

CASE 7498: DWAYNE E. HAMILTON FOR COM-
PULSORY POOLING, LEA COUNTY, NEW MEXICO

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DOCKET MAILED

Date 2/19/82 (Pooler)

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 Dwayne E.
Hamilton for compulsory pooling, CASE
Lea County, New Mexico. 7498

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 call next Case 7498.

3 MR. PEARCE: Application of Dwayne E.
4 Hamilton for compulsory pooling, Lea County, New Mexico.

5 Mr. Examiner, we have received a request
6 from the applicant in this matter that this matter be dis-
7 missed.

8 MR. NUTTER: Case Number 7498 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

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner's Hearing of Case No. 7498
heard by me on 3/3 1982.

[Signature], Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

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

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Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

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. 7498
Order No. R-6922

APPLICATION OF DWAYNE E. HAMILTON 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 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,

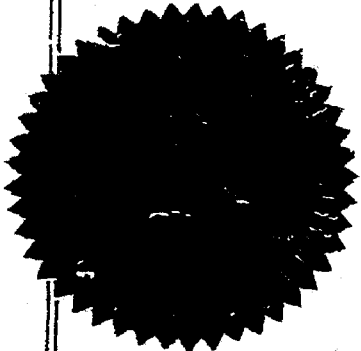
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 7498 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

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
500 Don Gaspar Avenue
Post Office Box 1769
Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

March 1, 1982

Mr. Joe D. Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: NMOCD Case 7498

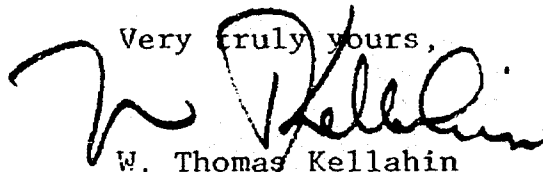
Dear Mr. Ramey:

On behalf of Dwayne E. Hamilton, we filed Division Case 7498 now set for hearing on March 3, 1982.

I have been informed that Amoco and J. M. Huber have either agreed to join or farmout their respective interests in this unit.

Accordingly, please dismiss this application.

Very truly yours,


W. Thomas Kellahin

WTK:jm
cc: Dwayne Hamilton
Amoco Production Company
J. M. Huber Corporation

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. Stenets, 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 7459: (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 Bettenbough Well No. 2, located in Unit M 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 Ameco 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 60-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 Read & 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 107 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 Barge 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

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Examiner Hearing - WEDNESDAY - MARCH 3, 1982

(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. SEMU 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-Morrow 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-Morrow 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 Carlisbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

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

(l) EXTEND the Chaveroo-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 6: 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-Blinbry 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 Jalmat 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 Kemnitz 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 26 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

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Examiner Hearing - WEDNESDAY - MARCH 3, 1982

- (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

KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gaspar Avenue

Post Office Box 1769

Santa Fe, New Mexico 87501

Telephone 982-4285

Area Code 505

Jason Kellahin
W. Thomas Kellahin

Karen Aubrey

February 8, 1982

Mr. Joe D. Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

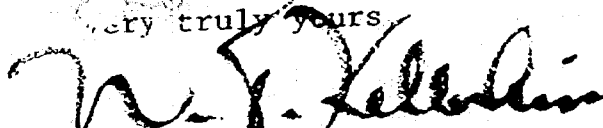
RE: Dwayne E. Hamilton
State "LQ" Com Well
Lea County New Mexico

Case 7498

Dear Mr. Ramey:

Please set the enclosed application for hearing at
the next available examiner hearing now set for March
3, 1982.

Very truly yours,


W. Thomas Kellahin

WTK:jm

Enclosure

cc: Mr. Dwayne E. Hamilton
Amoco Production Company
J. M. Huber Corporation

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
DWAYNE E. HAMILTON, FOR COMPULSORY
POOLING, LEA COUNTY NEW MEXICO.

CASE 7498

A P P L I C A T I O N

Comes now Dwayne E. Hamilton, and applies to the Oil Conservation Division of New Mexico for an order pooling all mineral interests underlying the SW/4 of Section 5, Township 16 South, Range 35 East, NMPM, Chaves County, New Mexico, for the formation of a standard gas proration and spacing unit for all gas formations from the top of the Wolfcamp to the base of the Devonian, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill and develop the SW/4 of Section 5, Township 16 South, Range 35 East, and desires to form a 320 acre unit composed of the S/2 of said Section.

2. Applicant proposes to drill a well to test the Wolfcamp, Pennsylvanian and Devonian formations at a standard location in the S/2 of Said Section 5.

3. Applicant has sought to obtain the cooperation of all parties.

4. In order to obtain their just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.

5. Those who have not consented to join in the drilling of the well, with their addresses, to the best of applicant's information and belief, are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>INTEREST</u>
Amcco Production Company ATTN: Mr. James C. Allen	Box 3092 Houston, Texas 77001	W/2SE/4
J. M. Huber Corporation	2000 West Loop South Houston, Texas 77027	E/2SE/4


6. The parties named in paragraph 5 above have been furnished a copy of this application.

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 all of the mineral interests underlying the S/2 of Section 5, Township 16 South, Range 35 East, NMPM. Applicant further prays that it be named operator of the well, and that the order make provision for application to recover out of production its costs of drilling the subject well, completing and equipping it, costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling of the well, for such other and further relief as may be proper.

Respectfully submitted,

DWAYNE E. HAMILTON

By:


Kellahin & Kellahin
P.O. Box 1769
Santa Fe, New Mexico 87501
(505) 982-4285

Attorneys for Applicant

Handwritten: Service Orders

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

Handwritten: [Signature]

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

CASE NO. 7498
Order No. R-6922

Handwritten: [Signature]

APPLICATION OF DWAYNE E. HAMILTON FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION *Handwritten: [Signature]*

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. 7498 is hereby dismissed.

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

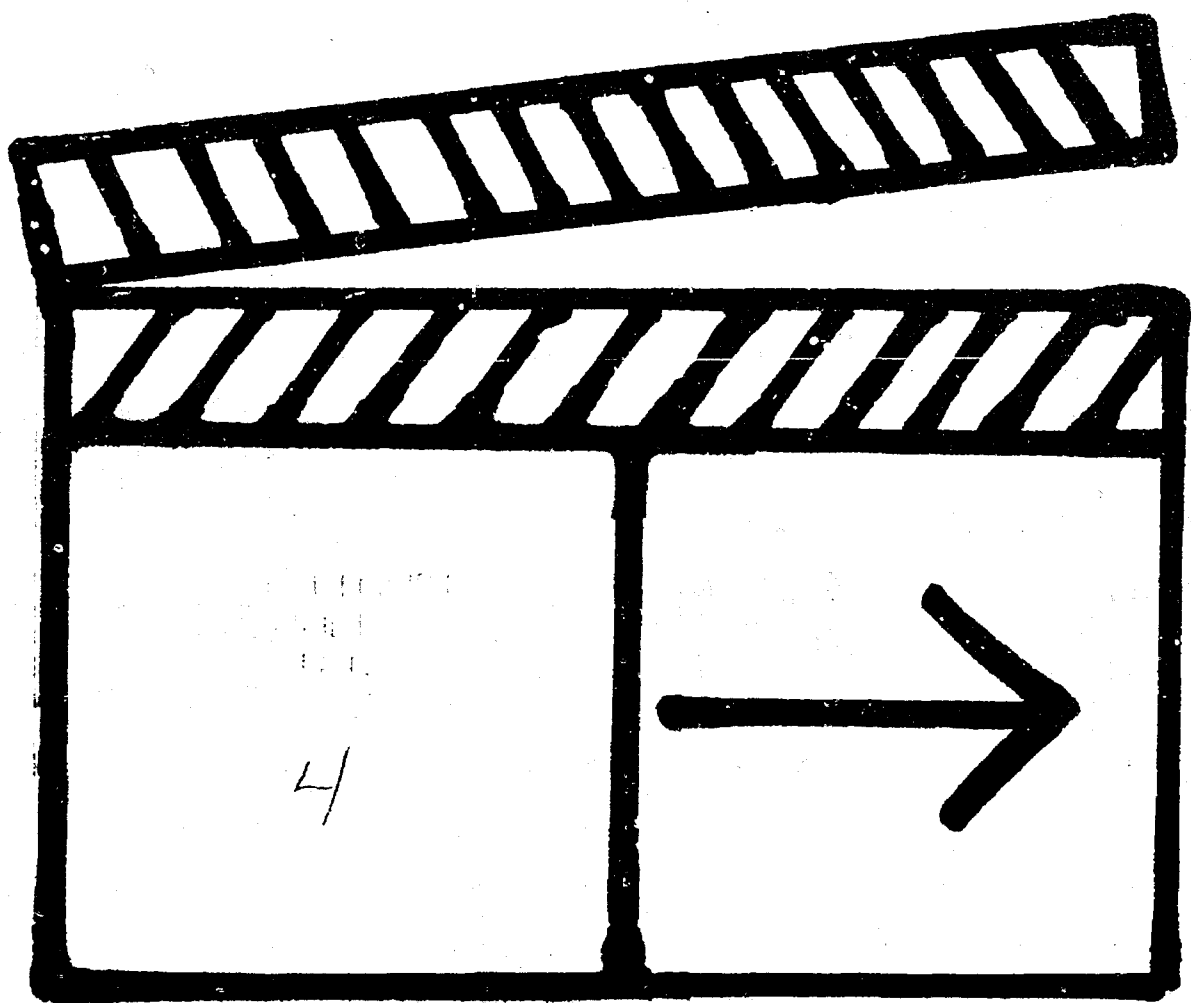
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

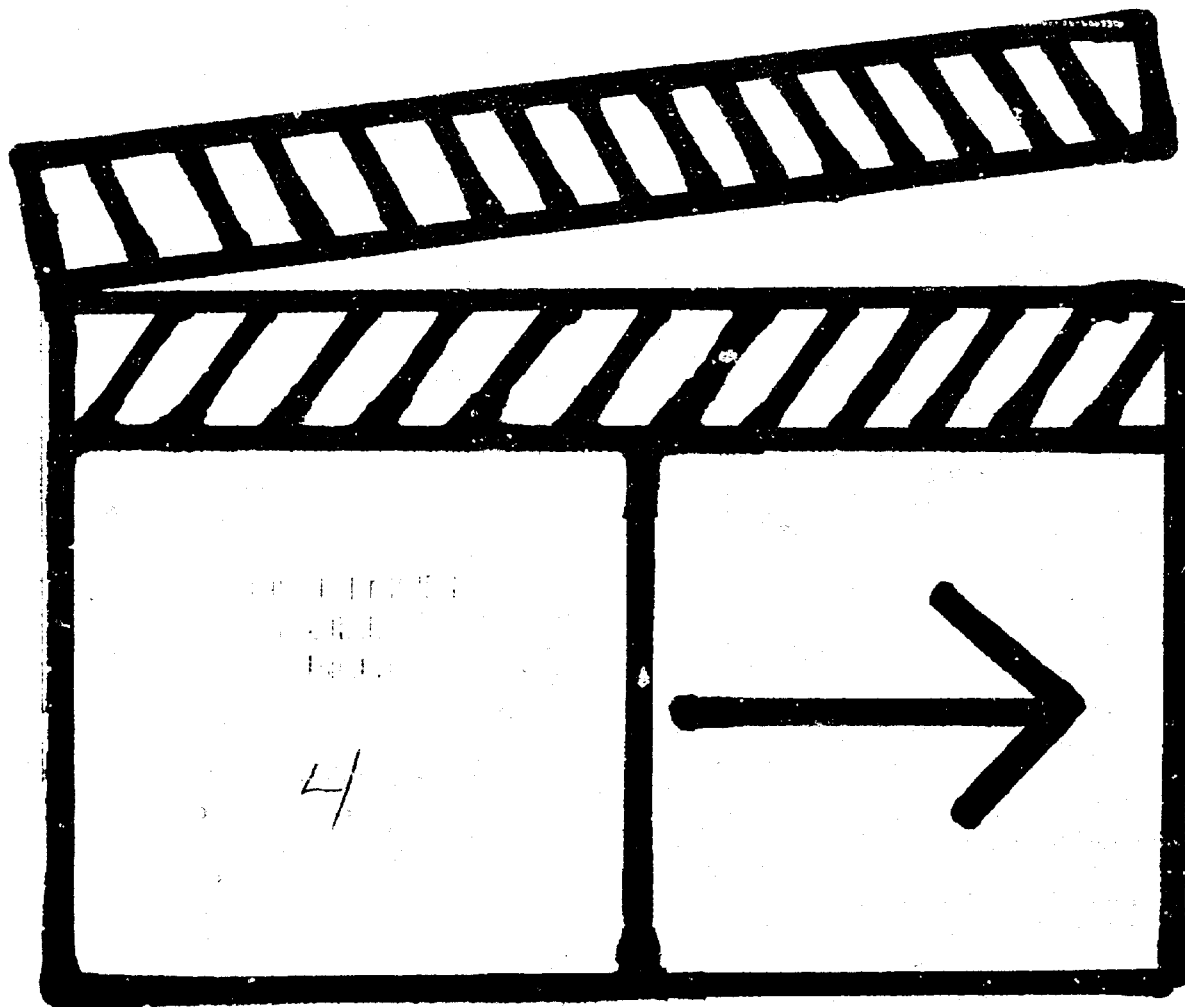
JOE D. RAMEY,
Director

THE UNITED STATES OF AMERICA

DEPARTMENT OF COMMERCE

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