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Case No.

7369

Application

Transcripts.

Small Exhibits

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Morris R. Antweil
for compulsory pooling, Lea County,
New Mexico.

CASE
7369

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

For the Applicant:

William F. Carr, Esq.
CAMPBELL, BYRD, & BLACK P.A.
Jefferson Place
Santa Fe, New Mexico 87501

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I N D E X

R. M. WILLIAMS,

Direct Examination by Mr. Carr

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E X H I B I T S

Applicant Exhibit One, Map

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Applicant Exhibit Two, Document

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Applicant Exhibit Three, AFE

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Applicant Exhibit Four, Letter

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MR. NUTTER: We'll call next Case 7369.

MR. PEARCE: Application of Morris R.

Antweil for compulsory pooling, Lea County, New Mexico.

MR. CARR: May it please the Examiner, my name is William F. Carr, with the law firm Campbell, Byrd, and Black, P. A., of Santa Fe, New Mexico, appearing on behalf of Morris R. Antweil.

I have one witness who needs to be sworn.

(Witness sworn.)

R. M. WILLIAMS

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your name and place of residence?

A I'm R. M. Williams from Hobbs, New Mexico.

Q By whom are you employed and in what capacity?

A Employed by Morris R. Antweil as a

1
2 petroleum engineer.

3 Q Have you previously testified before
4 this Commission or one of its examiners and had your creden-
5 tials as a petroleum engineer accepted and made a matter of
6 record?

7 A Yes, I have.

8 Q Are you familiar with the application
9 filed on behalf of Morris R. Antweil in this case?

10 A Yes, I am.

11 Q Are you familiar with the subject area?

12 A Yes.

13 MR. CARR: Are the witness qualifications
14 acceptable?

15 MR. NUTTER: They are.

16 Q Mr. Williams, will you briefly state
17 what Morris R. Antweil seeks with this application?

18 A We request a compulsory pooling of a
19 40-acre tract, being the northwest quarter of the southeast
20 quarter of Section 8, Township 20 South, Range 38 East in
21 Lea County, New Mexico.

22 We would request to pool all mineral
23 interests in the Blinebry and Drinkard formations.

24 And ask that Morris Antweil be desig-
25 nated as the operator and that a risk penalty be assigned

1
2 for the drilling of the well.

3 Q Will you please refer to what has been
4 marked for identification as Antweil Exhibit Number One,
5 identify this, and explain what it shows?

6 A Exhibit One is a land map in the --
7 covering the area of our application. The 40-acre unit that
8 we have requested to be pooled is colored in yellow. The
9 proposed location for our No. 1 Filbert Well is designated
10 in red.

11 The other wells in the vicinity of the
12 proposed well are shown. The wells that are colored in solid
13 black are completed. The wells with the open circle are
14 drilling or completing.

15 Q Is the proration unit a standard pro-
16 ration unit?

17 A It is a standard proration unit.

18 Q And will you drill the proposed well
19 at an orthodox well location?

20 A It is an orthodox location.

21 Q Will you now refer to what has been
22 marked for identification as Exhibit Two and review this?

23 A Exhibit Two lists the unleased mineral
24 interests in the 40-acre quarter quarter section that we
25 seek to compulsory pool. There is a 1/16th mineral interest

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2 representing two and a half acres out of the 40-acre tract.

3 As of record, it is owned by Violet
4 Jeanne Farmer Roche, and her last known address in Seattle,
5 Washington, is shown on the exhibit. This was a 1951 address

6 We did locate that she had a bank account
7 with the First National Bank in Seattle. They had the same
8 address. That account has been inactive since 1954. We
9 checked with the Bureau of Records of Washington State.
10 There's no record of her death in that state and none of the
11 other mineral interests owners were a relative of Mrs. Roche.

12 What apparently happened, she owned
13 mineral interests in I think about six or seven 40-acre tracts
14 in this vicinity. She sold that mineral interest to A. C.
15 Holder back in '51. When those mineral interests were de-
16 scribed, she did not describe this 40 acres, so that two and
17 a half acres of minerals remained in her name and we checked
18 with Mr. Holder.

19 MR. NUTTER: He doesn't claim it either.

20 A. No, he doesn't claim it and he also was
21 no help in finding her. He said he found her at the time
22 he purchased those minerals by advertising in all the weekly
23 newspapers west of the Mississippi River, and she contacted
24 him from one of those advertisements.

25 MR. NUTTER: Why didn't you do that?

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2 A. That's a lot of newspapers.

3 MR. NUTTER: Well, how old was she in
4 1951?

5 A. We have no idea.

6 MR. NUTTER: Okay.

7 A. I would -- I would presume that she has
8 died but we have no record of it.

9 She -- we checked also in New Mexico
10 Bureau of Vital Statistics, whatever it is, they have no re-
11 cord of her death.

12 Q And all interests other than the inter-
13 ests attributable to Mrs. Roche are committed to this -- this
14 unit?

15 A. Yes. Fifteen other mineral owners that
16 have been leased and the working interest owners and the
17 lessees Antweil and Tamarack will join in the well.

18 Q Will you now refer to what has been
19 marked Antweil Exhibit Three and review this for Mr. Nutter?

20 A. Exhibit Three is our AFE cost estimate
21 for drilling a 7150 foot Drinkard test at this location.
22 Total cost of drilled and completed well is \$560,000.
23 Dry hole cost would be approximately the same because a
24 Drinkard or Blinebry well would have to be production tested,
25 casing set, production tested, to be evaluated, and the costs

1
2 of a dry hole would be nearly the same except
3 for the battery facilities.

4 Q Are these costs in line with what is
5 being charged by other operators in the area for similar wells?

6 A Yes. We recently received an AFE from
7 Tamarack Oil Company on an offset to this location and their
8 AFE was \$571,000.

9 Q And you, of course, have been unable
10 to submit this to Mrs. Roche.

11 A That is correct. We cannot locate her.
12 We believe we would be able to lease her interest if we could
13 find her and convince her she owned it.

14 Q I now refer to you what has been marked
15 Antweil Exhibit Number Four and ask if you would identify
16 this for the record?

17 A Exhibit Four is a letter of notice to
18 Mrs. Roche at her last known address, notifying her of this
19 case on this date.

20 Q Mr. Williams, are you prepared to make
21 a recommendation to Mr. Nutter as to the risk factor that
22 should be assessed against Mrs. Roche?

23 A We would request a risk factor of 200
24 percent.

25 Q And upon what do you base this?

A. As you might notice from our map, there are other wells in the area. These wells are being completed in the Blinebry or the Drinkard formation. The well to the south, the Tamarack Raley Well, R-A-L-E-Y, was water-bearing and noncommercial in the Drinkard. They're now attempting a completion in the Blinebry.

With the two objective zones in the area the majority of the wells have been successfully completed. The quality of the wells varies from small wells in the range of 10 barrels a day to one top allowable producer in the area.

We would request a substantial penalty so that it would not be more attractive should the -- assignment of penalty shouldn't make it more attractive to Mrs. Roche to join at some subsequent date and lease her property, and the forced pooling will provide her with 1/8th royalty.

Q. Have you made an estimate of overhead and administrative costs to be incurred while drilling and also once the well is producing?

A. Yes, we'd request an overhead cost of \$2500 per month while drilling and \$250 per month for a producing well. These costs are in line with our current operating agreements in the area and with Tamarack's, the other major operator in the area.

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2 Q And do you request that these figures
3 be incorporated into any order which results from this hearing?

4 A Yes, I do.

5 Q Mr. Morris R. Antweil is requesting to
6 be designated operator of the proposed well?

7 A That's correct.

8 Q In your opinion will granting this
9 application be in the best interest of conservation, the
10 prevention of waste, and the protection of correlative rights?

11 A Yes, it is.

12 Q Were Exhibits One through Four prepared
13 by you or under your direction and supervision?

14 A They were.

15 MR. CARR: At this time we would offer
16 Antweil Exhibits One through Four.

17 MR. NUTTER: Exhibits One through Four
18 will be admitted in evidence.

19 MR. CARR: I have nothing further on
20 direct.

21 MR. NUTTER: are there any questions of
22 Mr. Williams? He may be excused.

23 Do you have anything further, Mr. Carr?

24 MR. CARR: Nothing further, Mr. Nutter.

25 MR. NUTTER: Does anyone have anything

they wish to offer in Case Number 7369?

We'll take the case under advisement.

(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 CSR

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

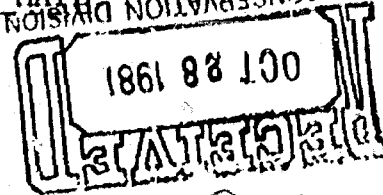
I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7269 heard by me on 10/7 1981

[Signature] Examiner
Oil Conservation Division

Morris R. Antweil
OIL OPERATOR
P. O. Box 2010
Bonne, New Mexico 88240

October 27, 1981

CERTIFIED MAIL
OIL CONSERVATION DIVISION
SANTA FE



Mrs. Violet Jeanne Farmer Roche
13084 40th Street, NE
Seattle, Washington 98125

RE: Compulsory Pooling
NW/4 SE/4 Section 8-T20S-R38E
Lea County, New Mexico

*File
Case 7369*

Dear Mrs. Roche:

Enclosed is a copy of New Mexico Oil Conservation Division Order No. R-6805 which compulsory pools all mineral interests in the Blinebry and Drinkard formations underlying the NW/4 SE/4 Section 8-T20S-R38E, Lea County, New Mexico. Our records indicate that you own a 1/16 mineral interest (2.5 net acres) in the 40-acre tract.

We propose to drill the No. 1 Filbert as a 7100-foot Blinebry-Drinkard well on the pooled acreage. Enclosed is a copy of our AFE Cost Estimate for the proposed well as required by provision (4) of said Order No. R-6805.

You are again invited to lease your mineral interest to us, join us as a working interest participant in the proposed well, or be compulsory pooled as provided by said Order No. R-6805.

Yours Very Truly,

MORRIS R. ANTWEIL

R. M. Williams

RMW:pb

Enclosures

✓cc: Oil Conservation Division
Santa Fe, New Mexico

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. 7369
Order No. R-6805

APPLICATION OF MORRIS P. ANTWEIL
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 October 7, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of October, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Morris R. Antweil, seeks an order pooling all mineral interests in the Blinebry and Drinkard formations underlying the NW/4 SE/4 of Section 8, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That the applicant has the right to drill and proposes to drill a well at a standard location thereon.
- (4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.
- (5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil and gas in said pool, the subject application should be approved

by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$2,500.00 per month while drilling and \$250.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); that the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(12) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before January 1, 1982, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Blinebry and Drinkard formations underlying the NW/4 SE/4 of Section 8, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the first day of January, 1982, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Drinkard formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the first day of January, 1982, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

Case No. 7369
Order No. R-6805

(2) That Morris R. Antweil is hereby designated the operator of the subject well and unit.

(3) That after the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

Case No. 7369
Order No. R-6805

(7) That the operator is hereby authorized to withhold the following costs and charges from production:

- (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
- (B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) That \$2,500.00 per month while drilling and \$250.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); that the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

Case No. 7369
Order No. R-6805

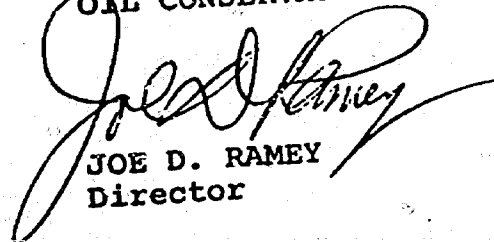
(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(13) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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 A L

AFE COST ESTIMATE
NO. 1 FILBERT
NW/4 SE/4 Sec. 8-T20S-R38E

ITEM	Tangible	Intangible	Total
<u>Cost to Drill 7150-Foot Test</u>			
Roads, Location & Damages	\$	\$ 18,000	\$ 18,000
Move in & Rig up Rig		30,000	30,000
Daywork Drilling 16 days @ \$7650/day		122,400	122,400
Bits		14,600	14,600
Daywork Operations 2 days @ \$7650/day		15,300	15,300
Mud & Water		25,000	25,000
Intermediate Casing 1500' 8 5/8" @ \$13.75/ft.	20,700		20,700
Cement & Service 8 5/8" Casing		8,000	8,000
Logging Service		19,000	19,000
Rental Tools & Equipment		12,000	12,000
Wellhead & Connections	3,000		3,000
Supervision & Expenses		5,000	5,000
Transportation & Misc. Labor		5,000	5,000
Contingencies		14,000	14,000
COST TO CASING POINT	\$ 23,700	\$288,300	\$312,000
<u>COMPLETION COST</u>			
Production Casing 7150' 5 1/2" @ \$8.00/ft.	\$ 57,200	\$	\$ 57,200
Cement & Service 5 1/2" Casing		7,500	7,500
Well Service Unit 10 days @ \$1000/day		10,000	10,000
Perforating Service		6,000	6,000
Tubing 7150' 2 3/8" @ \$3.70/ft.	26,500		26,500
Rental Tools & Equipment		6,000	6,000
Acid Treatment		6,000	6,000
Fracture Treatment		17,000	17,000
Wellhead & Connections	6,000		6,000
Pumping Unit	45,000		45,000
Rods & Pumping Equipment	15,000		15,000
Battery Facilities	20,000		20,000
Supervision & Expenses		5,000	5,000
Transportation & Misc. Labor		10,000	10,000
Contingencies		10,800	10,800
COST OF COMPLETION	\$169,700	\$ 78,300	\$248,000
TOTAL AFE COST	\$193,400	\$366,600	\$560,000

APPROVAL: _____

by: _____

date: _____



DATE: 11/11/1964

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

Re: CASE NO. 7362
ORDER NO. 44-6805

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

Applicant:

Morris R. Antweil

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	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. 7369
Order No. R-6905

APPLICATION OF MORRIS R. ANTWEIL
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 October 7, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of October, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Morris R. Antweil, seeks an order pooling all mineral interests in the Blinbry and Drinkard formations underlying the NW/4 SE/4 of Section 8, Township 20 South, Range 38 East, NMPH, Lea County, New Mexico.
- (3) That the applicant has the right to drill and proposes to drill a well at a standard location thereon.
- (4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.
- (5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil and gas in said pool, the subject application should be approved

-2-

Case No. 7369
Order No. R-6805

by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$2,500.00 per month while drilling and \$250.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); that the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

-3-

Case No. 7369
Order No. R-6805

(12) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before January 1, 1982, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Blinbrv and Drinkard formations underlying the NW/4 SE/4 of Section 8, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the first day of January, 1982, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Drinkard formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the first day of January, 1982, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

Case No. 7369
Order No. R-6805

(2) That Morris R. Antweil is hereby designated the operator of the subject well and unit.

(3) That after the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

Case No. 7369
Order No. R-6805

(7) That the operator is hereby authorized to withhold the following costs and charges from production:

- (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
- (B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) That \$2,500.00 per month while drilling and \$250.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); that the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

-6-

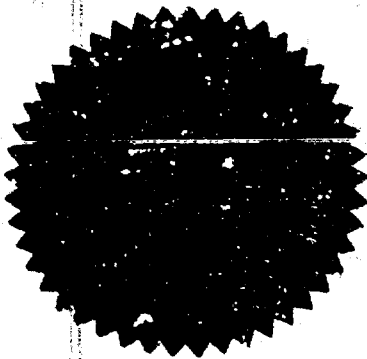
Case No. 7369
Order No. R-6805

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

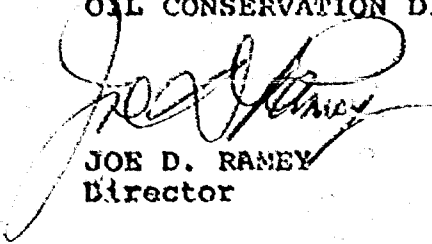
(13) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RANEY
Director

Dockets Nos. 33-81 and 34-81 are tentatively set for October 21 and November 4, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - MONDAY - OCTOBER 5, 1981

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

CASE 7372: Application of Navajo Refining Company for a determination of preference to purchase state royalty oil pursuant to Section 19-10-68, NMSA, 1970.

Docket No. 32-81

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 7, 1981

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM
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 7363: Application of Gulf Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the East White Ranch Unit Area, comprising 1920 acres, more or less, of Federal lands in Township 13 South, Range 30 East.
- CASE 7364: Application of Gulf Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the East Chosa Draw Unit Area comprising 5120 acres, more or less, of Federal and State lands in Township 25 South, Range 25 East.
- CASE 7365: Application of Yates Petroleum Corporation for the amendment of Order R-6406, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6406, to permit recompletion of its State "JM" No. 2 Well, drilled at an unorthodox Morrow location 660 feet from the South line and 660 feet from the East line of said Section 25, Township 18 South, Range 24 East, in any and all Wolfcamp and Pennsylvanian pays in said well.
- CASE 7354: (Continued from the September 23, 1981, Examiner Hearing)
Application of Corona Oil Company, for a pilot steam-enhanced oil recovery project, Guadalupe County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot steam-enhanced oil recovery project in the Santa Rosa formation by using two existing wells and three additional wells to be drilled to complete a five spot pattern located in the NE/4 NW/4 of Section 17, Township 11 North, Range 26 East.
- CASE 7359: (Continued from the September 23, 1981 Examiner Hearing)
Application of Energy Reserves Group for creation of a new gas pool and an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks creation of a new Cisco gas pool for its Miller Com Well No. 1, located in Unit M of Section 12, Township 6 South, Range 33 East. Applicant further seeks approval of an unorthodox location for its Miller "A" Well No. 1-Y, to be drilled 1800 feet from the South line and 1700 feet from the East line of Section 11 of the same township. The 3/2 of said Section 11 to be dedicated to the well.
- CASE 7366: 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 Strawn, Atoka and Morrow formations 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 7367: Application of Anadarko Production 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 12, Township 19 South, Range 25 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 7368: Application of Doyle Hartman 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 1980 feet from the South line and 990 feet from the West line of Section 17, Township 24 South, Range 37 East, Jalmit Gas Pool, the S/2 of said Section 17 to be dedicated to the well.

CASE 7369: Application of Morris R. Antwell for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blinebry and Drinkard formations underlying the NW/4 SE/4 of Section 8, 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 737: Application of Southland Royalty Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Fictured Cliffs and Fruitland formations, East Blanco Field, underlying the NW/4 of Section 35, Township 30 North, Range 4 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 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 7023: (Reopened and Readvertised)

In the matter of case 7023 being reopened pursuant to the provisions of Order No. R-6489, which order created the Stingray-Pennsylvanian Pool and promulgated special rules therefor, including provision for 80-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 7347: (Continued and Readvertised)

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 Pennsylvanian 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, Kemnitz Field, the W/2 of said Section 20 to be dedicated to the well.

CASE 7371: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, redesignating, extending vertical limits, and contracting and extending 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 an oil pool for Wolfcamp production and designated as the Antelope Ridge-Wolfcamp Pool. The discovery well is Coquina Oil Corporation Alexander Well No. 1 located in Unit G of Section 10, Township 24 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 10: NE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Brinninstool-Bone Spring Pool. The discovery well is Amoco Production Company State IK Well No. 1 located in Unit C of Section 10, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 10: NW/4

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Brinninstool-Wolfcamp Pool. The discovery well is Amoco Production Company Federal H Well No. 1 located in Unit I of Section 26, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Collins Ranch-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation State DF Well No. 1 located in Unit D of Section 35, Township 17 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM
Section 35: N/2

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Fairview Hills-Atoka Gas Pool. The discovery well is the Finscher Exploration, Inc. T. G. Bates W. No. 1 located in Unit G of Section 14, Township 25 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 14: N/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Gam-Wolfcamp Pool. The discovery well is the Amoco Production Company Federal AW Well No. 1 located in Unit E of Section 26, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 26: NW/4

(g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the Hardy-Tubb Pool. The discovery well is the Conoco Inc. State F Well No. 10 located in Unit V of Section 1, Township 21 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 1: SW/4

(h) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the Moriah-Upper Pennsylvanian Gas Pool. The discovery well is the Tom L. Ingram Moriah Well No. 2 located in Unit J of Section 7, Township 10 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM
Section 7: S/2

(i) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production and designated as the Moriah-Atoka Gas Pool. The discovery well is the Tom L. Ingram Moriah Well No. 1 located in Unit J of Section 7, Township 10 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM
Section 7: S/2

(j) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Queen production and designated as the West Reeves-Queen Gas Pool. The discovery well is the Collier Energy, Inc. Mesa State Well No. 1 located in Unit F of Section 20, Township 18 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 20: NW/4

(k) CONTRACT the Cato-San Andres Pool in Chaves County, New Mexico, by the deletion of the following described area:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 5: NW/4 SW/4

(l) CONTRACT the East Weir-Blinberry Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 7: N/2 N/2
Section 8: N/2 N/2
Section 9: N/2 NW/4

(m) EXTEND the vertical limits of the Cave-Grayburg Pool in Eddy County, New Mexico, to include the San Andres formation and redesignate said pool as the Cave-Grayburg-San Andres Pool.

(n) EXTEND the Antelope Sink-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 33: S/2

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 4: E/2

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 27: S/2 NE/4, S/2 NW/4, N/2 SE/4
and N/2 SW/4

- (p) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
Section 23: SW/4

- (q) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 16: SW/4

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

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

- (s) 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: NE/4 SW/4 and E/2 NW/4

- (t) EXTEND the East Crossroads-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM
Section 7: All

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

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 25: E/2
Section 36: E/2

- (v) EXTEND the Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 15: W/2

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

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

- (x) EXTEND the D-K Abo pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
Section 31: NW/4

- (y) EXTEND the Happy Valley-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 16: E/2
Section 20: N/2

- (z) EXTEND the East Hightower-Upper Pennsylvanian Pool in Lea County, New Mexico to include therein:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM
Section 31: NE/4 and E/2 NW/4

- (aa) EXTEND the Imperial-Tubb Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 27: NW/4

(bb) EXTEND the Jalmat-Yates-Seven Rivers Pool in Lea County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 15: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 9: N/2

(dd) EXTEND the Linda-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM
Section 29: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 5: S/2
Section 8: N/2
Section 9: W/2

(ff) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 18: NW/4

(gg) EXTEND the Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 15: N/2

(hh) EXTEND the Midway Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 8: NW/4

(ii) EXTEND the West Milnesand-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM
Section 17: SE/4

(jj) EXTEND the Penasco Draw-San Andres-Yeso Associated Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 32: S/2 NE/4 and SE/4
Section 33: S/2 NW/4 and SW/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 4: NW/4
Section 5: N/2 NE/4 and SE/4 NE/4

(kk) EXTEND the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 19: N/2

(ll) EXTEND THE Querecho Plains-Lower Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 28: S/2

(mm) EXTEND the Rocky Arroyo-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 9: SW/4
Section 16: NW/4

(nn) EXTEND the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPH
Section 7: E/2
Section 18: N/2

(oo) EXTEND the West Sand Dunes-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPH
Section 32: N/2

(pp) REDESIGNATE the Sand Ranch-Atoka Gas Pool in Chaves County, New Mexico, to the Sand Ranch-Morrow Gas Pool, as said pool is producing from the Morrow formation rather than the Atoka, and EXTEND the horizontal limits of said pool to include therein:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPH
Section 14: E/2

(qq) EXTEND the San Simon-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPH
Section 6: SE/4
Section 7: E/2

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

TOWNSHIP 9 SOUTH, RANGE 38 EAST, NMPH
Section 7: SW/4

(ss) EXTEND the Spencer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPH
Section 23: SE/4

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

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPH
Section 36: NW/4

(uu) EXTEND the Tom-Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPH
Section 5: S/2 SW/4
Section 8: N/2 NW/4

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPH
Section 27: E/2

(ww) EXTEND the Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

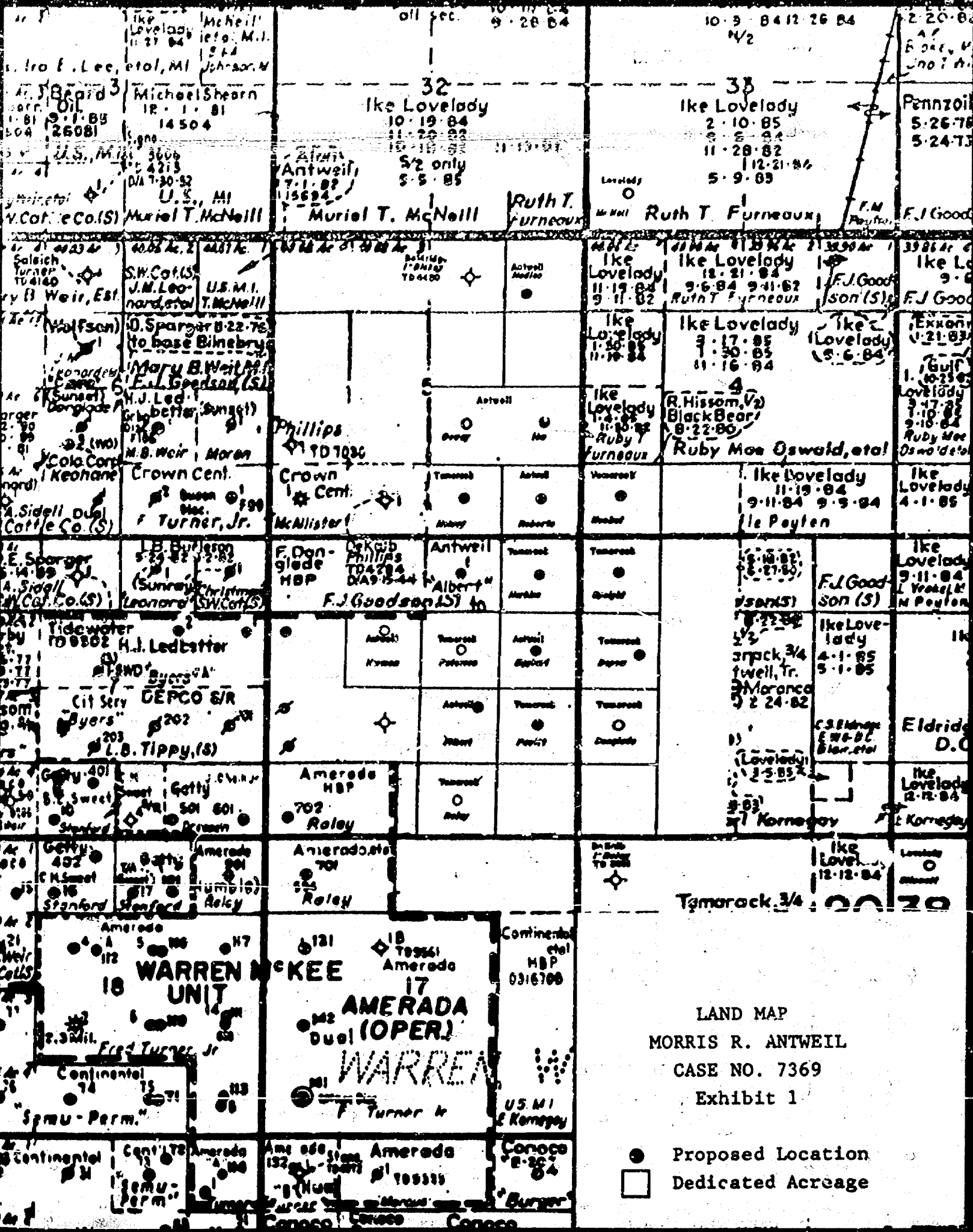
TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPH
Section 3: S/2

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPH
Section 10: NE/4

(yy) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPH
Section 10: NE/4



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

~~ARTICLE~~ EXHIBIT NO. 1

CASE NO. 7369

MORRIS R. ANTWEIL
CASE NO. 7369
Exhibit 2

Unleased Mineral Interest
NW/4 SE/4 Sec. 8-T20S-R38E
Lea County, New Mexico

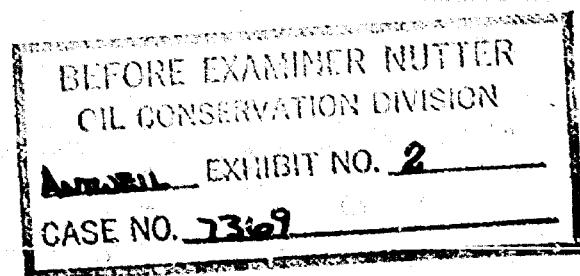
1/16 Mineral Interest - 2.5/40 acres

Violet Jeanne Farmer Roche
last known address (1951) -
13084 40th Street, NE
Seattle, Washington

bank account -
First National Bank
Lake City Branch
12363 Bethell Way
Seattle, Washington
inactive since 1954

no record of death - Washington State

no known relatives



AFE COST ESTIMATE
NO. 1 FILBERT
NW/4 SE/4 Sec. 8-T20S-R38E

ITEM	Tangible	Intangible	Total
<u>Cost to Drill 7150-Foot Test</u>			
Roads, Location & Damages	\$	\$ 18,000	\$ 18,000
Move in & R/g up Rig		30,000	30,000
Daywork Drilling 16 days @ \$7650/day		122,400	122,400
Bits		14,600	14,600
Daywork Operations 2 days @ \$7650/day		15,300	15,300
Mud & Water		25,000	25,000
Intermediate Casing 1500' @ 5/8" @ \$13.75/ft.	20,700		20,700
Cement & Service 8 5/8" Casing		8,000	8,000
Logging Service		19,000	19,000
Rental Tools & Equipment		12,000	12,000
Wellhead & Connections	3,000		3,000
Supervision & Expenses		5,000	5,000
Transportation & Misc. Labor		5,000	5,000
Contingencies		14,000	14,000
COST TO CASING POINT	\$ 23,700	\$288,300	\$312,000
<u>COMPLETION COST</u>			
Production Casing 7150' @ 5 1/2" @ \$8.00/ft.	\$ 57,200	\$	\$ 57,200
Cement & Service 5 1/2" Casing		7,500	7,500
Well Service Unit 10 days @ \$1000/day		10,000	10,000
Perforating Service		6,000	6,000
Tubing 7150' @ 2 3/8" @ \$3.70/ft.	26,500		26,500
Rental Tools & Equipment		6,000	6,000
Acid Treatment		6,000	6,000
Fracture Treatment		17,000	17,000
Wellhead & Connections	6,000		6,000
Pumping Unit	45,000		45,000
Rods & Pumping Equipment	15,000		15,000
Battery Facilities	20,000		20,000
Supervision & Expenses		5,000	5,000
Transportation & Misc. Labor		10,000	10,000
Contingencies		10,800	10,800
COST OF COMPLETION	\$169,700	\$ 78,300	\$248,000
TOTAL AFE COST	\$193,400	\$366,600	\$560,000

APPROVAL: _____
by: _____
date: _____

BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION EXHIBIT NO. <u>3</u> CASE NO. <u>7367</u>

MORRIS R. ANTWEIL
CASE NO. 7369
Exhibit - 3

September 30, 1981

Ms. Violet Jeanne Farmer Roche
13084 40th Street, N.E.
Seattle, Washington

Re: New Mexico Oil Conservation Division Case 7369

Dear Ms. Roche:

Enclosed is a copy of the docket for the October 7, 1981
Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the
above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION	
EXHIBIT NO.	4
CASE NO.	7369

P221117866

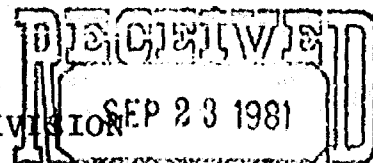
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO STREET AND NO. P.O. STATE AND ZIP CODE	POSTAGE CERTIFIED FEE SPECIAL DELIVERY RESTRICTED DELIVERY SHOW TO WHOM AND DATE DELIVERED SHOW TO WHOM DATE AND ADDRESS OF DELIVERY SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	ORIGINAL SERVICES RETURN RECEIPT SERVICE CONSULT POSTMASTER FOR FEES	TOTAL POSTAGE AND FEES POSTMARK OR DATE
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BEFORE THE
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS
SANTA FE

IN THE MATTER OF THE APPLICATION
OF MORRIS R. ANTWEIL FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

CASE 7564

AMENDED APPLICATION

Comes now, MORRIS R. ANTWEIL, by and through its under-
signed attorneys and, as provided by Section 70-2-17, New Mexico
Statutes Annotated, 1978 Compilation, hereby makes application
for an order pooling all of the mineral interests in the Blinebry
and Drinkard formations in and under the NW/4 SE/4 of Section 8,
Township 20 South, Range 38 East, N.M.P.M., Lea County, New
Mexico, and in support thereof would show the Division:

1. Applicant is the owner of approximately 91% of the
working interest in and under the NW/4 SE/4 of said
Section 8, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced
pooled unit to a well to be drilled at an orthodox loca-
tion on said Section 8.
3. Applicant has sought and obtained either voluntary
agreement for pooling or farmout from all other working
interest owners in the NW/4 SE/4 of said Section 8 except
the following:

Marshall and Winston

1/32 Mineral Interest

Violet Jeanne Farmer Roche

1/16 Mineral Interest

4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

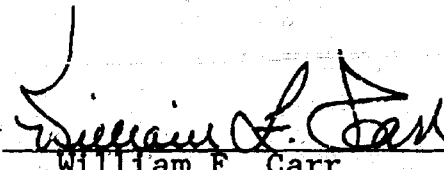
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

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

Respectfully submitted,

CAMPBELL, BYRD & 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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September 16, 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

Case 7369

Re: Application of Morris R. Antweil for
Compulsory Pooling, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Morris R. Antweil 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 October 7, 1981.

Very truly yours,

William F. Carr

William F. Carr

WFC:lr

Enclosures

cc: Mr. R. M. Williams

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

IN THE MATTER OF THE APPLICATION
OF MORRIS R. ANTWEIL FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO

CASE 7369

APPLICATION

Comes now, MORRIS R. ANTWEIL, by and through its undersigned attorneys and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in the Blinebry and Drinkard formations in and under the NW/4 SE/4 of Section 8, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant is the owner of approximately 91% of the working interest in and under the NW/4 SE/4 of said Section 8, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location on said Section 8.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other working interest owners in the NW/4 SE/4 of said Section 8 except the following:

Marshall and Winston

1/32nd WI

Violet Jeanne Farmer Roach

1/16th WI

4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the applicant to obtain its just

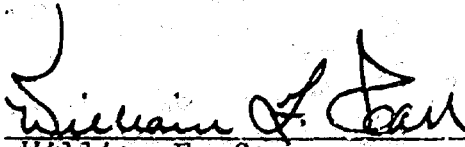
and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

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

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By


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

dr/

[illegible]

CASE NO. 7369

Order No. R- 16805

APPLICATION OF MORRIS R. ANTWEIL
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

This cause came on for hearing at 9 a.m. on October 7,
19 81, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Morris R. Antweil
seeks an order pooling all mineral interests in the Blinebry and
Drinkard formations underlying the NW/4 SE/4
of Section 8, Township 20 South, Range 38 East
NMPM, Lea County, New
Mexico.

(3) That the applicant has the right to drill and proposes to drill a well _____ at a standard location thereon.

(4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the ^{oil and} gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that said estimated well costs exceed reasonable well costs.

(11) That \$ 2500.00 per month while drilling and \$ 250.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); that the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(12) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before January 1, 1982, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Blinebry and Drinkard formation underlying the NW/4 SE/4 of Section 8, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 40-acre ^{oil} gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the first day of January, 1982 and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Drinkard formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the first day of January, 1982, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

(2) That NNRRIX Morris R. Antweil is hereby designated the operator of the subject well and unit.

(3) That after the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided

above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) That \$ 2500.00 per month while drilling and \$ 250.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); that the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

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Case
Order No.

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interest's share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(13) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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