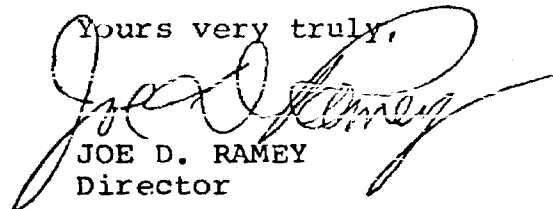
Applicant:

Merrion & Bayless

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 x

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. 6784
Order No. R-6281

APPLICATION OF MERRION & BAYLESS
FOR A NON-STANDARD PRORATION UNIT
AND AN UNORTHODOX GAS WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 13, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of March, 1980, 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, Merrion & Bayless, seeks approval of a 640-acre non-standard gas proration unit comprising the $\frac{E}{2}$ of Section 18 and the $\frac{W}{2}$ of Section 19, Township 32 North, Range 14 West, NMPM, to be dedicated to its Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.

(3) That there is reasonable doubt as to whether the entire non-standard proration unit described above may reasonably be presumed productive of gas from the Barker Creek-Paradox Pool, or that the entire non-standard gas proration unit could be efficiently and economically drained and developed by the aforesaid well.

(4) That at the hearing, applicant proposed that as an alternative to the above-described 640-acre non-standard proration unit, a 320-acre non-standard unit comprising the $\frac{W}{2}$ of

-2-

Case No. 6734
Order No. R-6281

Section 19 only be considered, to be dedicated to the subject well.

(5) That the non-standard unit described in Finding No. (4) above may reasonably be presumed to be productive of gas from the Barker Creek-Paradox Pool, and the entire unit can be efficiently and economically drained and developed by the aforesaid well.

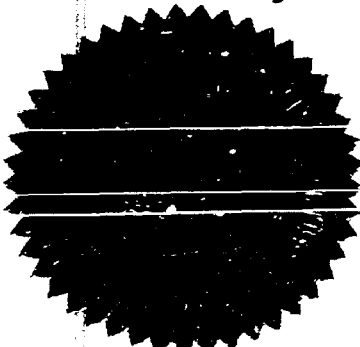
(6) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Barker Creek-Paradox Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling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

IT IS THEREFORE ORDERED:

(1) That the application of Merrion & Bayless for a 640-acre non-standard gas proration unit in the Barker Creek-Paradox Pool comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico, is hereby denied, and a 320-acre non-standard gas proration unit comprising the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, San Juan County, New Mexico, is hereby established and dedicated to applicant's Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.

(2) 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.



S E A L
fd/

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
13 February 1980

EXAMINER HEARING

IN THE MATTER OF:)

Application of Merrion & Bayless for a)
non-standard proration unit and an un-)
orthodox gas well location, San Juan)
County, New Mexico.)

CASE
6784

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

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I N D E X

ROBERT L. BAYLESS STATEMENT 3

E X H I B I T S

Applicant Exhibit A, Diagram 3
Applicant Exhibit B, Log 3
Applicant Exhibit C, Document 3

SALLY W. BOYD, C.S.R.
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1 MR. NUTTER: Call next Case Number 6784.

2 MR. PADILLA: Application of Merrion &

3 Bayless for a non-standard proration unit and an unorthodox
4 gas well location, San Juan County, New Mexico.

5 MR. BAYLESS: Do I remain sworn in?

6 MR. NUTTER: Yes, you're still under oath,

7 Mr. Bayless.

8 MR. BAYLESS: Okay, sir. I would like to

9 submit Exhibits A, B, and C, pertaining to our application
10 on the Ute No. 7 Well, which is located in the southwest of
11 Section 19, 32 North, 14 West, on a Ute Indian lease.

12 If I might, I'll give you one copy and
13 I'll get you another copy in a minute.

14 What we have requested is that we either
15 be allowed a non-standard location -- a non-standard pro-
16 ration unit, comprising the west half of 19 and 18, which
17 is all our lease, all a Ute Indian lease, or that we be al-
18 lowed to dedicate only the 320 acres comprising the west
19 half of 19.

20 This problem was brought about by this
21 situation. The well was originally drilled in 1951. It
22 was cased and completed. It was never connected by pipeline.
23 It was plugged in 1958 without having ever produced into a
24 pipeline.

25 We obtained a lease in 1973 from the Ute

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1 Indian Tribe and starting in August of '79 -- let me back
2 up. We obtained the lease in '74.

3 In August of '79 we re-entered this well,
4 drilled out cement plugs, ran casing to tie back in to the
5 point where it had been cut off, and made a recompletion at-
6 tempt. Our attempt will be shown on Exhibit B, and the re-
7 sults of that attempt are shown on Exhibit B, being our well
8 completion log filed with the USGS.

9 Our accrued expenses to date are shown
10 on Exhibit C.

11 The acreage holders to the west of us,
12 as shown on Exhibit A, being Galloway and Amoco, both of
13 these leases have lapsed through the terms of the lease.
14 They are now -- it is now open Ute Tribal acreage. This
15 lapsed in November.

16 The other acreage involved is shown in
17 yellow adjacent to us, and blue being El Paso and El Paso-
18 Southland Royalty. El Paso is the designated operator of
19 the Paradox formation rights, being the zone we are producing
20 from.

21 We have been operating the well since
22 November -- or producing the well since November under a
23 temporary permission from the Oil Commission, as we had a
24 deadline that we had to meet to hold the lease.

25 I have been led to believe by the USGS

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1 that they would prefer that we not use the long 640 acres,
2 being the west half of 18 and the west half of 19. We have
3 no strong feel ourselves. Our sole interest is in producing
4 the well. It is a low productivity well for this depth and
5 for this amount of investment.

6 I believe that covers my initial presenta-
7 tion. If you have some questions, I'll answer them.

8 MR. NUTTER: Okay, Mr. Bayless.

9 Now, first of all, this is in the Barker
10 Creek-Paradox Pool.

11 MR. BAYLESS: Yes.

12 MR. NUTTER: Which is a gas pool?

13 MR. BAYLESS: Yes.

14 MR. NUTTER: And we have established 640-
15 acre spacing units for that pool?

16 MR. BAYLESS: Yes.

17 MR. NUTTER: So you're seeking primarily
18 a non-standard proration unit, which is the west half of
19 Sections 18 and 19, and would be 640 acres, but the unit's
20 two miles long.

21 MR. BAYLESS: Yes, sir.

22 MR. NUTTER: And a half a mile wide.

23 MR. BAYLESS: Yes, sir. We have no con-
24 trol over where the well happened to be. That's where it
25 was.

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1 MR. NUTTER: And I presume this is on the
2 edge of the pool inasmuch as there's no wells out here to the
3 west of it and the leases have expired.

4 MR. BAYLESS: Yes, sir.

5 MR. NUTTER: Now, this No. 7 well was
6 originally drilled in 1951, was plugged in '58; you obtained
7 the lease in '74 and re-entered the well.

8 MR. BAYLESS: Yes, sir.

9 MR. NUTTER: And spent \$286,000 completing
10 it?

11 MR. BAYLESS: Yes.

12 MR. NUTTER: And now you've got to dedi-
13 cate some land to it and are seeking the non-standard pro-
14 ration unit.

15 MR. BAYLESS: Yes.

16 MR. NUTTER: What is the footage location
17 of the well? Okay, it's on Exhibit Number --

18 MR. BAYLESS: It's on B.

19 MR. NUTTER: B.

20 MR. BAYLESS: It should be. It's 1685
21 from the south and 3335 from the east.

22 MR. NUTTER: And what proration unit would
23 you seek if you were getting a non-standard unit of less than
24 the 640 acres?

25 MR. BAYLESS: The west half of 19.

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MR. NUTTER: Which would be a 320-acre unit, is that it?

MR. BAYLESS: Yes, sir.

MR. NUTTER: And I presume your lease, according to Exhibit Number A, here, goes on up and also includes the southwest quarter of Section 7, is that right?

MR. BAYLESS: That's correct. The top of our lease is the New Mexico State line.

MR. NUTTER: Is that a line that comes across through the middle of Sections 7 and 12, running east/west?

MR. BAYLESS: Yes, it's an east/west line there.

MR. NUTTER: Are there any further questions of Mr. Bayless? He may be excused.

Does anyone have anything further to offer in Case Number 6784?

Mr. Daniel?

MR. DANIEL: Like Mr. Bayless said, we would object to having a two mile long proration unit.

As far as the standard proration unit goes, either way, I don't see any problem, either all of Section 19 or the west half of Section 19.

MR. NUTTER: Thank you. Mr. Bayless, does -- you may have mentioned but I don't remember -- is

()
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1 this El Paso-Southland lease colored in yellow on your Ex-
2 hibit A dedicated to any well or any part of it dedicated to
3 any well?

4 MR. BAYLESS: Part of it is. It's a very
5 large lease going to the northeast.

6 MR. NUTTER: How about the east half of
7 Section 19, is there any well there?

8 MR. BAYLESS: No.

9 MR. NUTTER: Is there any well in Section
10 30?

11 MR. BAYLESS: No.

12 MR. NUTTER: So this land that's shown
13 on this exhibit and colored in yellow is not dedicated to
14 any well?

15 MR. BAYLESS: I think that's correct.
16 I'm 99 percent sure that's correct. Can you give me any
17 help?

18 MR. KENDRICK: I cannot answer it on the
19 dedication of the acreage on that for El Paso and Southland
20 in the Section 19 or 30.

21 MR. BAYLESS: I can tell you there are no
22 wellbores, producing wellbores, in that -- within that yellow
23 outline.

24 MR. NUTTER: Is there any possibility
25 that there is a well in the south half of Section 30 to which

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the north half might also be dedicated?

MR. BAYLESS: No. There are no wellbores.

MR. NUTTER: In Sections 19 or 30?

MR. BAYLESS: Correct.

MR. NUTTER: Okay, thank you.

Does anyone else have anything to offer
in Case Number 6784?

We'll take the case under advisement.

MR. KENDRICK: El Paso Natural Gas has
furnished Merrion & Bayless a letter not objecting to their
two mile long non-standard proration unit north and south;
however, at this time we have not had a discussion with them
as far as being force pooled into a unit with them with the
acreage in Section 19.

MR. NUTTER: Thank you.

Does anyone have anything further for
Case Number 6784.

Take the case under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

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I do hereby certify that the foregoing is a complete and true transcript of the proceedings in the transcript hearing of 6784 heard by me on 2/13 1980.

[Signature] Examiner
Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
13 February 1980

EXAMINER HEARING

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ROBERT L. BAYLESS STATEMENT 3

E X H I B I T S

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(Hearing concluded.)

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Santa Fe, New Mexico 87501
Phone (505) 455-7405

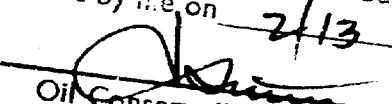
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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santitas, New Mexico 87501
Phone (505) 453-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6784 heard by me on 2/13 19.80.

Oil Conservation Division, Examiner

Dockets Nos. 5-80 and 6-80 are tentatively set for February 27 and March 12, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 13, 1980

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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1980, for both of the above areas.

CASE 6803: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit EPROC Associates, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why its Monsanto State H Well No. 1 located in Unit E of Section 2, Township 30 North, Range 16 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6787: (Continued from January 16, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the approval of 12 non-standard proration units ranging in size from 261.51 acres to 334.24 acres for 320-acre spaced pools, and 19 non-standard proration units ranging in size from 162.65 acres to 207.57 acres for 160-acre spaced pools, all of the aforesaid units being in and resulting from the irregular size and shape of Sections 1 thru 7 and 18, 19, 30, and 31, along the North and West sides of Township 28 North, Range 3 West, Rio Arriba County.

CASE 6487: (Continued from January 3, 1980, Examiner Hearing)

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

CASE 6804: Application of The Superior Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Bondurant Federal Com Well No. 1, a Morrow test to be drilled 1980 feet from the South line and 660 feet from the East line of Section 1, Township 19 South, Range 32 East, the S/2 of said Section 1 to be dedicated to the well.

CASE 6767: (Continued from January 16, 1980, Examiner Hearing)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6805: Application of Hondo Oil and Gas Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 10 Well No. 1, a Wolfcamp-Pennsylvanian test to be drilled 1550 feet from the North line and 660 feet from the West line of Section 10, Township 18 South, Range 28 East, the W/2 of said Section 10 to be dedicated to the well.

CASE 6806: Application of Westall, Mask and Jennings for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into unlined surface pits adjacent to tank batteries in Sections 23, 24, 25, 26, 27, 34 and 35, Township 18 South, Range 31 East.

CASE 6807: Application of Meadco Properties, Ltd. for an exception to Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order No. R-111-A to permit a proposed well in Unit L of Section 4, Township 21 South, Range 29 East, to be completed by setting surface casing at 550 feet and production casing at total depth and cementing both casing strings to the surface.

CASE 6808: Application of Conoco Inc. for two non-standard gas proration units and two unorthodox well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of Section 24, Township 20 South, Range 37 East, Eumont Gas Pool, and also a 120-acre non-standard gas proration unit comprising the W/2 SW/4 and SE/4 of said Section 24, each of said units to be dedicated to a well to be drilled at an unorthodox location, the first being 990 feet from the North line and 330 feet from the West line of the section, and the second being 1650 feet from the South line and 330 feet from the East line.

CASE 6387: (Reopened and Readvertised)

In the matter of Case 6387 being reopened pursuant to the provisions of Order No. R-5353-E which order reclassified the North Tocito Dome-Pennsylvanian Gas Pool as an associated pool with special rules and regulations therefor. All interested parties may appear and show cause why the North Tocito Dome-Pennsylvanian Associated Pool should not be reclassified as a gas pool to be governed by statewide rules.

CASE 6809: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Betenbough Unit Area, comprising 1921 acres, more or less, of State and fee lands in Township 13 South, Range 36 East.

CASE 6790: (Continued from January 30, 1980, Examiner Hearing)

Application of Merrion & Bayless for gas well commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to temporarily commingle certain of its Pictured Cliffs gas wells in Sections 1, 2, 3, 9, 10, and 11, Township 26 North, Range 13 West, in a common gathering system and meter the entire lease output through the purchaser's sales meter located in Unit M of said Section 7.

CASE 6784: (Continued from January 30, 1980, Examiner Hearing)

Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, to be dedicated to its Ute Well No. 7 at an unorthodox location 1665 feet from the South line and 3335 feet from the East line of said Section 19.

In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.

CASE 6795: (Continued and Readvertised)

Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Oil Pool by the injection of water into the Menafee formation through its San Luis Fed. Wells Nos. 1 and 2, located in Unit K of Section 21, Township 18 North, Range 3 West. Applicant further seeks an administrative procedure for approval of additional producing and injection wells at unorthodox locations in said project.

CASE 6810: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending the vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Fusselman production and designated as the Brunson-Fusselman Pool. The discovery well is Amoco Production Company Grizzell B Well No. 3 located in Unit H of Section 8, Township 22 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 8: NE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the North Illinois Camp-Morrow Gas Pool. The discovery well is Hondo Oil and Gas Company Exxon State Well No. 1 located in Unit K of Section 9, Township 18 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 9: All

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the Kennedy Farms-Upper Pennsylvanian Gas Pool. The discovery well is Yates Petroleum Corporation Seigenthaler "15" Com Well No. 2 located in Unit K of Section 21, Township 17 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 15: All
Section 16: E/2
Section 21: All
Section 28: E/2
Section 33: E/2

(d) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the East Siete-San Andres Pool. The discovery well is Sundance Oil Company Grynberg Federal Well No. 3 located in Unit D of Section 14, Township 8 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 14: NW/4

(e) EXTEND the vertical limits of the Angell Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include the Atoka formation and redesignate said pool as the Angell Ranch Atoka-Morrow Gas Pool and extend the horizontal limits of said pool to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 24: W/2

(f) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 23: N/2

(g) EXTEND the Antelope Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 23: All

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 3: N/2

(h) EXTEND the West Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 29: NE/4

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

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM
Section 18: N/2

(j) EXTEND the South Bell Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 1: SE/4
Section 12: N/2

(k) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 20: NW/4

(l) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMFM
Section 25: S/2

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMFM
Section 20: N/2

(m) EXTEND the North Burton Flats-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMFM
Section 22: N/2

(n) EXTEND the South Carlsbad-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMFM
Section 24: SW/4 NE/4

(o) EXTEND the Caudill-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMFM
Section 9: NW/4 and N/2 SW/4

(p) EXTEND the Comanche-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 26 EAST, NMFM
Section 14: NW/4 NW/4

(q) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMFM
Section 11: E/2

(r) EXTEND the Diamond Mound-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 21 EAST, NMFM
Section 10: All
Section 12: S/2

(s) EXTEND the Double L Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMFM
Section 23: W/2
Section 24: W/2 NE/4

(t) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMFM
Section 12: SW/4

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

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMFM
Section 15: S/2

(v) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMFM
Section 25: N/2

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMFM
Section 4: S/2

(w) EXTEND the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMFM
Section 22: NE/4 and NE/4 SE/4

(x) EXTEND the Eumont Yates Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 4: Lots 9, 10, 11, 12, 13, 14,
15 and 16

(y) EXTEND the Eunice-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 33: E/2 NE/4
Section 34: W/2

(z) EXTEND the Golden Lane-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 5: S/2
Section 8: N/2

(aa) EXTEND the Hardy-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 11: NE/4

(bb) EXTEND the Logan Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 22: W/2

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 23: NE/4
Section 24: NW/4

(dd) EXTEND the Palmill Bone Springs Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 1: NE/4 and N/2 NW/4

(ee) EXTEND the Penasco Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 27: W/2
Section 28: All

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 31: W/2 W/2

(gg) 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 NE/4
Section 20: NW/4 NW/4

(hh) EXTEND the Sand Dunes-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 18: W/2

(ii) EXTEND the Sioux-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 16: NW/4

(jj) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 20: NW/4

(kk) EXTEND the Winchester-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 27: W/2

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

Form approved by
Budget Bureau No. 45-R558 &

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1. TYPE OF WELL: OIL WELL GAS WELL DRY Other
 2. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other Re-entry

3. NAME OF OPERATOR
J. Gregory Merrion & Robert L. Bayless

4. ADDRESS OF OPERATOR
P.O. Box 507, Farmington, NM 87401

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
 At surface 1685' FSL & 3335' FEL
 At top prod. interval reported below same
 At total depth same

14. PERMIT NO. DATE ISSUED

6. LEASE DESIGNATION AND SERIAL NO.
MOO-C-1420-1706

7. IF INDIAN, ALLOTTEE OR TRIBE NAME
Ute Mountain Tribe

8. UNIT AGREEMENT NAME

9. FARM OR LEASE NAME
Ute

10. WELL NO.

11. FIELD AND POOL, OR WILDCAT
Barker Creek Paradox

12. SEC. 36, 37, 38, 39, 40 OR BLOCK AND SURVEY OR AREA

13. SECTION 19 T32N, R14W

14. COUNTY OR PARISH
San Juan

15. STATE
New Mexico

16. DATE SPUNDED 3-16-51 17. DATE T.D. REACHED 5-21-51 18. DATE COMPL. (Ready to prod.) 11-9-79 19. ELEVATIONS (DF, REB, RT, OR, ETC.) 6526 GL 6536 KB 20. ELEV. Casinghead 6526

21. TOTAL DEPTH, MD & TVD 9350 22. PLUG, BACK T.D., MD & TVD 8788 23. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
8374-8404 Paradox

25. TYPE ELI TRIC AND OTHER LOGS RUN
TDT-K

26. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	48#	330	17-1/4"	250 SX	None
9-5/8"	36#	3100	12-1/4"	1100 SX	None
7"	23# & 26#	9350	8-3/4"	1600 SX	3090

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
4-1/2"	surface	5400	FA Packer		2"	8373	None

31. PERFORATION RECORD (Interval, size and number)
See Attachment

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
 DEPTH INTERVAL (MD) AMOUNT AND KIND OF MATERIAL USED
 See Attachment

33. PRODUCTION
 DATE FIRST PRODUCTION PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) WELL STATUS (Producing or Shut-in)

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
11-15-79	8	2"	→	1.67	167	2	100,000
FL.W. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL-GRAVITY-API (CORR.)	
30	450	→	5	500	6	60	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Will be sold to El Paso Natural Gas Company

35. TEST WITNESSED BY
John C. Anderson

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.
 SIGNED J. Gregory Merrion TITLE Co-Owner DATE November 16, 1979

* (See Instructions and Spaces for Additional Data on Reverse Side)

open.

APP Ex B
62 6784

MERRION & BAYLESS
UTE #7

LIVE

NOV 19 1979

Summary of Perforations

<u>DEPTH</u>	<u>NUMBER</u>	<u>SIZE</u>	<u>TYPE</u>
4080	4	0.5	Squeeze Holes
3700	4	0.5	Squeeze Holes
3652, 3634, 3612, 3588, 3573, 3556, 3544, 3528, 3490, 3472, 3452, 3432, 3394, 3370, 3362, 3346, 3290, 3282, 3214, 3202	20	0.4	Squeeze Holes
5308-5313	10	0.4	Prod. Test
4067-4072	10	0.4	Prod. Test
3558-3568	20	0.4	Prod. Test
3448-3455	14	0.4	Prod. Test
3201-3211	20	0.4	Prod. Test
8874-8904	30	0.5	Prod. Test
8374-8388	28	0.5	Prod. Test
3389-8404	30	0.5	Prod. Test

SUMMARY OF ACIDIZING

5308-5313	500 gal. MCA
3201-3211	250 gal. 15% HCL
4067-4072	250 gal. 15% HCL
8874-8904	5000 gal. 15% HCL
8374-8388	3500 gal. 15% HCL
8374-8404	5000 gal. 15% HCL

SUMMARY OF SQUEEZE CEMENTING

<u>DEPTH</u>	<u>CEMENT</u>
4070	35 SX
3700	75 SX
3090	150 SX
5308-13	35 SX
4067-72	35 SX
3202-3652	150 SX
3558-3568	15 SX
3448-55	20 SX
3201-11	35 SX

MERRION & BAYLESS
 Accrued Expenses To-Date
 UTE #7

Ute #7

(943)

September 1979

<u>Company</u>	<u>amount</u>	<u>check #</u>
Western	\$ 833.15	13188
"	534.20	13187
"	1168.32	13187
Jerry Wade Bit Service	209.00	13184
Shylock Transport	474.65	13177
"	591.37	13177
Schlumberger Well Service	9358.73	13175
Permian	7568.24	13168
"	6279.00	13167
National Cementers	2836.96	13156
"	1523.35	13155
"	1407.56	13155
"	4028.37	13154
Mc McCullough	1198.88	13150
"	936.17	13149
"	970.57	13149
Monarch	233.31	13145
"	295.48	"
McKee Signs	23.34	13140
Dalgarno Trans.	229.64	13107
"	315.65	"
Blue Jet	2071.37	13096
Big Red Tool Co.	366.69	13093
"	366.69	13093
"	366.69	13093
"	366.69	"
Baker Service Tools	1287.44	13090

Exhibit C
 Case 6784

September (cont)

A-1 Machine Co
 Steve Dunn
 September total

\$ 19.19
22.05
 45516.01

13081
 13078

August 1979

Mo-te
 McKee Signs
 Sea Equipment
 H+S Construction
 Gils Welding
 Flint Engineering
 Dalgarno Drans
 Andrews Co
 August total

325.00
 17.58
 10.28
 2066.00
 104.50
 362.79
 987.10
321.34
 3194.59

12970
 12963
 12961
 12955
 12952
 12947
 12940
 12920

July 1979

Justice Supply
 Flint Engineering
 " "
 July total

131.67
 573.38
562.95
 1268.00

12816
 12805
 12805

October, 1979

Western
 " "
 Shiprock Drans
 Justice Supply
 Dow Chemical
 Dalgarno Drans
 Construction Supply

4401.22
 398.14
 2781.56
 64.65
 1324.37
 155.81
 166.36

13429
 13429
 13420
 13389
 13376
 13375
 13372

October (cont)

Bluejet	\$ 1500.74	# 13368
"	1308.70	13367
"	1415.15	13367
Baker Packer	474.22	13366
" "	2185.87	13366
Allen Construction	253.62	13361
" "	706.59	"
" "	418.68	"
Western	364.23	13356
"	685.93	"
"	391.23	"
Jerry Wade But Service	114.50	13355
W & C Rowstabont	685.77	13354
W & C Rowstabont	2185.87	
Desoro Land + Marine Rental	413.77	13347
Shyrock Transport	1475.84	13345
National Cementers	1980.10	13328
" "	3044.79	13327
" "	1449.42	13324
Mo. Wheelini Services	2245.18	13306
Environmental Safety	486.20	13290
Dow Chemical	195.00	13288
" "	418.05	"
" "	5909.30	"
Chief Transport	405.00	13281
Baker Tools	828.69	13277
Baker Packers	970.51	13276

October (cont)

Axelsson	\$ 58.46	#13274
Bayless Drilling	43841.45	13263
BIA	1000.00	13258
Dilan Proche	136.50	13236
Merale Montoya	136.50	13235
Eddie Montoya	<u>640.00</u>	13234
October total	85262.09	

November 1979

San Juan Casing	1506.89	13633
NM State Univ.	157.87	13632
Justice Supply	40.15	13622
" "	222.02	13622
" "	343.72	"
J + R Constructors	3358.11	13621
Donham Oil Tool Co	105.03	13618
Dalgarno Drans	653.39	13617
" "	452.89	13617
" "	795.35	"
" "	1132.38	13617
Blue Jet	1457.69	13616
Western	5739.39	13609
Westem	422.26	13608
Winson Supply	517.55	13604
Desoro Land + Marine	686.45	13601
Shiprock Dransport	796.80	13596
San Juan Reproduction	4.18	13593
Safety Compliance Rental	1802.90	13590

November (cont)

Safety Compliance Rental	\$ 975.01	# 13590
Nine Star Drading	19149.90	13571
" " "	15394.42	"
" " "	5225.00	"
" " "	2873.74	"
" " "	15152.50	"
" " "	9405.00	"
NL McCollough	1346.91	13525
Jo R Constructors	1205.40	13546
Hopper Specialty	52.51	13544
" "	28.31	"
Groat Outwork	1539.20	13542
Graves Butane	12.98	13541
Gile Welding	910.40	13540
Four States Services	104.50	13536
Debor Oil Field Supply	893.99	13535
" " " "	276.14	"
Environmental Safety	562.80	13529
" " "	8.44	"
" " "	7.29	"
D. J. Machine	39.19	13523
Blue Jet	1430.71	13516
Banco Sply	3672.97	13514
Baker Service Tools	939.45	13512
" " "	1059.52	"
Baker Packers	640.79	13511
" " "	396.78	"

November (cont)

Baker Packers

\$ 327.20

13511

" "

2839.06

"

A-1 Machine

112.05

13508

E L Welding

1492.26

13491

Gene Durham

70.00

13489

Bayless Drilling

42164.23

13466

Eddie Montoya

363.00

13463

November total

150866.67

total

286,107.36

Exhibits A & B & C

MERRION & BAYLESS
Ute #7
Application for Non-Standard Proration Unit & Unorthodox Gas Well Location

COUNTY San Juan STATE New Mexico

TOWNSHIP 32N RANGE 14W

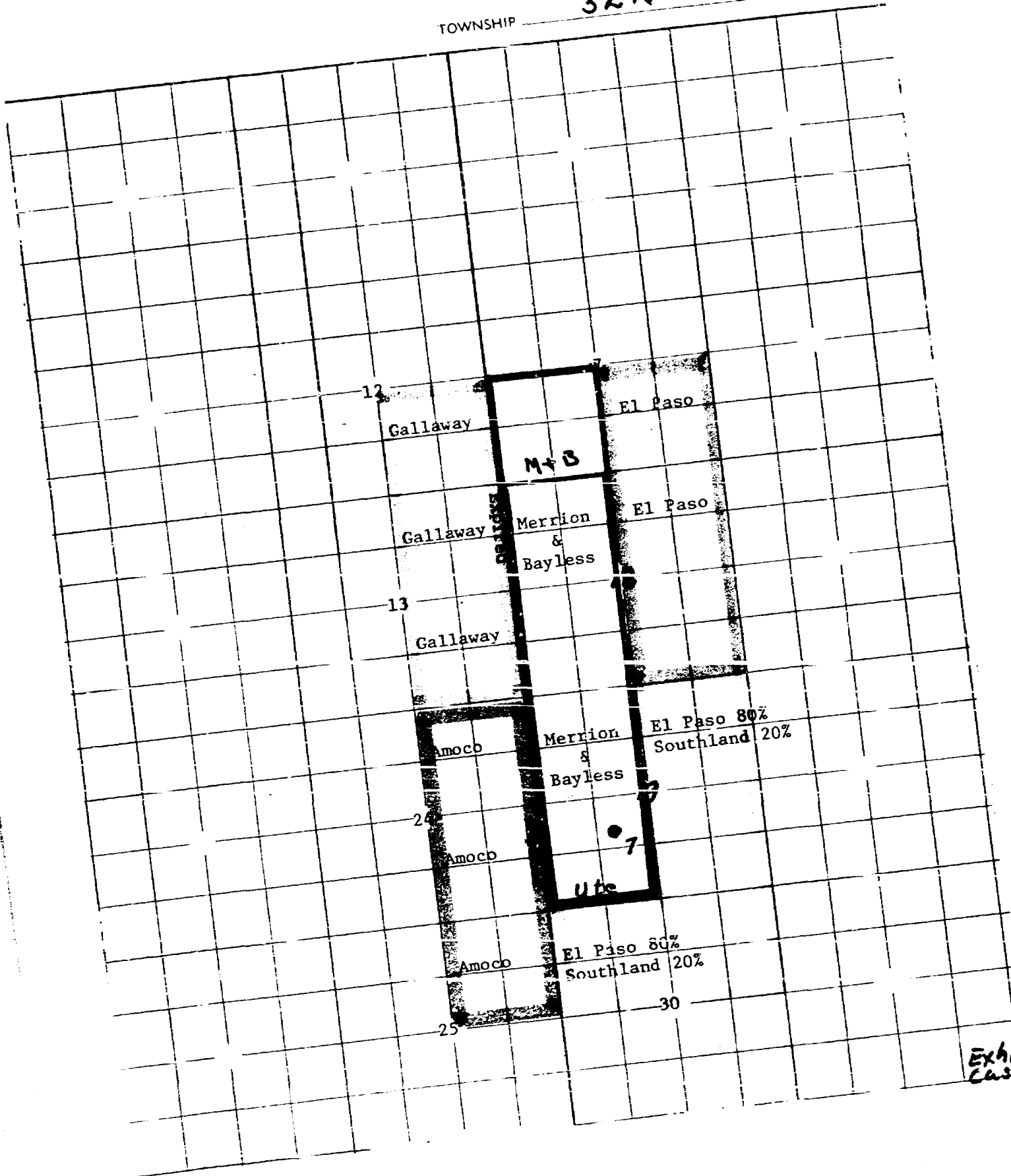


Exhibit A
Case 6784

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other In-
structions on
REVERSE SIDE)

Form approved by
Budget Bureau No. 45-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1. TYPE OF WELL: OIL WELL GAS WELL DRY Other

2. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESEV. Other Re-entry

3. NAME OF OPERATOR
J. Gregory Merrion & Robert L. Bayless

4. ADDRESS OF OPERATOR
P.O. Box 507, Farmington, NM 87401

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface 1685' FSL & 3335' FEL
At top prod. interval reported below
At total depth same

19. PERMIT NO. DATE ISSUED

6. DESIGNATION AND SERIAL NO.
MOO-C-1420-1706

7. IF INDIAN, ALLOTTEE OR TRIBE NAME
Ute Mountain Tribe

8. UNIT AGREEMENT NAME

9. NAME OF LEASE NAME
Ute

10. FIELD AND POOL, OR WILDCAT
Barker Creek Paradox

11. SEC., T., R., OR BLOCK AND SURVEY OF AREA
Section 19, T32N, R14W

12. COUNTY OR PARISH
San Juan

13. STATE
New Mexico

15. DATE SPUNDED 3-16-51 16. DATE T.D. REACHED 5-21-51 17. DATE COMPL. (Ready to prod.) 11-9-79 18. ELEVATIONS (DF, REB, RT, OR, ETC.) 6526 GL, 6536 KB 19. ELEV. Casinghead 6526

20. TOTAL DEPTH, MD & TVD 9350 21. PLUG, BACK T.D., MD & TVD 8788 22. IF MULTIPLE COMPL., HOW MANY? 23. INTERVALS DRILLED BY ROTARY TOOLS CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
8374-8404 Paradox

26. TYPE OF LOGS AND OTHER LOGS RUN
TDT-K

27. WAS WELL CORED
No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	SOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	48#	330	17-1/4"	250 SX	None
9-5/8"	36#	3100	12-1/4"	1100 SX	None
7"	23# & 26#	9350	8-3/4"	1600 SX	3090

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
4-1/2"	surface	5400	FA Packer		2"	8373	None

31. PERFORATION RECORD (Interval, size and number)

See Attachment

32. ACID SPUR, FRACURING, CURRENT SERVICES, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
See Attachment	

33. PRODUCTION

DATE FIRST PRODUCTION: 11-15-79

PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump): 2" →

WELL STATUS (Producing by shut-in):

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
11-15-79	8	2"	→	1.67	167	2	100,000

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Will be sold to El Paso Natural Gas Company

TEST WITNESSED BY
John C. Anderson

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED: *J. Gregory Merrion* TITLE: Co-Owner DATE: November 16, 1979

(See Instructions and Spaces for Additional Data on Reverse Side) Exhibit B Case 6284

MERRION & BAYLESS
UTE #7

RECEIVED
NOV 19 1979

Summary of Perforations

<u>DEPTH</u>	<u>NUMBER</u>	<u>SIZE</u>	<u>TYPE</u>
4080	4	0.5	Squeeze Holes
3700	4	0.5	Squeeze Holes
3652, 3634, 3612, 3588, 3573, 3556, 3544, 3528, 3490, 3472, 3452, 3432, 3394, 3370, 3362, 3346, 3290, 3282, 3214, 3202	20	0.4	Squeeze Holes
5308-5313	10	0.4	Prod. Test
4067-4072	10	0.4	Prod. Test
3558-3568	20	0.4	Prod. Test
3448-3455	14	0.4	Prod. Test
3201-3211	20	0.4	Prod. Test
8874-8904	30	0.5	Prod. Test
8374-8388	28	0.5	Prod. Test
3389-8404	30	0.5	Prod. Test

SUMMARY OF ACIDIZING

5308-5313	500 gal. MCA
3201-3211	250 gal. 15% HCL
4067-4072	250 gal. 15% HCL
8874-8904	5000 gal. 15% HCL
8374-8388	3500 gal. 15% HCL
8374-8404	5000 gal. 15% HCL

SUMMARY OF SQUEEZE CEMENTING

<u>DEPTH</u>	<u>CEMENT</u>
4070	35 SX
3700	75 SX
3090	150 SX
5308-13	35 SX
4067-72	35 SX
3202-3652	150 SX
3558-3568	15 SX
3448-55	20 SX
3201-11	35 SX

MERRION & BAYLESS
 Accrued Expenses To-Date
 UTE #7

Ute # 7 (943)

September 1979

<u>Company</u>	<u>amount</u>	<u>check #</u>
Western	\$ 833.15	13188
"	534.20	13187
"	1168.32	13187
Derry Wade Bit Service	209.00	13184
Shiprock Transport	474.65	13177
"	591.37	13177
Schlumberger Well Service	9358.73	13175
Permian	7568.24	13168
"	6279.00	13167
National Cementers	2836.96	13156
"	1523.35	13155
"	1407.56	13155
"	4028.37	13154
Mc McCullough	1198.88	13150
"	936.17	13149
"	970.57	13149
Monarch	233.31	13145
"	295.48	"
McKee Signs	23.34	13140
Dalgarno Trans.	229.64	13107
"	315.65	"
Blue Jet	2071.37	13096
Big Red Tool Co.	366.69	13093
"	366.69	13096
"	366.69	13093
"	366.69	"
Baker Service Tools	1287.44	13090

Exhibit C
 case 6784

September (cont)

A-1 Machine Co
Steve Dunn
September total

\$ 19.19
22.05
45516.01

13081
13078

August 1979

Mo-te
McKee Signs
Lea Equipment
H+S Construction
Yels Welding
Jlint Engineering
Dalgarino Drans
Andrews Co
August total

325.00
17.58
10.28
7066.00
104.50
362.79
987.10
321.34
3194.59

12970
12963
12961
12955
12952
12947
12940
12920

July 1979

Justis Supply
Jlint Engineering
"
"
July total

131.67
573.38
562.95
1228.00

12816
12805
12805

October 1979

Western
"
Shiprock Drans
Justis Supply
Dow Chemical
Dalgarino Drans
Construction Supply

4401.22
398.14
2781.56
64.68
1324.37
155.81
66.36

13429
13429
13420
13389
13376
13375
13372

October (cont)

Bluejet	\$ 1500.74	# 13368
"	1308.70	13367
"	1415.15	13367
Baker Packer	474.22	13366
" "	2185.87	13366
Allen Construction	253.62	13361
" "	706.59	"
" "	418.68	"
Western	364.23	13356
"	685.93	"
"	391.23	"
Jerry Wade But Service	114.50	13355
W & C Ronstabout	685.79	13354
W & C Ronstabout	685.79	
Desoro Land + Marine Rental	413.77	13347
Shiprock Transport	1475.84	13345
National Cementers	1980.10	13328
" "	3044.79	13327
" "	1449.42	13321
Go Windline Services	2245.15	13306
Environmental Safety	486.20	13290
Dow Chemical	195.00	13288
" "	418.05	"
" "	5909.30	"
Chief Transport	405.00	13281
Baker Tools	828.69	13277
Baker Packers	970.51	13276

October (cont)

Axelsson	\$ 58.46	#13274
Bayless Drilling	43841.45	13263
BIA	1000.00	13258
Dilan Proche	136.50	13236
Merale Montoya	136.50	13235
Eddie Montoya	<u>640.00</u>	13234
October total	85262.09	

November 1979

San Juan Casing	1506.89	13633
NM State Univ.	57.87	13632
Justice Supply	40.15	13622
" "	222.02	13622
" "	343.72	"
" "	3558.11	13621
J + R Constructors	105.03	13618
Bonham Oil Tool Co	653.39	13617
Dalgarno Drans	452.89	13617
" "	795.35	"
" "	1132.38	13617
" "	1457.69	13616
Blue Jet	5739.39	13609
Western	422.26	13608
Western	517.55	13604
Vinson Supply	686.45	13601
Desoro Land + Marine	796.80	13546
Shiprock Transport	4.18	13593
San Juan Reproduction	1802.90	13590
Safety Compliance Rental		

November (cont)

Safety Compliance Rental	\$ 975.01	# 13590
New Star Drading	19149.90	13571
" " "	15394.42	"
" " "	5225.00	"
" " "	2873.74	"
" " "	15152.50	"
" " "	9405.00	"
NL McCollough	1346.91	13525
J & R Constructors	1205.40	13546
Hopper Specialty	52.51	13544
" " "	28.31	"
Great Outwork	1539.20	13542
Graves Butane	12.98	13541
Gile Welding	910.40	13540
Four States Services	104.50	13536
Debor Oil Field Supply	893.99	13535
" " " "	276.14	"
Environmental Safety	562.80	13529
" " "	8.44	"
" " "	7.29	"
D. J. Machine	39.19	13523
Blue Jet	1430.71	13516
Banco Sply	3672.97	13514
Baker Service Tools	939.45	13512
" " "	1059.52	"
Baker Packers	640.79	13511
" " "	396.78	"

November (cont)

Baker Packers	\$ 327.20	# 13511
" "	2839.06	"
A-1 Machine	112.05	13508
EL Welding	1492.26	13491
Gene Durham	70.00	13489
Bayless Drilling	42164.23	13466
Eddie Montoya	<u>363.00</u>	13463
November total	150866.67	
total	286,107.36	

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
STATE LAND OFFICE BLDG.
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO
16 January 1980

EXAMINED HEARING

IN THE MATTER OF:

Application of Merrion and Bayless
for gas well commingling, San Juan
County, New Mexico.

CASE
6790

and

Application of Merrion and Bayless
for a non-standard proration unit,
unorthodox gas well location, San
Juan County, New Mexico.

CASE
6784

BEFORE: Daniel S. Natter

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.

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Phone (505) 455-7409

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MR. NUTTER: We'll call next Cases --

Case Number 6790.

MR. PADILLA: Application of Merrion and Bayless for gas well commingling, San Juan County, New Mexico.

MR. NUTTER: And we'll also call Case Number 6784.

MR. PADILLA: Application of Merrion and Bayless for a non-standard proration unit, unorthodox gas well location, San Juan County, New Mexico.

Mr. Examiner, the applicant in both of these cases have requested the cases be continued to January 30, 1980.

MR. NUTTER: Case Number 6790 and 6784 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. January 30, 1980.

The hearing is adjourned.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.

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Santa Fe, New Mexico 87501
Phone (505) 455-7409

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, A Certified Shorthand 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.

Sally W. Boyd, C.S.R.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6784-6790
heard by me on 1/16 1980.

Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
30 January 1980

EXAMINER HEARING

IN THE MATTER OF:)
 Application of Merrion & Bayless for) CASE
 a non-standard proration unit and an) 6784
 unorthodox gas well location, San)
 Juan County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

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MR. STAMETS: Call next Case 6784.

MR. PADILLA: Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico.

MR. STAMETS: The applicant has requested that this case be continued to the February 13th Examiner Hearing and it will be.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.

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Phone (505) 455-7409

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the 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.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6784 heard by me on 1-30 19, 80.

Richard T. Stamba, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
30 January 1980

EXAMINER HEARING

IN THE MATTER OF:)
)
)
 Application of Merrion & Bayless for) CASE
 a non-standard proration unit and an) 6784
 unorthodox gas well location, San)
 Juan County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

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1 MR. STAMETS: Call next Case 6784.

2 MR. PADILLA: Application of Merrion &
3 Bayless for a non-standard proration unit and an unorthodox
4 gas well location, San Juan County, New Mexico.

5 MR. STAMETS: The applicant has requested
6 that this case be continued to the February 13th Examiner
7 Hearing and it will be.

8 (Hearing concluded.)
9

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the 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.

I do hereby certify that the foregoing is a complete and true record of the proceedings in the Examiner hearing of _____, heard by me on _____.

_____, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7405

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 January 1980

EXAMINER HEARING

-----)
 IN THE MATTER OF:)
)
 Application of Merrion & Bayless for)
 a non-standard proration unit and an)
 unorthodox gas well location, San Juan)
 County, New Mexico.)
 -----)

CASE
6784

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

MR. STAMETS: Call next Case 6784.

MR. PADILLA: Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico.

MR. STAMETS: At the request of the Applicant in this case, the case will be continued to the January 16th Examiner Hearing.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand 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 said hearing, prepared by me to the best of
my ability, from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6784
heard by me on 1-3 1980.

Richard P. Smith, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 January 1980

EXAMINER HEARING

-----)
 IN THE MATTER OF:)
)
 Application of Merrion & Layless for)
 a non-standard proration unit and an)
 unorthodox gas well location, San Juan)
 County, New Mexico.)
 -----)

CASE
6784

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

MR. STAMETS: Call next Case 6734.

MR. PADILLA: Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico.

MR. STAMETS: At the request of the Applicant in this case, the case will be continued to the January 16th Examiner Hearing.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand 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 said 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

CASE 6784: (Continued from January 16, 1980, Examiner Hearing)

Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, to be dedicated to its Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.

In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.

CASE 6373: (Reopened and Readvertised)

In the matter of Case 6373 being reopened pursuant to the provisions of Order No. R-5875 which order created the East High Hope-Abo Gas Pool with temporary special rules therefor providing for 320-acre spacing. All interested parties may appear and show cause why the East High Hope-Abo Gas Pool should not be developed on 160-acre spacing units.

CASE 6802: Application of Harlan Drilling Company for drilling drainholes, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill and case a vertical hole to an approximate depth of 3200 feet in the Gallup formation from a surface location 1930 feet from the South line and 678 feet from the East line of Section 13, Township 19 North, Range 6 West, and to then drill two lateral drainholes therefrom, each to a distance of approximately 200 feet in the Gallup formation. In the event the Gallup formation is non-productive, applicant seeks authority to drill vertically to the Dakota formation at a depth of approximately 4200 feet and to then drill two 200-foot lateral drainholes.

CASE 6795: (Continued from January 16, 1980, Examiner Hearing)

Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Oil Pool by the injection of water into the Menafee formation through its San Luis Fed. Wells Nos. 1 and 2, located in Unit K of Section 21, Township 18 South, Range 3 East. Applicant further seeks an administrative procedure for approval of additional producing and injection wells at unorthodox locations in said project.

Dockets Nos. 4-80 and 5-80 are tentatively set for February 13 and 27, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 30, 1980

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 6787: (Continued from January 16, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the approval of 12 non-standard proration units ranging in size from 261.51 acres to 334.24 acres for 320-acre spaced pools, and 19 non-standard proration units ranging in size from 162.65 acres to 207.57 acres for 160-acre spaced pools, all of the aforesaid units being in and resulting from the irregular size and shape of Sections 1 thru 7 and 18, 19, 30, and 31, along the North and West sides of Township 28 North, Range 3 West, Rio Arriba County.

CASE 6796: Application of Union Oil Company of California for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 SW/4 of Section 1, Township 8 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 6797: Application of Yates Petroleum Corporation 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 28, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6798: Application of Estoril Producing Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Curry Federal Well No. 1, to be drilled 1980 feet from the South line and 660 feet from the East line of Section 22, Township 23 South, Range 34 East, Antelope Ridge-Morrow Gas Pool, the S/2 of said Section 22 to be dedicated to the well.

CASE 6799: Application of Caulkins Oil Company for a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6794: (Continued from January 16, 1980, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tociito Gallup and Dakota production in the wellbore of its Breech "D" well No. 140 located in Unit A of Section 11, Township 26 North, Range 6 West.

CASE 6800: Application of Caulkins Oil Company for dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Breech "E" Wells Nos. 83-E located in Unit L of Section 5 and 54-E and 68-E located in Units P and L of Section 4; Breech "A" No. 268-E located in Unit P of Section 16; and Breech "D" No. 346 located in Unit D of Section 22, all in Township 26 North, Range 6 West, in such a manner as to produce gas from the Dakota formation and commingled Chacra and Mesaverde production through parallel strings of tubing.

CASE 6801: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Breech "C" Well No. 248-E located in Unit D of Section 13, Township 26 North, Range 6 West, in such a manner as to produce commingled Tapacito-Gallup and Dakota production and commingled Chacra and Mesaverde production through parallel strings of tubing.

CASE 6790: (Continued from January 16, 1980, Examiner Hearing)

Application of Merrion & Rawless for gas well commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to temporarily commingle certain of its Pictured Cliffs gas wells in Sections 1, 2, 3, 9, 10, and 11, Township 26 North, Range 13 West, in a common gathering system and meter the entire lease output through the purchaser's sales meter located in Unit M of said Section 7.

Dockets Nos. 3-80 and 4-80 are tentatively set for January 30 and February 13, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 16, 1980

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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for February, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 6787: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the approval of 12 non-standard proration units ranging in size from 261.51 acres to 334.24 acres for 320-acre spaced pools, and 19 non-standard proration units ranging in size from 162.65 acres to 207.57 acres for 160-acre spaced pools, all of the aforesaid units being in and resulting from the irregular size and shape of Sections 1 thru 7 and 18, 19, 30, and 31, along the North and West sides of Township 28 North, Range 3 West, Rio Arriba County.
- CASE 6788: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its South Mattix Unit Well No. 35 located in Unit F of Section 15, Township 24 South, Range 37 East, to produce gas from the Fowler-Upper Paddock Pool and oil from the Fowler-Drinkard Pool thru parallel strings of tubing.
- CASE 6789: Application of Knox Industries, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the well location requirements of the Scharb-Bone Springs Pool as promulgated by Order No. R-2589 to permit its New Mexico State Well No. 2 to be drilled in Unit H of Section 1, Township 19 South, Range 34 East, the E/2 NE/4 of said Section 1 to be dedicated to the well.
- CASE 6790: Application of Merrion & Bayless for gas well commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to temporarily commingle certain of its Pictured Cliffs gas wells in Sections 1, 2, 3, 9, 10, and 11, Township 26 North, Range 13 West, in a common gathering system and meter the entire lease output through the purchaser's sales meter located in Unit M of said Section 7.
- CASE 6784: (Continued from January 3, 1980, Examiner Hearing)
- Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, to be dedicated to its Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.
- In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.
- CASE 6791: Application of Holly Energy, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State 50 Well No. 1, a Morrow test to be drilled 660 feet from the North line and 840 feet from the East line of Section 30, Township 17 South, Range 28 East, the N/2 of said Section 30 to be dedicated to the well.
- CASE 6792: Application of Florida Exploration Company for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 324.25-acre non-standard gas proration unit comprising Lots 1 and 2 and N/2 NE/4 of Section 33 and Lots 2, 3, and 4 and NW/4 NE/4 and N/2 NW/4 of Section 34, all in Township 26 South, Range 30 East, Ross Draw Area, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6793: Application of Meadco Properties, Ltd. for an exception to Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order No. R-111-A to permit a proposed well in Unit E of Section 4, Township 21 South, Range 29 East, to be completed by setting surface casing at 550 feet and production casing at total depth and cementing both casing strings to the surface.
- CASE 6794: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tociito Gallup and Dakota production in the wellbore of its Breech "D" Well No. 140 located in Unit A of Section 11, Township 26 North, Range 6 West.

CASE 6795: Application of Turreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverte Oil Pool by the injection of water into the Mesaverte formation through its San Luis Fed. Wells Nos. 1 and 2, located in Unit K of Section 21, Township 18 South, Range 3 East. Applicant further seeks an administrative procedure for approval of additional producing and injection wells at unorthodox locations in said project.

CASE 6608: (Reopened and Readvertised)

In the matter of Case 6608 being reopened pursuant to the provisions of Order No. R-6088 which order created the Grama Ridge-Wolfcamp Pool with temporary special rules and regulations with provisions for 160-acre spacing. All interested parties may appear and show cause whether the Grama Ridge-Wolfcamp Pool is in fact an oil reservoir or a gas reservoir, and if it is an oil reservoir, show cause why the Grama Ridge-Wolfcamp Pool should not be developed on less than 160-acre spacing units.

CASE 6771: (Continued from January 3, 1980, Examiner Hearing)

Application of Getty Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the E/2 SW/4 of Section 31, Township 24 South, Range 37 East, and the NW/4 NE/4 and NE/4 NW/4 of Section 6, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6767: (Continued from January 3, 1980, Examiner Hearing)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

Dockets Nos. 2-80 and 3-80 are tentatively set for January 16 and 30, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1980

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 6770: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit National Petroleum Company and all other interested parties to appear and show cause why its Well No. 1 located 905 feet from the North line and 1155 feet from the West line of Section 22, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6786: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of its administrative procedure for the approval of infill drilling on existing gas proration units as promulgated by Order No. R-6013 to permit the approval of infill wells as new onshore production wells pursuant to the Natural Gas Policy Act of 1978 without notice and hearing even though such wells have been spudded prior to receiving such approval.
- CASE 6771: Application of Getty Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the E/2 SW/4 of Section 31, Township 24 South, Range 37 East, and the NW/4 NE/4 and NE/4 NW/4 of Section 6, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6772: Application of Reading & Bates Petroleum Co. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the SE/4 of Section 17, Township 24 North, Range 3 West, Chacon-Dakota 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 6773: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 20, Township 19 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6774: Application of Doyle Hartman for an unorthodox location, non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the NW/4 NW/4 of Section 6, Township 25 South, Range 37 East, and the W/2 SW/4 of Section 31, Township 24 South, Range 37 East, to be dedicated to his Federal Jalmat Com Well No. 1 at an unorthodox location 590 feet from the North line and 660 feet from the West line of said Section 6; applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.
- CASE 6768: (Continued and Readvertised)
- Application of Alpha Twenty-One Production Company for two non-standard gas proration units, compulsory pooling, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard gas proration unit comprising the SW/4 SE/4 of Section 21, Township 24 South, Range 37 East, Jalmat Gas Pool, to be dedicated to the El Paso Natural Gas Company Shell Black Well No. 2. Applicant also seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the E/2 SW/4 and NW/4 SE/4 of said Section 21 to form a 120-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South line and 1650 feet from the West line of said Section 21. 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. Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

CASE 6767: (Continued from December 12, 1979, Examiner Hearing)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6497: (Continued from October 17, 1979, Examiner Hearing)

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

CASE 6732: (Continued from November 28, 1979, Examiner Hearing)

Application of Dorchester Exploration, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Morton Solid State Unit Well No. 1 located 2156 feet from the North line and 990 feet from the West line of Section 4, Township 15 South, Range 34 East, Tres Papalotes-Pennsylvanian Pool.

CASE 6775: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the Young Deep Unit Area, comprising 2242 acres, more or less, of Federal lands in Township 18 South, Range 32 East.

CASE 6776: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Young Deep Unit Well No. 1, a Morrow test to be drilled 660 feet from the North and West lines of Section 10, Township 18 South, Range 32 East, the W/2 of said Section 10 to be dedicated to the well.

CASE 6777: Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Amoco 22 State Well No. 2 located in Unit G of Section 22, Township 23 South, Range 27 East.

CASE 6778: Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Loco Hills Welch Well No. 2 located in Unit N of Section 4, Township 18 South, Range 29 East.

CASE 6745: (Continued from November 28, 1979, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolcamp-Pennsylvanian formations underlying the W/2 of Section 28, Township 23 South, Range 24 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 6779: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the Pronghorn Unit Area, comprising 5,120 acres, more or less, of State and Federal lands in Townships 22 and 23 South, Range 33 East.

CASE 6780: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the Serpentine Bends Unit Area, comprising 4,802 acres, more or less, of State and Federal lands in Township 24 South, Ranges 23 and 24 East.

CASE 6781: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South line and 1980 feet from the East line of Section 1, Township 20 South, Range 28 East, the E/2 of said Section 1 to be dedicated to the well.

CASE 6782: Application of Inexco Oil Company for an exception to Order No. R-3221, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit H of Section 7, Township 19 South, Range 33 East.

CASE 6783: Application of McClellan Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marlise State Well No. 6 located 1155 feet from the North line and 2475 feet from the West line of Section 24, Township 14 South, Range 29 East, Double "L"-Queen Associated Pool, the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 24 to be dedicated to the well.

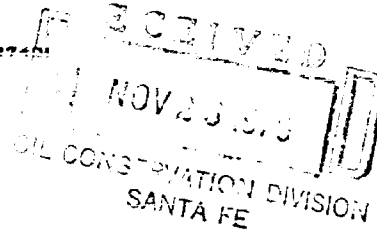
CASE 6784: Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, to be dedicated to its Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.

In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.

CASE 6785: Application of The Harlow Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 18, Township 8 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

OFF. 328-8093
RES. 327-9094

J. GREGORY MERRION
PETROLEUM ENGINEER
P. O. BOX 607
FARMINGTON, NEW MEXICO 87401



November 21, 1979

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

Case 6784

ATTENTION: Mr. Joe Ramey

RE: Request for Hearing
Merrion & Bayless
Ute #7, Barker Creek Paradox Field

Gentlemen:

We have completed the Ute #7 well as a producer of gas from the interval 8374 to 8404 in the Paradox formation of the Barker Creek Paradox Gas Pool. The pool rules as set forth in Order R-46 call for 640-acre spacing with an implication that the 640 acres be all on a governmental section, and furthermore, require that wells be located no nearer than 650 feet from the boundaries of the proration unit. Our acreage situation is such that we own only the West half of the section under our well (Section 19, T32N, R14W), and as a result the location of the well is only 695 feet from the boundary which is the North/South center line of the section.

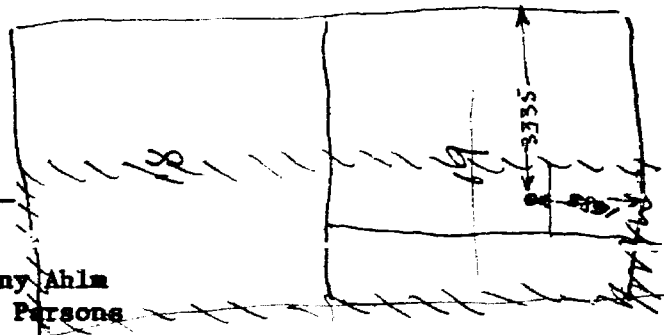
Please schedule a hearing to consider one of two alternatives. First, an application for: (a) a non-standard proration unit consisting of 640 acres including the West halves of Sections 18 and 19, T32N, R14W, San Juan County, New Mexico, and (b) an application for an unorthodox location at a point 1685 feet from the South line and 3335 feet from the East line, Section 19 (695 feet from the North/South center line of the section).

In the alternative, if this is not approved, we would request that second, we be granted an order force-pooling the East half of Section 19 so as to be able to form a communitized proration unit which would be standard and which would have an orthodox location.

Yours very truly,

MERRION & BAYLESS

By 
J. GREGORY MERRION



XC: El Paso Natural Gas Co., Mr. Johnny Ahlm
Southland Royalty Co., Mr. Curtis Parsons

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. 6784

Order No. R- 6281

APPLICATION OF MERRION & BAYLESS

FOR A NON-STANDARD PRORATION UNIT, AND AN UNORTHODOX GAS WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 16
19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this _____ day of January, 19 80, 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, Merrion & Bayless
seeks approval of a 640-acre non-standard gas proration unit
comprising the W/2 of Section 18 and/ , Town-
ship 32 North, Range 14 West, NMPM, to be dedicated to
its Ute Well No. 7 at an unorthodox location 1685 feet ~~xxxx~~ from the
South line and 3335 feet from the East line of said Section 19.

~~Under~~ there is reasonable doubt as to whether described above may
(3) That the entire non-standard proration unit may reasonably
be presumed productive of gas from the Barker Creek-Paradox Pool
or could
~~the pool~~ and that the entire non-standard gas proration unit can
be efficiently and economically drained and developed by the

aforesaid well.

(4) That at the hearing, applicant proposed ^{that} as an alternative to the above-described 640-acre non-standard proration unit, a 500-acre non-standard unit comprising the $\frac{1}{2}$ of Section 19 only be considered, to be dedicated to the subject well.

(5) That the non-standard unit described in finding No. 4 above may reasonably be presumed to be productive of gas from the Barker Creek-Paradise Pool, and the entire unit can be efficiently and economically drained and developed by the aforesaid well.

(*) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Barker Creek-Paradox Pool

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

IT IS THEREFORE ORDERED:

(1) That a 640-acre non-standard gas proration unit in the Barker Creek-Paradox Pool ~~Pool~~ comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico, ^{applicant's} is hereby established and dedicated to Ute Well No. 7 at an unorthodox location 685 feet from the South line and/ ^{3335 feet from the East line} ~~located in Unit~~ of said Section 19.

(2) 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.

→ the application of Merrion & Rayless for

→ is hereby denied, and a 520-acre non-standard gas proration unit, comprising the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, San Juan County, New Mexico, is

