

CASE NO.

7485

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Berge Exploration  
for compulsory pooling, Chaves  
County, New Mexico.

CASE  
7485

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:

C E R T I F I C A T E

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

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7425  
heard by me on 8/3 1984.

[Signature], Examiner  
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Berge Exploration  
for compulsory pooling, Chaves  
County, New Mexico.

CASE  
7485

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

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

For the Applicant:

MR. STAMETS: Call next Case 7485.

MR. PEARCE: Application of Berge Exploration for compulsory pooling, Chaves County, New Mexico.

MR. STAMETS: At the request of the applicant this case will be continued to the March 3rd Examiner Hearing.

(Hearing concluded.)

C E R T I F I C A T E

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

Sally W. Boyd CSR

I do hereby certify that the foregoing is  
a correct record of the proceedings in  
the Examiner hearing of Case No. 7485  
heard by me on 2-17 1982

Richard L. Stamm, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409



BRUCE KING  
GOVERNOR  
LARRY KENDE  
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

March 10, 1982

Mr. George H. Hunker, Jr.  
Hunker-Fedric  
Attorneys at Law  
Post Office Box 1837  
Roswell, New Mexico 88201

Re: CASE NO. 7485  
ORDER NO. R-6219

Applicant:

## Berge Exploration

Dear Sir:

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

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	x
Artesia OCD	x
Aztec OCD	

Other

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 7485  
Order No. R-6919

APPLICATION OF BERGE EXPLORATION 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 March 3, 1982,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of March, 1982, the Division  
Director, having considered the record and the recommendations  
of the Examiner, and being fully advised in the premises,

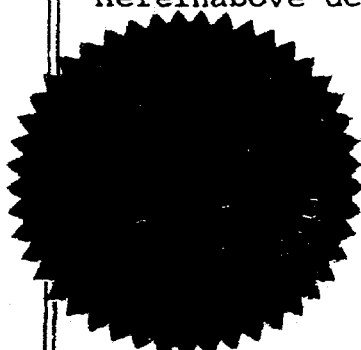
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 7485 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

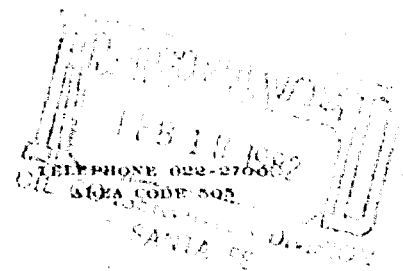
*Joe D. Ramey*  
JOE D. RAMEY,  
Director



LAW OFFICES OF  
HUNKER-FEDRIC, P. A.  
SUITE 210, HUNKLE BUILDING  
POST OFFICE BOX 1837  
ROSWELL, NEW MEXICO 80201

GEORGE H. HUNKER, JR.  
DON M. FEDRIC

February 17, 1982



Mr. Joe D. Ramey, Secretary-Director  
New Mexico Department of Energy  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Re: Berge Exploration  
Application for  
Compulsory Pooling  
T. 7S, R. 26E  
Sec. 27, Chaves County  
NMOCD Case No. 7485

Dear Mr. Ramey:

Please be advised that Berge Exploration has directed us to move to dismiss the formal application filed by us for compulsory pooling of the Abo formation covering the NW¼ of Sec. 27 and the SW¼ of Sec. 27, T. 7S, R. 26E, Chaves County, New Mexico. We have previously called and advised you that this matter should be continued; however, at this time we would ask that the matter be dismissed.

We appreciate the cooperation of your office.

Sincerely yours,

HUNKER-FEDRIC, P.A.

George H. Hunker, Jr.

GHH:dd

xc: Berge Exploration  
Attn: Verne P. Berry, V.P., and  
Coralie Atwood, Land Manager  
xc: Depco, Inc.  
xc: Roy L. McKay, Pres., McKay Oil Corp.

Dockets Nos. 8-82 and 9-82 are tentatively set for March 16 and March 31, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 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. Stanzel, Alternate Examiner:

CASE 7469: (Continued from February 3, 1982, Examiner Hearing)

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 7494: Application of Bass Enterprises Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Humble City Unit Area, comprising 800 acres, more or less, of State lands in Township 17 South, Range 37 East.

CASE 7495: Application of Gulf Oil Corporation for simultaneous dedication and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a previously approved 320-acre non-standard Eumont proration unit comprising the E/2 of Section 25, Township 19 South, Range 36 East, to its Graham State Wells Nos. 8 in Unit J and 9 at an unorthodox location 990 feet from the North line and 1980 feet from the East line of said Section 25.

CASE 7496: Application of Viking Petroleum, Inc. for an unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Abo gas well to be drilled 62 feet from the South line and 1984 feet from the East line of Section 29, Township 5 South, Range 24 East, the SE/4 of said Section to be dedicated to the well.

CASE 7476: (Continued from February 3, 1982, Examiner Hearing)

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 7497: Application of Parabo, Inc. for an oil treatment plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at its salt water disposal site in the SE/4 of Section 29, Township 21 South, Range 38 East.

CASE 7458: (Continued from January 6, 1982, Examiner Hearing)

Application of Marks & Garner Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of salt water into the Bough C formation in the perforated interval from 9596 feet to 9616 feet in its Esterbough Well No. 2, located in Unit H of Section 12, Township 9 South, Range 35 East.

CASE 7498: Application of Dwayne E. Hamilton for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Devonian formations underlying the S/2 of Section 5, Township 16 South, Range 35 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.

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Examiner Hearing - WEDNESDAY - MARCH 3, 1982

**CASE 7499:** Application of Amoco Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Devonian formations underlying the S/2 of Section 3, Township 23 South, Range 34 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 7073:** (Continued from February 17, 1982, Examiner Hearing)

In the matter of Case 7073 being reopened pursuant to the provisions of Order No. R-6558, which order promulgated special rules for the South Elkins-Fusselman Pool in Chaves County, including provisions for 80-acre spacing units and a limiting gas-oil ratio of 3000 to one. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units with a limiting gas-oil ratio of 2000 to one.

**CASE 7074:** (Continued from February 17, 1982, Examiner Hearing)

In the matter of Case 7074 being reopened pursuant to the provisions of Orders Nos. R-6565 and R-6565-B, which created the South Elkins-Fusselman Gas Pool in Chaves County. All interested parties may appear and present evidence as to the exact nature of the reservoir, and more particularly, as to the proper rate of withdrawal from the reservoir if it is determined that said pool is producing from a retrograde gas condensate reservoir.

**CASE 7500:** Application of Pead & Stevens, Inc. for an exception to the maximum allowable base price provisions of the New Mexico Natural Gas Pricing Act, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order of the Division prescribing the price allowed for production enhancement gas under Section 167 of the Natural Gas Policy Act as the maximum allowable base price if production enhancement work which qualifies under the NGPA is performed on its Hackberry Hills Unit Well No. 4 located in Section 22, Township 22 South, Range 26 East, Eddy County, New Mexico.

**CASE 7485:** (Continued from February 17, 1982, Examiner Hearing)

Application of Berge Exploration for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying two 160-acre proration units, the first being the NW/4 and the second being the SW/4 of Section 27, Township 7 South, Range 26 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 7501:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves, Eddy and Lea Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the North Caprock-Wolfcamp Pool. The discovery well is The Petroleum Corporation Landlady Well No. 1 located in Unit J of Section 8, Township 12 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM  
Section 8: SE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Morrow production and designated as the Feather-Morrow Pool. The discovery well is the Santa Fe Energy Company State UTP Well No. 1 located in Unit J of Section 21, Township 15 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM  
Section 21: SE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo Reef production and designated as the Garrett-Abo Reef Pool. The discovery well is the Marathon Oil Company Delmont L. Hatfield Well No. 1 located in Unit J of Section 23, Township 16 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM  
Section 23: SE/4

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn and Atoka production and designated as the Pronghorn Strawn-Atoka Gas Pool. The discovery well is the Yates Petroleum Corporation Pronghorn Unit Well No. 1 located in Unit G of Section 6, Township 23 South, Range 33 East, NMPM. Said Pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM  
Section 6: N/2

(e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Paddock production and designated as the Skaggs-Paddock Pool. The discovery well is the Conoco Inc. SHMU Burger Well No. 107 located in Unit J of Section 19, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 19: SE/4

(f) EXTEND the Angell Ranch Atoka-Worron Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 2: S/2  
Section 11: N/2

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 26: E/2 NW/4 and E/2 SW/4

(h) EXTEND the Austin-Mississippian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM  
Section 18: S/2

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 3: E/2

(j) EXTEND the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM  
Section 14: S/2 SW/4  
Section 23: N/2 N/2  
Section 24: S/2 NW/4 and NE/4 NW/4

(k) EXTEND the South Carlsbad-Worron Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM  
Section 36: S/2

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

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM  
Section 10: W/2  
Section 15: W/2

(m) EXTEND the Dark Canyon-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM  
Section 31: N/2

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Examiner Hearing - WEDNESDAY - MARCH 3, 1982

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 12: E/2

TOWNSHIP 21 SOUTH, RANGE 38 EAST, NMPM  
Section 7: NW/4

- (o) EXTEND the North Eidson-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM  
Section 5: Lots 3, 4, 5, 6, 11, 12, 13, 14, and SW/4

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM  
Section 20: S/2

- (q) EXTEND the Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 29: NW/4 SW/4

- (r) EXTEND the Hobbs-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM  
Section 34: W/2

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM  
Section 3: NW/4

- (s) EXTEND the Jalrat Yates-Seven Rivers Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM  
Section 26: NE/4

- (t) EXTEND the South Kennitz Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 30: W/2

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 20: E/2  
Section 21: All  
Section 22: S/2  
Section 27: All  
Section 28: All  
Section 29: All

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM  
Section 7: SW/4

- (w) EXTEND the North Lusk-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 35: All

- (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: NW/4
- (y) EXTEND the San Simon-Wolfcamp Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM  
Section 5: NW/4
- (z) EXTEND the Sand Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM  
Section 26: All
- (aa) EXTEND the Tomahawk-San Andres Pool in Chaves County, New Mexico, to include therein:  
TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM  
Section 6: SW/4  
Section 7: NW/4
- (bb) EXTEND the Travis-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 12: S/2 SE/4
- (cc) EXTEND the Tulk-Pennsylvanian Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM  
Section 35: SW/4
- (dd) EXTEND the Turkey Track-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 22: SE/4 SW/4
- (ee) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 8: S/2  
Section 9: W/2

Dockets Nos. 7-82 and 8-82 are tentatively set for March 3 and March 17, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

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 March, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for March, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
  - (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1982, for both of the above areas.

**CASE 7445:** (Continued from December 16, 1981, Examiner Hearing)  
(THIS CASE WILL BE CONTINUED TO THE EXAMINER HEARING ON MARCH 17, 1982)

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 7479:** Application of Northwest Pipeline Corporation for amendment of Order No. R-2046, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the Amendment of Division Order No. R-2046, which authorized approval of six non-standard proration units, Basin-Dakota Gas Pool.

The amendment sought is for the creation of the following non-standard proration units to be drilled at standard locations thereon: Township 31 North, Range 6 West, Section 25: N/2 (272.16 acres) and S/2 (273.3 acres); Section 36: N/2 (272.56 acres) and S/2 (272.88 acres); Township 30 North, Range 6 West, Section 1: N/2 (272.81 acres) and S/2 (273.49 acres).

**CASE 7480:** Application of Arco Oil & Gas Company for pool creation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Upper Devonian gas pool for its Custer Well No. 1 located 1810 feet from the North line and 2164 feet from the West line of Section 6, Township 25 South, Range 37 East, Custer Field.

**CASE 7481:** Application of Arco Oil & Gas Company for amendment of Order No. R-6792, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6792, which authorized the directional drilling of applicant's Custer Wells Well No. 1 to an unorthodox location in the Devonian and Ellenburger formations and imposed a penalty in the Devonian. By stipulation applicant and the offset operator have agreed that the subject well is not affecting the offsetting property and applicant herein seeks removal of the penalty imposed for so long as the well produces only from the present perforated interval in the Upper Devonian.

**CASE 7459:** (Continued from January 20, 1982, Examiner Hearing)

Application of Red Mountain Associates for the Amendment of Order No. R-6538, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6538, which authorized applicant to conduct waterflood operations in the Chaco Wash-Mesa Verde Oil Pool. Applicant seeks approval for the injection of water through various other wells than those originally approved, seeks deletion of the requirement for packers in injection wells, and seeks an increase in the previously authorized 68-pound limitation on injection pressure.

**CASE 7410:** (Continued from January 20, 1982, 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.

EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

CASE 7457: (Continued from January 20, 1982, Examiner Hearing)

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 7482: Application of Wiser Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 1295 feet from the South line and 1345 feet from the West line of Section 32, Township 21 South, Range 37 East, Penrose-Skelly Pool.CASE 7483: Application of Adams Exploration Company for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4176 feet to 4293 feet in its Griffin Well No. 4 located in Unit A, of Section 10, Township 8 South, Range 32 East, Chaveroo-San Andres Pool.CASE 7462: (Continued from February 3, 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 Blinberry 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 7474: (Continued from February 3, 1982, Examiner Hearing)

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 7484: Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Atoka and Morrow formations underlying the E/2 of Section 1, Township 19 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.CASE 7485: Application of Berge Exploration for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying two 160-acre proration units, the first being the NW/4 and the second being the SW/4 of Section 27, Township 7 South, Range 26 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 7486: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation underlying the NE/4 NE/4 of Section 6, Township 20 South, Range 39 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.CASE 7487: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation underlying the SE/4 SE/4 of Section 31, Township 19 South, Range 39 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.



CASE 7488: Application of Burkhart Petroleum Company for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 NW/4 of Section 13, Township 8 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 7073: (Reopened and Readvertised)

In the matter of Case 7073 being reopened pursuant to the provisions of Order No. R-6558, which order promulgated special rules for the South Elkins-Fusselman Pool in Chaves County including provisions for 80-acre spacing units and a limiting gas-oil ratio of 3000 to one. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units with a limiting gas-oil ratio of 2000 to one.

CASE 7074: (Reopened and Readvertised)

In the matter of Case 7074 being reopened pursuant to the provisions of Orders Nos. R-6565 and R-6565-8, which created the South Elkins-Fusselman Gas Pool in Chaves County. All interested parties may appear and present evidence as to the exact nature of the reservoir, and more particularly, as to the proper rate of withdrawal from the reservoir if it is determined that said pool is producing from a retrograde gas condensate reservoir.

CASE 6373: (Reopened and Readvertised)

In the matter of Case 6373 being reopened pursuant to the provisions of Orders Nos. R-5875 and R-5875-A, which created the East High Hope - Abo Gas pool in Eddy County, and promulgated special rules therefor, including a provision for 320-acre spacing units. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

CASE 7489: Application of Curtis J. Little for designation of a tight formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Chacra formation underlying portions of Township 25 North, Range 6 West, containing 6,720 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

CASE 7490: Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Atoka-Morrow formation, underlying the N/2 of Section 19, Township 8 South, Range 30 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 7491: Application of Harvey E. Yates Company for designation of a tight formation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Atoka formation underlying portions of Townships 12, 13, and 14 South, Ranges 35 and 36 East, containing 46,720 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705, said area being an eastward and westward extension of previously approved tight formation area.

CASE 7492: Application of Harvey E. Yates Company for designation of a tight formation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Atoka-Morrow formation underlying all or portions of Townships 7, 8, and 9 South, Ranges 29, 30, and 31 East, containing 115,200 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

CASE 7493: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating 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 Morrow production and designated as the East Bootleg Ridge-Morrow Gas Pool. The discovery well is Getty Oil Company Getty 15 Federal Well No. 1 located in Unit J of Section 15, Township 22 South, Range 33 East, NMPM. Said Pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM  
Section 15: S/2

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the North King-Devonian Pool. The discovery well is Samedan Oil Corporation Speight Well No. 1 located in Unit B of Section 3, Township 13 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM  
Section 3: NE/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the North Loving-Atoka Gas Pool. The discovery well is Gulf Oil Corporation Eddy GR State Well No. 1 located in Unit E of Section 16, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM  
Section 12: N/2

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 4: S/2  
Section 7: All  
Section 8: All  
Section 9: All  
Section 16: All  
Section 17: All  
Section 18: E/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Drinkard production and designated as the Teague-Drinkard Pool. The discovery well is Alpha Twenty-One Production Company Lea Well No. 1 located in Unit B of Section 17, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 17: NE/4

(e) EXTEND the West Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM  
Section 23: All  
Section 24: W/2

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 16: W/2

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
Section 2: Lots 1 through 8

(h) EXTEND the Brunson-Fusselman Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 5: SE/4

(i) EXTEND the BrushyDraw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM  
Section 26: E/2

(j) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 23: All  
Section 26: All

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EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

(k) EXTEND the Cary-Montoya Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
 Section 4: W/2 SW/4  
 Section 5: SE/4  
 Section 9: W/2 W/2

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

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM  
 Section 35: E/2  
 Section 36: W/2

(m) 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: S/2 SW/4  
 Section 27: SW/4

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

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM  
 Section 21: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
 Section 19: S/2 SW/4

(p) EXTEND the Henshaw-Queen Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM  
 Section 19: NE/4 NW/4

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

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM  
 Section 26: W/2

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
 Section 8: NW/4

(s) EXTEND the Peterson-Mississippian Pool in Roosevelt County, New Mexico, to include therein:

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

(t) EXTEND the Race Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM  
 Section 7: S/2 SW/4  
 Section 18: NW/4 and N/2 SW/4 and SW/4 SW/4

PAGE 6

EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

(u) EXTEND the Railroad Mountain-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 2: NE/4 and E/2 NW/4

(v) EXTEND the Red Lake-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 7: S/2  
Section 8: SW/4  
Section 18: E/2 NW/4

(w) EXTEND THE West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM  
Section 5: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 15: All

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

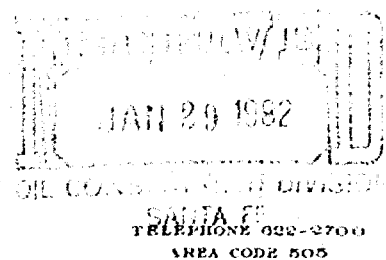
TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 13: SE/4  
Section 24: NE/4

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NMPM  
Section 12: S/2 NE/4

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM  
Section 7: S/2  
Section 8: NW/4

LAW OFFICES OF  
HUNKER-FEDRIC, P. A.  
SUITE 210, HINKLE BUILDING  
POST OFFICE BOX 1037  
ROSWELL, NEW MEXICO 88201

GEORGE H. HUNKER, JR.  
DON M. FEDRIC



January 28, 1982

Mr. Joe D. Ramey, Secretary-Director  
New Mexico Department of Energy  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

*Case 7485*

Re: Berge Exploration  
Application for  
Compulsory Pooling  
Sec. 27, T. 7S, R. 26E  
Chaves County, New Mexico

Dear Mr. Ramey:

We hand you herewith in triplicate Berge Exploration's formal Application for Compulsory Pooling of the Abo formation covering the NW $\frac{1}{4}$  Sec. 27 and the SW $\frac{1}{4}$  Sec. 27, T. 7S, R. 26E, Chaves County, New Mexico. Please file this instrument, and send us a copy of the docket. As we understand it, this case will be set for hearing on February 17, 1982.

Your continued assistance is appreciated.

Sincerely yours,

HUNKER-FEDRIC, P.A.

A handwritten signature in dark ink, appearing to read "George H. Hunker, Jr.", written over the typed name.

George H. Hunker, Jr.

GHH:dd  
Enc.

- xc: Berge Exploration, Attn. Verne P. Berry, V.P.,  
7100 N. Broadway, #2-L, Denver, Colorado 80221, w/enc.
- xc: Depco, Inc., 1000 Petroleum Bldg., Denver, Colo. 80202,  
w/enc.

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

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

CASE NO. 7485

APPLICATION OF BERGE EXPLORATION  
FOR COMPULSORY POOLING,  
CHAVES COUNTY, NEW MEXICO.

APPLICATION

COMES NOW Berge Exploration by and through its attorneys, Hunker-Fedric, P.A., P.O. Box 1837, Roswell, New Mexico 88201, and makes application to the Oil Conservation Division pursuant to § 70-2-17, NMSA 1978, for an order pooling for gas production all mineral interests as to the Abo formation underlying a 160-acre standard gas proration unit, with the NW¼ Section 27, Township 7 South, Range 26 East, NMPM, Chaves County, New Mexico, to be dedicated to the well. Further, Applicant requests an order pooling for gas production all mineral interests as to the Abo formation underlying a 160-acre standard gas proration unit, with the SW¼ Section 27, Township 7 South, Range 26 East, NMPM, Chaves County, New Mexico, to be dedicated to the well. In support thereof, Applicant states:

1. That Applicant is the owner of the right to drill and develop the Abo formation underlying a 160-acre standard gas unit consisting of the NW¼ Section 27, and a 160-acre standard gas unit consisting of the SW¼ of Section 27, Township 7 South, Range 26 East, NMPM, Chaves County, New Mexico.

2. That the approval of the subject application will afford the Applicant the opportunity to produce its just and equitable share of the gas and condensate in the pool, will prevent the economic loss caused by drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

3. Applicant has been unable to obtain voluntary agreement for pooling from Depco, Inc., 1000 Petroleum Building, Denver, Colorado 80202, the only other mineral interest owner according to Applicant's best information and belief. Applicant believes that the interest of the United States under its oil and gas leases will be approved for communitization as to the Abo formation.

4. Applicant has made a good-faith effort to obtain voluntary agreement for pooling from Depco, Inc., the only other mineral interest owner; however, Depco, Inc. has either refused or failed to enter into a voluntary agreement for pooling.

5. In order to drill to a common source of supply, to protect correlative rights and to afford to the owners of each interest in each said gas well spacing unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas and condensate from said common source of supply, it is necessary and proper that an order be entered herein pooling for gas production all mineral rights, whatever they may be, under the NW $\frac{1}{4}$  and SW $\frac{1}{4}$  of said Section 27 as to the Abo formation.

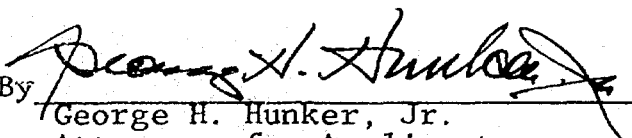
6. Applicant should be designated as Operator of each of said dedicated tracts.

7. A hearing should be had for the purpose of determining and considering the cost of drilling and completing a well on each of said tracts and the allocation of such costs as well as actual operating costs and charges for supervision. Applicant will ask that a charge be made for the risk involved in drilling each of said wells.

WHEREFORE, Applicant prays that an order be entered herein pooling all mineral interests as to the Abo formation underlying the NW¼ and SW¼ of Section 27, Township 7 South, Range 26 East, NMPM, Chaves County, New Mexico; naming Berge Exploration as Operator of each of the units; and providing for the allocation of costs of drilling and operating of each of said wells, together with a reasonable charge for the risk involved therein, together with such further orders and rules as may be required by the Division.

Respectfully submitted,

HUNKER-FEDRIC, P.A.

By   
George H. Hunker, Jr.  
Attorneys for Applicant,  
Berge Exploration  
P.O. Box 1837  
Roswell, New Mexico 88201  
(505) 622-2700



# Memo

From

FLORENE DAVIDSON  
ADMINISTRATIVE SECRETARY

To February 17, 1982

Called in by George Hunter  
1/28/82

Berge Exploration

Compulsory Pooling

Also and Wolfcamp

NW 14 and SW 14

Section 27, T 7S, R 26E

Chaves County

Depo 2 Inc  
1000 Patti Bldg  
Denver, CO  
80202

Hunter  
3:51 pm  
1/28:  
no  
Wolfcamp

OIL CONSERVATION COMMISSION-SANTA FE

*Herbie  
ORDERS*

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:

*JGR*

CASE NO. 7485  
Order No. R-6919

*PH*

APPLICATION OF BERGE EXPLORATION 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 March 3, 1982,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of March, 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. 7485 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 7486: MGE OIL CORPORATION FOR COM-  
/PULSORY POOLING, LEA COUNTY, NEW MEXICO C

DOCKET MAILED  
Date 2/5/82