

CASE 4668: OCC TO CONSIDER GAS
PROPATIONING IN SOUTH CARLSBAD-
MORROW AND SO. CARLSBAD-STRAWN.

Case Number
4668

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
March 1, 1972

EXAMINER HEARING

IN THE MATTER OF:)

The hearing called by the Oil Conservation)
Commission on its own motion to consider)
instituting gas prorationing in the)
South Carlsbad-Morrow and South Carlsbad-)
Strawn Gas Pools, Eddy County, New Mexico.)

Case No. 4668

BEFORE: Richard L. Stamets
Examiner

TRANSCRIPT OF HEARING

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NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date MARCH 1, 1972 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Glenn Code	Beico Petroleum Corp	MIDLAND, TEXAS
C. R. PEARSON	BTA OIL PRODUCERS	" "
Richard S. Merriam	Montgomery et al.	Santa Fe
Paul LeMay	Corinne Grace	Santa Fe
George W. Hucker, Jr.	Corinne Grace	Roswell, N.M.
John Burke	Humble Oil & Ref. Co.	Andrews, Tex
James H. Hill	" " "	Roswell,
Charles B. Miller	Corinne Grace	Hobbs
J. E. Sperling	Modrall, Sperling et al	Albuquerque
Bill Hresett	OCC	Artesia
Hugh Hanagan	Hanagan Petroleum Corp.	Roswell
Bob Kell	White Rock Kell, Inc.	SF
Jara Kellat	Kellat & Fox	Santa Fe
Oster E. Hutson	Spencer & Hudson	Midland, Tex
R. L. HILLVORSEN	BTA Oil Prods	" "
N. S. Salmon	" " "	" "
V. R. Reese	Fluid Power Pump Co.	Albuquerque, N.M.
J. M. Fullinwider	V-F Petroleum	Midland, Texas
Nina DuHarme	R. W. Byram & Co.	SF
Paul H. Kershen, Jr.	Merahan & Shryack	Denver, Colorado
E. R. Mannin	El Paso Natural Gas	El Paso, Texas

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1 MR. STAMETS: The hearing will come to order.
 2 We will call the first case, Case No. 4668.

3 MR. HATCH: In the matter of the hearing called
 4 by the Oil Conservation Commission on its own motion to
 5 consider instituting gas prorationing in the South Carlsbad-
 6 Morrow and South Carlsbad-Strawn Gas Pools, Eddy County,
 7 New Mexico, the Commission has received a request that
 8 this case be heard before the full Commission rather than
 9 an examiner. The Commission has sent out memorandas to
 10 the producers and the gas transportation facilities in
 11 the area, announcing that this case would be dismissed
 12 for the purpose of being heard before the full Commission
 13 and will be re-advertised for April 19th, 1972, in Hobbs,
 14 New Mexico.

15 It has also been requested that it be
 16 advertised as two separate cases, one to consider
 17 instituting gas prorationing in the South Carlsbad-Morrow
 18 Pool and that the Carlsbad-Strawn Gas Pools be listed
 19 as a separate case.

20 I recommend this case be dismissed for the
 21 purpose of re-advertising so it may be heard before the
 22 full Commission.

23 MR. PORTER: Mr. Examiner, prior to action, I
 24 might explain the reason this case is being continued
 25 until the hearing in Hobbs. The Commission holds an annual

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1 hearing in Hobbs and that will be the next regular hearing
2 of the full Commission.

3 MR. STAMETS: Case Number 4668 will be dismissed.
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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

3 I, RICHARD E. McCORMICK, a Certified Shorthand Reporter,
4 in and for the County of Bernalillo, State of New Mexico do
5 hereby certify that the foregoing and attached Transcript of
6 Hearing before the New Mexico Oil Conservation Commission was
7 reported by me; and that the same is a true and correct record
8 of the said proceedings to the best of my knowledge, skill and
9 ability.

Richard E. McCormick
CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 4668,
heard by me on March 1, 1972.
Richard L. Evans, Examiner
New Mexico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION ON ITS OWN MOTION
TO CONSIDER INSTITUTING GAS PRORATIONING IN
THE SOUTH CARLSBAD-MORROW AND SOUTH CARLSBAD-
STRAWN GAS POOLS, EDDY COUNTY, NEW MEXICO.

CASE No. 4668
Order No. R-4268

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 1, 1972,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of March, 1972, the Commission, a
quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That the Commission has decided that the matter to
consider the institution of gas prorationing in the South
Carlsbad-Morrow and South Carlsbad-Strawn Gas Pools should be
heard by a quorum of the Commission.

(2) That this case should be dismissed and notice given
that the matter will be heard by a quorum of the Commission.

IT IS THEREFORE ORDERED:

That Case No. 4668 is hereby dismissed.

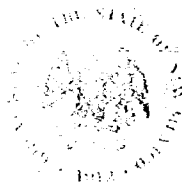
DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

FEBRUARY 24, 1972

MEMORANDUM

TO: ALL PRODUCERS AND PURCHASERS IN THE SOUTH
CARLSBAD-MORROW AND SOUTH CARLSBAD-STRAWN
GAS POOLS

FROM: A. L. PORTER, Jr., SECRETARY-DIRECTOR

SUBJECT: CASE 4668 (GAS PRORATION CASE)

The Commission has had a request that Case 4668, which has been docketed for hearing March 1, 1972, be heard by a quorum of the Commission rather than by an examiner. The Commission will therefore dismiss Case 4668, and the subject matter will be re-advertised to be heard at the next regular hearing of the Commission to be held in Hobbs on April 19, 1972. This will allow ample time for all interested parties to be prepared for the hearing. No further delay should be necessary.

ALP/ir

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 1, 1972

9 A.M. - OIL CONSERVATION COMMISSION 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 4668: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider instituting gas prorationing in the South Carlsbad-Morrow and South Carlsbad-Strawn Gas Pools, Eddy County, New Mexico. The Commission will consider limiting gas production from the South Carlsbad-Morrow and South Carlsbad-Strawn Gas Pools in Eddy County, New Mexico, to reasonable market demand and to the capacity of gas transportation facilities. The Commission will also consider methods for allocating the allowable production among the gas wells in the pools.
- CASE 4563: (Continued from the February 2, 1972 Examiner Hearing) Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.
- CASE 4619: (Continued from the February 2, 1972, Examiner Hearing) Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 25, Township 22 South, Range 26 East, which acreage is within one mile of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 25. 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 of supervision of said well.
- CASE 4620: (Continued from the February 2, 1972, Examiner Hearing) Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the

Union Oil and Gas Division: Central Region

Union Oil Company of California
500 North Maricopa, Midland, Texas 79701
Telephone (915) 682-9781

UNION 76

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OIL CONSERVATION COMM.
SANTA FE

gms

Midland District

February 28, 1972

Oil Conservation Commission
State Land Office
Santa Fe, New Mexico

Gentlemen:

Case 4668

This is written in reference to the hearing called by the Oil Conservation Commission on its own motion to consider instituting gas prorationing in the South Carlsbad-Morrow and South Carlsbad-Strawn Gas Pools, Eddy County, New Mexico.

Union Oil Company of California has working interest in two wells operated by Cities Service completed in the South Carlsbad-Morrow Pool and one well currently being completed by Antweil, and, in addition, has acreage holdings in the immediate area of the subject pools.

This is to advise that Union supports an allocation method based 100% on acreage. In our opinion, such a formula is fair and equitable and protects correlative rights of the various mineral ownership. We further believe the administrative burden is maintained within reasonable limits.

Very truly yours,

UNION OIL COMPANY OF CALIFORNIA

for *W R Willis*
G. W. Coombes
District Operations Manager

HRW:rb

DRAFT

GMH/dr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4668

Order No. R-4268

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO
CONSIDER INSTITUTING GAS PRORATIONING
IN THE SOUTH CARLSPAD-MORROW AND SOUTH
CARLSBAD-STRAWN GAS POOLS, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 1, 1972,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of March, 1972, the Commission,
a quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 4668 is hereby dismissed.

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

~~That the applicant's request for dismissal should be granted.~~
~~That the matter be heard by a quorum of the Commission.~~
Commission has decided that the
(1) That the matter be to consider the institution
of gas prorationing in the South Carlsbad-Morrow
and South Carlsbad-Strawn Gas Pools should
be heard by a quorum of the Commission.
(2) That this case should be dismissed and the
matter admitted for hearing notice given that the
matter will be heard by a quorum of the Commission.