

CASE 7248: INEXCO OIL COMPANY FOR POOL
CREATION, SPECIAL POOL RULES, AND AN OIL
DISCOVERY ALLOWABLE, EDDY COUNTY, NEW MEX

Case No.

7248

Application

Transcripts

Small Exhibits

ETC



BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

July 29, 1961

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

Mr. William F. Carr
Campbell, Byrd & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 7248
ORDER NO. R-6736

Applicant:

Inexco Oil Company

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	<u>X</u>
Artesia OCD	<u>X</u>
Aztec OCD	

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. 7248
Order No. R-6736

APPLICATION OF INEXCO OIL
COMPANY FOR POOL CREATION,
SPECIAL POOL RULES, AND AN OIL
DISCOVERY ALLOWABLE, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 2, 1981,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of July, 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. 7248 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E
fd/

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Inexco Oil Company for
pool creation, special pool rules,
and an oil discovery allowable, Eddy
County, New Mexico.

CASE
7248

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

For the Applicant:

MR. STAMETS: Call next Case 7248.

MR. PEARCE: Application of Inexco Oil
Company for pool creation, special pool rules, and an oil
discovery allowable, Eddy County, New Mexico.

MR. STAMETS: At the request of the
applicant, this case will be dismissed.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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 CSR

SALLY W. BOYD, C.S.R.
Rt. 1 Box 192-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. 7248,
heard by me on 7-7 1967.

Richard L. Stum, Examiner
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Inexco Oil Company for
pool creation, special pool rules,
and an oil discovery allowable, Eddy
County, New Mexico.

CASE
7248

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

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For the Oil Conservation
Division:

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

For the Applicant:

2
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MR. PEARCE: Application of Inexco Oil
Company for pool creation, special pool rules, and an oil
discovery allowable, Eddy County, New Mexico.

MR. STAMETS: At the request of the
applicant, this case will be dismissed.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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 CSR

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

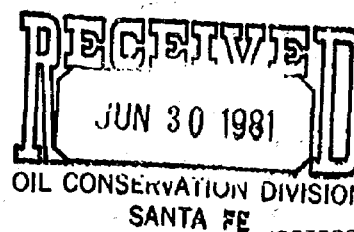
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CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HAROLD D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
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BRADFORD C. BERGE
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June 29, 1981

Mr. Joe D. Ramey
Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Rfl

Re: Case 7248: Application of Inexco Oil Company
for Pool Creation, Special Pool Rules, and an
Oil Discovery Allowable, Eddy County, New Mexico

Dear Mr. Ramey:

Inexco Oil Company hereby requests that the above-referenced
case be dismissed.

Your attention to this request is appreciated.

Very truly yours,

William F. Carr

William F. Carr

WFC:lr

cc: Mr. Dick McCauley
Mr. Les Tacconi

Dockets Nos. 22-81 and 23-81 are tentatively set for July 15 and 29, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JULY 2, 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 7283:** Application of Harvey E. Yates Company for amendment of Division Order No. R-6382, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6382 to provide that said order authorizing the McDonald Unit Agreement shall have an effective date of June 1, 1981.
- CASE 7284:** Application of Energy Reserves Group, Inc. for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Cisco location of its Miller Well No. 1 located 660 feet from the South and West lines of Section 12, Township 6 South, Range 33 East, the S/2 of said Section 12 to be dedicated to the well.
- CASE 7285:** Application of J. C. Williamson for two non-standard gas proration units and two unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard 320-acre Wolfcamp gas proration units in Section 10, Township 23 South, Range 34 East, the first comprising the NW/4, W/2 NE/4, and N/2 SW/4, and the second comprising the E/2 NE/4, S/2 SW/4, and SE/4. Applicant further seeks approval for two unorthodox locations, the first for a well drilled 1560 feet from the North line and 1830 feet from the South and East lines of the section, and the second for a well to be drilled 1980 feet from the South and East lines of the section.
- CASE 7286:** Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Blanco Mesaverde production in the wellbore of its Jicarilla F Well No. 6 located in the SW/4 of Section 34, Township 26 North, Range 4 West.
- CASE 7287:** Application of Benson-Montin-Greer Drilling Corporation 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 a previously approved 640-acre non-standard proration unit comprising the W/2 of Section 17 and the W/2 of Section 20, Township 26 North, Range 1 West, to be dedicated to a well to be drilled 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 7288:** Application of Southern Union Exploration Company of Texas for contraction of the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the West Puerto Chiquito-Mancos Oil Pool by the deletion of Section 36, Township 24 North, Range 1 West, therefrom.
- CASE 7251:** (Continued from June 3, 1981, Examiner Hearing)
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 7289:** Application of Exxon Corporation for a salt water disposal well, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation at a depth of 2638 feet to 2774 feet in its Strange Federal Well No. 3 in Unit J of Section 25, Township 7 South, Range 31 East, Tomahawk-San Andres Pool.
- CASE 7290:** Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the NE/4 of Section 26, Township 5 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7291: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Silurian and Fusselman formations underlying the N/2 of Section 6, Township 25 South, Range 37 East, Custer Field, 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 7292: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian thru Ellenburger formations underlying the S/2 of Section 6, Township 25 South, Range 37 East, Custer Field, 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 7293: Application of ARCO Oil and Gas Company for an amendment to Order No. R-6649, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-6649 which authorized compulsory pooling in Section 33, Township 22 South, Range 36 East, Langlie Field, to extend to February 1, 1982, the commencement of drilling required in said order.

CASE 7294: Application of ARCO Oil and Gas Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers-Queen formation at a depth of 2996 feet to 3186 feet in its R. S. Crosby Well No. A-2 located in Unit 1 of Section 28, Township 25 South, Range 37 East, Langlie Mattix Pool.

CASE 7248: (Continued from June 3, 1981, Examiner Hearing)

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 1 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 7280: (Continued from June 17, 1981, Examiner Hearing)

Application of Northwest Pipeline Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Rosa Unit Well No. 77 located in Unit 1 of Section 33, Township 31 North, Range 5 West, to produce gas from the Mesaverde formation and commingled Gallup and Dakota production through separate strings of tubing.

CASE 7295: Application of Gulf Oil Corporation for rescission of Division Order No. R-2429-C, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Division Order No. R-2429-C which authorized 320-acre spacing units in the White City-Pennsylvanian Gas Pool. Applicant seeks the reinstatement of 640-acre spacing units in said pool with provision for 320-acre infill drilling and appropriate findings relative thereto.

CASE 7296: Application of J. Gregory Merrion and Robert L. Bayless for amendment of pool rules, contraction of the Otero-Gallup Pool, and extension of the Devils Fork-Gallup Associated Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the Devils Fork-Gallup Associated Pool Rules to provide for 160-acre spacing rather than 80 acres. Applicant further seeks the contraction of the Otero-Gallup Pool by the deletion of the following acreage: E/2 and NE/4 SW/4 of Section 2, Township 24 North, Range 6 West, and the E/2 of Section 35, Township 25 North, Range 6 West. Applicant seeks the extension of the Devils Fork-Gallup Associated Pool to include the following acreage: In Township 24 North, Range 6 West: All of Sections 2 and 3; S/2 and NE/4 of Section 4; S/2 of Section 5; S/2 of Section 6; and N/2 of Section 11. In Township 25 North, Range 6 West: SE/4 of Section 33; S/2 of Section 34; and all of Section 35.

CASE 7297: (This case will be dismissed.)

Application of Amoco Production Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Alley Unit Well No. 1 in Unit E of Section 1, Township 19 South, Range 25 East.

CASE 7298: (This case will be dismissed.)

Application of Amoco Production Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Lancaster Springs Com Well No. 1 in Unit I of Section 1, Township 22 South, Range 26 East.

CASE 7299: (This case will be dismissed.)

Application of Amoco Production Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its State IL Com Well No. 1 in Unit G of Section 3, Township 19 South, Range 24 East.

CASE 7300: Application of Dome Petroleum Corporation for designation of a tight formation, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Chacra formation underlying portions of Townships 21 and 22 North, Ranges 5, 6, and 7 West, containing 73,018 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.**CASE 7301:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, redesignating, and extending vertical and horizontal limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Lusk-Morrow Gas Pool. The discovery well is Grace Petroleum Corporation West Tonto Federal Com Well No. 1 located in Unit L of Section 24, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 24: W/2

(b) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Mississippian production and designated as the Peterson-Mississippian Pool. The discovery well is Euserch Exploration, Inc. Finley Well No. 1 located in Unit A of Section 6, Township 5 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM
Section 28: SW/4
Section 29: S/2
Section 32: W/2

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 5: NW/4
Section 6: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Salado Draw-Wolfcamp Gas Pool. The discovery well is Amoco Production Company State GR Well No. 1 located in Unit G of Section 17, Township 26 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 33 EAST, NMPM
Section 17: E/2

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn production and designated as the Talco-Strawn Gas Pool. The discovery well is American Trading and Producing Corporation Talco Unit Well No. 1 located in Unit H of Section 11, Township 26 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM
Section 11: E/2

(e) REDESIGNATE the Lusk-Seven Rivers Pool in Lea County, New Mexico, to the North Lusk-Seven Rivers Pool described as:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 3: All

- (f) EXTEND the vertical limits of the Lusk-Yates Pool in Eddy and Lea Counties, New Mexico, to include the Seven Rivers formation and redesignate pool as the Lusk Yates-Seven Rivers Pool described as:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 24: All

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 19: W/2 and W/2 NE/4

- (g) EXTEND the Angell Ranch Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 11: S/2
Section 14: All

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 32: S/2

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 2: W/2 and NE/4
Section 11: W/2

- (i) EXTEND the Atoka-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 26: NW/4 SW/4
Section 33: S/2 SE/4

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM
Section 4: NW/4 NE/4

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

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 34: S/2

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 34: E/2

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 3: All
Section 10: N/2
Section 11: W/2

- (k) EXTEND the Bull's Eye-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM
Section 12: N/2 SE/4

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM
Section 7: N/2 SW/4

- (l) EXTEND the South Culebra Bluff-Bone Springs Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 27: N/2 NE/4

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

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 33: N/2

- (n) EXTEND the East Eagle Creek Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 30: N/2

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 17: NE/4

- (p) EXTEND the Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 31: E/2

- (q) EXTEND the Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 20: NE/4
Section 21: N/2

- (r) EXTEND the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 1: W/2 SW/4

- (s) EXTEND the North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 16: E/2

- (t) EXTEND the Langlie Mattix Seven Rivers-Queen-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 31: SW/4

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 7: S/2

- (v) EXTEND the West Nadine-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 5: E/2
Section 8: NE/4

- (w) EXTEND the East Red Lake Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 25: W/2 NE/4 and NW/4 SE/4

- (x) EXTEND the Richard Knob Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 9: N/2

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

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 16: S/2

- (z) EXTEND the Scharb-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 5: E/2

(aa) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 19: NW/4

(bb) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 11: SW/4
Section 14: NW/4

Docket No. 21-81

DOCKET: COMMISSION HEARING - WEDNESDAY - JULY 8, 1981

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 7226: (DE NOVO)

Application of Enserch Exploration, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Montoya formation in the interval from 7902 feet to 7930 feet in its Rader Well No. 2 in Unit E of Section 32, Township 5 South, Range 33 East.

Upon application of Enserch Exploration, Inc. this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7275: (Continued from June 17, 1981, Examiner Hearing)

Application of S. P. Yates for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the N/2 of Section 21, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7270: (Continued from June 17, 1981, Examiner Hearing)

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 19 South, Range 27 East, to be dedicated to its Pecos River Federal 21-A Com 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.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Inexco Oil Company
for pool creation, special pool
rules, and an oil discovery allow-
able, Eddy County, New Mexico.

CASE
7248

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

For the Applicant:

MR. STAMETS: Call next Case 7248.

MR. PADILLA: Application of Inexco
Oil Company for pool creation, special pool rules, and an
oil discovery allowable, Eddy County, New Mexico.

MR. STAMETS: At the request of the
applicant this case will be continued to the July 2nd Examiner
Hearing.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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 CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the examiner hearing of Case No. 7248
heard by me on 6-3 1981
Richard L. Plummer, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

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

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Inexco Oil Company
for pool creation, special pool
rules, and an oil discovery allow-
able, Eddy County, New Mexico.

CASE
7248

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

For the Applicant:

MR. STAMETS: Call next Case 7248.

MR. PADILLA: Application of Inexco
Oil Company for pool creation, special pool rules, and an
oil discovery allowable, Eddy County, New Mexico.

MR. STAMETS: At the request of the
applicant this case will be continued to the July 2nd Examiner
Hearing.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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 CSR

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

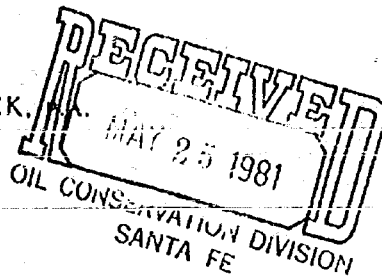
SALLY W. BOYD, C.S.R.

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

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CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

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



JEFFERSON PLACE
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TELEPHONE: (505) 988-4421
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May 22, 1981

Mr. Joe D. Ramey
Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Case 7248: Application of Inexco Oil Company
for Pool Creation, Special Pool Rules, and an
Oil Discovery Allowable, Eddy County, New Mexico

Dear Mr. Ramey:

Inexco hereby requests that this case be continued from the
examiner hearing scheduled for June 3 to the first examiner
hearing scheduled for July 1981.

Your attention to this request is appreciated.

Very truly yours,

William F. Carr

WFC:lr

cc: Mr. Dick McCauley

CASE 7237: (Continued and Readvertised)

Application of Conoco Inc. for a dual completion and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete 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-Blinebry Pool and commingled Hardy-Drinkard and undesignated Tubb production.

CASE 7267: Application of Conoco Inc. for a dual completion and unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its SENU Burger Well No. 107 to produce oil from the Skaggs-Grayburg and an undesignated Paddock Pool at an unorthodox location 2615 feet from the South and East lines of Section 19, Township 20 South, Range 38 East.

CASE 7268: Application of Conoco Inc. for pool extension and contraction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the upward extension of the vertical limits of the Skaggs-Grayburg Pool to include the lowermost 100 feet of the Queen formation underlying all of Section 13, the E/2 of Section 24, and NE/4 of Section 25, Township 20 South, Range 37 East, and the W/2 of Section 18, all of Section 19, NW/4 of Section 20, and N/2 of Section 30, Township 20 South, Range 38 East. Applicant also proposes the contraction of the vertical limits of the Eumont Pool by deletion of the lowermost 100 feet of the Queen formation underlying the NW/4 of Section 13 and E/2 of Section 24, Township 20 South, Range 37 East, and the W/2 of Section 18 and W/2 of Section 19, Township 20 South, Range 38 East.

CASE 7248: (Continued from May 6, 1981, Examiner Hearing)

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 7269: Application of Alpha Twenty-One Production Company for an unorthodox gas well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the E/2 SW/4 and the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, Eumont Gas Pool, to be dedicated to its Lansford Well No. 4 at an unorthodox location 810 feet from the South line and 1880 feet from the East line of said Section 21.

CASE 7270: 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 19 South, Range 27 East, to be dedicated to its Pecos River Federal 21-A Com 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 7250: (Continued from May 6, 1981, Examiner Hearing)

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 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 7271: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through the Drinkard formation underlying the NW/4 SE/4 of Section 5, Township 20 South, Range 38 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 7086: (Continued from May 20, 1981, Examiner Hearing)

Application of Blackwood & Nichols Company, Ltd. 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 Pictured Cliffs formation underlying portions of Townships 30 and 31 North, Ranges 6, 7, and 8 West, containing 33,500 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.

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 Inexo Oil Company
for pool creation, special pool
rules, and oil discovery allowable
Eddy County, New Mexico.

CASE
7248

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

For the Applicant:

MR. STAMTES: Call next Case 7248.

MR. PADILLA: Application of Inexco
Oil Company for pool creation, special pool rules, and an
oil discovery allowable, Eddy County, New Mexico.

MR. STAMETS: At the request of the
applicant this case will be continued to the June 3rd Examiner
Hearing.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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 CSR

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. 7748
heard by me on 5-6 1981.
Richard L. Stamm Examiner
Oil Conservation Division

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 Inexo Oil Company
for pool creation, special pool
rules, and oil discovery allowable
Eddy County, New Mexico.

CASE
7248

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

For the Applicant:

MR. STANTES: Call next Case 7248.

MR. PADILLA: Application of Inexco
Oil Company for pool creation, special pool rules, and an
oil discovery allowable, Eddy County, New Mexico.

MR. STAMETS: At the request of the
applicant this case will be continued to the June 3rd Examiner
Hearing.

(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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 record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

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MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE

RECEIVED
MAY 06 1981
OIL CONSERVATION DIVISION
SANTA FE

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May 4, 1981

Mr. Joe D. Ramey
Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

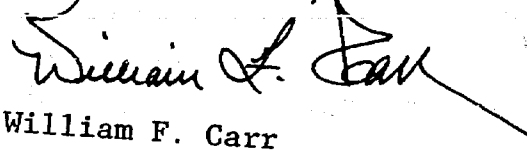
Re: Case 7248: Application of Inexco Oil Company
for Pool Creation, Special Pool Rules and
Discovery Allowable, Eddy County, New Mexico

Dear Mr. Ramey:

Inexco Oil Company hereby requests that the above-referenced
case scheduled for hearing on May 6, 1981, be continued to
the examiner hearing scheduled for June 3, 1981.

Your attention to this request is appreciated.

Very truly yours,


William F. Carr

WFC:lr

cc: Mr. Les Tacconi

- CASE 7244: Application of Crescent Energy Corp. for an unorthodox oil well location and non-standard oil production unit, Roosevelt 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 1986 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 Oil 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, Range 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 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 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.

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
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JEFFERSON PLACE
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TELECOPIER: (505) 583-6043

April 16, 1981

Mr. Joe D. Ramey
Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 7248

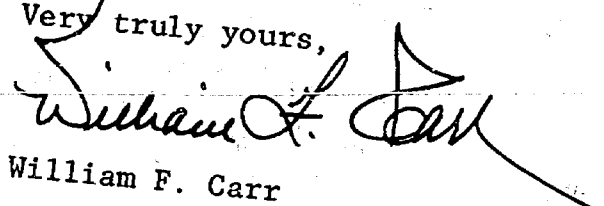
Re: Amended Application of Inexco Oil Company for
Pool Creation, Special Pool Rules and Discovery
Allowable, Eddy County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the amended application of Inexco
Oil Company in the above-referenced matter.

The applicant requests that this matter be included on the
docket for the examiner hearing scheduled to be held on
May 6, 1981.

Very truly yours,


William F. Carr

WFC:lr

Enclosures

cc: Mr. Les Tacconi

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF INEXCO OIL COMPANY FOR POOL
CREATION, SPECIAL POOL RULES AND
DISCOVERY ALLOWABLE, EDDY COUNTY,
NEW MEXICO.

Case 7248

AMENDED APPLICATION

Comes now, INEXCO OIL COMPANY, by its undersigned attorneys and hereby makes application for an Order designating a new pool as the result of the discovery of oil in the Wolfcamp Formation in its Federal 10 State Com. No. 1 Well located in Unit L of Section 10, Township 21 South, Range 26 East, Eddy County, New Mexico, and for promulgation of special pool rules, including (1) 160 acre spacing or proration units on a permanent basis or, in the alternative, on a temporary basis, (2) special well location requirements, and (3) the dedication of all the SW/4 of said Section 10 to the Federal 10 State Com. No. 1 Well and in support of this application would show the Commission:

1. That applicant drilled its Federal 10 State Com. No. 1 Well and completed it as a gas well in the Cisco Canyon Formation in 1979 at a location 1980 feet from the South line and 660 feet from the West line of Section 10, Township 21 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. Said well has since ceased to produce from the Cisco Canyon and has been recompleted in the Wolfcamp Formation and is capable of producing substantial volumes of oil.
2. Applicant believes the following described lands are reasonably proven to be productive of oil and gas in

paying quantities from the Wolfcamp Formation and should be included in the original definition of the new pool to be created because of said discovery:

Township 21 South, Range 27 East, N.M.P.M.
Section 10: All

3. In order to prevent economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and to otherwise prevent waste and protect correlative rights, special pool rules and regulations providing for 160 acre spacing units should be promulgated for the new oil pool.

4. Applicant respectfully requests that the special pool rules provide that each well shall be located on a standard unit containing 160 acres more or less, consisting of a governmental quarter section and that each well shall be located within 660 feet of the center of a governmental quarter quarter section or lot.

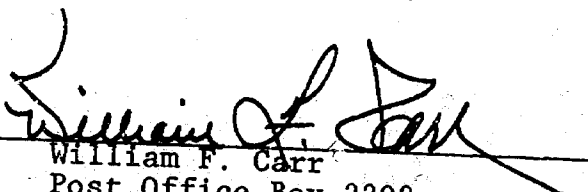
5. Applicant believes that the Federal 10 State Com. No. 1 Well is a bona fide oil discovery well producing from a new common source of supply. The well has been completed in the Wolfcamp Formation through perforations from 8458 feet to 8475 feet, and flowed at an average rate of approximately 150 barrels of oil per hour during a 1.5 hour test. Applicant, therefore, requests that the Division establish a discovery allowable for the Federal 10 State Com. No. 1 Well in accordance with Rule 509 of the Division's Rules and Regulations.

WHEREFORE, Inexco Oil Company requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on May 6, 1981, that notice be given as required by law and the rules of the Division, and the application be approved.

Respectfully submitted,

CAMPBELL, BYRD AND BLACK, P.A.

By


William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87501

Attorneys for Applicant

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF INEXCO OIL COMPANY FOR POOL
CREATION, SPECIAL POOL RULES AND
DISCOVERY ALLOWABLE, EDDY COUNTY,
NEW MEXICO.

Case 7248

AMENDED APPLICATION

Comes now, INEXCO OIL COMPANY, by its undersigned attorneys and hereby makes application for an Order designating a new pool as the result of the discovery of oil in the Wolfcamp Formation in its Federal 10 State Com. No. 1 Well located in Unit L of Section 10, Township 21 South, Range 26 East, Eddy County, New Mexico, and for promulgation of special pool rules, including (1) 160 acre spacing or proration units on a permanent basis or, in the alternative, on a temporary basis, (2) special well location requirements, and (3) the dedication of all the SW/4 of said Section 10 to the Federal 10 State Com. No. 1 Well and in support of this application would show the Commission:

1. That applicant drilled its Federal 10 State Com. No. 1 Well and completed it as a gas well in the Cisco Canyon Formation in 1979 at a location 1980 feet from the South line and 660 feet from the West line of Section 10, Township 21 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. Said well has since ceased to produce from the Cisco Canyon and has been recompleted in the Wolfcamp Formation and is capable of producing substantial volumes of oil.
2. Applicant believes the following described lands are reasonably proven to be productive of oil and gas in

paying quantities from the Wolfcamp Formation and should be included in the original definition of the new pool to be created because of said discovery:

Township 21 South, Range 27 East, N.M.P.M.
Section 10: All

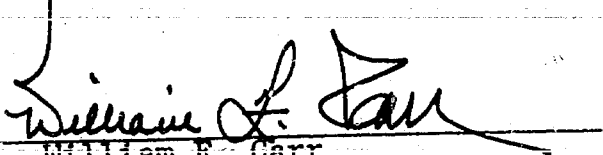
3. In order to prevent economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and to otherwise prevent waste and protect correlative rights, special pool rules and regulations providing for 160 acre spacing units should be promulgated for the new oil pool.
4. Applicant respectfully requests that the special pool rules provide that each well shall be located on a standard unit containing 160 acres more or less, consisting of a governmental quarter section and that each well shall be located within 660 feet of the center of a governmental quarter quarter section or lot.
5. Applicant believes that the Federal 10 State Com. No. 1 Well is a bona fide oil discovery well producing from a new common source of supply. The well has been completed in the Wolfcamp Formation through perforations from 8458 feet to 8475 feet, and flowed at an average rate of approximately 150 barrels of oil per hour during a 1.5 hour test. Applicant, therefore, requests that the Division establish a discovery allowable for the Federal 10 State Com. No. 1 Well in accordance with Rule 509 of the Division's Rules and Regulations.

WHEREFORE, Inexco Oil Company requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on May 6, 1981, that notice be given as required by law and the rules of the Division, and the application be approved.

Respectfully submitted,

CAMPBELL, BYRD AND BLACK, P.A.

By


William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87501

Attorneys for Applicant

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF INEXCO OIL COMPANY FOR POOL
CREATION, SPECIAL POOL RULES AND
DISCOVERY ALLOWABLE, EDDY COUNTY,
NEW MEXICO.

Case 7248

AMENDED APPLICATION

Comes now, INEXCO OIL COMPANY, by its undersigned attorneys and hereby makes application for an Order designating a new pool as the result of the discovery of oil in the Wolfcamp Formation in its Federal 10 State Com. No. 1 Well located in Unit L of Section 10, Township 21 South, Range 26 East, Eddy County, New Mexico, and for promulgation of special pool rules, including (1) 160 acre spacing or proration units on a permanent basis or, in the alternative, on a temporary basis, (2) special well location requirements, and (3) the dedication of all the SW/4 of said Section 10 to the Federal 10 State Com. No. 1 Well and in support of this application would show the Commission:

1. That applicant drilled its Federal 10 State Com. No. 1 Well and completed it as a gas well in the Cisco Canyon Formation in 1979 at a location 1980 feet from the South line and 660 feet from the West line of Section 10, Township 21 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. Said well has since ceased to produce from the Cisco Canyon and has been recompleted in the Wolfcamp Formation and is capable of producing substantial volumes of oil.

2. Applicant believes the following described lands are reasonably proven to be productive of oil and gas in

paying quantities from the Wolfcamp Formation and should be included in the original definition of the new pool to be created because of said discovery:

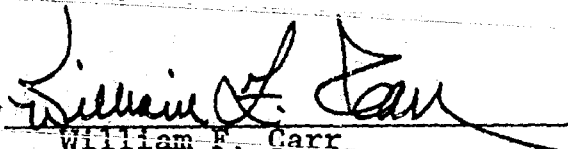
Township 21 South, Range 27 East, N.M.P.M.
Section 10: All

3. In order to prevent economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and to otherwise prevent waste and protect correlative rights, special pool rules and regulations providing for 160 acre spacing units should be promulgated for the new oil pool.
4. Applicant respectfully requests that the special pool rules provide that each well shall be located on a standard unit containing 160 acres more or less, consisting of a governmental quarter section and that each well shall be located within 660 feet of the center of a governmental quarter quarter section or lot.
5. Applicant believes that the Federal 10 State Com. No. 1 Well is a bona fide oil discovery well producing from a new common source of supply. The well has been completed in the Wolfcamp Formation through perforations from 8458 feet to 8475 feet, and flowed at an average rate of approximately 150 barrels of oil per hour during a 1.5 hour test. Applicant, therefore, requests that the Division establish a discovery allowable for the Federal 10 State Com. No. 1 Well in accordance with Rule 509 of the Division's Rules and Regulations.

WHEREFORE, Inexco Oil Company requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on May 6, 1981, that notice be given as required by law and the rules of the Division, and the application be approved.

Respectfully submitted,
CAMPBELL, BYRD AND BLACK, P.A.

By



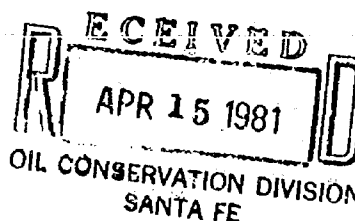
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

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HARL D. BYRD
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MICHAEL B. CAMPBELL
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WILLIAM G. WARDLE

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 14, 1981



Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application of Inexco Oil Company for Pool
Creation and Special Pool Rules, Eddy County,
New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Inexco Oil
Company in the above-referenced matter.

The applicant requests that this matter be included on the
docket for the examiner hearing scheduled to be held on
May 6, 1981.

Very truly yours,

William F. Carr

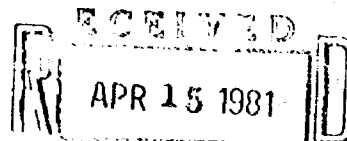
William F. Carr

WFC:lr

Enclosures

cc: Mr. Les Tacconi

perf's
8458 to 8475
8458/
42290



BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF INEXCO OIL COMPANY FOR POOL
CREATION AND SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO.

Case _____

APPLICATION

Comes now, INEXCO OIL COMPANY, by its undersigned attorneys and hereby makes application for an Order designating a new pool as the result of the discovery of oil in the Wolfcamp Formation in its Federal 10 State Com. No. 1 Well located in Unit L of Section 10, Township 21 South, Range 26 East, Eddy County, New Mexico, and for promulgation of special pool rules, including (1) 160 acre spacing or proration units on a permanent basis or, in the alternative, on a temporary basis, (2) special well location requirements, and (3) the dedication of all the SW/4 of said Section 10 to the Federal 10 State Com. No. 1 Well and in support of this application would show the Commission:

1. That applicant drilled its Federal 10 State Com. No. 1 Well and completed it as a gas well in the Cisco Canyon Formation in 1979 at a location 1980 feet from the South line and 660 feet from the West line of Section 10, Township 21 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. Said well has since ceased to produce from the Cisco Canyon and has been recompleted in the Wolfcamp Formation and is capable of producing substantial volumes of oil.

2. Applicant believes the following described lands are reasonably proven to be productive of oil and gas in

paying quantities from the Wolfcamp Formation and should be included in the original definition of the new pool to be created because of said discovery:

Township 21 South, Range 27 East, N.M.P.M.
Section 10: All

3. In order to prevent economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and to otherwise prevent waste and protect correlative rights, special pool rules and regulations providing for 160 acre spacing units should be promulgated for the new oil pool.

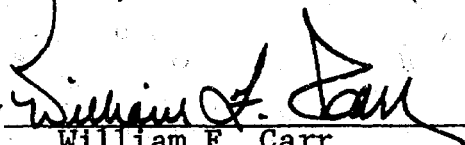
4. Applicant respectfully requests that the special pool rules provide that each well shall be located on a standard unit containing 160 acres more or less, consisting of a governmental quarter section and that each well shall be located within 660 feet of the center of a governmental quarter quarter section or lot.

WHEREFORE, Inexco Oil Company requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on May 6, 1981, that notice be given as required by law and the rules of the Division, and the application be approved.

Respectfully submitted,

CAMPBELL, BYRD AND BLACK, P.A.

By



William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

RECEIVED
APR 15 1981
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NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

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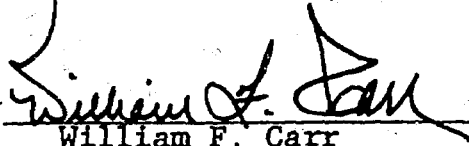
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Attorneys for Applicant

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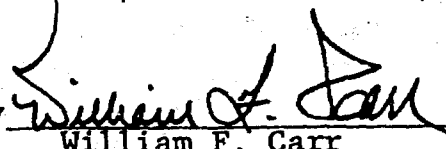
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By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

dr/

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

CASE NO. 7248

Order No. R- 6736

APPLICATION OF INEXCO OIL
COMPANY FOR POOL CREATION, SPECIAL
POOL RULES, AND AN OIL DISCOVERY
ALLOWABLE, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 2,
1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of July, 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. 7248 is hereby dismissed.

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