

Rec'd 2-21-80
Bill Decker JN
3-10-80

NSL - 1169
Rule 104 F
3-30-80

Most waivers in

need Gulf
Newman → shallow ^{rights} only
~~TRANCO~~
reg
3/13
no waiver
needed

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION)
OF U. S. COMPANIES, INC. FOR)
APPROVAL OF AN UNORTHODOX LOCATION.)

No. _____

APPLICATION

COMES NOW, U. S. Companies, Inc. and states:

1. The name of the Applicant is U. S. Companies, Inc. and its address is 4560 Belt Line Road, Suite 300, Dallas, Texas 75234.

2. Applicant is the owner of State Oil and Gas Lease LG-7655 issued 1 February 1980 covering the following lands in Lea County, New Mexico:

Township 18 South, Range 32 East:
Section 32: N $\frac{1}{2}$, containing 320 acres,
more or less.

3. Applicant desires to drill a well projected to a depth of 13,000 feet to the Morrow Formation, which is the common source of supply for the area affected.

4. Applicant first planned to drill the well 1,980 feet from the north line and 1,980 feet from the east line of said section, which would be an orthodox location. However, Applicant has discovered that El Paso Natural Gas Company has a pipeline easement traversing the W $\frac{1}{2}$ of the NE $\frac{1}{4}$ of said section from north to south and the standard location would encroach on said pipeline easement.

32-18-32 See attached C-102

5. For the reasons stated above, Applicant desires approval of a location to be 1,980 feet from the north line and 1,780 feet from the east line of said section. A plat showing the survey by Gary D. Boswell, a registered professional engineer, is attached hereto as Exhibit "A".

6. It is necessary that the location be moved so that the pads and pits of the proposed well will not encroach on the pipeline easement.

7. The following persons have offsetting oil and gas leases which will be affected by the granting of this application, to-wit:

- | | | |
|--|---|--|
| Gulf Oil Corporation
Box 670
Hobbs, New Mexico 88240 | Amoco Production Company
P. O. Box 68
Hobbs, New Mexico 88240 | ✓ Max M. Wilson ✓
2605 Gaye Drive
Roswell, New Mexico
88201 |
|--|---|--|

Copies of this Application have been sent by certified mail to each of the three above named companies.

8. Applicant believes that the Division Director has the authority to grant this Application pursuant to Rule 104F of the Rules of this Division since the necessity for the unorthodox location is based upon topographical conditions. Waivers are being requested from the offset lease owners.

WHEREFORE, Applicant prays that the Division enter its Order approving the unorthodox location sought herein.

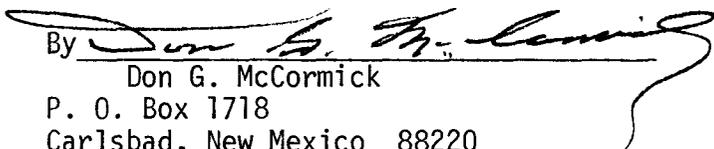
DATED: 20th day of February 1980.

U. S. COMPANIES, INC.

By

MCCORMICK and FORBES

By


Don G. McCormick

P. O. Box 1718

Carlsbad, New Mexico 88220

Attorneys for Applicant.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

All distances must be from the outer boundaries of the Section.

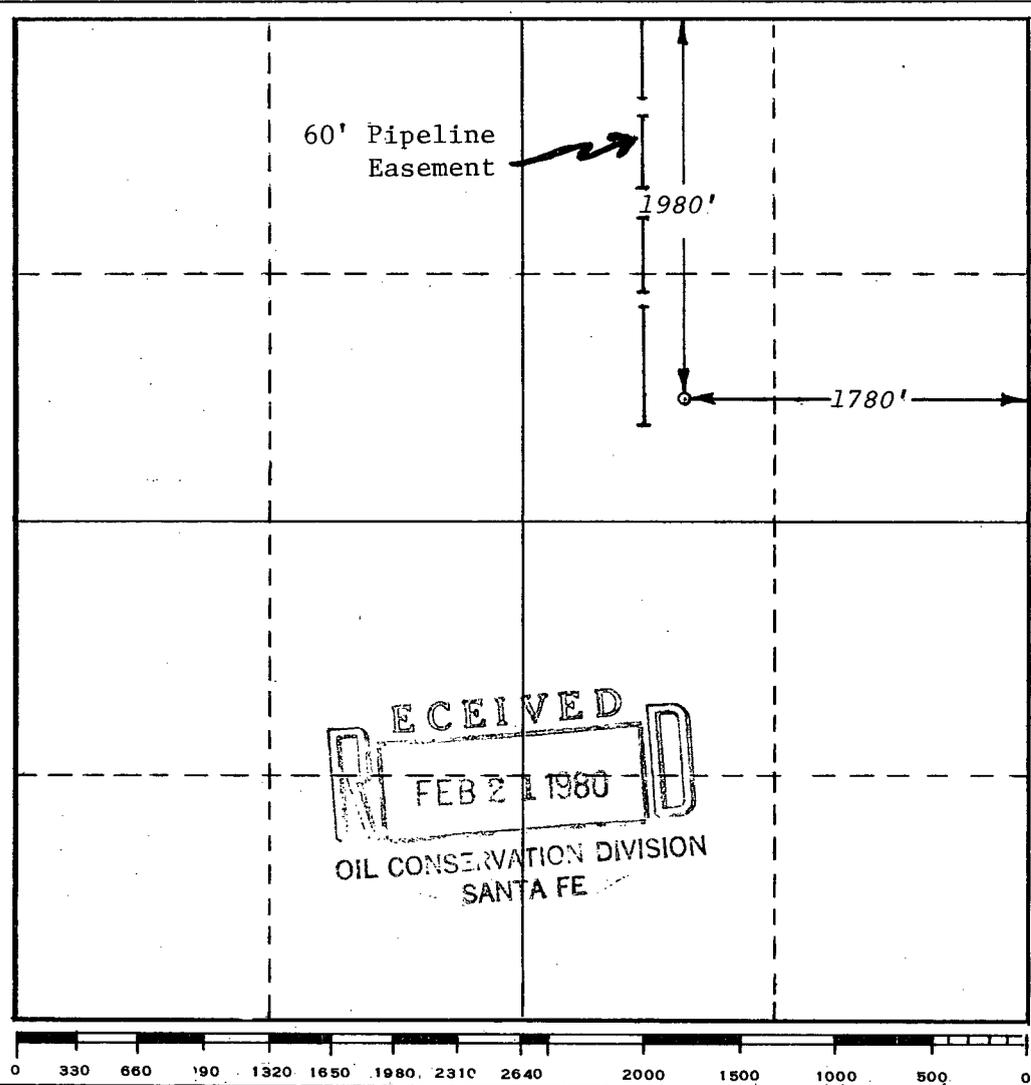
Operator U.S. OPERATING, INC. U.S. COMPANIES, INC.			Lease Max State		Well No. 1
Unit Letter	Section 32	Township 18-S	Range 32-E	County Lea	
Actual Footage Location of Well: 1980' feet from the North line and 1780' feet from the East line					
Ground Level Elev: 3691'	Producing Formation		Pool	Dedicated Acreage: Acres	

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

Yes No If answer is "yes," type of consolidation _____

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

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



CERTIFICATION	
<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>	
Name	
Position	
Company	
Date	
<i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</i>	
Date Surveyed	February 1, 1980
	Gary D. Boswell
	Registered Professional Engineer and/or Land Surveyor
	<i>Gary D. Boswell</i>
Certificate No.	6689

DON G. MCCORMICK
JAY W. FORBES
THOMAS L. MAREK
ROGER E. YARBRO
JOHN M. CARAWAY
JAMES W. KLIPSTINE, JR.
PERRY C. ABERNETHY
CAS TABOR

MCCORMICK AND FORBES
ATTORNEYS AT LAW
BUJAC BUILDING
P. O. BOX 1718
CARLSBAD, NEW MEXICO 88220

TELEPHONE 885-4171
AREA CODE 505

20 February 1980

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

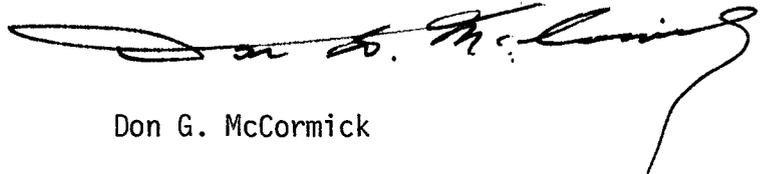
Attention: Division Director.

Gentlemen:

Enclosed is the original Application of U. S. Companies, Inc. for approval of an unorthodox location. Also, enclosed are two extra copies of the same as required by your rules.

Kindly advise if this application may be approved without a hearing as provided by Rule 104F.

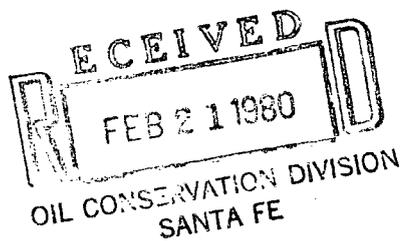
Very truly yours,



Don G. McCormick

DGM:cy
Enclosures

cc: U. S. Companies, Inc.
4560 Belt Line Road, Suite 300
Dallas, Texas 75234
Attention: Mr. James W. Hammond, Jr.





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

February 22, 1980

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

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

Mr. Don G. McCormick
P. O. Box 1718
Carlsbad, New Mexico 88220

Re: Application for Non-Standard
Location: U. S. Companies Max
State Well No. 1, Sec. 32, T-18-S,
R-32-E, Lea County

We may not process the subject application for non-standard location until the required information or plats checked below (is) (are) submitted.

A plat must be submitted clearly showing the ownership of the offsetting leases.

A statement must be submitted that offset owners have been notified of the application by certified mail.

A plat must be submitted fully identifying the topography necessitating the non-standard location.

Other:

Very truly yours,

R. L. STAMETS
Technical Support Chief

RLS/dr



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

March 3, 1980

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

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

Mr. Don G. McCormick
P. O. Box 1718
Carlsbad, New Mexico 88220

Re: Application for Non-Standard
Location: U. S. Companies
Max State Well No. 1, Sec. 32,
T-18-S, R-32-E, Lea County

We may not process the subject application for non-standard location until the required information or plats checked below (is) (are) submitted.

- A plat must be submitted clearly showing the ownership of the offsetting leases.
- A statement must be submitted that offset owners have been notified of the application by certified mail.
- A plat must be submitted fully identifying the topography necessitating the non-standard location.
- Other: The plat submitted by U. S. Companies shows offset operators not indicated to have been notified of the application.

Very truly yours

R. L. STAMETS
Technical Support Chief

RLS/dr

AFFIDAVIT OF MAILING

RECEIVED
MAR 20 1980
OIL CONSERVATION DIVISION
SANTA FE

Re: Application for Non-Standard Location:
U. S. Companies Max State Well No. 1,
Section 32, Township 18 South, Range 32 East,
Lea County, New Mexico.

STATE OF NEW MEXICO)
 : ss.
COUNTY OF EDDY)

Don G. McCormick, being first duly sworn on oath stated:

He is over the age of twenty-one years and did on 5 March 1980 deposit in the U. S. Post Office at Carlsbad, New Mexico, and sent by certified mail, envelopes addressed to the following persons or companies:

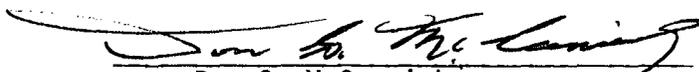
Llano, Inc. ✓
P. O. Box 1320
Hobbs, New Mexico 88240

Newmont Oil Company
First National Bank Building
Artesia, New Mexico 88210

Mr. John H. Trigg ✓
P. O. Box 520
Roswell, New Mexico 88201

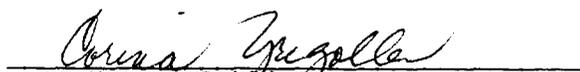
Tenneco Oil Company
600 Metro Building
Midland, Texas 79701

Each of said envelopes contained a true copy of the Application of U. S. Companies, Inc. filed in the above matter with the Oil Conservation Division of the State of New Mexico. Each of said envelopes had sufficient postage to carry it to its destination.



Don G. McCormick

SUBSCRIBED AND SWORN TO before me this 5th day of March 1980.



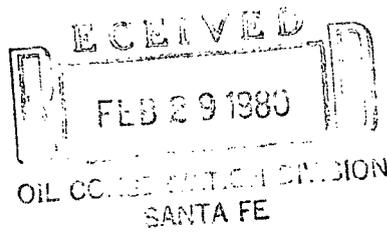
Notary Public

My Commission Expires:

31 October 1981



U. S. COMPANIES, INC.



February 27, 1980

Mr. R.L. Stamets
New Mexico Oil and Gas Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Stamets,

Enclosed, you will find a plat showing our lease outlined in yellow and showing all the adjoining lease holders. If there is any additional information you need, please contact me.

Thank you for your cooperation.

Sincerely,

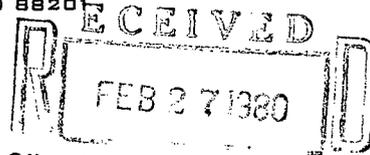
A handwritten signature in cursive script that reads "Jim Hammond". The signature is written in black ink and is positioned above the printed name.

James W. Hammond, Jr.

Enclosure:

<p>19 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>20 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>21 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>22 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>23 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>24 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>25 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>26 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>27 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>28 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>29 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>30 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>31 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>32 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>33 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>34 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>35 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>36 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>37 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>38 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>39 U.S. 1938 U.S. 1938 U.S. 1938</p>	<p>40 U.S. 1938 U.S. 1938 U.S. 1938</p>
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MAX WILSON, INC.
OIL PRODUCERS
ROSWELL, NEW MEXICO 88201



OIL CONSERVATION DIVISION
SANTA FE

February 22, 1980

State of New Mexico Energy & Minerals Department
State Oil Conservation Division
Santa Fe, NM 87501

Gentlemen:

U. S. Companies, Inc. of Dallas, Texas has asked that I advise the Commission that I have no objection to its unorthodox location of 1,980' FNL and 1,780' FEL in Section 32, T. 18S, R. 32E, Lea County, New Mexico for its 13,000' Morrow test at this location.

Please be advised Max M. Wilson and Helen M. Wilson, his wife have no objection to this unorthodox location.

Very truly yours,

A handwritten signature in cursive script that reads "Max M. Wilson".

Max M. Wilson

MMW:clh

cc: U. S. Companies, Inc.
4560 Belt Line Road, Suite 300
Dallas, TX 75234

ATTENTION: Mr. James W. Hammond

DON G. MCCORMICK
JAY W. FORBES
THOMAS L. MAREK
ROGER E. YARBRO
JOHN M. CARAWAY
JAMES W. KLIPSTINE, JR.
PERRY C. ABERNETHY
CAS TABOR

MCCORMICK AND FORBES
ATTORNEYS AT LAW
BUJAC BUILDING
P. O. BOX 1718
CARLSBAD, NEW MEXICO 88220

RECEIVED
FEB 27 1980
OIL CONSERVATION DIVISION
SANTA FE
TELEPHONE 885-4171
AREA CODE 505

25 February 1980

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

Attention: Mr. R. L. Stamets

Re: Application for Non-Standard Location;
U. S. Companies - Max State Well No. 1,
Section 32, T-18-S, R-32-E, Lea County, N.M.

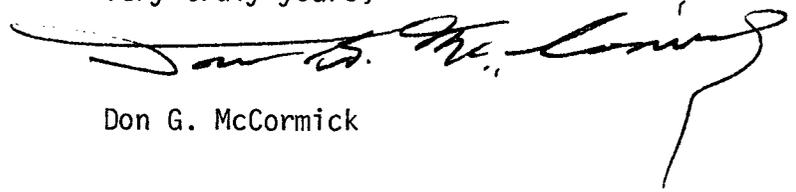
Dear Mr. Stamets:

I received your letter of 22 February 1980 in which you requested that a plat be sent you to be attached to the application we have filed.

I have today talked with the Dallas office of U. S. Companies and they are sending you such a plat direct.

Also, I am enclosing a letter from Max M. Wilson in which he states that he has no objection to the unorthodox location.

Very truly yours,



Don G. McCormick

DGM:cy
Enclosure



Amoco Production Company

Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

J. R. Barnett
Regional Engineering
Manager

February 27, 1980

File: JCA-986.51NM-327

Re: Unorthodox Location
U.S. Companies, Inc.
Max State No. 1
N1/2 Section 32, T-18-S, R-32-E
Lea County, New Mexico

Mr. Joe D. Ramey, Director
New Mexico Oil Conservation Division
Box 2088
Santa Fe, NM 87501

Dear Mr. Ramey:

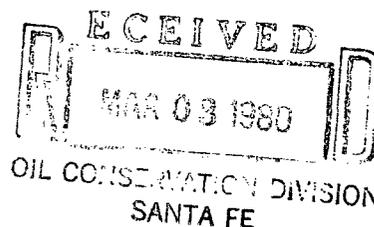
U. S. Companies, Inc. has made an application for an unorthodox location in the N1/2 of Section 32, Township 18 South, Range 32 East, Lea County, New Mexico, for the Max State Well No. 1. The proposed location being 1,780 feet from the east line and 1,980 feet from the north line of the section.

As an offset operator, Amoco Production Company has no objections to this unorthodox location.

Yours very truly,

J. R. Barnett
mlc

MLC/cw
450/S



cc: McCormick and Forbes
P. O. Box 1718
Carlsbad, NM 88220

Gulf Oil Exploration and Production Company

P. O. Drawer 1150
Midland, TX 79702

March 7, 1980



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

NSL-1169

RE: Well No. 1 Max State
Lease, Morrow Formation,
Lea County, New Mexico

Gentlemen:

This is to advise that Gulf Oil Corporation has been given due notice that U.S. Companies, Inc. has requested administrative approval of an unorthodox location for their Max State, Well No. 1, Morrow Formation.

We hereby waive any objection to the granting of their request for an unorthodox location for the subject well which is to be located 1980' FNL and 1780' FEL, Section 32, Township 18 South, Range 32 East, Lea County, New Mexico.

Executed this 10th day of March, 1980.

Yours very truly,
Gulf Oil Corporation

By: D. T. Berlin

D. T. BERLIN
Manager - Engineering

RSH/mb

cc: McCormick and Forbes, Carlsbad, New Mexico

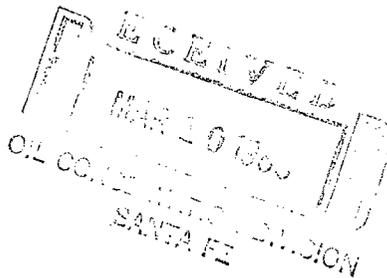


A DIVISION OF GULF OIL CORPORATION

JOHN H. TRIGG COMPANY

POST OFFICE BOX 520 • ROSWELL, NEW MEXICO 88201 • 505/623-3140

March 7, 1980



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

Dear Sirs:

It is our understanding that you have recently received an Application of U. S. Companies, Inc., Dallas, Texas, for an unorthodox drilling location in the N $\frac{1}{2}$ of Section 32, Township 18 South, Range 32 East, Lea County, New Mexico.

We have no objection if you see fit to grant this so-called unorthodox drilling location.

Very truly yours,

John H. Trigg
John H. Trigg

JHT/mj

cc: Mr. Don G. McCormick
McCormick and Forbes
P. O. Box 1718
Carlsbad, New Mexico 88220

LLANO, INC.

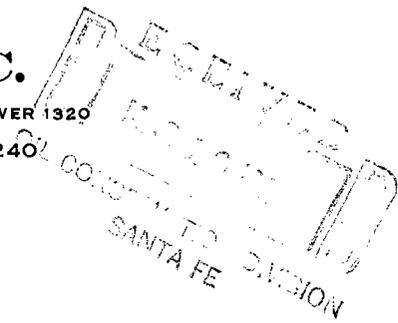
PHONE 393-2153

P. O. DRAWER 1320

HOBBS, NEW MEXICO 88240

March 7, 1980

G. W. EDWARDS
EXECUTIVE VICE PRESIDENT



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

Re: NM-23006

Gentlemen:

With reference to U.S. Companies, Inc.'s application for an unorthodox well location 1780' FEL and 1980' FNL of Section 32, T18S, R32E, Lea County, New Mexico, please be advised that Llano, Inc., as an offset lease operator, has no objection to the Divisions approval of said application.

Very truly yours,

LLANO, INC.

G. W. Edwards

SLC:dm

xc: Donald L. Garey

McCormick & Forbes
Attorneys at Law
P. O. Box 1718
Carlsbad, New Mexico 88220

Llano File No. E3.15.80



ASL-1169



**Tenneco Oil
Exploration and Production**
A Tenneco Company

Southwestern Division

6800 Park Ten Blvd. • Suite 200 North
San Antonio, Texas 78213
(512) 734-8161

[Faint, illegible stamp or handwritten notes]

March 10, 1980

STATE OF NEW MEXICO
Energy and Mineral Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Tenneco Oil Company, as an offset oil and gas lease holder, has no objection to the U. S. Companies, Inc's proposed unorthodox location in N½ of Section 32, Township 18 South, Range 32 East, Lea County, New Mexico.

Very truly yours,

J. G. Strother

J. G. Strother
Division Production Manager

JGS/TRB/rk

cc: McCormick and Forbes