

W CASE 7330: UNION OIL COMPANY OF CALI-
FORNIA FOR COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO

inia

Case No.

7330

Application

Transcripts.

Small Exhibits

ETC

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

September 25, 1981

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

Mr. S. B. Christy IV
Jennings & Christy
Attorneys at Law
P. O. Box 1180
Roswell, New Mexico 88201

Re: CASE NO. 7330
ORDER NO. R-6774

Applicant:

Union Oil Company of California

Dear Sir:

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

Yours very truly,

JOE D. RAMFAY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD _____ X
Artesia OCD _____ X
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. 7330
Order No. R-6774

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA 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 August 26, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of September, 1981, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

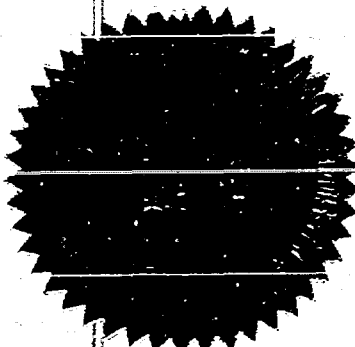
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 7330 is hereby dismissed.

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



SEAL

dp/

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Union Oil Company of
California for compulsory pooling,
Lea County, New Mexico.

CASE
7330

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: The hearing will please
come to order.

We'll call Case 7330.

MR. PADILLA: Application of Union Oil
Company of California for compulsory pooling, Lea County,
New Mexico.

MR. STAMETS: Applicant in the subject
case has requested that it be dismissed, and it shall be.

(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 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.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7336, heard by me on 8-26 1981.
Richard H. Stamm, Examiner
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Union Oil Company of
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CASE
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TRANSCRIPT OF HEARING

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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 C.S.R.

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

RECEIVED
AUG 21 1981

STATE OF NEW MEXICO
DEPARTMENT OF NATURAL RESOURCES
OIL CONSERVATION DIVISION
SANTA FE

IN THE MATTER OF THE APPLICATION
OF UNION OIL COMPANY OF
CALIFORNIA FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

Case No. 7330

MOTION FOR DISMISSAL

COMES NOW Union Oil Company of California, and moves
the Division for dismissal of its Application set for
Examiner Hearing August 26, 1981.

Respectfully,

UNION OIL COMPANY OF CALIFORNIA

By

S. B. Christy IV
S. B. Christy IV,
Attorney at Law
P. O. Box 1180
Roswell, New Mexico 88201
(505) 622-8432

cc via certified mail to:

Getty Oil Company
P. O. Box 1231
Midland, Texas 79702
Attention Mr. Ted Meade

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
Attention Mr. Robert L. Ivey

uncertified copy to:

Union Oil Company of California
P. O. Box 671
Midland, Texas 79702
Attention Mr. Robert V. Lockhart

RFH

RECEIVED
AUG 21 1981

STATE OF NEW MEXICO
DEPARTMENT OF NATURAL RESOURCES
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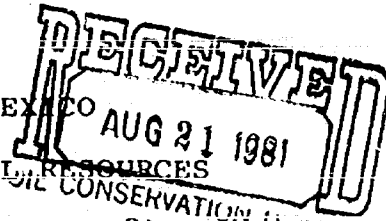
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STATE OF NEW MEXICO
DEPARTMENT OF NATURAL RESOURCES
OIL CONSERVATION DIVISION
SANTA FE



IN THE MATTER OF THE APPLICATION
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Attention Mr. Robert V. Lockhart

Dockets Nos. 27-81 and 28-81 are tentatively set for September 9 and September 23, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 26, 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. Hutter, Alternate Examiner:

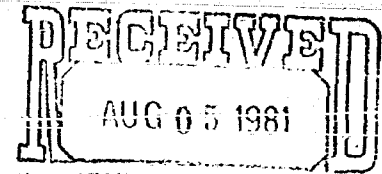
- CASE 7329: Application of Loco Hills Water Disposal Company for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit the commercial disposal of produced brine into several unlined surface pits located in the S/2 SW/4 SW/4 of Section 16, Township 17 South, Range 30 East.
- CASE 7330: Application of Union Oil Company of California for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Atoka and Morrow formations underlying the E/2 of Section 16, Township 22 South, Range 33 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 7331: Application of Bass Enterprises Production Company for an unorthodox location and possible dual completion or downhole commingling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Bass State Well No. 2, a Wolfcamp test located 554 feet from the South and East lines of Section 16, Township 7 South, Range 35 East, to be plugged back and completed in the Todd Upper and/or Todd Lower San Andres Pools. Applicant further seeks authority to dually complete said well in both of said pools or, if of similar nature, i.e., gas-gas or oil-oil, to commingle the production from said pools in the wellbore. The SE/4 SE/4 of said Section 16 would be dedicated to an oil completion and the E/2 of the section to a gas completion.
- CASE 7332: Application of Bass Enterprises Production Company for directional drilling and possible unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its James Ranch Well No. 13 from a surface location 660 feet from the South line and 1240 feet from the East line of Section 36, Township 22 South, Range 30 East, in such a manner as to penetrate the various pays in the Pennsylvania formation at various distances from the outer boundary of the proposed proration unit, being the S/2 of Section 31, Township 22 South, Range 31 East, but in no event closer than an unorthodox location 660 feet from the outer boundary of said unit.
- CASE 7333: Application of Coquina Oil Corporation 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 14, Township 24 South, Range 28 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 7334: Application of R. A. Mendenhall Associates, Ltd. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Delaware Mountain Group formation underlying the NW/4 SE/4 of Section 10, Township 22 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 7315: (Continued and Readvertised)
- Application of Rhema Oil Processing for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SW/4 NE/4 NW/4 of Section 14, Township 20 South, Range 38 East.

JAMES T. JENNINGS
SIM B. CHRISTY IV
DEAN G. CONSTANTINE

LAW OFFICES OF
JENNINGS & CHRISTY
1012 SECURITY NATIONAL BANK BUILDING
P. O. BOX 1180
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-8432
AREA CODE 505

August 4, 1981



OIL CONSERVATION DIVISION
SANTA FE

Mr. Dan S. Nutter
Chief Engineer
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 7390

Re: Application of Union Oil Company
of California for compulsory
pooling, Lea County, New Mexico

Dear Mr. Nutter:

Pursuant to our telephone conversation of this date,
we have prepared and enclose herewith in triplicate,
Application in connection with the captioned.

It is our understanding that the matter will be set
for Examiner Hearing on the regular docket on August 26, 1981.

Respectfully,

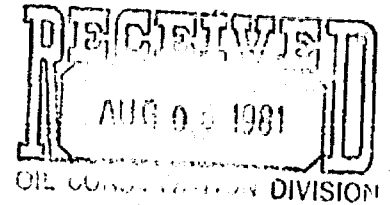
JENNINGS & CHRISTY

SBC/jy
Encl.

By 
S. B. Christy IV

cc: Union Oil Company of California
(Mr. Robert V. Lockhart)

STATE OF NEW MEXICO
DEPARTMENT OF NATURAL RESOURCES
OIL CONSERVATION DIVISION



Case No. 7330

IN THE MATTER OF THE APPLICATION
OF UNION OIL COMPANY OF
CALIFORNIA FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

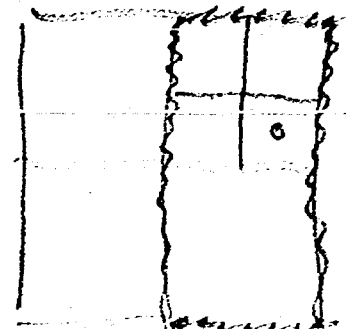
APPLICATION

COMES NOW Union Oil Company of California, and hereby makes application for compulsory pooling of all mineral interest in the Atoka and Morrow formations underlying the E $\frac{1}{2}$ Section 16, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico, containing 320 acres, more or less, and for grounds thereof states:

1. Applicant has been diligent in its efforts to form a proration unit for the drilling of a well, to be located 1,980 feet from the North line and 660 feet from the East line of said Section 16, but there remains non-consenting interest owners in the subject proration unit who have not agreed to the pooling of their interest.

2. That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford the owner of each interest in said proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas and associated hydrocarbons producible from the Atoka and Morrow formations, this regulatory body should approve the pooling of all mineral interest, whatever they may be, within said unit.

3. Applicant proposes to dedicate the subject proration unit to the well to be located as aforesaid.



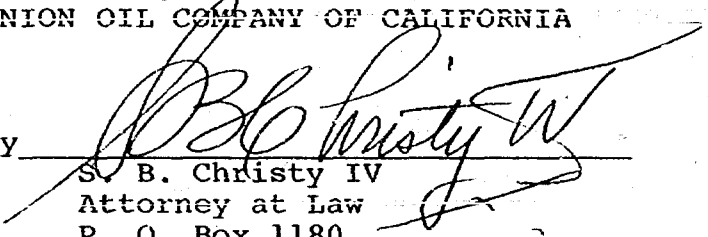
4. Applicant seeks permission to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of the cost of said well has been recovered plus 200% thereof as a charge for the risk involved in the drilling of the well.

5. That after due public notice, this regulatory body should enter its order granting compulsory pooling in accordance with this Application, fixing a charge for risk, fixing a per month cost for operating the well, and granting to each non-consenting working interest owner the privilege to join in the payment of drilling the well in accordance with law. That such order should further provide that Applicant be appointed as Operator of the well.

Respectfully,

UNION OIL COMPANY OF CALIFORNIA

By


S. B. Christy IV
Attorney at Law
P. O. Box 1180
Roswell, New Mexico 88201

cc via certified mail to:

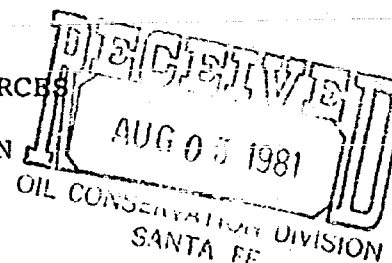
Getty Oil Company
P. O. Box 1231
Midland, Texas 79702
Attention Mr. Ted Meade

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
Attention Mr. Robert L. Ivey

uncertified copy to:

Union Oil Company of California
P. O. Box 671
Midland, Texas 79702
Attention Mr. Robert V. Lockhart

STATE OF NEW MEXICO
DEPARTMENT OF NATURAL RESOURCES
OIL CONSERVATION DIVISION



IN THE MATTER OF THE APPLICATION
OF UNION OIL COMPANY OF
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Case No. 7330

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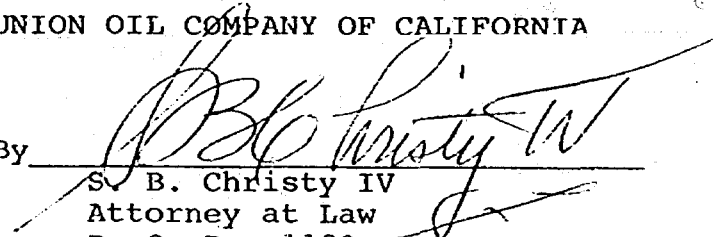
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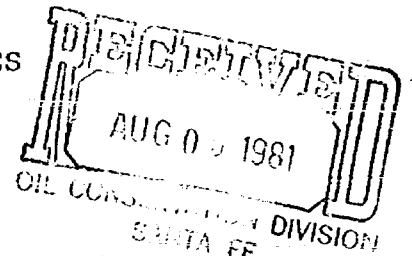
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OIL CONSERVATION DIVISION



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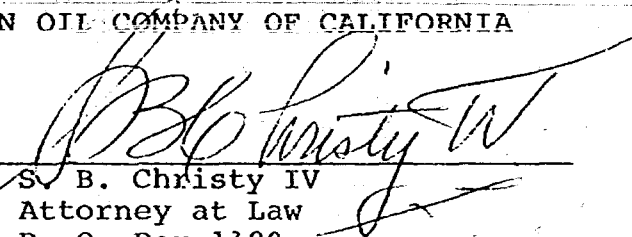
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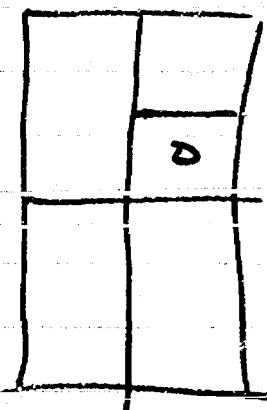
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Union Oil Co of Calif
camp pooling

E/2 Sec 16 22S 33E Lea Co
Marathon & Atoka old loc



owners:

Geth Oil Co

Box 1231

Midland TX 79702

Phillips Pet Co

4001 Panbrook

Odessa, TX 79762

called in by Sam Christy
10:37 am 8-9-81 written appl
to Jallow

RAFT

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. 7330

Order No. R- 6774

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA 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 August 26,
19⁸¹, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this ^{September} day of August, 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. 7330 is hereby dismissed.

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