CASE 7344: READ & STEVENS, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case MO.

7344

Application

Transcripts.

Small Exhibits

# LARRY KEHOE

### STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

POST OFFICE BOX 2008 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

October 1, 1981

Mr. S. B. Christy IV Jennings & Christy Attorneys at law P. O. Box 1180 Roswell, New Mexico 88201 CASE NO. ORDER NO. R-6784

Applicant:

Read & Stevens, Inc.

Dear Sir:

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

fours very truly,

JOE D. RAMEY Director .

JDR/fd

Copy of order also sent to:

Hobbs OCD Artesia OCD 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. 7344 Order No. R-6784

APPLICATION OF READ & STEVENS, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

### ORDER OF THE DIVISION

### BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 9, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th 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. 7344 is hereby dismissed.

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

STATE OF NEW MEXICO OLL CONSERVATION DIVISION

JOE D. RAMEY

**Birector** 

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### CERTIFICATE

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.

Saly W. Byd COR)

I do here come that the foregoing is a comple of the proceedings in the Examinar hearing of Case No. 73 wheheard by Ale on 19 R Oll Conservation Division

MR. NUTTER: We'll call next Case Humber 3 7344. MR. PEARCE: Application of Read & 5 Stevens, Inc., for compulsory pooling, Eddy County; New 6 Mexico. MR. NUTTER: Are there any appearances **.** 8 in Case 7344? We'll call the case later. 10 (Thereafter at a later hour, the 11 following proceedings were had, to-wit:) 12 MR. NUTTER: We'll call Case Number 7344. 13 MR. PEARCE: Application of Read & Stevens, 14 Inc., for compulsory pooling, Eddy County, New Mexico. 15 MR. NUTTER: Applicant has informed us 16 that he's filed an application for a new hearing on this 17 matter and requesting dismissal of this case. 18 Case Number 7344 will therefor be dis-19 missed. 20 21 (Hearing concluded.) 22 23 24 25

CERTIFICATE

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I, SALLY N. 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, time, and correct record of the hearing, prepared by me to the best of my ability.

Sary W. Byd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in i e Examiner hearing of Case No. 7344, deard by me on

Examiner The Conservation Division

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### DEPARTMENT OF NATURAL RESOURCES

### OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF READ & STEVENS, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 7344

### MOTION FOR DISMISSAL

COMES NOW Read & Stevens, Inc. and moves the Commission to dismiss its Application for compulsory pooling in Case
No. 7344 set for Examiner Hearing September 9, 1981.

Respectfully,

JENNINGS & CHRASTY

Βv

S. B. Christy IV

Attorney at Law P. O. Box 1180

Roswell, New Mexico 88201

cc: Certified Mail to:

Thelma Edwards 218 North Main Street Moulton, Iowa 52572

Imogene Tappana 504 North Ball Webb City, Missouri 54870

Ellis Fischel State Cancer Hospital 115 Business Loop 70 West Columbia, Missouri 65211 Attn: Joseph C. Greco

cc: Uncertified to:

Read & Stevens, Inc.

Address Unknown:

Belle Amunds

### DEPARTMENT OF NATURAL RESOURCES

OIL CONSERVATION DIVISION

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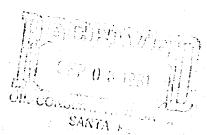
Ellis Fischel State Cancer Hospital 115 Business Loop 70 West Columbia, Missouri 65211 Attn: Joseph C. Greco

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Memo

From

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Oil Conservation

Santa Fe, New Mexico

Dockets Nos. 29-81 and 30-81 are tentatively set for September 23 and October 7, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

#### DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 9, 1981

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE WOCH STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 7341: Application of Superior Oil Company for downhole commingling, Eddy County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the downhole commingling of South
  Carlsbad Strawn and Morrow production in the wellbore of its Collatt State Com Well No. 1
  located in Unit J of Section 1, Township 23 South, Range 26 East.
- CASE 7342: Application of Arco Oil and Gas Company for downhole commingling, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and Drinkard production in the wellbore of its State 367 Well No. 2 located in Unit L of Section 36 and its Roy Barton Well No. 2 located in Unit B of Section 23, both in Township 21 South, Range 37 East.
- CASE 7343: Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cha Cha Gallup Oil Pool underlying the E/2 NW/4 of Section 13, Township 29 North, Range 14 West, 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 operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- Application of Read & Stevens, Inc. for compulsory pooling, Eddy County, New Mexico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 19, Township 23 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 7345: Application of Bass Enterprises Production Company for compulsory pooling, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Lovington Penn Pool underlying the N/2 NE/4 of Section 13, Township 16 South, Range 36 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.
- Application of Cibola Energy Corporation for compulsory pooling, Chaves County, New Mexico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Devonian formations underlying the W/2 of Section 19, Township 10 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 7347: Application of Tenneco Oil Company for an unorthodox gas well location, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South Line and 860 feet from the West Line of Section 20, Township 16 South, Range 34 East, Kommitz-Morrow Gas Pool, the 8/2 of said Section 20 to be dedicated to the well.

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

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

TELEPHONE 622-8432 AREA CODE / 05

August 11, 1981

Mr. Dan S. Nutter Chief Engineer New Mexico Oil Conservation Division P. O. Box 2083 Santa Fe, New Mexico 87501

Case 7344

Re: Application of Read & Stevens, Inc. for compulsory pooling, Eddy County, New Mexico

Dear Mr. Nutter:

Pursuant to our telephone conversation of August 10, we have prepared and enclose herewith in triplicate Application in connection with the captioned.

You are advised that our client believes that the following unleased interests are outstanding:

Name	Interest
Belle Amunds Thelma Edwards Imogene Tappana Ellis Fischel State	1/10 of 1 acre 1/10 of 1 acre 4/10 of 1 acre
Cancer Hospital	1.4 acres

DIEGING LANGE

We have been unable to locate the address of Belle Amunds; the remaining three above parties have been sent a copy of this Application by certified mail, proof of which will be made at the Examiner's Hearing.

We understand that this matter will be set for the Examiner's Hearing on the regular docket in September of 1981.

Respectfully,

JENNINGS & CHRISTY

SBC/jy Encl.

cc: Read & Stevens, Inc.
(Attention Karen McFadin)

S. B. Christy I

### DEPARTMENT OF NATURAL RESOURCES

### OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF READ & STEVENS, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. >344

### APPLICATION

COMES NOW Read & Stevens, Inc., a New Mexico corporation, and hereby makes application for compulsory pooling of all mineral interest in the Morrow formation underlying the W1/2 Section 19, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, containing 318.34 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 2,310 feet from the North line and 1,947 feet from the West line of said Section 19, 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 Morrow formation, 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,

READ & STEVENS, INC.

S. B. Christy IV Attorney at Law

P. O. Box 1180

Roswell, New Mexico 88201

cc via certified mail to:

Thelma Edwards 218 North Main Street Moulton, Iowa 52572

Imogene Tappaña 504 North Ball Webb City, Missouri 54870

Ellis Fischel State Cancer Hospital 115 Business Loop 70 West Columbia, Missouri 65211 Attention Joseph C. Greco

cc uncertified mail: Read & Stevens, Inc.

address unknown: Belle Amunds

# STATE OF NEW MEXICO DEPARTMENT OF NATURAL RESOURCES OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF READ & STEVENS, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

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

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Case No. 2344

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READ & STEVENS, INC.

S. B. Christy IV

Attorney at Law P. O. Box 1180

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### 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. 7344 Order No. R-6784

APPLICATION OF READ & STEVENS, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Asu

### ORDER OF THE DIVISION

### BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 9, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 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. 7344 is hereby dismissed.

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

JOE D. RAMEY, Director