

CASE 7383: AMOCO PRODUCTION COMPANY FOR
COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO

up any

BEST AVAILABLE

Dismiss

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CASE 7383: AMOCO PRODUCTION COMPANY FOR
COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO

up copy

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Dismiss

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need names & addresses
of process

DOCKET MAILED

~~Date~~ 10/9/81
10/23/81

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Case No.

7383

Application

Transcripts.

Small Exhibits

ETC

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

EXAMINER HEARING

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IN THE MATTER OF:

Application of Amoco Production
Company for compulsory pooling,
Eddy County, New Mexico.

CASE
7383

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

For the Applicant:

1 2
2 MR. NUTTER: We'll call Case Number 7383.

3 MR. PEARCE: Application of Amoco Pro-
4 duction Company for compulsory pooling, Eddy County, New
5 Mexico.

6 Mr. Examiner, once again we have received
7 a request from the Applicant that this case be dismissed.

8 MR. NUTTER: Case Number 7383 will be
9 dismissed.

10
11 (Hearing concluded.)
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C E R T I F I C A T E

BEST AVAILABLE COPY

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY THAT
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

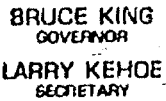
Sally W. Boyd CSE

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 433-7409

I do hereby certify that the foregoing is
a true and correct copy of the transcript in
the case of 7381
heard by me on 11/4 1981.

[Signature], Examiner
Oil Conservation Division



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

November 19, 1981

Mr. R. G. Smith
Regional Engineering Manager - West
Amoco Production Company
P. O. Box 3092
Houston, Texas 77001

Applicant:

Amoco Production Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

TDR/FA

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. 7383
Order No. R-6814

APPLICATION OF AMOCO PRODUCTION
COMPANY 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 November 4, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of November, 1981, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

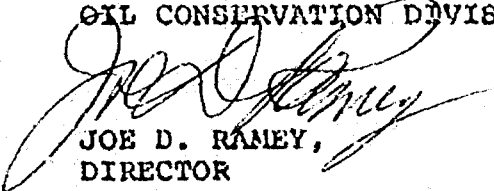
That the applicant's request for dismissal should be granted.

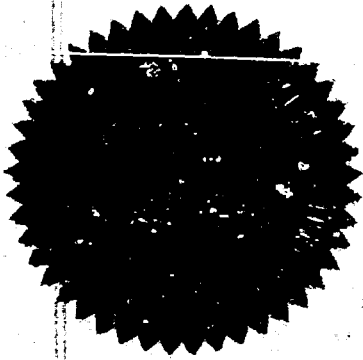
IT IS THEREFORE ORDERED:

That Case No. 7383 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


S E A L

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production
Company for compulsory pooling,
Eddy County, New Mexico.

CASE
7383

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

For the Applicant:

MR. STAMETS: Call next Case 7383.

MR. PEARCE: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico.

MR. STAMETS: At the request of the applicant, this case will be continued to the November 4th Examiner Hearing.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

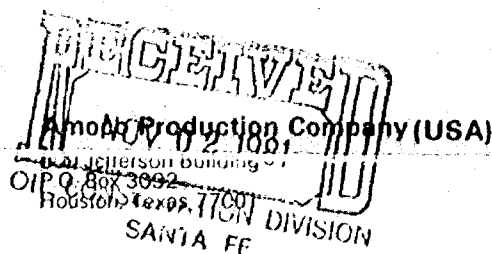
Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

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

I do hereby certify that the foregoing is
a complete record of the proceedings in
the examination hearing of Case No. 7383
heard by me on 10-21 1981.

Richard R. Stumm Examiner
Oil Conservation Division



October 29, 1981

Re: Dismissal of Hearing Item
Compulsory Pooling
Eddy County, New Mexico

The State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Attn: Mr. Joe D. Ramey

Gentlemen:

Amoco Production Company respectfully requests that Case 7383 (Docket No. 35-81) scheduled for Examiner's hearing on November 4, 1981 be dismissed. Written or verbal approval of the proposed unit has now been received from all involved parties and therefore, the necessity for compulsory pooling no longer exists. A copy of this request has been sent to all lessees and mineral interest owners.

This confirms our verbal request of October 29, 1981. Any questions can be directed to Mr. David Boatwright, telephone (713) 652-5472.

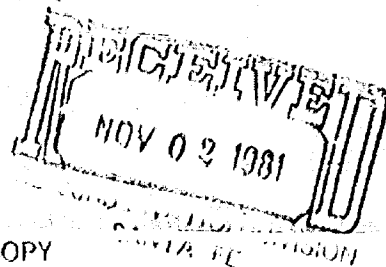
Yours very truly,

R. G. Smith DAB

R. G. Smith
Regional Engineering Manager - West

DAB/tap
903/D

cc: E. D. Newman - Jefferson, Room 1822-C
S. J. Okerson - Hobbs
C. A. Mote - Jefferson, Room 1605
J. M. Wishart - Jefferson, Room 1905-B
J. M. Appelt - Jefferson, Room 1605



BEST AVAILABLE COPY

The names, addresses and interests in the Contract Area of each party to this agreement is set out hereinbelow:

Amoco Production Company
P.O. Box 3092
Houston, TX 77001

Conoco, Inc.
P.O. Box 1959
Midland, TX 79702

Yates Petroleum Corporation
207 South Fourth Street
Artesia, New Mexico 88210

S. P. Yates
207 South Fourth Street
Artesia, New Mexico 88210

Armour Properties
107 Oil and Gas Building
Wichita Falls, TX 76301

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88201

Cities Service Company
P.O. Box 1919
Midland, TX 79701

Yates Energy Corporation
Security National Bank Bldg.
Suite 1000
Roswell, New Mexico 88201

Depco, Inc.
875 Empire Plaza Building
Midland, TX 79701

Husky Oil Company
600 South Cherry Street
Denver, CO 80222

Explores Petroleum Corp.
Security National Bank Bldg.
Suite 1000
Roswell, New Mexico 88201

Spiral, Inc.
Security National Bank Bldg.
Suite 1000
Roswell, New Mexico 88201

Fred G. Yates, Inc.
Security National Bank Bldg.
Suite 1000
Roswell, New Mexico 88201

CASE 7403: 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 the Jalmat and Langlie Mattix production in the wellbore of its E. L. Steeler WN Well No. 5, located in Unit J of Section 19, Township 23 South, Range 37 East.

CASE 7397: (Continued from October 7, 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 for 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 S/2 of said Section 11 to be dedicated to the well.

CASE 7383: (Continued from October 21, 1981, Examiner Hearing)

Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Upper Pennsylvanian formation underlying the NW/4 of Section 19, 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 7404: Application of TXO Production Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an infill well to be drilled 2000 feet from the North line and 600 feet from the East line of Section 18, Township 21 South, Range 26 East, Catclaw Draw-Morrow gas pool.

CASE 7405: Application of Carl Schellinger for dual completion and an unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of his Campbell Station Unit Well No. 1, to produce gas from the Abo and Pennsylvanian formations. Applicant further seeks approval of the unorthodox Pennsylvanian location of said well 660 feet from the South and West lines of Section 34, Township 8 South, Range 27 East, the S/2 of said Section 34 to be dedicated to the Pennsylvanian and the SW/4 to the Abo.

CASE 7406: Application of Depco, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Abo formation underlying the SE/4 of Section 23, Township 5 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7407: Application of Mesa Petroleum Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the NE/4 of Section 23, Township 5 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7408: Application of Doyle Hartman for directional drilling, a non-standard proration unit, an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill his Justis Well No. 10, the surface location of which is 1940 feet from the North line and 120 feet from the West line of Section 20, Township 25 South, Range 37 East, in such a manner as to bottom said well in the Jalmat Gas Pool at an unorthodox location 1980 feet from the North line and 330 feet from the East line of Section 19, Township 25 South, Range 37 East. Applicant further proposes to simultaneously dedicate said well and the Bettis, Boyle and Stovall Justis Well No. 1 to an 80-acre non-standard proration unit comprising the E/2 NE/4 of said Section 19.

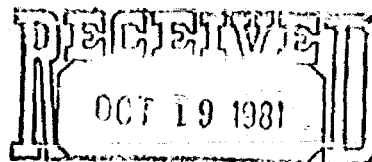
Dockets Nos. 36-81 and 37-81 are tentatively set for November 19 and December 4, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 4, 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. Notter, Examiner or Richard L. Stamets, Alternate Examiner:

- CASE 7396: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Sentry Oil Exploration Company and Lawyers Surety Corporation to appear and show cause why Farr Well No. 1, located in Unit G of Section 6, Township 31 North, Range 34 East, Union County, New Mexico, should not be ordered plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7380: (Continued and Readvertised)
- Application of Bird Oil Corporation for an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Entrada location of a well to be drilled 2110 feet from the North line and 1120 feet from the East line of Section 10, Township 22 South, Range 9 West, the SE/4 NE/4 of said Section 10 to be dedicated to the well.
- CASE 7397: Application of Belco Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Strawn production in the wellbore of its Kimbley Well No. 1, located in Unit G of Section 21, Township 23 South, Range 28 East.
- CASE 7398: Application of El Paso Natural Gas Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Wolfcamp-Penn well, to be drilled 360 feet from the South and West lines of Section 23, Township 26 South, Range 30 East, Ross Draw Area, the S/2 of said Section 23 to be dedicated to the well.
- CASE 7399: Application of Texaco, Inc. for a Unit Agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Vacuum Abo West Unit Area, comprising 2000 acres, more or less, of state lands in Township 17 South, Range 34 East.
- CASE 7400: Application of Texaco, Inc. for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in its North Vacuum Abo West Unit Area by the injection of water into the Abo formation through 13 wells located in Sections 15, 21, 22, 27, 28 and 34, Township 17 South, Range 34 East, North Vacuum-Abo Pool.
- CASE 7401: Application of Morris R. Antweil for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2410 feet from the North line and 330 feet from the West line of Section 21, Township 18 South, Range 38 East, Hobbs Grayburg-San Andres Pool, the SW/4 NW/4 of said Section 21 to be dedicated to the well.
- CASE 7384: (Continued from October 21, 1981, Examiner Hearing)
- Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NE/4 SW/4 of Section 5, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7402: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn formation underlying the NW/4 NW/4 of Section 5, Township 20 South, Range 39 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.



Oil Conservation Division
Amoco Production Company
SANTA FE
500 Jefferson Building
P.O. Box 3092
Houston, Texas 77001

October 14, 1981

RE: Continuance of Docket Item
Compulsory Pooling
Eddy County, New Mexico

BEST AVAILABLE COPY

The State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. Joe D. Ramey

Gentlemen:

Amoco Production Company respectfully requests that Case No. 7383 on the October 21, 1981 Division docket be continued to November 4, 1981. A copy of this request has been mailed to all lessees and mineral interest owners involved in the proposed unit. A list of these interest owners is attached.

This confirms our verbal request of October 13, 1981. Any questions can be directed to Mr. David Boatwright, telephone (713) 652-5472.

Yours very truly,

R. G. Smith
Regional Engineering Manager-West

DAB/lrd

Attachment

cc: E. D. Newman - Jeff. Room 1822-C
S. J. Okerson - Hobbs
C. A. Mote - Jeff. Room 1605
J. M. Wishart - Jeff. Room 1905-B
J. M. Appelt - Jeff. Room 1605

The names, addresses and interests in the Contract Area of each party to this agreement is set out hereinbelow:

Amoco Production Company
P.O. Box 3092
Houston, TX 77001

Conoco, Inc.
P.O. Box 1959
Midland, TX 79702

Yates Petroleum Corporation
207 South Fourth Street
Artesia, New Mexico 88210

S. P. Yates
207 South Fourth Street
Artesia, New Mexico 88210

Armour Properties
107 Oil and Gas Building
Wichita Falls, TX 76301

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88201

Cities Service Company
P.O. Box 1919
Midland, TX. 79701

Yates Energy Corporation
Security National Bank Bldg.
Suite 1000
Roswell, New Mexico 88201

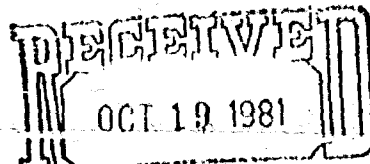
Depco, Inc.
875 Empire Plaza Building
Midland, TX. 79701

Husky Oil Company
600 South Cherry Street
Denver, CO. 80222

Explores Petroleum Corp.
Security National Bank Bldg.
Suite 1000
Roswell, New Mexico 88201

Spiral, Inc.
Security National Bank Bldg.
Suite 1000
Roswell, New Mexico 88201

Fred G. Yates, Inc.
Security National Bank Bldg.
Suite 1000
Roswell, New Mexico 88201



Amoco Production Company Division
500 Jefferson Building SANTA FE
P.O. Box 3092
Houston, Texas 77001

October 13, 1981

RE: Notice to Operators
Compulsory Pooling Hearing
Eddy County, New Mexico

Case 7383

The State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. Joe D. Ramey

Gentlemen:

This is notification that the attached letter was mailed to lessees and mineral owners of the 162 acre unit proposed in that letter. An addressee list is also attached.

Yours very truly,

R.G. Smith

R.G. Smith
Regional Engineering Manager-West

DAB/lrd

Attachments

The names, addresses and interests in the Contract Area of each party to this agreement is set out hereinbelow:

Amoco Production Company
P.O. Box 3092
Houston, TX 77001

Conoco, Inc.
P.O. Box 1959
Midland, TX 79702

Yates Petroleum Corporation
207 South Fourth Street
Artesia, New Mexico 88210

S. P. Yates
207 South Fourth Street
Artesia, New Mexico 88210

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107 Oil and Gas Building
Wichita Falls, TX 76301

Harvey E. Yates Company
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Roswell, New Mexico 88201

Cities Service Company
P.O. Box 1919
Midland, TX. 79701

Yates Energy Corporation
Security National Bank Bldg.
Suite 1000
Roswell, New Mexico 88201

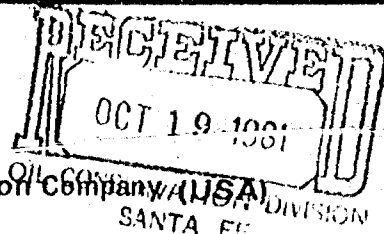
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600 South Cherry Street
Denver, CO. 80222

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Suite 1000
Roswell, New Mexico 88201

Spiral, Inc.
Security National Bank Bldg.
Suite 1000
Roswell, New Mexico 88201

Fred G. Yates, Inc.
Security National Bank Bldg.
Suite 1000
Roswell, New Mexico 88201



Amoco Production Company (USA)
Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

Richard E. Ogden
Regional Engineering
Manager

September 30, 1981

Re: Application for Hearing
Compulsory Pooling
Eddy County, New Mexico

The State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

Amoco Production Company respectfully requests a hearing for compulsory pooling of all mineral interests in the Upper Pennsylvanian formation underlying the NW/4 of Section 19, T-19-S, R-25-E, Eddy County, New Mexico. This 162 acre proration unit will be dedicated to an oil well to be drilled at an orthodox location 660 feet from the north line and 1980 feet from the west line of Section 19 to the North Dagger Draw-Upper Pennsylvanian Pool. Also to be considered will be the cost of drilling and completing said well, the allocation of cost thereof, as well as actual operating cost, charges for supervision and a charge for risk involved in drilling said well. Amoco will ask to be designated operator of the well.

Attached is a map indicating the location of the proposed unit and the working interest owners of offsetting acreage. Also attached is a summary of all lessees and mineral interest owners and their ownership in the proposed unit.

Mr. Joe D. Ramey
September 30, 1981
Page 2

Please place this item on the Examiner's Hearing Docket of October 21, 1981. This confirms our verbal request of September 30, 1981. Any questions can be directed to Mr. David Boatwright, telephone (713) 652-5472.

Yours very truly,

R.E. Ogden DAB

DAB/dq
645/AA

Attachments

Unit Leasehold and Mineral Interests

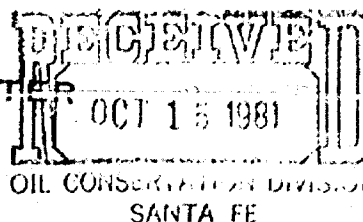
NW/4 Section 19 T-19-S R-25-E

<u>Lessee or Mineral Owner</u>	<u>Acres</u>	<u>% of Acreage</u>
Conoco, Inc.	32.4540	19.97784
Armour Properties	10.8180	6.65928
Cities Service Co.	9.2790	5.71191
Depco, Inc.	4.6395	2.85596
Amoco Production Co.	40.0000	24.62296
Yates Petroleum Corp.	20.6200	12.69313
S.P. Yates	20.0000	12.31148
Harvey E. Yates Co.	10.4061	6.40572
Yates Energy Corp.	5.0939	3.13568
Husky Oil Co.	4.6395	2.85596
Explorers Petroleum Corp.	1.5000	0.92336
Spiral, Inc.	1.5000	0.92336
Fred G. Yates, Inc.	<u>1.5000</u>	<u>0.92336</u>
	162.4500	100.00000

SCALE: 1" = 4000'

ATWOOD, MALONE, MANN & COOTER
A PROFESSIONAL ASSOCIATION
LAWYERS

JEFF D. ATWOOD [1883-1960]
ROSS L. MALONE [1910-1974]



P. O. DRAWER 700
SECURITY NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO 88201
[505] 622-6271

CHARLES F. MALONE
RUSSELL D. MANN
PAUL A. COOTER
BOB E. TURNER
JOHN W. BASSETT
ROBERT E. SABIN
BRIAN W. COPPLE

STEVEN L. BELL
WILLIAM P. LYNCH
RODNEY M. SCHUMACHER

October 13, 1981

Mr. Joe Ramey
Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Examiner Hearing - Wednesday, October 21, 1981
Cause No. 7383

Dear Mr. Ramey:

Enclosed for filing is an Entry of Appearance for
Amoco Production Company in Cause No. 7383.

Your assistance in this matter is appreciated.

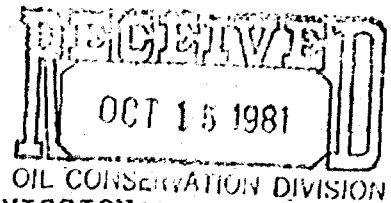
Very truly yours,

Paul Cooter

PC/le

Enc.

cc: C. A. Mote, Esq.



BEFORE THE OIL CONSIDERATION COMMISSIONSANTA FE

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF AMOCO PRODUCTION COMPANY FOR)
COMPULSORY POOLING, EDDY COUNTY,)
NEW MEXICO.)

NO. 7383

ENTRY OF APPEARANCE

The undersigned hereby enter their appearance on
behalf of Amoco Production Company with C. A. Mote of Houston,
Texas.

ATWOOD, MALONE, MANN & COOTER, P.A.

By 

P. O. Drawer 700
Roswell, New Mexico 88201

Docket Nos. 34-81 and 35-81 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 - WEDNESDAY - OCTOBER 14, 1981

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

BEST AVAILABLE COPY

(The following cases are continued from the October 14, 1981, Commission hearing to October 16, 1981.)

CASE 7345: (Continued and Readvertised)

Application of Base 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 San Andres, Bone Springs and Pennsylvanian formations, Lovington Field, 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.

CASE 7323: (DE NOVO)

Application of Clements Energy, Inc., for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the E/2 of Section 32, Township 15 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Upon application of Southland Royalty Company, this case will be heard DE NOVO pursuant to the provisions of Rule 1220.

Docket No. 34-81

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 21, 1981

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

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

- ALL TABLE:
- (1) Consideration of the allowable production of gas for November, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for November, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7373: Application of J. C. Williamson for Amendment of Division Order No. R-6738, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the Amendment of Division Order No. R-6738, which approved an unorthodox location for a well 1560 feet from the North line and 1830 feet from the West line of Section 10, Township 23 South, Range 34 East. Applicant seeks the Amendment of said order to reflect the corrected location of said well at a point 1580 feet from the North line and 2614 feet from the West line of said Section 10.

CASE 7374: Application of Dugan Production Corporation for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Farmington formation well located 330 feet from the South line and 990 feet from the East line of Section 9, Township 28 North, Range 11 West, the E/2 of said Section 9 to be dedicated to the well.

CASE 7375: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Angel Peak Gallup-Basin Dakota production in the wellbore of its McAdams Well No. 2 located in Unit P of Section 34, Township 27 North, Range 10 West.

CASE 7376: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Bisti-Lower Gallup production in the wellbore of its Big 8 Well No. 1-E, located in Unit O of Section 8, Township 24 North, Range 9 West.

CASE 7377: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of undesignated Gallup and Basin-Dakota production in the wellbore of its July Jubilee Well No. 1 located in Unit G of Section 30, Township 24 North, Range 9 West.

CASE 7378: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wildhorse-Gallup and Basin-Dakota production in the wellbore of his Apache E Well No. 1, located in Unit A of Section 18, Township 26 North, Range 3 West.

CASE 7356: (Continued from September 23, 1981, Examiner Hearing)

Application of S & I Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the W/2 SW/4 of Section 12, Township 29 North, Range 15 West, Cha Cha-Gallup Oil Pool, 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 7379: Application of JEM Resources, Inc., for vertical pool extension and special GOR limit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the vertical extension of the Cave-Grayburg Pool to include the San Andres formation, and the establishment of a special gas-oil ratio limit for said pool to 6000 to one or, in the alternative, the abolishment of the gas-oil ratio limit in said pool, all to be effective October 1, 1981.

CASE 7380: Application of Bird Oil Corporation for an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Entrada location of a well to be drilled 2310 feet from the North line and 1325 feet from the East line of Section 10, Township 22 North, Range 9 West, the SW/4 NE/4 of said Section 10 to be dedicated to the well.

CASE 7381: Application of H. L. Brown, Jr., for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 330 feet from the South line and 2310 feet from the East line of Section 34, Township 7 South, Range 37 East, Bluitt-Wolfcamp Gas Pool, the E/2 of said Section 34 to be dedicated to the well.

CASE 7382: Application of TXO Production Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow well to be drilled 660 feet from the South and West lines of Section 20, Township 17 South, Range 28 East, the W/2 of said Section 20 to be dedicated to the well.

CASE 7383: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Upper Pennsylvanian formation underlying the NW/4 of Section 19, 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 7384: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NE/4 SW/4 of Section 5, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7385: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco-Mesaverde and Basin-Dakota production in the wellbore of its San Juan 27-5 Unit Well No. 59, located in Unit A of Section 6, Township 27 North, Range 5 West.
- CASE 7386: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Blanco Pictured Cliffs and Blanco-Mesaverde production in the wellbore of its San Juan 27-5 Unit Well No. 54, located in Unit L of Section 31, Township 27 North, Range 5 West.
- CASE 7387: Application of Sun Oil Company for an unorthodox oil 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 North and East lines of Section 32, Township 9 South, Range 37 East, West Sawyer-San Andres Pool, the N/2 NE/4 of said Section 32 to be dedicated to the well.
- CASE 7388: Application of Sun Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled in the Northeast Lusk Yates Pool, 2500 feet from the North line and 1880 feet from the East line of Section 15, Township 19 South, Range 32 East the SW/4 NE/4 of said Section 15 to be dedicated to the well.
- CASE 7389: Application of Yates Petroleum Corporation for an Amendment to Division Order No. R-4365, Eddy County, New Mexico. Applicant, in the above-styled cause seeks the amendment of Division Order No. R-4365, which promulgated special rules and regulations for the Penasco Draw San Andres-Yeso Pool, by amending Rule 5 to permit the simultaneous dedication of gas wells and oil wells and amending Rule 9 to provide for annual gas-liquid ratio tests in lieu of semi-annual tests.
- CASE 7365: (Continued from October 7, 1981, Examiner Hearing)
- Application of Yates Petroleum Corporation for the amendment of Order No. 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 7390: Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the W/2 of Section 18, Township 9 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 7391: Application of Harvey E. Yates Company for statutory unitization, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of a secondary recovery project, all mineral interests in the Travis Penn Unit encompassing 480 acres, more or less, underlying all or portions of Sections 12 and 13, Township 18 South, Range 28 East, Eddy County, New Mexico.

The unitized interval would be the Cisco-Canyon formation between the depths of 9815 feet and 9935 feet in Harvey E. Yates Company's Travis Deep Unit No. 2 Well. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in well and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

- CASE 7392: Application of Sam H. Snoddy, for an unorthodox gas well location in the Oil-Potash Area, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the location of a Pennsylvanian well to be drilled 660 feet from the North and East lines of Section 26, Township 20 South, Range 32 East, Oil-Potash Area, the N/2 of said Section 26 to be dedicated to the well.
- CASE 7393: Application of Uriah Exploration Incorporated for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco, Canyon and Morrow formations underlying the W/2 of Section 13, Township 22 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7394: Application of Supron Energy Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian well to be drilled 467 feet from the North line and 1650 feet from the West line of Section 13, Township 22 South, Range 24 East, the N/2 of said Section 13 to be dedicated to the well.
- CASE 7395: Application of Curtis J. Little for Designation of a Tight formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 25 and 26 North, Ranges 6 and 7 West containing a total of 14,400 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271. 701-705.
- CASE 7300: (Reopened and Readvertised)
- Application of Dome Petroleum Corporation for designation of a tight formation, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Chacra formation underlying portions of Townships 21 and 22 North, Ranges 5, 6, and 7 West, containing 73,018 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271. 701-705.
- CASE 7352: (Continued from September 23, 1981, Examiner Hearing)
- Application of Yates Petroleum Corporation for designation of a tight formation, Eddy County, New Mexico. Applicant, in the above-styled cause, pursuant to Section 107 of the Natural Gas Policy Act 18-CFR Section 271. 701-705, seeks the designation as a tight formation of the Permian-Penn formation underlying all of the following townships:
- Township 17 South, Ranges 24 thru 26 East;
 - 18 South, 24 and 25 East,
 - 19 South, 23 thru 25 East;
 - 20 South, 21 thru 24 East;
 - 20 1/2 South, 21 and 22 East;
 - 21 South, 21 and 22 East;
 - Also Sections 1 thru 12 in 22 South, 21 and 22 East,

All of the above containing a total of 315,000 acres more or less.



Richard E. Ogden
Regional Engineering
Manager

September 30, 1981

Re: Application for Hearing
Compulsory Pooling
Eddy County, New Mexico

The State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

Amoco Production Company respectfully requests a hearing for compulsory pooling of all mineral interests in the Upper Pennsylvanian formation underlying the NW/4 of Section 19, T-19-S, R-25-E, Eddy County, New Mexico. This 162 acre proration unit will be dedicated to an oil well to be drilled at an orthodox location 660 feet from the north line and 1980 feet from the west line of Section 19 to the North Dagger Draw-Upper Pennsylvanian Pool. Also to be considered will be the cost of drilling and completing said well, the allocation of cost thereof, as well as actual operating cost, charges for supervision and a charge for risk involved in drilling said well. Amoco will ask to be designated operator of the well.

Attached is a map indicating the location of the proposed unit and the working interest owners of offsetting acreage. Also attached is a summary of all lessees and mineral interest owners and their ownership in the proposed unit.

RECEIVED
OCT 3 1981
Amoco Production Company (USA)
Houston Division
600 Jefferson Building
Post Office Box 3092
Houston, Texas 77001
OIL CONSERVATION DIVISION
SANTA FE

Case 7583

Mr. J. Ramey
September 30, 1981
Page 2

Please place this item on the Examiner's Hearing Docket of October 21, 1981. This confirms our verbal request of September 30, 1981. Any questions can be directed to Mr. David Boatwright, telephone (713) 652-5472.

Yours very truly,

R.E. Ogden _{DB}

Richard E. Ogden

DB/nb
3/536

cc: E. D. Newman - Jefferson, Room 1822-C
S. J. Okerson - Hobbs
C. A. Mote - Jefferson, Room 1605
J. M. Wishart - Jefferson, Room 1905-B

Unit Leasehold and Mineral Interests

NW/4 Section 19 T-19-S R-25-E

<u>Lessee or Mineral Owner</u>	<u>Acres</u>	<u>% of Acreage</u>
Conoco Inc.	32.4765	19.9917
Harvey & S.P. Yates	60.6200	37.3161
Armoura Properties	10.7955	6.6454
Cities Services Co.	9.2790	5.7119
Depco Inc. & Husky Oil Co.	9.2790	5.7119
Amoco Production Co.	<u>40.0000</u>	<u>24.6230</u>
	162.4500	100.0000

b8/1d

Memo

From

FLORENE DAVIDSON
ADMINISTRATIVE SECRETARY

To Called in by David
Boatright 8/16/51

Amoco Production Company

Compulsory Pooling

Upper Pennsylvanian

NW/4 19-195-25E

Eddy County

660/W + 1980/W - Standard

BEST AVAILABLE COPY

OIL CONSERVATION COMMISSION-SANTA FE

DRAFT

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:

BEST AVAILABLE COPY

CASE NO. 7383

Order No. R- 6814

APPLICATION OF AMOCO PRODUCTION
COMPANY 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 November 4,
1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of November, 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. 7383 is hereby dismissed.

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