

CASE NO.

7440

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

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

CASE
7440

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

Case
7441

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:

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

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2 HEARING OFFICER: We will call next case,
3 7440, application of Morris R. Antweil for compulsory pooling,
4 Lea County, New Mexico.

5 MR. CARR: May it please the Examiner,
6 my name is William F. Carr of the law firm Campbell, Burton,
7 Black P.A. of Santa Fe, New Mexico, appearing on behalf of
8 the applicant.

9 At this time, Mr. Examiner, I would re-
10 quest that you also call Case 7441. Both cases are pooling
11 applications for adjoining 40 acre tracts. The ownership
12 involved in each of the cases is identical. The only dif-
13 ference in the testimony of both cases that will be presented
14 separately would relate to well location.

15 We therefore request that the cases be
16 consolidated for purposes of hearing.

17 HEARING OFFICER: If there is no objection,
18 we will now call Case 7441 and consolidate them for purposes
19 of testimony.

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

22 MR. CARR: I have one witness that needs
23 to be sworn in.
24
25

R. M. WILLIAMS

the witness herein, after having been first duly sworn upon his oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your name and place of residence?

A R. M. Williams, Hobbs, New Mexico.

Q By whom are you employed and in what capacity?

A Employed by Morris R. Antweil as an engineer.

Q Have you previously testified before this Commission or one of its Examiners, and had your credentials as an engineer accepted and made a matter of record?

A Yes, I have.

Q Are you familiar with the application filed in each of these consolidated cases on behalf of Mr. Antweil?

A Yes, I am.

Q Are the witness's qualifications acceptable?

A They are.

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2 Q Mr. Williams, will you briefly state
3 what Morris R. Antweil seeks in these cases?

4 A In Case 7440, we seek to compulsory pool
5 all mineral interests from the surface to -- actually, to
6 the top of the Abo, we have decided not to drill the Abo in
7 the southwest quarter, the northeast quarter of Section 5,
8 Township 20 south, Range 38 East, Lea County, New Mexico.

9 And in Case 7441, we seek the compulsory
10 pooling of the southeast quarter, northwest quarter, Section
11 5, Township 20 south, Range 38 East, Lea County, New Mexico.

12 Also considered are the cost of drilling
13 and completing the well, the allocation of costs thereof, the
14 operating costs and charges for supervision, designation of
15 the applicant as operators of the well, and a charge for
16 the risk involved in drilling of the wells.

17 Q Mr. Williams, is the top of the Abo the
18 target in both cases now?

19 A Yes, we'll test -- we have decided we'll
20 test the Blinebry and Brinker and we'll build both wells to
21 7100, which is the top of the Abo.

22 Q Mr. Williams, will you now refer to what
23 has been marked Antweil Exhibit Number 1, identify this, and
24 explain what it shows.

25 (WHEREUPON, Antweil Exhibit 1

1
2 was marked for identification.)

3 A Exhibit Number 1 is a land map of the
4 vicinity of our application, the proposed location is noted
5 with a red dot, the proration unit being the southwest quarter
6 northeast quarter of Section 5 is colored in yellow, and
7 the other wells completed or drilling in the immediate vicin-
8 ity are shown on the map.

9 Q Is this a standard location for the
10 well in the southwest of the northeast quarter?

11 A Yes, it will be a standard location.

12 Q Will you now refer to what has been
13 marked Exhibit Number 2?

14 A Exhibit Number 2 is the same type of
15 map, showing the proposed location and proration unit in the
16 southeast quarter of the northwest quarter of Section 5.

17 Q Again, this is a standard location?

18 A Yes, it will be.

19 Q Will you now refer to Antweil Exhibit
20 Number 3?

21 A Exhibit Number 3 is a tabulation of the
22 unleased mineral owners in the 40 acres being the southwest
23 quarter, northeast quarter of Section 5, five unleased
24 mineral interest owners, the total acreage that is unleased
25 is .288926 acres, or approximately seven tenths of a percent

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2 of the proposed forty acre proration unit.

3 Q Are these figures identical to the figures
4 for the southwest quarter of the northwest quarter of Section
5 5?

6 A Yes, a tabulation for the other pro-
7 ration unit, the southeast quarter of the northwest quarter
8 of Section 5 would be identical. They have the same interest
9 and would have the same acreage in that forty acre proration
10 unit.

11 Q Mr. Williams, will you now refer to
12 Antweil Exhibit Number 4 and review this?

13 A Exhibit Number 4 is an FAE cost esti-
14 mate for our number one Lewie well in the southwest quarter
15 of northeast quarter, Section 5, details the anticipated
16 cost to drill 7,150 tests and the completion costs, total
17 estimated cost is \$560,000. This would be the first of two
18 wells that were drilled. The second well on the other
19 proration unit, we had the same estimated cost.

20 Q Mr. Williams, are these costs in line
21 with what is being charged by other operators in the area?

22 A Yes, they are.

23 Q Will you now refer to Antweil Exhibit
24 Number 5 and identify this for Mr. Stamets?

25 A Exhibit Number 5 is our letter of

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2 December 2nd, mailed by certified mail to the unleased minera
3 interest owners, giving them notice of this hearing on this
4 date for the two cases we are considering, reviewing our
5 leasing efforts with them. They have previously been com-
6 pulsory pools in two previous wells, our Number one Dewey,
7 and Number One Huey well, both in -- also in Section 5. They
8 were --

9 HEARING OFFICER: Dewey and Huey?

10 A They were given all the notices in con-
11 junction with those hearings and the subsequent notices of
12 the forced pooling order. We have had no response from these
13 people whatsoever. Dick Pollard was our land man in an
14 effort to lease these interests from the people, we have
15 invited them again in this letter to lease their interests,
16 or pointed out their option that they can join us in this
17 drilling..

18 The second page of this exhibit is the
19 mailing list and the receipts for our certified mailing,
20 and the third page are three receipts from three of the
21 people that have signed or received them. We have not re-
22 ceived a return receipt from the fourth member, but the
23 letter has not been returned either, and our previous
24 mailings to that person have all eventually been received.
25 They are getting their mail and not answering.

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2 Q Mr. Williams, are you prepared to make
3 a recommendation to the Examiner as to the risk factor that
4 should be assessed against those who do not participate in the
5 drilling of this well?

6 A Yes, we would request a two hundred per-
7 cent risk penalty be imposed.

8 Q Upon what do you base this recommendation?

9 A The risk, while the majority of the wells
10 that have been drilled in the area have been completed, there
11 has been completed, there has been a risk involved in the
12 quality of the wells that have been able to be completed and,
13 you know, there is an edge to this reservoir somewhere, and
14 as we keep stepping out we are going to find it someday, hope-
15 fully not in these two wells.

16 Q Have you made an estimate of the overhead
17 administrative costs while drilling and producing each of
18 those wells?

19 A Yes, our operating agreements at this
20 time are reflecting an overhead charge of \$2,500 per month
21 while drilling, and #250 per month for producing the well.

22 Q Are these costs in line with what is
23 being charged by other operators in the area?

24 A Yes, this is in line with the operating
25 agreements of Tamarack, who is the other operator in this

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2 immediate area, and we have joint interest with them where
3 they operate.

4 Q Do you recommend that these figures be
5 incorporated into any order which may result from this hearing?

6 A Yes, I do.

7 Q And does Mr. Antwell request to be
8 designated operator of each of those wells?

9 A Yes, we do, we have 99 percent of the
10 acreage under lease.

11 Q When do you plan to spud the Louie Well?

12 A In the immediate future.

13 Q And then how soon will you be going to
14 the other well?

15 A Probably in about -- after about a 30
16 day delay, by mid January.

17 Q Have you selected a name for the other
18 well?

19 A No, that is open to suggestion.

20 Q In your opinion, will granting this
21 application be in the best interestes of conservation and
22 prevention of waste, and the protection of --

23 A Yes, it will.

24 Q Were Exhibits 1 through 5 prepared by
25 you or under your supervision?

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A. Yes, they were.

MR. CARR: At this time, Mr. Stamets, we would offer Antweil Exhibits one through five into evidence.

HEARING OFFICER: These exhibits will be admitted.

MR. CARR: I have nothing further on direct.

HEARING OFFICER: Any questions of the witness? You may be excused.

Anything further in this case?

These cases will be taken under advisement.

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THIS IS A VERBATIM COPY OF MR. ALEX PADILLA'S
TRANSCRIPT SUBMITTED HEREWITH.

SWB

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7440
heard by me on 12-16 19 81
Richard R. Stewart, Examiner
Oil Conservation Division

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. 7440
Order No. R-6866

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 December 16, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of December, 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, originally requested an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SW/4 NE/4 of Section 5, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That at the hearing the applicant sought and was granted approval to amend the application to provide for pooling of all mineral interests from the surface to the top of the Abo formation.
- (4) That the applicant has the right to drill and proposes to drill a well at a standard location upon said quarter-quarter section.
- (5) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.

(6) 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 in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

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

(8) 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.

(9) 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.

(10) 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.

(11) 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.

(12) 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.

(13) 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.

(14) 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 May 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, from the surface to the top of the Abo formation underlying the SW/4 NE/4 of Section 5, 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 1st day of May, 1982, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Abo formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 1st day of May, 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.

(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.

(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

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Case No. 7440
Order No. R-6866

expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

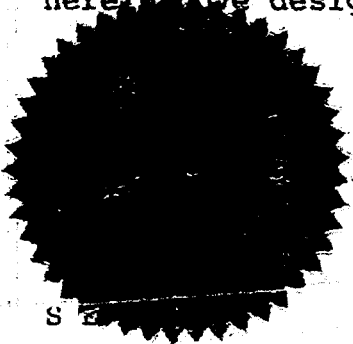
(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(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.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

-5-

Case No. 7440
Order No. R-6866

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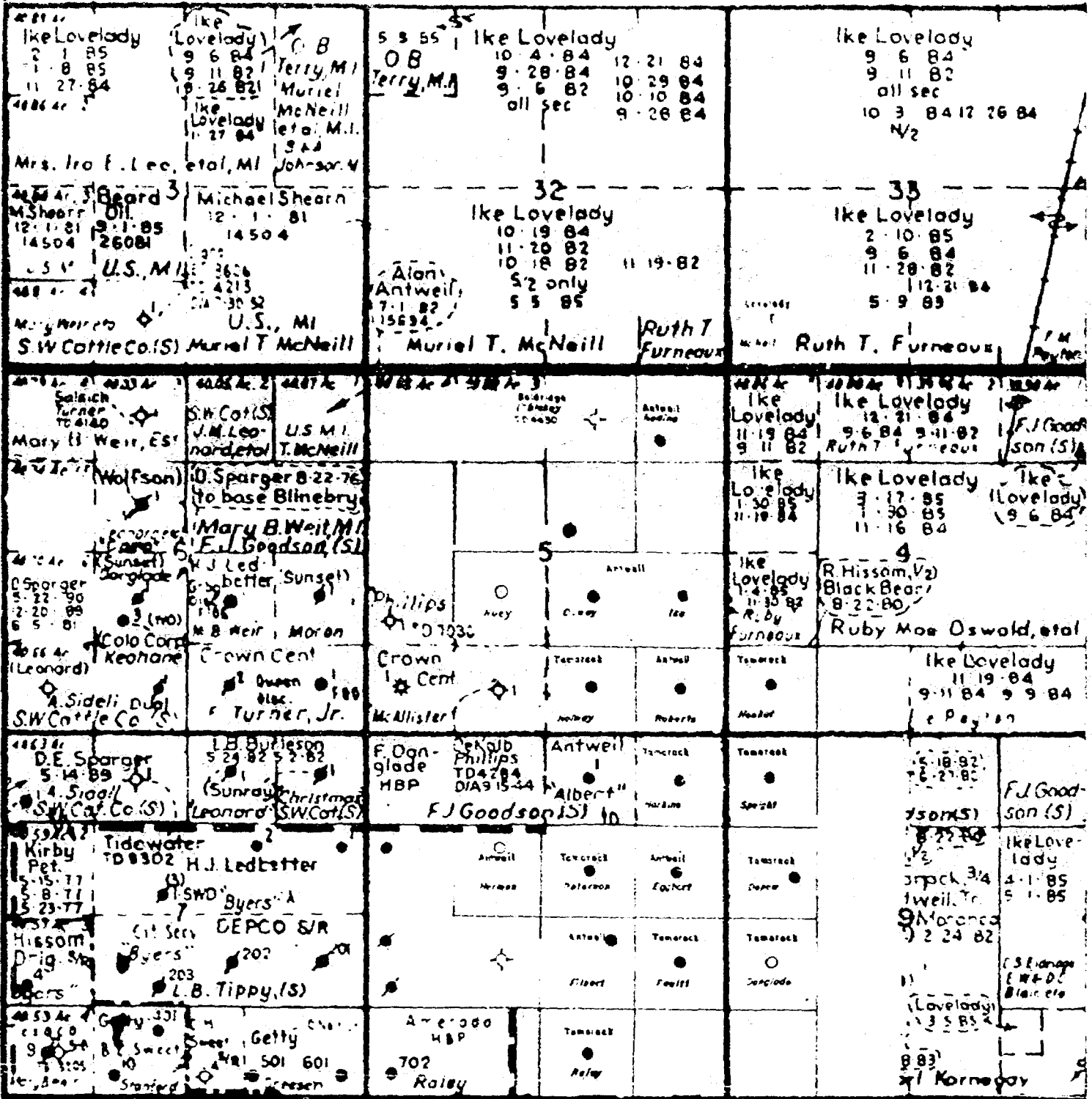
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director



LEGEND



PRORATION UNIT



PROPOSED LOCATION



COMPLETED WELLS

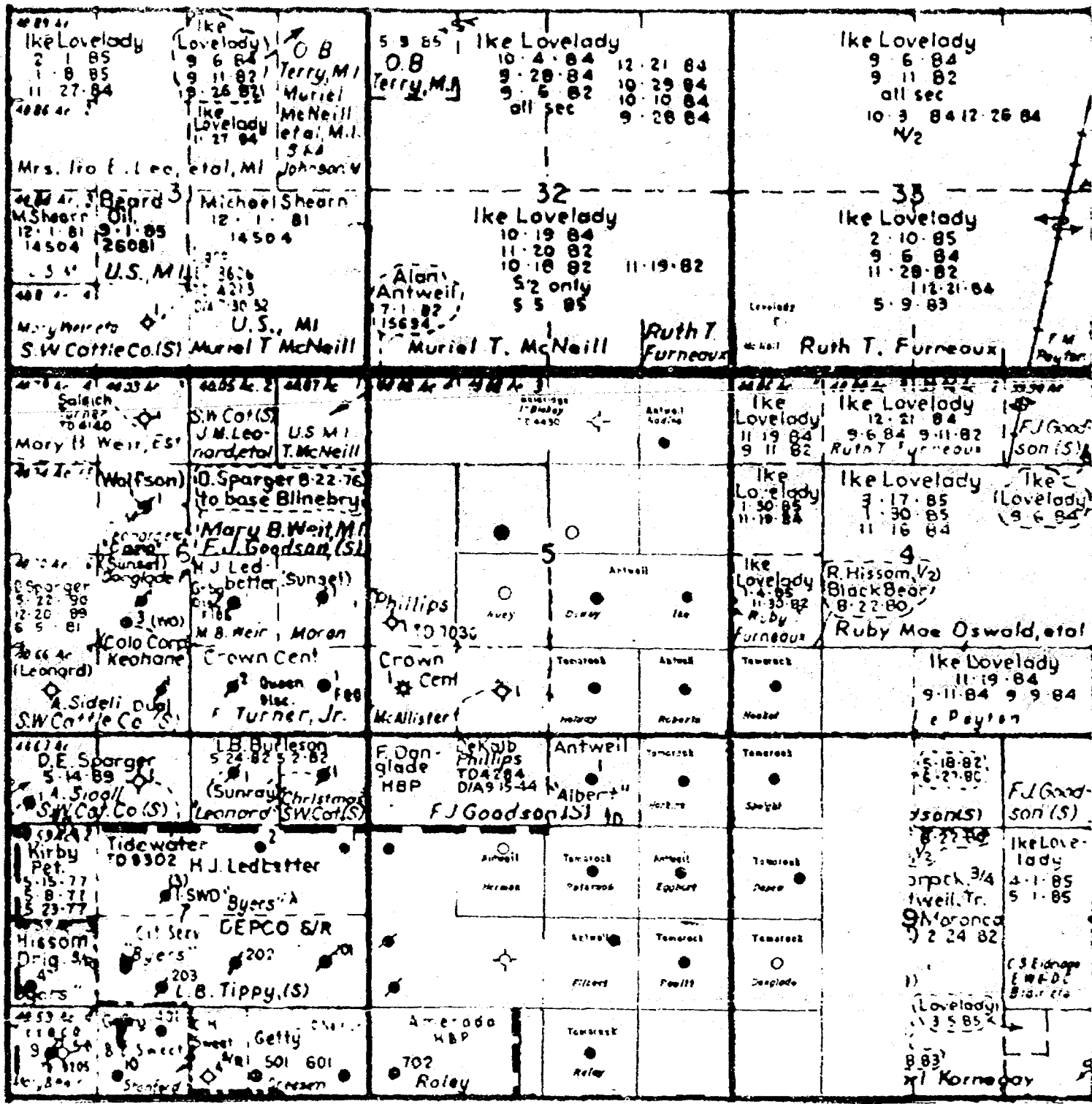


DRILLING WELLS

MORRIS R. ANTWEIL
HOBBS, NEW MEXICO

NADINE AREA
(BLINEBRY-DRINKARD PROSPECT)
LEA COUNTY, NEW MEXICO

SCALE: 1" = 2000'



LEGEND

- PRORATION UNIT
- PROPOSED LOCATION
- COMPLETED WELLS
- DRILLING WELLS

MORRIS R. ANTWEIL
 HOBBS, NEW MEXICO

NADINE AREA
 (BLINEBRY-DRINKARD PROSPECT)
 IFA COUNTY, NEW MEXICO

SCALE: 1" = 2000'

UNLEASED MINERAL INTERESTS
SW/4 NE/4 Sec. 5-T20S-R38E

Harry Eldon Smith 0.004127 acres
Rt. 1 - Box 10-E
Winnabow, NC 28358

Eva W. Graham 0.066127 acres
Rt. 1 - Box 307
Ash, NC 28420

Mary M. Smith 0.066127 acres
117 Moreland Avenue
Laurens, SC 29360

Mabel Smith Rule 0.066127 acres
2422 Holloway Terrace
Raleigh, NC 27608

Donald Woods 0.086418 acres
address unknown

0.288926 acres

ANTWEIL 3
COUNTY 7440 - 7441
SIGNED BY WILLIAMS
HEARING DATE 12/16/81

AFE COST ESTIMATE
 NO. 1 LOUIE
 SW/4 NE/4 Sec. 5-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: _____

ANTHONY WILLIAMS
 7440-7441
 WILLIAMS
 12/16/81

Morris R. Antwell

OIL OPERATOR
P. O. Box 2010
HOBBS, NEW MEXICO 88240

December 2, 1981
CERTIFIED MAIL

UNLEASED MINERAL INTEREST OWNERS

RE: Compulsory Pooling
SW/4 NE/4 and SE/4 NW/4
Section 5-T20S-R38E
Lea County, New Mexico

Enclosed are copies of our Applications which have been filed with the New Mexico Oil Conservation Division requesting orders compulsory pooling the mineral interests under the SW/4 NE/4 and the SE/4 NW/4 of Section 5-T20S-R38E, Lea County, New Mexico, for our continuing development drilling of these lands. Our applications have been set for hearing before the Division's examiner at the Division's offices in the Land Commission Building in Santa Fe, New Mexico on 16 December 1981 at 9:00 AM as Case Nos. 7440 and 7441.

You own an unleased mineral interest in the 240 acres, being the S/2 NW/4, N/2 SW/4, SW/4 NE/4 and NW/4 SE/4 of Section 5-T20S-R38E, which includes the captioned lands. Your mineral interest under the NW/4 SE/4 and the SE/4 NW/4 has been compulsory pooled for the drilling of our No. 1 Dewey and No. 1 Huey wells. Richard F. Pollard has contacted you on several occasions to lease your mineral interest in our behalf.

We again invite you to consider leasing your interest instead of submitting to the provisions of a compulsory pooling order. We can offer you a \$20 bonus to sign a 3-year paid-up lease with the provision for a 3/16 royalty. These are the same terms and conditions which were offered to and accepted by other members of your family.

You, of course, have the option to join in the drilling of the proposed wells as a working interest participant paying your proportional share of the actual costs incurred to drill and complete the proposed wells. The estimated cost to drill and complete the proposed wells is \$560,000 per well. Your proportional working interest share would be that fractional interest your acreage is to the 40-acre unit.

Yours very truly,

MORRIS R. ANTWELL

R. M. Williams

cc: New Mexico Oil Conservation Division
Santa Fe, New Mexico

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION
ANTWELL EXHIBIT NO. 5
CASE NO. 7440-7441
Submitted by WILLIAMS
Hearing Date 12/16/81

MAILING LIST

Harry Eldon Smith
Route 1, Box 10E
Winnabow, NC 28358

Eva W. Graham
Route 1, Box 307
Ash, NC 28420

Mary M. Smith
117 Moreland Avenue
Laurens, SC 29360

Mabel Smith Rule
2422 Holloway Terrace
Raleigh, NC 27608

Donald Woods
Address Unknown

No. 938302

No. 938301

No. 938300

No. 938299

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
HARRY ELDON SMITH		1981
STREET AND NO.		
ROUTE 1, BOX 10E		
P.O., STATE AND ZIP CODE		
WINNABOW NC 28358		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered With delivery to addressee only	15¢ 65¢
	2. Shows to whom, date and where delivered With delivery to addressee only	35¢ 85¢
DELIVER TO ADDRESSEE ONLY		50¢
SPECIAL DELIVERY (extra fee required)		

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)
Apr. 1971 NOT FOR INTERNATIONAL MAIL GPO: 1973 O - 480-743

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
EVA W. GRAHAM		1981
STREET AND NO.		
ROUTE 1, BOX 307		
P.O., STATE AND ZIP CODE		
ASH NC 28420		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered With delivery to addressee only	15¢ 65¢
	2. Shows to whom, date and where delivered With delivery to addressee only	35¢ 85¢
DELIVER TO ADDRESSEE ONLY		50¢
SPECIAL DELIVERY (extra fee required)		

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)
Apr. 1971 NOT FOR INTERNATIONAL MAIL GPO: 1973 O - 480-743

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
MARY M. SMITH		1981
STREET AND NO.		
117 MORELAND AVE		
P.O., STATE AND ZIP CODE		
LAURENS SC 29360		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered With delivery to addressee only	15¢ 65¢
	2. Shows to whom, date and where delivered With delivery to addressee only	35¢ 85¢
DELIVER TO ADDRESSEE ONLY		50¢
SPECIAL DELIVERY (extra fee required)		

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RETURN RECEIPT SERVICES	1. Shows to whom and date delivered With delivery to addressee only	15¢ 65¢
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DELIVER TO ADDRESSEE ONLY		50¢
SPECIAL DELIVERY (extra fee required)		

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)
Apr. 1971 NOT FOR INTERNATIONAL MAIL GPO: 1973 O - 480-743

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
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 RESTRICTED DELIVERY.
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(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Eva H. Graham
 Route 1, Box 307
 Cash, NC 28420

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 138301

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
 Eva Graham

4. DATE OF DELIVERY
 12/7/81

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

POSTMARK: H. NC, DEC 7 1981, USPO

☆GPO : 1979-300-453

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

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2. ARTICLE ADDRESSED TO:
 Henry Elson Smith
 Route 1, Box 102
 Kinston, NC 28558

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 938302

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
 Jeff Smith

4. DATE OF DELIVERY
 12-8-81

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

POSTMARK: WINNABOW, NC, DEC 8 1981, USPO

☆GPO : 1979-300-459

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
 Show to whom and date delivered.....
 Show to whom, date and address of delivery.....
 RESTRICTED DELIVERY
 Show to whom and date delivered.....
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery.\$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Mary M. Smith
 117 Moreland Avenue
 Laurens, SC 29360

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 938300

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
 Mary M. Smith

4. DATE OF DELIVERY
 12/8/81

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

POSTMARK: WINNABOW, NC, DEC 8 1981, USPO

☆GPO : 1979-300-459

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

The following service is requested (check one.)
 Show to whom and date delivered.....
 Show to whom, date and address of delivery.....
 RESTRICTED DELIVERY
 Show to whom and date delivered.....
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery.\$

(CONSULT POSTMASTER FOR FEES)

ARTICLE ADDRESSED TO:
 Eva H. Graham
 Route 1, Box 307
 Ash, NC 28420

ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 138301

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
 Eva Graham

DATE OF DELIVERY
 12/7/81

ADDRESS (Complete only if requested)

UNABLE TO DELIVER BECAUSE:

POSTMARK
 H-NC
 DEC 7 1981
 U.S. POST OFFICE
 ASH, N.C.

☆GPO : 1979-300-453

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
 Show to whom and date delivered.....
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 RESTRICTED DELIVERY
 Show to whom and date delivered.....
 RESTRICTED DELIVERY.
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(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Harry Eldon Smith
 Route 1, Box 10K
 Kinston, NC 28548

ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 938302

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
 Jeff Smith

DATE OF DELIVERY
 12-8-81

ADDRESS (Complete only if requested)

UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS
 JH

POSTMARK
 WINNABOW, NC
 DEC 8 1981
 U.S. POST OFFICE

☆GPO : 1979-300-459

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
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 Show to whom and date delivered.....
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery.\$

(CONSULT POSTMASTER FOR FEES)

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 SIGNATURE Addressee Authorized agent
 Mary M. Smith

DATE OF DELIVERY
 12/8/81

ADDRESS (Complete only if requested)

UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

POSTMARK

☆GPO : 1979-300-459

Dockets Nos. 1-82 and 2-82 are tentatively set for January 6, and January 20, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 16, 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:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for January, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for January, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7439:** Application of Bass Enterprises Production Company for an amendment of Division Order No. R-6776, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6776 which authorized the directional drilling of its James Ranch Well No. 13 in Section 36, Township 22 South, Range 30 East, to provide for an amended surface location 1440 feet from the North line and 860 feet from the West line of Section 6, Township 23 South, Range 31 East.
- CASE 7440:** 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 SW/4 NE/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 7441:** 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 SW/4 NW/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 7442:** Application of Depco, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface 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 7443:** Application of Dalton H. Cobb for compulsory pooling, Guadalupe 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 SE/4 of Section 20, Township 8 North, Range 22 East, to be dedicated to a well drilled at a standard location thereon. Also to be considered will be the cost of re-entering 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 re-entering said well.
- CASE 7444:** Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Penn formations underlying the E/2 of Section 30, Township 18 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 7445:** Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the San Andres formation for its Fulton Collier Well No. 1 in Unit G of Section 1, Township 18 South, Range 28 East.

CASE 7410: (Continued from November 19, 1981, Examiner Hearing)

Application of B.O.A. Oil & Gas Company for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2035 feet from the South line and 2455 feet from the East line and one to be drilled 2455 feet from the North line and 1944 feet from the East line, both in Section 31, Township 31 North, Range 15 West, Verde-Gallup Oil Pool, the NW/4 SE/4 and SW/4 NE/4, respectively, of said Section 31 to be dedicated to said wells.

CASE 7356: (Continued from November 19, 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 7423: (Continued from November 19, 1981, Examiner Hearing - This Case will be dismissed)

Application of Conoco, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for three companies to institute a cooperative waterflood project in the Blinebry oil and gas pool by the injection of water into the Blinebry formation through 13 injection wells located on leases operated by Conoco, Shell Oil Company, and Southland Royalty Company, in Sections 33 and 34, Township 20 South, Range 38 East, and Sections 2 and 3, Township 21 South, Range 37 East.

CASE 7448: Application of Energy Reserves Group, Inc. for creation of a new gas pool and an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Cisco production comprising the S/2 of Section 12 and the N/2 of Section 13, Township 6 South, Range 33 East; applicant further seeks approval of the unorthodox location of its Miller Com Well No. 1-Y located 660 feet from the South and West lines of said Section 12.

CASE 7449: Application of E. T. Ross for nine non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for nine 40-acre non-standard gas proration units in the Bravo Dome Carbon Dioxide Area. In Township 19 North, Range 30 East: Section 12, the NW/4 NW/4 and NE/4 NW/4; Section 14, the NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4. In Township 20 North, Range 30 East: Section 11, the NE/4 SW/4, SW/4 SE/4, SE/4 SW/4, and NW/4 SE/4.

CASE 7446: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, contracting, and extending vertical and horizontal limits of certain pools in San Juan, Rio Arriba, McKinley, and Sandoval Counties, New Mexico:

(a) That the South Gallegos Pictured Cliffs Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby abolished.

(b) That the South Gallegos Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby contracted by deleting:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 24: SE/4
Section 25: E/2

(c) That the Otero Gallup Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby contracted by deleting:

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 31: NW/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 36: W/2 SW/4

(d) That the South Gallegos-Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
 Section 2: S/2
 Section 3: SE/4
 Section 10: NE/4
 Section 13: W/2

and the vertical limits of said pool are hereby extended to include the Pictured Cliff formation and said pool is redefined as the South Gallegos-Fruitland -Pictured Cliffs Gas Pool.

(e) That a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Nacimiento production, is hereby created and designated as the Gavilan Nacimiento Pool, comprising the following described area:

TOWNSHIP 24 NORTH, RANGE 1 WEST, NMPM
 Section 6: SW/4

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM
 Section 1: SE/4
 Section 12: N/2

(f) That the Artec Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, described and defined, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
 Section 30: SE/4
 Section 31: NE/4

(g) That the Artec Pictured Cliffs Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
 Section 12: NE/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
 Section 7: SE/4
 Section 21: NW/4 and SE/4
 Section 28: E/2

(h) That the BS Mesa Gallup Gas Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
 Section 1: NW/4
 Section 2: All
 Section 6: SW/4

(i) That the Beautiful Mountain Mississippian Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby redesignated the Beautiful Mountain Mississippian Gas Pool and is extended to include:

TOWNSHIP 27 NORTH, RANGE 19 WEST, NMPM
 Section 32: N/2 S/2 and SW/4 SW/4 and SE/4 SE/4

(j) That the Ballard Pictured Cliffs Gas Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 23 NORTH, RANGE 5 WEST, NMPM
 Section 24: NE/4

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
 Section 15: SW/4

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM
 Section 35: S/2

TOWNSHIP 26 NORTH, RANGE 8 WEST, NMPM
 Section 9: NE/4
 Section 14: NW/4 and SE/4

Examiner Hearing - Wednesday - December 16, 1981

(k) That the Bisti Lower Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM
Section 6: N/2 NE/4

TOWNSHIP 25 NORTH, RANGE 10 WEST, NMPM
Section 31: SE/4

(l) That the Blanco Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM
Section 3: SE/4
Section 10: NE/4

(m) That the Blanco Mesa Verde Gas Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 4: S/2
Section 5: S/2

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
Section 10: W/2

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
Section 14: S/2
Section 25: All
Section 26: All
Section 35: All
Section 36: All

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 2: S/2
Sections 7 to 16: All
Section 22: All

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 22: N/2

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
Section 13: W/2
Section 14: All
Section 23: N/2
Section 24: All

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
Section 23: N/2

TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM
Section 30: W/2

TOWNSHIP 31 NORTH, RANGE 13 WEST, NMPM
Section 14: All
Section 15: E/2
Section 23: All

(n) That the Blanco Pictured Cliffs Gas Pool in Rio Arriba, San Juan and Sandoval Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM
Section 17: NW/4
Section 18: SE/4

Examiner Hearing - Wednesday - December 16, 1981

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM

Section 3: W/2
 Section 4: E/2
 Section 9: N/2
 Section 10: NW/4
 Section 33: E/2
 Section 34: W/2 and SE/4
 Section 35: SW/4

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM

Section 11: SW/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM

Section 6: NW/4

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM

Section 28: SE/4

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM

Section 12: NE/4

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM

Section 10: E/2

(0) That the South Blanco Pictured Cliffs Gas Pool in Rio Arriba, San Juan and Sandoval Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 23 NORTH, RANGE 1 WEST, NMPM

Section 19: SW/4
 Section 30: W/2
 Section 31: NW/4

TOWNSHIP 23 NORTH, RANGE 2 WEST, NMPM

Section 24: S/2

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM

Section 2: N/2
 Section 3: N/2
 Section 4: NE/4

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM

Section 14: W/2
 Sections 15, 16, & 17: All
 Section 21: N/2
 Section 22: N/2

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM

Section 3: SE/4
 Section 26: S/2 and NW/4
 Section 27: All
 Section 28: E/2
 Section 33: E/2
 Sections 34 & 35: All
 Section 36: SW/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM

Section 14: NW/4
 Section 24: All

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM

Section 34: NW/4

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM

Section 8: SE/4

TOWNSHIP 28 NORTH, RANGE 6 WEST, NMPM

Section 25: SE/4

Section 36: E/2

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM

Section 19: W/2

Section 30: NW/4

TOWNSHIP 28 NORTH, RANGE 8 WEST, NMPM

Section 11: E/2

Section 12: All

Section 13: All

Section 14: NE/4

Section 24: NE/4

(p) That the Bloomfield Chacra Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Sections 15 & 16: All

Section 17: SE/4

Section 22: NW/4

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 14: W/2

Section 15: E/2

Section 22: E/2

Section 23: W/2

Section 25: N/2

Section 26: W/2

Section 27: NE/4 and S/2

Section 34: All

Section 35: W/2 and SE/4

(q) That the Cha Cha Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 15 WEST, NMPM

Section 11: E/2

Section 12: S/2 and NW/4

Section 14: N/2

(r) That the Chacon Dakota Associated Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 22 NORTH, RANGE 3 WEST, NMPM

Section 1: W/2

Section 2: E/2

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM

Section 3: NE/4

Section 11: NW/4

Section 23: SE/4

Section 35: SE/4

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM

Section 16: SW/4

Section 17: SE/4

Section 21: All

Section 22: SW/4

Section 27: W/2 and SE/4

Section 28: E/2

Section 34: E/2

Examiner Hearing - Wednesday - December 16, 1981

(s) That the Escrito Gallup Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 28: S/2 NE/4

Section 35: W/2 NW/4

(t) That the Flora Vista Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM

Section 3: W/2

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM

Section 34: W/2

(u) That the Flora Vista Gallup Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM

Section 1: SW/4

Section 2: SE/4

(v) That the Fulcher Kutz Pictured Cliffs Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 16: W/2

(w) That the Gallegos Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 25 NORTH, RANGE 12, WEST, NMPM

Section 23: E/2 NE/4

(x) That the Gavilan-Pictured Cliffs Gas Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 1 WEST, NMPM

Section 6: SW/4

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM

Section 9: NW/4

(y) That the Gobernador Pictured Cliffs Gas Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 30 NORTH, RANGE 5 WEST, NMPM

Section 31: SE/4

(z) That the Gonzales Mesa Verde Gas Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

Section 30: SE/4

Section 31: NE/4

(aa) That the West Kutz Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 19: S/2

(bb) That the Kutz Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM

Section 4: NW/4 NE/4

Examiner Hearing - Wednesday - December 16, 1981

(cc) That the West Kutz Pictured Cliffs Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM
Section 32: NE/4

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM
Section 9: W/2
Section 16: NW/4

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
Section 20: SE/4

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM
Section 18: SW/4
Section 19: N/2

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM
Section 13: All
Section 24: N/2

(dd) That the South Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 27: N/2 S/2

(ee) That the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
Section 7: N/2
Section 8: W/2
Section 17: NE/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 4: All
Section 8: S/2
Section 10: NW/4 and SE/4
Section 14: NW/4
Section 15: NE/4
Section 25: SE/4

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 13: SW/4
Section 21: NW/4
Section 23: E/2
Section 24: N/2
Section 26: E/2
Section 31: W/2

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 35: SE/4
Section 36: S/2

(ff) That the South Los Pinos Fruitland-Pictured Cliffs Gas Pool in San Juan County, New Mexico as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM
Section 25: S/2
Section 32: SE/4
Section 33: NE/4

(gg) That the Lybrook Gallup Oil Pool in Sandoval, San Juan, and Rio Arriba Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM

Section 6: E/2 SW/4
Section 7: NE/4 NW/4

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM

Section 1: W/2 SW/4 and SW/4 NW/4
Section 6: NW/4 and W/2 NE/4 and SE/4 NE/4
Section 8: NE/4 and N/2 SE/4
Section 12: NW/4 NW/4
Section 14: W/2
Section 15: N/2 NE/4

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 29: SW/4 SE/4
Section 30: S/2 S/2
Section 31: All
Section 32: W/2 E/2

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM

Section 23: S/2 S/2
Section 25: W/2 NW/4 and SW/4 and S/2 SE/4
Section 26: E/2 NE/4
Section 36: All

(hh) That the Miguel Creek Gallup Oil Pool in McKinley County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 16 NORTH, RANGE 6 WEST, NMPM

Section 20: E/2 SE/4
Section 28: NW/4 NW/4
Section 29: E/2 NE/4 and NW/4 NE/4

(ii) That the Nageezi Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 23 NORTH, RANGE 8 WEST, NMPM

Section 5: W/2
Section 6: N/2
Section 8: NE/4
Section 9: W/2 and NE/4
Section 16: NW/4

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM

Section 32: All

(jj) That the Otero Chacra Gas Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

Section 4: N/2

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

Section 28: W/2
Sections 29 & 30: All
Section 32: NW/4 and E/2
Section 33: W/2 and SE/4

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Section 22: NE/4

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM

Section 5: NE/4
Section 9: All
Section 10: SW/4

(kk) That the Otero Gallup Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
Section 1: W/2 NW/4 and SE/4 NW/4
Section 2: N/2 NE/4

(ll) That the Pajarito Pennsylvanian Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 17 WEST, NMPM
Section 31: NW/4 NE/4

(mm) That the Pinon Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Section 16: W/2
Section 17: E/2

(nn) That the North Pinon Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
Section 33: W/2

(oo) That the Rusty Chacra Gas Pool in Sandoval County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 21 NORTH, RANGE 6 WEST, NMPM
Section 4: SW/4
Section 5: S/2 and NW/4
Section 6: All
Section 7: NW/4
Section 9: W/2

TOWNSHIP 22 NORTH, RANGE 6 WEST, NMPM
Section 17: SW/4
Section 18: NW/4 and SE/4
Section 20: NW/4 and SE/4
Section 27: SW/4
Section 28: S/2
Section 29: S/2
Section 30: NW/4 and SE/4
Section 31: E/2
Section 32: W/2 and NE/4
Section 34: N/2
Section 35: N/2 and SE/4
Section 36: SW/4

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM
Section 10: N/2
Section 11: NW/4
Section 12: SW/4
Section 17: S/2
Section 27: S/2 and NW/4
Section 28: E/2
Section 34: NE/4

(pp) That the Tapacito Pictured Cliffs Gas Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM
Section 5: SW/4
Section 6: SE/4
Section 9: SW/4
Section 16: N/2 and SE/4

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM

Section 3: All
 Section 4: E/2 and NW/4
 Section 5: NE/4
 Section 9: NE/4
 Section 10: N/2

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM

Section 31: NW/4
 Section 32: S/2

(qq) That the Ute Dome Dakota Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM

Section 26: SE/4
 Section 34: NE/4

(rr) That the WAW Fruitland Pictured Cliffs Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM

Section 25: S/2
 Section 26: SE/4

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM

Section 4: SE/4
 Section 10: S/2

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM

Section 30: NW/4

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM

Section 4: SW/4
 Section 5: S/2
 Section 7: NE/4
 Section 8: All
 Section 9: W/2 and SE/4
 Section 16: N/2
 Section 17: NE/4

CASE 7447: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning a discovery allowable, contracting, and extending certain pools in Chaves, Eddy, Lea and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the Draper Mill-Upper Pennsylvanian Gas Pool with vertical limits defined as from the top of the Pennsylvanian formation at 14,128 feet to the top of the Morrow formation at 15,003 feet as found on log of discovery well the HNG Oil Company Vaca Draw 16 State Well No. 1 located in Unit E of Section 16, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 16: W/2

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

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM

Section 6: SE/4

(c) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Montoya production and designated as the Lightcap Montoya Gas Pool. The discovery well is Aikman Petroleum, Inc. Sanders Well No. 1 located in Unit E of Section 8, Township 8 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
Section 8: W/2

(d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Cherry Canyon production and designated as the Loving-Cherry Canyon Pool. Further, to assign approximately 18,240 barrels of discovery allowable to the discovery well, the Pogo Production Company NEL Well No. 2 located in Unit I of Section 9, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 9: SE/4

(e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Midway-Strawn Pool. The discovery well is David Fasken Consolidated State Well No. 2 located in Unit A of Section 8, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

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

(f) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Abo production and designated as the Pecos Slope-Abo Gas Pool. The discovery well is Yates Petroleum Corporation Federal HY Well No. 2 located in Unit O of Section 33, Township 7 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 4 SOUTH, RANGE 24 EAST, NMPM
Section 35: SE/4
Section 36: S/2

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM
Section 31: SW/4

TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM
Section 1: All
Section 2: E/2 and SW/4
Section 9: SE/4
Section 10: All
Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 16: E/2
Section 21: E/2
Section 22: All
Section 23: All
Section 24: All
Section 25: All
Section 26: All
Section 27: All
Section 28: E/2
Section 31: S/2
Section 32: S/2
Section 33: E/2 and SW/4
Section 34: All
Section 35: All
Section 36: All

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM
Section 6: W/2
Section 7: NW/4
Section 31: W/2 and SE/4
Section 32: S/2

TOWNSHIP 6 SOUTH, RANGE 24 EAST, NMPM
Section 1: AllTOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM
Section 1 thru Section 36: All

TOWNSHIP 7 SOUTH, RANGE 25 EAST, NMPM
 Section 1: All
 Section 2: All
 Section 3: All
 Section 4: All
 Section 5: All
 Section 6: E/2
 Section 7: N/2
 Section 8: All
 Section 9: All
 Section 10: All
 Section 11: All
 Section 12: All
 Section 13: N/2 and SE/4
 Section 14: N/2
 Section 15: N/2
 Section 16: All
 Section 17: All
 Section 20: N/2
 Section 21: All
 Section 28: All
 Section 33: All

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM
Section 18: S/2

(j) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Abo production and designated as the West Fecos Slope-Abo Gas Pool. The discovery well is Mesa Petroleum Company Rock Federal Well No. 1 located in Unit J of Section 7, Township 8 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPM
 Section 12: NW/4 and E/2
 Section 13: E/2

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM
 Section 6: S/2
 Section 7: All
 Section 8: S/2
 Section 18: N/2 and SW/4

(h) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring Oil production and designated as the Red Bluff-Bone Spring Pool. The discovery well is HCW Exploration, Inc. Dorstate Well No. 1 located in Unit H of Section 27, Township 25 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM
 Section 27: NE/4

(i) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Willow Lake-Bone Spring Pool. The discovery well is Maddox Energy Corporation Union Federal Well No. 1 located in Unit H of Section 33, Township 24 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
 Section 33: NE/4

(j) CONTRACT the vertical limits of the North Shoobar Pennsylvanian Pool in Lea County, New Mexico, to the Strawn formation only and redesignate pool to the Northwest Shoobar-Strawn Pool. Said pool described as:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
 Section 15: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
 Section 28: S/2
 Section 29: E/2
 Section 32: E/2

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
 Section 2: Lots 9, 10, 15, 16, and
 SE/4

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

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
 Section 13: E/2

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
 Section 17: All

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

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM
 Section 30: S/2
 Section 31: N/2

(n) EXTEND the West Burton Flat-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
 Section 30: E/2

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
 Section 25: N/2 SW/4 and NW/4
 Section 26: NE/4 and S/2
 Section 27: S/2 SE/4

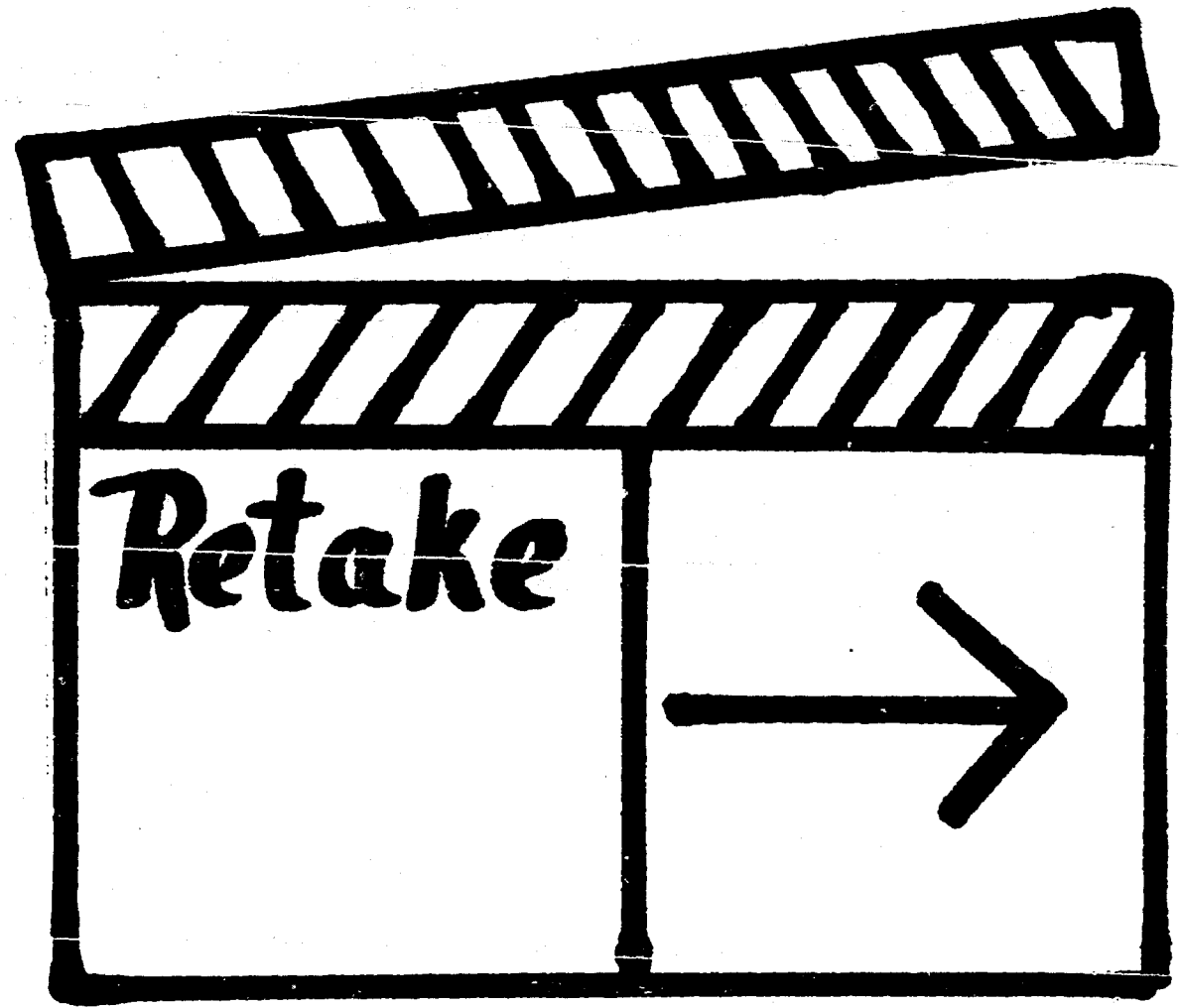
(p) EXTEND the Diamond Mound-Morrow Gas Pool in Chaves County, New Mexico to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
 Section 35: N/2

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
 Section 36: E/2

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
 Section 31: NW/4



TOWNSHIP 6 SOUTH, RANGE 24 EAST, NMPM

Section 1: All

TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM

Section 1 thru Section 36: All

TOWNSHIP 7 SOUTH, RANGE 25 EAST, NMPM

Section 1: All

Section 2: All

Section 3: All

Section 4: All

Section 5: All

Section 6: E/2

Section 7: N/2

Section 8: All

Section 9: All

Section 10: All

Section 11: All

Section 12: All

Section 13: N/2 and SE/4

Section 14: N/2

Section 15: N/2

Section 16: All

Section 17: All

Section 20: N/2

Section 21: All

Section 28: All

Section 33: All

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM

Section 18: S/2

(g) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Abo production and designated as the West Pecos Slope-Abo Gas Pool. The discovery well is Mesa Petroleum Company Rock Federal Well No. 1 located in Unit J of Section 7, Township 8 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPM

Section 12: NW/4 and E/2

Section 13: E/2

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM

Section 6: S/2

Section 7: All

Section 8: S/2

Section 18: N/2 and SW/4

(h) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring Oil production and designated as the Red Bluff-Bone Spring Pool. The discovery well is HCW Exploration, Inc. Dorstate Well No. 1 located in Unit H of Section 27, Township 25 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM

Section 27: NE/4

(i) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Willow Lake-Bone Spring Pool. The discovery well is Maddox Energy Corporation Union Federal Well No. 1 located in Unit H of Section 33, Township 24 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM

Section 33: NE/4

(r) EXTEND the Inbe-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 14: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 30: E/2

(t) EXTEND the South Millman-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 30: N/2

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 8: SE/4
Section 9: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 22: NE/4

(w) EXTEND the Oil Center-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 11: E/2 SW/4

(x) EXTEND the Oil Center-Glorieta Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 11: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 35: S/2 NE/4 and SE/4
Section 36: S/2

(z) EXTEND the Robina Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 6: E/2
Section 7: E/2

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

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 36: NE/4

Page 16 of 16
Examiner Hearing - Wednesday - December 16, 1981

(bb) EXTEND the North Shoobar-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 15: SE/4

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

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 36: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 23: N/2

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 22: S/2
Section 27: All
Section 34: E/2
Section 35: W/2

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 2: N/2
Section 3: All

(ff) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico to include therein:

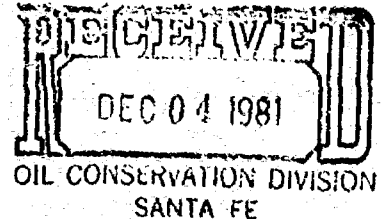
TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM
Section 7: NE/4

Bill

Morris R. Antweil

OIL OPERATOR
P. O. Box 2010
HOBBS, NEW MEXICO 88240

December 2, 1981
CERTIFIED MAIL



UNLEASED MINERAL INTEREST OWNERS

RE: Compulsory Pooling
SW/4 NE/4 and SE/4 NW/4
Section 5-T20S-R38E
Lea County, New Mexico

Enclosed are copies of our Applications which have been filed with the New Mexico Oil Conservation Division requesting orders compulsory pooling the mineral interests under the SW/4 NE/4 and the SE/4 NW/4 of Section 5-T20S-R38E, Lea County, New Mexico, for our continuing development drilling of these lands. Our applications have been set for hearing before the Division's examiner at the Division's offices in the Land Commission Building in Santa Fe, New Mexico on 16 December 1981 at 9:00 AM as Case Nos. 7440 and 7441.

You own an unleased mineral interest in the 240 acres, being the S/2 NW/4, N/2 SW/4, SW/4 NE/4 and NW/4 SE/4 of Section 5-T20S-R38E, which includes the captioned lands. Your mineral interest under the NW/4 SE/4 and the SE/4 NW/4 has been compulsory pooled for the drilling of our No. 1 Dewey and No. 1 Huey wells. Richard F. Pollard has contacted you on several occasions to lease your mineral interest in our behalf.

We again invite you to consider leasing your interest instead of submitting to the provisions of a compulsory pooling order. We can offer you a \$20 bonus to sign a 3-year paid-up lease with the provision for a 3/16 royalty. These are the same terms and conditions which were offered to and accepted by other members of your family.

You, of course, have the option to join in the drilling of the proposed wells as a working interest participant paying your proportional share of the actual costs incurred to drill and complete the proposed wells. The estimated cost to drill and complete the proposed wells is \$560,000 per well. Your proportional working interest share would be that fractional interest your acreage is to the 40-acre unit.

Yours very truly,
MORRIS R. ANTWEIL

R. M. Williams
R. M. Williams

cc: New Mexico Oil Conservation Division
Santa Fe, New Mexico

MAILING LIST

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Laurens, SC 29360

Mabel Smith Rule
2422 Holloway Terrace
Raleigh, NC 27608

Donald Woods
Address Unknown

CAMPBELL, BYRD & BLACK, P.A.

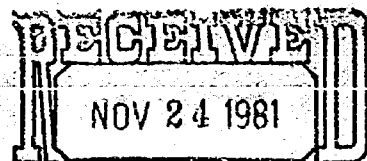
LAWYERS

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November 23, 1981

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



OIL CONSERVATION DIVISION
SANTA FE

Case 7440

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 December 16, 1981.

Very truly yours,

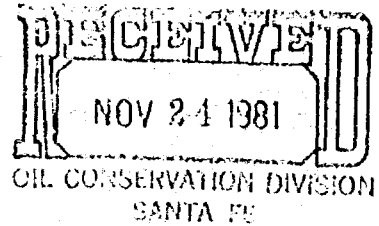
William F. Carr

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 7440

APPLICATION

Comes now MORRIS R. ANTWEIL, by and through his 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 from the surface to the base of the Abo formation in and under the SW/4 NE/4 of Section 5, 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 99% of the working interest in and under the SW/4 NE/4 of said Section 5, and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to his Louie No. 1 Well to be drilled at an orthodox location 2310 feet from the North and East lines of said Section 5.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other working interest owners in the SW/4 NE/4 of said Section 5 except the following owners of unleased mineral interests:

Harry Eldon Smith	0.004127 acres
Eva W. Graham	0.066127 acres
Mary M. Smith	0.066127 acres

Mabel Smith Rule 0.066127 acres

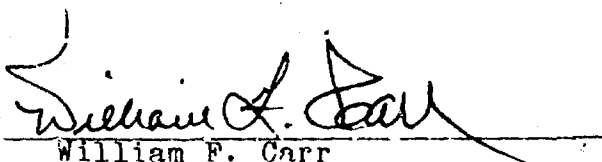
Donald Woods 0.086418 acres

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

ALVIN
OARER

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. 7440

Order No. R-6866

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 December 16,
1981, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets.

NOW, on this _____ day of December, 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, ~~make~~ ^{originally requested} an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SW/4 NE/4 of Section 5, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) →

(4) That the applicant has the right to drill and proposes to drill a well at a standard location ~~thereon~~ ^{upon said} quarter-quarter section.

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

(6) 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} gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

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

(8) 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.

(9) That any non-consenting working interest owner who

(3) That at the hearing the applicant sought and was granted approval to amend the application to provide for pooling of all mineral interests from the surface to the top of the Abo formation.

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.

(10) 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.

(11) 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.

(12) That \$ 250⁰⁰ per month while drilling and \$ 250⁰⁰ 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.

(13) 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.

(14) 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 May 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, from the surface to the ~~base~~^{Top} of the Abo formation underlying the SW/4 NE/4 of Section 5, 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 15th day of May, 1982 and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Abo formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 15th day of May, 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.

(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.

(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 \$ 2500⁰⁰ per month while drilling and \$ 250⁰⁰ 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.

(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.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

S E A L

*need addresses
of parents*

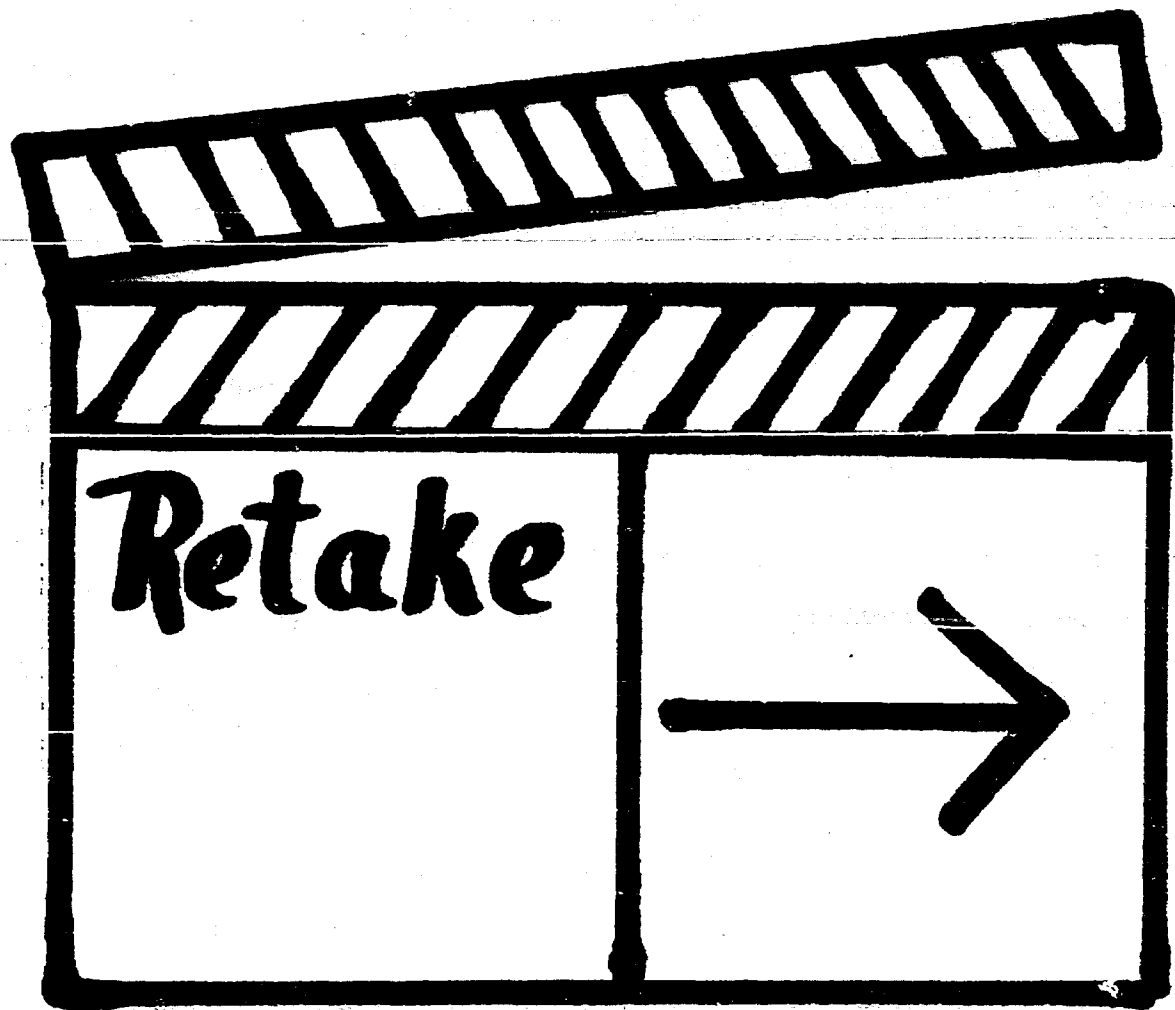
CLARENCE B. ANNELL FOX CORP-
FOLSOM, BOULDER, LEA COUNTY, NEW
MEXICO

DOCKET MAILED

Date 12/18/81

DOCKET MAILED

Date 12/18/81



DEAN ALLEN SHAWLER & ANNEWELL FOR COM-
PULSONY POOLING, LEA COUNTY, NEW
MEXICO

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