

APPLICATION

WASH. OIL & GAS CO.

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IN RE: Application of Eastern Petroleum Company for an order creating a new oil and gas pool for Dakota formations in the Rattlesnake Field, San Juan County, New Mexico, to permit the drilling of wells of $2\frac{1}{2}$ acre spacing and for an order allowing an exception to Rule 104-C-I.

Case 4117

COMES NOW, the Applicant, by this Application to the New Mexico Oil Conservation Commission and states and alleges as follows:

1. The Applicant requests an order to allow drilling on a $2\frac{1}{2}$ acre spacing in the Rattlesnake Field, due to the fact that the Field is now in a stripper stage.

2. The Applicant will drill no wells deeper than the 3rd Bench of the Dakota formation or 1200 feet, whichever is the lesser depth. Such pooling sought by the Applicant will permit the distributive channels to be intersected in maximum structural position depth.

3. The pool sought by the Applicant will prevent waste and possible water coning and will result in the maximum economic return to the Lessor, the Navajo Indians.

4. The applicant is the owner and operator of the entire Rattlesnake Field to a depth of 1200 feet, and such spacing will not affect any correlative rights on the outer limits where no well will be located nearer than 330 feet to outer boundary lines.

5. That none of the other operators will be directly affected by the granting of this Application.

WHEREFORE, Applicant prays for a Hearing whereby the following order will be granted:

1. An order creating specific rules and regulations for a special pool to permit the drilling of wells on $2\frac{1}{2}$ acre spacing, and that no well will be located nearer than

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page 5035*

50 feet to the outer boundary of a quarter-quarter section,
and no nearer than 165 feet to another well producing from
the same pool.

2. An order granting that a 40 acre proration unit would
be subject to a 40 acre allowable, regardless of the number of
wells on the unit.

3. An order granting an exception to Rule 104-C-I.

EASTERN PETROLEUM COMPANY

BY: W. H. McDermott
W. H. McDERMOTT
Attorney-in-fact

W. H. McDERMOTT

ATTORNEY-AT-LAW

P. O. BOX 1143

SANTA FE, NEW MEXICO

TELEPHONE 983-7836

RESIDENCE 983-9367

March 28, 1969

Case 4117

Mr. A. L. Porter, Jr.
Secretary-Treasurer
New Mexico Oil Conservation Comm.
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Application of Eastern
Petroleum Company for
Special Pool Rules,
San Juan County, New Mexico

Dear Mr. Porter:

Attached to this letter you will find an Application for Eastern Petroleum Company in regards to an Order for creating a new oil and gas pool in the Rattlesnake Field in San Juan County, New Mexico.

I would appreciate it if this matter would be placed on the Docket for the next regular hearing of the Oil Conservation Commission.

If there is anything else that you need in regards to this Application, or if this Application is deficient in any way, I will be happy to correct same, or furnish any additional information to your office.

A copy of this Application is being sent to the parties as shown below.

Yours very truly,


W. H. McDERMOTT

WHMcD/lr

CC: Mr. Jess Edwards
Eastern Petroleum Co.
P. O. Box 291
Carmi, Illinois

Mr. P. T. McGrath
P. O. Box 959
Farmington, New Mexico 87401

DOCKET MAILED

4-10-69
~~DO~~

W. H. McDERMOTT

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Comm.
March 28, 1969

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Continental Oil Company
1755 Glenarm Place
Denver, Colorado

Mr. Emery Arnold
1000 Rio Brazos Road
Aztec, New Mexico 87410

Attn: Mr. Chet Ferguson

Mr. Robert E. Lauth
P. O. Box 776
Durango, Colorado 81301

LINCOLN BUILDING

W. H. McDERMOTT

ATTORNEY-AT-LAW

P. O. BOX 1143

SANTA FE, NEW MEXICO

April 14, 1969

TELEPHONE 983-7836

RESIDENCE 983-9367

69 APR 15 11 02 AM



Mr. George Hatch
New Mexico Oil Conservation Comm.
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Application of Eastern
Petroleum Company for
Special Pool Rules,
San Juan County, New Mexico

Dear Mr. Hatch:

Reference is made to the Docket Call of April 23, 1969, and to Case # 4117, in re: Application of Eastern Petroleum Company.

I would appreciate it if this matter could be continued until May 7, 1969, as I have a conflict of schedule, and I must be out of town on that day.

Yours very truly,



W. H. McDERMOTT

WHMcD/lr

DOCKET MAILED

Date 4-23-69

(Case 4126 continued)

authority to continue to dispose of salt water produced by said wells in four unlined surface pits.

CASE 4127: Application of Curtis Hankamer for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's two wells located in Section 11, Township 24 South, Range 32 East, Double X-Delaware Pool, Lea County, New Mexico. Applicant seeks authority to continue to dispose of salt water produced by said wells in two unlined surface pits.

CASE 4128: Application of C. O. Fulton for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Premier and Lovington sands of the Grayburg formation through one well located in Unit D of Section 2, and two wells in Units D and P of Section 3, Township 17 South, Range 29 East, Square Lake Pool, Eddy County, New Mexico.

CASE 4117: (Continued from the April 23, 1969 Examiner Hearing)
Application of Eastern Petroleum Company for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Rattlesnake-Dakota Pool, San Juan County, New Mexico, permitting the drilling of wells on 2½-acre spacing provided that no well be located nearer than 50 feet to the outer boundary of the quarter-quarter section and no nearer than 165 feet to another well producing from the same pool, and provided further, that a 40-acre proration unit would be subject to a 40-acre allowable regardless of the number of wells on the unit.

CASE 4118: (Continued from the April 23, 1969 Examiner Hearing)

Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle gas production from undesignated Fruitland and Pictured Cliffs gas pools in the well-bore of its Federal "I" Well No. 4, located in the NE/4 NW/4 of Section 1, Township 29 North, Range 14 West, San Juan County, New Mexico.

Docket No. 13-69

Examiner Hearing - May 7, 1969

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CASE 4129: Application of Redfern Development Corporation for gas commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Devils Fork-Gallup gas and Basin-Dakota gas after separately metering the Dakota gas and determining the Gallup production by means of the subtraction method. Said production is from the dually completed Largo Spur Well No. 1 located in Unit J of Section 18, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.

(Case 4114 continued)

Applicant also seeks the amendment of Order No. R-2729, which order authorized the aforesaid waterflood project, to establish a procedure whereby additional injection wells and producing wells at unorthodox infill locations, as may be necessary to complete an efficient injection and producing pattern, may be approved administratively.

CASE 4115: Application of Southern Union Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 16, Township 29 North, Range 9 West, Basin-Dakota Pool, San Juan County, New Mexico. Said acreage to be dedicated to a well to be drilled at a standard location in the W/2 of said Section 16. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4116: Application of Tesoro Petroleum Corporation for the amendment of Order No. R-2797 and for the extension of the South Hospah-Upper Sand Pool, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-2797, which order approved the Hospah Unit Agreement, to delete from said unit agreement 233.87 acres in the Southeast portion of Section 1, Township 17 North, Range 9 West, McKinley County, New Mexico. Applicant also seeks the extension of the South Hospah-Upper Sand Pool to include a portion of the Southeast quarter of said Section 1.

CASE 4117: Application of Eastern Petroleum Company for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Rattlesnake-Dakota Pool, San Juan County, New Mexico, permitting the drilling of wells on $2\frac{1}{2}$ -acre spacing provided that no well be located nearer than 50 feet to the outer boundary of the quarter-quarter section and no nearer than 165 feet to another well producing from the same pool, and provided further, that a 40-acre proration unit would be subject to a 40-acre allowable regardless of the number of wells on the unit.

CASE 4118: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle gas production from undesignated Fruitland and Pictured Cliffs gas pools in the well-bore of its Federal "I" Well No. 4, located in the NE/4 NW/4 of Section 1, Township 29 North, Range 14 West, San Juan County, New Mexico.

CASE 4096: (Continued from the April 5, 1969, Examiner Hearing)

Application of Kersey & Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority

to institute a waterflood project by the injection of water into the Seven Rivers formation through four wells located in Units C, D, and F of Section 25, Township 17 South, Range 28 East, Aid (Yates-Seven Rivers) Pool, Eddy County, New Mexico.

CASE 4078: (Continued from the April 9, 1969, Examiner Hearing)

Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Devils Fork- Gallup Pool and an undesignated Mesaverde oil pool in the wellbore of his NCRA State Well No. 3 located in Unit L of Section 16, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.