

CASE 7477- JACK J. GRIMBERG FOR COM-
PULSORY POOLING, CHAVES COUNTY, NEW
MEXICO

acata

Shoreline -
We will need the
mailing addresses for
the pools shown on
Exhibit "B" attached to
The application:
M.T.S. Limited Partnership 25%
Corona Oil Co. 25%

SECRET MAILED

DND 1/25/82

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 February 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Jack J. Grynberg
for compulsory pooling, Chaves
County, New Mexico.

CASE
7477

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

For the Applicant:

1
2 MR. NUTTER: We'll now call Case Number
3 7477.

4 MR. PEARCE: Application of Jack J.
5 Grynberg for compulsory pooling, Chaves County, New Mexico.

6 Mr. Examiner, we've received a request
7 that this case be dismissed.

8 MR. NUTTER: Case Number 7477 will be
9 dismissed.

10
11 (Hearing concluded.)
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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 true and correct copy of the transcript
of the hearing held on _____
heard by me on 2/3

[Signature], Examiner
Oil Conservation Division

747.7
82



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

February 15, 1982

Mr. J. E. Gallegos
Jones, Gallegos, Snead
& Wertheim
Attorneys at Law
P. O. Box 2228
Santa Fe, New Mexico

Re: CASE NO. 7477
ORDER NO. R-6902

Applicant:

Jack J. Grynberg

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
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. 7477
Order No. R-6902

APPLICATION OF JACK J. GRYNBERG FOR
COMPULSORY POOLING, CHAVES COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 3, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of February, 1982, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

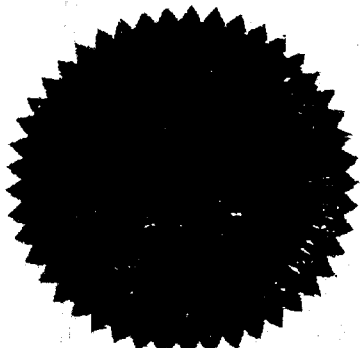
FINDS:

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

IT IS THEREFORE ORDERED:

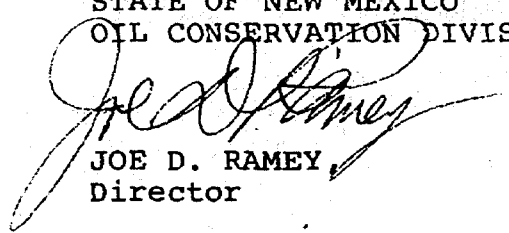
That Case No. 7477 is hereby dismissed.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

JONES, GALLEGOS, SNEAD & WERTHEIM

February 2, 1982

Oil Conservation Division
State of New Mexico
Land Office Building
Santa Fe, New Mexico 87501

Attention: Ms. Florene Davidson

HAND-DELIVERED

Re: Jack Grynberg and Associates; Our File No. 41000-05

Dear Ms. Davidson:

This letter will serve to acknowledge our telephone conversation of February 2, 1982, wherein I advised you that Case No. 7477 had been completely settled by the parties with correlative rights in the NE 1/4 of Sec. 30, Township 6 South, Range 25 East, Chaves County, New Mexico. Case No. 7477 can, therefore, be dismissed and the hearing set for February 3, 1982, at 9:00 a.m. can, therefore, be vacated.

Case No. 7476 has been partially settled by the parties with correlative rights in the subject property. The parties have an agreement as to the NE 1/4 of Sec. 12, Township 5 South, Range 24 East, but are in the process of negotiating a settlement on the SE 1/4 of Sec. 12, Township 5 South, Range 24 East. Jack J. Grynberg, dba Jack Grynberg and Associates, therefore, requests that its application concerning the NE 1/4 of Sec. 12, be dismissed and that case no. 7476 be continued until March 3, 1982, for the purpose of dealing with the SE 1/4 of Sec. 12. Jack Grynberg and Associates have spoken directly to Mr. Daniel S. Nutter, and I am advised by them that Mr. Nutter has agreed to this continuance.

Thank you for your attention to this matter. If you should have any questions concerning this matter, please do not hesitate to contact me.

Sincerely,

JONES, GALLEGOS, SNEAD & WERTHEIM, P. A.


FRANCIS J. MATHEW

FJM:aeg

cc: Mr. Steve Smith

O. RUSSELL JONES (1912-1978)

J.E. GALLEGOS
JAMES E. SNEAD
JERRY WERTHEIM
M.J. RODRIGUEZ
JOHN WENTWORTH
STEVEN L. TUCKER
ARTURO L. JARAMILLO

PETER V. CULBERT
JAMES G. WHITLEY III
FRANCIS J. MATHEW
ROBERT W. ALLEN
JUDITH C. HENNERA
KATHLEEN A. HEMPELMAN
CHARLES A. PURDY

ATTORNEYS AT LAW

215 LINCOLN AVENUE SANTA FE, NEW MEXICO 87501

P.O. BOX 2228

(505) 982-2691

A PROFESSIONAL ASSOCIATION

Dockets Nos. 6-82 and 7-82 are tentatively set for February 17 and March 3, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - FEBRUARY 2, 1982

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

The following cases were continued from the January 11, 1982, Commission hearing:

CASE 7393: (DE NOVO)

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.

Upon application of Supron Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7394: (DE NOVO)

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.

Upon application of Supron Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 3, 1982

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

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

CASE 7469: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit H. M. Bailey & Associates, Commercial Union Insurance Company, and all other interested parties to appear and show cause why the following wells on the H. M. Bailey Lease, Township 21 South, Range 1 West, Dona Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program: In Section 10: Nos. 9 in Unit A, 9, 11, 12, and 13 in Unit B, 10 and 14 in Unit C; and No. 15 in Unit C of Section 9.

CASE 7470: Application of Wayne Moore for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Delaware River Unit Area, comprising 2,560 acres more or less, of State and fee lands in Township 26 South, Range 28 East.

CASE 7471: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the South Lynch State Unit Area, comprising 1920 acres, more or less, of State lands in Township 21 South, Range 33 East.

CASE 7472: Application of Grace Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Buffalo-Deep East Unit Area, comprising 2543 acres, more or less, of Federal and State lands in Townships 18 and 19 South, Range 33 East.

CASE 7462: (Continued from January 20, 1982, Examiner Hearing)

Application of Marathon Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinbry production in the wellbore of its C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East.

CASE 7473: Application of Inexco Oil Company for pool creation, special pool rules and discovery allowable Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for its Lottie York Well No. 1 located in Unit P of Section 14, Township 17 South, Range 37 East, with special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of 57,150 barrels of discovery allowable to said well.

CASE 7453: (Continued and Readvertised)

Application of T. D. Skelton for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Mississippian formations underlying the NE/4 NW/4 of Section 7, Township 12 South, Range 38 East, to be dedicated to the re-entry of an old well at a standard location thereon or to a new well to be drilled at a standard location if such re-entry is unsuccessful. Also to be considered will be the cost of re-entering and completing said well and the drilling of the new well, if necessary, 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-entry and/or drilling said wells.

CASE 7451: (Continued from January 20, 1982, Examiner Hearing)

Application of Yates Petroleum Corporation 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 11, Township 6 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 7474: Application of Union Oil Company of California for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn, Atoka and Morrow formations underlying the E/2 of Section 25, Township 19 South, Range 33 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7475: Application of C & K Petroleum, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Casey-Strawn Pool underlying the E/2 SE/4 of Section 28, Township 16 South, Range 37 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 7476: Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying two 160-acre gas spacing units, being the NE/4 and SE/4, respectively, of Section 12, Township 5 South, Range 24 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 7477: Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying the NE/4 of Section 30, Township 6 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.

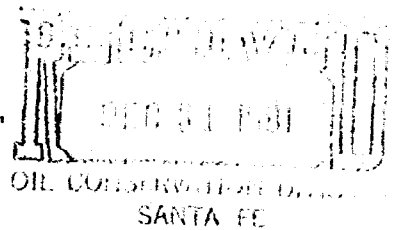
CASE 7448: (Continued and Readvertised)

Application of Energy Reserves Group, Inc. for creation of a new associated pool and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new associated pool to be designated the South Peterson Penn Associated Pool, comprising the NW/4 of Section 30, Township 5 South, Range 33 East, the S/2 of Section 11, the S/2 of Section 12, and the N/2 of Section 13, Township 6 South, Range 33 East. Applicant further seeks the establishment of special pool rules including 40-acre spacing units for oil wells and 320-acre spacing units for gas wells and a 4000 to one gas-oil ratio limitation.

PAGE 3
EXAMINER HEARING - WEDNESDAY
FEBRUARY 3, 1982

CASE 7478: Application of Julian Ard for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 23, Township 20 South, Range 33 East, to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 2310 feet from the East line of said Section 23. 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.

BEFORE THE
OIL CONSERVATION DIVISION
ENERGY & MINERALS DEPARTMENT
STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION *
OF JACK J. GRYNBERG FOR DECLARATION *
OF A COMPLUSORY POOLING, TOWNSHIP *
6 SOUTH - RANGE 25 EAST, SECTION *
30: NE/4, CHAVES, COUNTY, NEW MEXICO *

Case No. 7477

A P P L I C A T I O N

The applicant, JACK J. GRYNBERG, d/b/a/ JACK GRYNBERG AND ASSOCIATES, by its attorneys Jones, Gallegos, Snead & Wertheim, P.A., hereby requests an order forming a drilling unit covering 160 acres of land in Chaves County, New Mexico, and in support of its application states:

1. Pursuant to the Oil and Gas Act (Sec. 70-2-17C et seq., N.M.S.A. 1978) the applicant desires to obtain an order of the Division declaring a drilling unit covering those certain lands upon which the specified mineral ownership is held described as follows:

TOWNSHIP 6 SOUTH - RANGE 25 EAST, N.M.P.M.

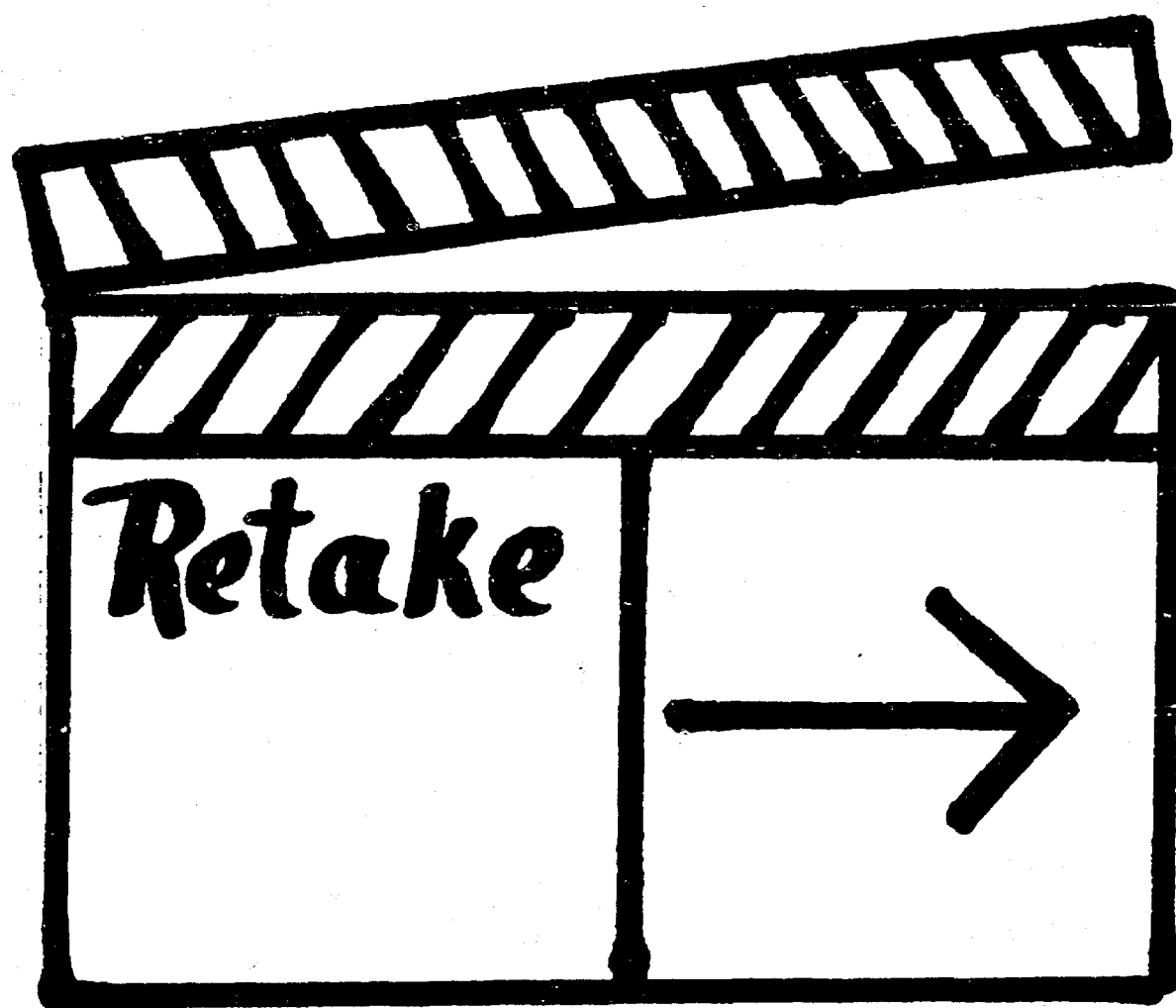
Section 30: NE/4 160 Acres

(see Exhibit "A")

2. There presently exists a producing gas well Township 6 South, Range 25 East, Section 29: SW/4 (Mesa); the potentially producing reservoirs have been reasonably defined by that development and development on surrounding acreage.

3. This application seeks pooling of all of the subject acreage from the surface down through and including the Abo formation.

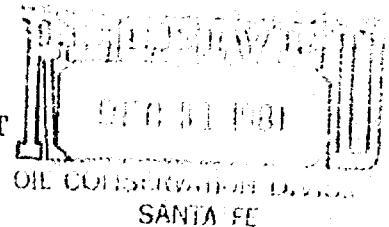
4. The applicant is the holder of United States lease 17037 covering 80 acres of the proposed unit and being within said Section 30 as follows: S/2 NE/4. Applicant seeks designation as Operator of the unit and if he is designated as operator



PAGE 3
EXAMINER HEARING - WEDNESDAY
FEBRUARY 3, 1982

CASE 7478: • Application of Julian Ard for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 23, Township 20 South, Range 33 East, to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 2310 feet from the East line of said Section 23. 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.

BEFORE THE
OIL CONSERVATION DIVISION
ENERGY & MINERALS DEPARTMENT
STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION *
OF JACK J. GRYNBERG FOR DECLARATION *
OF A COMPLUSORY POOLING, TOWNSHIP *
6 SOUTH - RANGE 25 EAST, SECTION *
30: NE/4, CHAVES, COUNTY, NEW MEXICO *

Case No. 7477

A P P L I C A T I O N

The applicant, JACK J. GRYNBERG, d/b/a/ JACK GRYNBERG AND ASSOCIATES, by its attorneys Jones, Gallegos, Snead & Wertheim, P.A., hereby requests an order forming a drilling unit covering 160 acres of land in Chaves County, New Mexico, and in support of its application states:

1. Pursuant to the Oil and Gas Act (Sec. 70-2-17C et seq., N.M.S.A. 1978) the applicant desires to obtain an order of the Division declaring a drilling unit covering those certain lands upon which the specified mineral ownership is held described as follows:

TOWNSHIP 6 SOUTH - RANGE 25 EAST, N.M.P.M.

Section 30: NE/4 160 Acres

(see Exhibit "A")

2. There presently exists a producing gas well Township 6 South, Range 25 East, Section 29: SW/4 (Mesa); the potentially producing reservoirs have been reasonably defined by that development and development on surrounding acreage.

3. This application seeks pooling of all of the subject acreage from the surface down through and including the Abo formation.

4. The applicant is the holder of United States lease 17037 covering 80 acres of the proposed unit and being within said Section 30 as follows: S/2 NE/4. Applicant seeks designation as Operator of the unit and if he is designated as operator

of the unit, he will operate under a unit agreement and plan of operation customary and usual in the Permian Basin of New Mexico, or as otherwise ordered by the Division.

5. A map of the proposed drilling unit is attached hereto and marked Exhibit "A" and also illustrates those portions of the unit under lease to the applicant. Additionally, a schedule, Exhibit "B", is attached and sets out the various working interest owners in the unit and their proportionate shares therein.

6. The applicant believes that his method of operating, especially with respect to completion of the well sought to be drilled, is superior to that employed by Mesa Petroleum Company and, accordingly, believes that he would be the more prudent operator of this unit. The applicant also alleges that he is in a position to drill and complete the proposed well for a substantially lower cost than Mesa Petroleum Company. These factors will lead to greater ultimate recovery, the prevention of waste and the protection of correlative rights.

7. If the unit is declared as sought by this application, the applicant will locate the well in the NE/4 NE/4 of Section 30 and will pool all formations through and including the Abo, with the probable producing horizon being the Abo.

WHEREFORE the applicant requests the Division set this matter down for a hearing before an examiner at the earliest possible date, give notice as required by law and after hearing enter its Order a) compulsory pooling the unit, as described, b) assigning a risk factor for the proposed well, c) providing for overhead to be charged during drilling and producing operations, d) declaring the applicant to be the Operator of said unit, and, e) granting such further relief as is deemed proper.

JACK J. GRYNBERG

JONES, GALLEGOS, SNEAD & WERTHEIM, P.A.
Attorneys for Applicant

By

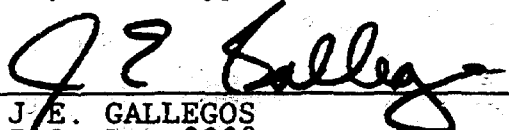

J.E. GALLEGOS
P.O. Box 2228
Santa Fe, New Mexico 87501
(505) 982-2691

EXHIBIT A

Township 6 South, Range 25 East, County Chaves, State New Mexico,

Jack J. Grynberg acreage USA-NM-17037

Unit

A large grid of graph paper, approximately 30 units wide by 30 units high. The grid lines are thin and black. In the bottom-left corner, a small square is highlighted with a thicker black border. This square is located at the intersection of the 1st vertical line from the left and the 1st horizontal line from the bottom. The rest of the grid is empty.

RE: 6 S - 25 E, Section 30: NE/4

EXHIBIT B

JACK J. GRYNBERG	50.0%
MTS, LIMITED PARTNERSHIP	25.0%
CORONA OIL COMPANY	25.0%

RE: 6 S - 25 E, Section 30: NE/4

EXHIBIT B

JACK J. GRYNBERG	50.0%
MTS, LIMITED PARTNERSHIP	25.0%
CORONA OIL COMPANY	25.0%

HEARING
ORDERS

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JGR
MS
P

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7477
Order No. R-6902

APPLICATION OF JACK J. GRYNBERG FOR
COMPULSORY POOLING, CHAVES COUNTY,
NEW MEXICO.

[Signature]

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 3, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of February, 1982, 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. 7477 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

CASE 7478: JULIAN ARD FOR COMPULSORY
POOLING AND AN UNORTHODOX LOCATION, LEA
COUNTY, NEW MEXICO

DOCKET MAILED

Date 1/23/82 (Norwest)

Combined fixed rate:
3500 / mo drly/
350 / mo prod