CASE 7245: THE SUPERIOR OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No.

7245

Application

Transcripts

Small Exhibits

F. T. C.

CAMPBELL, BYRD & BLACK, P.A. OH CO.

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE

JEFFERSON PLACE
SUITE I - IIO NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

September 2, 1981

File

Mr. Joe D. Ramey, Director
Oil Conservation Division
New Mexico Department of Energy & Minerals
P.O. Box # 2088
Santa Fe, New Mexico 87501

Re: OCD Case 7345: Application of Bass Enterprises
(Production Company for compulsory pooling, Lea County, New Mexico.

Dear Mr. Ramey:

Bass Enterprises Production Company hereby requests that the above referenced case be continued from the examiner hearing scheduled for September 9, 1981 to the examiner hearing scheduled for September 23, 1981.

Your attention to this request is appreciated.

Very truly yours

William F. Carr

WFC/ss

cc: Working Interest Owners

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BRUCE KING SCJERNOR LARRY KEHDE SECRETARY

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

POST OFFICE BOX 2009 STATE LAND OFFICE BILL DING SANTA FE, NEW MEXICO 97501 (505) 827-2434

May 22, 1981

	Re: CASE NO. 7245		
Mr. Fred C. Hannahs	ORDER NO. R-6691		
500 Citizens Bank Building			
2500 Louisiana, N.E. Albuquerque, New Mexico 87110	Applicant:		

-

The Superior Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

JOE D. RAMEY
Director

JDR/fd

Other

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD

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. 7245 Order No. R-6691

APPLICATION OF THE SUPERIOR OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 6, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of May, 1981, the Division Director, having considered the record and the recommendations 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. 7245 is hereby dismissed.

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

STATE OF NEW MEXICO DIVISION

JUE D. RAMEY

Director

S E A

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
6 May 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of The Superior Oil Company for compulsor y pooling, Lea County, New Mexico.

CASE

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

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

For the Applicant:

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	MR. SIZE	Call next C	of The		
Superior Oil Compan	MR. STAMETS: MR. PADILLA; Compulsor;	Application y pooling, L	ea County,	ием	
	MR. STAMETS	As noted	in the dock	et,	* * * * * * * * * * * * * * * * * * *
Mexico.	MR. STAMETS				
this case will be	dismissed.		e v		4
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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HERERY 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.

Snow W. Boyd CS.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7245

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
6 May 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of The Superior Oil Company for computer y pooling, Lea County, New Mexico.

CASE 7245

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

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

For the Applicant:

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MR. STAMETS: Call next Case 7245. MR. PADILLA. Application of The Superior Oil Company for compulsory pooling, Lea County, New MR. STAMETS As noted in the docket this case will be dismissed. (Hearing concluded.)

CERTIFICATE

1, 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.

Suly W. Boyd CS.R.

that the foregoing is a complete the of the proceedings in the Examiner hearing of Case No. neard by me on____ _, Examiner Oil Conservation Division

- CASE 7244: Application of Crescent Energy Corp. for an unorthodox oil well location and non-standard oil proration unit. Rosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Bough "C" location of a well to be drilled 2630 feet from the North line and 1980 feet from the East line of Section 32, Township 8 South, Range 37 East, Allison-Pennsylvanian Field, the SW/4 NE/4 and NW/4 SE/4 of said Section 32 to be dedicated to the well.
- CASE 7245: Application of The Superior Oil Company for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 21. Township 20 South, Range 35 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. (This case will be dismissed.)
- CASE 7246: Application of Getty 0il Company for a dual completion, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the dual completion of its Getty 32

 State Com. Well No. 1 located in Unit G of Section 32, Township 21 South, Range 32 East, to produce gas from the Atoka and Morrow formations.
- CASE 7247: Application of Getty Oil Company for a gas well classification, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks the reclassification of its State 29-J Well No. 1, an oil well located in Unit J of Section 29, Township 24 South, Ronge 33 East, as a retrograde gas condensate well with the S/2 of said Section 29 to be dedicated to the well.
- CASE 7248: Application of Inexco Oil Company for pool creation, special pool rules, and an oil discovery allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Federal 10 State Com. Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, and the promulgation of special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of approximately 42,290 barrels of discovery allowable to the aforesaid well.
- CASE 7249: 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 Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 21, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7250: Application of Southland Royalty Company for computsory pooling, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 22, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7251: Application of Southern Union Exploration Company of Texas for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 36, Township 24 North, Range 1 West, to be dedicated to its Mobil Federal Well No. 1 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7252: Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying portions of Townships 24 and 25 North, Ranges 7, 8, 9, and 10 West, containing 135,040 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

Docket No. 15-81

Dockets Nos. 16-81 and 17-81 are tentatively set for May 20 and June 3, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 6, 1981

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 7235: Application of Public Lands Exploration Inc. for a unit agreement, Guadalupe County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the O'Connell Ranch Unit Area, comprising
 640 acres, more or less, of State and fee lands in Township II North, Range 25 East, said unit being
 for the purpose of conducting an enhanced oil recovery project by the injection of steam.
- CASE 7236: Application of Belco Petroleum Corporation for a dual completion, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the dual completion of its James Ranch Well No. 11 located in Unit E of Section 36, Township 22 South, Range 30 East, to produce gas from the Atoka and Morrow formations thru parallel strings of tubing.
- CASE 7237: Application of Conoco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State F-1 Well No. 10 located in Unit V of Section 1, Township 21 South, Range 36 East, to produce oil from the Hardy-Drinkard Pool and an undesignated Tubb pool thru parallel strings of tubing.
- County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Salt Lake South Deep Well No. 1, the surface location of which is 2189 feet from the North line and 500 feet from the East line of Section 6, Township 21 South, Range 32 East, South Salt Lake-Horrow Gas Pool, in a northerly direction to bottom it within 150 feet of the center of Unit A (Lot 1) of said Section 6, Lots 1 thru 8 to be dedicated to the well.
- CASE 7239: Application of Troy Strickland and E. V. Isbell for a non-standard proration unit, San Júan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 75.5-acre non-standard proration unit comprising Lot 3 and that portion of Lot 4 North of the San Juan River mid-channel, all in Section 14, Township 29 North, Range 15 West, to be dedicated to a well to be drilled at a standard location thereon.
- Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Blanco-Pictured Cliffs production in the wellbore of its Sunray B Well No. 6 located in Unit G of Section 1, Township 30 North, Range 10 West.
- CASE 7241: Application of Harvey E. Yates Company for an unorthodóx gas well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox Mississippian location of its Austin State 18 Well No. 1 to be drilled 1980 feet from the South line and 1650 feet from the East line of Section 18, Township 14 South, Range 36 East, the S/2 of said Section 18 to be dedicated to the well.
- CASE 7242: 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 Wolfcamp-Pennsylvanian location of its McDonald Well No. 1 to be irilled 660 feet from the South line and 990 feet from the East line of Section 33, Township 13 South, Range 36 East, the S/2 of said Section 33 to be dedicated to the well.
- Application of Harvey 2. Yates Company for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian and Mississippian formations underlying the S/2 of Section 33, Township 13 South, Range 36 East, for a gas completion and/or all mineral interests in the Devonian formation underlying the SE/4 SE/4 of said Section 33 for an oil completion. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7217: (Continued from April 8, 1981, Examiner Hearing)

Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Morrow location of its Travis Ohio State Com Well No. 1 to be drilled 660 feet from the South and West lines of Section 13, Township 18 South, Range 28 East, the S/2 of said Section 13 to be dedicated to the well.

500 CITIZENS BANK BUILDING 2500 LOUISIANA BOULEVARD, N. E. ALBUQUERQUE, NEW MEXICO 87110



AREA CODE 505 TELEPHONE 883-5124

April 21, 1981

Case 7245

Oil Conservation Division State Land Office Building P.O. Box 2088 Santa Fe, New Mexico 87501

Re: Application for Forced Pooling of Na, Section 21, Township 20 S., Range 35 E., Lea County, New Mexico

Attention: Florene

Gentlemen:

This shall confirm our earlier telephone conversation during which I notified you that The Superior Oil Company and Amoco Production Company have reached an agreement with respect to pooling the above acreage; therefore, it will be appreciated if you will withdraw Superior's application for forced pooling which I forwarded to you under cover of April 10, 1981.

Thank you for your assistance in this matter.

Very truly yours,

Fred C. Hannahs

FCH/mas

The Superior Oil Company

LAW OFFICES

500 CITIZENS BANK BUILDING 2500 LOUISIANA BOULEVARD, N. E. ALBUQUERQUE, NEW MEXICO 87110 R. RUSSELL RAGER

TELEPHONE 803-5124

April 10, 1981

Oil Conservation Division State Land Office Building P. O. Box 2088 Santa Fe, New Mexico 87501 OIL CONSCRVANCE DIVISION SANTA FE

Re: Application for Forced Pooling of N½, Section 21, Township 20S, Range 35E, Lea County, New Mexico

Gentlemen:

In accordance with departmental rule no. 1203 enclosed herewith in triplicate is an Application for Forced Pooling submitted by The Superior Oil Company with respect to the above described land. We will appreciate your filing the application as required and furnishing proper legal notice of the date, time and place of the examiner hearing to consider the application.

Should you have any questions concerning these matters, please do not hesitate to contact me. In the meantime, please be assured of our sincere appreciation for your assistance in this matter.

Very truly yours,

Fred C. Hannahs

FCH/mra

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY & MINERALS

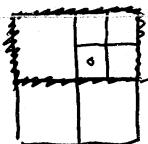
IN THE MATTER OF THE APPLICATION OF THE SUPERIOR OIL COMPANY FOR COM-PULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE 7245

APPLICATION

Comes now, THE SUPERIOR OIL COMPANY, by and through its undersigned attorney and, as provided by Section 70-2-17, N.M.S.A., 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in the Morrow formation underlying the N½ of Section 21, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support hereof states:

- 1. Applicant is the owner of 100% of the working interest in and under the NE% of Section 21, and applicant has the right to drill thereon.
- 2. Amoco Production Company is the owner of 100% of the working interest in and under the NW% of Section 21.
- 3. Applicant proposes to dedicate the above-pooled unit to its Featherstone Federal Well #2 to be drilled in N½ of Section 21 at an orthodox location 1980 feet from the north line and 1980 feet from the east line of said Section 21.
- 4. Applicant has diligently sought but has been unable to obtain the voluntary agreement of Amoco Production Company for pooling its said interest.
- 5. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.



In order to permit the applicant to obtain its just and fair share of the gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing as required by law, the Division enter its order pooling the land, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling, and after completion, including overhead charges and a risk factor for the risk assumed by applicant in drilling, equipping and completing the well, and such other and further provisions as may be proper in the premises.

Respectfully submitted,

FRED C. HANNAHS 500 Citizens Bank Building

2500 Louisiana, N.E.

Albuquerque, New Mexico 87110 (505) 883-5124

ATTORNEY FOR APPLICANT

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY & MINERALS

IN THE MATTER OF THE APPLICATION OF THE SUPERIOR OIL COMPANY FOR COM-PULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE 7245

APPLICATION

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- 1. Applicant is the owner of 100% of the working interest in and under the NE% of Section 21, and applicant has the right to drill thereon.
- 2. Amoco Production Company is the owner of 100% of the working interest in and under the NW% of Section 21.
- 3. Applicant proposes to dedicate the above-pooled unit to its Featherstone Federal Well #2 to be drilled in N½ of Section 21 at an orthodox location 1980 feet from the north line and 1980 feet from the east line of said Section 21.
- 4. Applicant has diligently sought but has been unable to obtain the voluntary agreement of Amoco Production Company for pooling its said interest.
- 5. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

6. In order to permit the applicant to obtain its just and fair share of the gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing as required by law, the Division enter its order pooling the land, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling, and after completion, including overhead charges and a risk factor for the risk assumed by applicant in drilling, equipping and completing the well, and such other and further provisions as may be proper in the premises.

Respectfully submitted,

FRED C. HANNAHS

500 Citizens Bank Building

2500 Louisiana, N.E.

Albuquerque, New Mexico 87110

(505) 883-5124

ATTORNEY FOR APPLICANT

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY & MINERALS

IN THE MATTER OF THE APPLICATION OF THE SUPERIOR OIL COMPANY FOR COM-PULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE 7245

APPLICATION

Comes now, THE SUPERIOR OIL COMPANY, by and through its undersigned attorney and, as provided by Section 70-2-17, N.M.S.A., 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in the Morrow formation underlying the N½ of Section 21, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support hereof states:

- 1. Applicant is the owner of 100% of the working interest in and under the NE% of Section 21, and applicant has the right to drill thereon.
- 2. Amoco Production Company is the owner of 100% of the working interest in and under the NW% of Section 21.
- 3. Applicant proposes to dedicate the above-pooled unit to its Featherstone Federal Well #2 to be drilled in N2 of Section 21 at an orthodox location 1980 feet from the north line and 1980 feet from the east line of said Section 21.
- 4. Applicant has diligently sought but has been unable to obtain the voluntary agreement of Amoco Production Company for pooling its said interest.
- 5. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

In order to permit the applicant to obtain its just and fair share of the gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

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Respectfully submitted,

C. HANNAHS

500 Citizens Bank Building

2500 Louisiana, N.E.

Albuquerque, New Mexico 87110

(505) 883-5124

ATTORNEY FOR APPLICANT

DRAFT

dr/

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

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

CASE NO.	7245
Order No.	R- 6691

APPLICATION OF THE SUPERIOR OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 6 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets NOW, on this day of May , 1981 , the Division Director, having considered the record and the recommendations 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. is hereby dismissed.

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