

CASE 5100: Appli. of ESTILL PRO-  
DUCTION CORP. FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.

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CASE No.

5100

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
Wednesday, November 14, 1973

IN THE MATTER OF:

Application of Estill Production  
Corporation for compulsory pooling,  
Lea County, New Mexico.

Case No. 5100

BEFORE: DANIEL S. NUTTER,  
Examiner

TRANSCRIPT OF EXAMINER HEARING

1 MR. NUTTER: Call Case 5100.

2 MR. DERRYBERRY: Case 5100, application of Estill  
3 Production Corporation for compulsory pooling, Lea  
4 County, New Mexico.

5 MR. NUTTER: At the request of the Applicants in  
6 this case, Case Number 5100 will be dismissed.

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dearnley, meier & associates

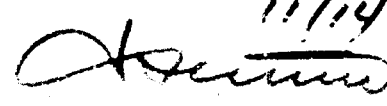
209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-0691 • ALBUQUERQUE, NEW MEXICO 87103  
1215 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

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C E R T I F I C A T E

I, JANET RUSSELL, a Court Reporter, in and for the  
County of Bernalillo, State of New Mexico, do hereby certify  
that the foregoing and attached Transcript of Hearing before  
the New Mexico Oil Conservation Commission was reported by me;  
and that the same is a true and correct record of the said  
proceedings to the best of my knowledge, skill and ability.

  
COURT REPORTER

 11/14 5100 73



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

November 16, 1973

GOVERNOR  
BRUCE KING  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMijo  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 5100

Order No. R-4672

Applicant:

Estill Production Corporation

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X

Artesia OCC           

Aztec OCC           

Other Aztec Oil & Gas Company, 2000 First National Bank Bldg.,  
Dallas, Texas 75202

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

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

CASE NO. 5100  
Order No. R-4672

APPLICATION OF ESTILL PRODUCTION  
CORPORATION FOR COMPULSORY POOLING,  
SANTA FE COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 14, 1973,  
at Santa Fe, New Mexico, before Examiner Daniel S. Hutter.

NOW, on this 16th day of November, 1973, the Commission,  
a quorum being present, having considered the record and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

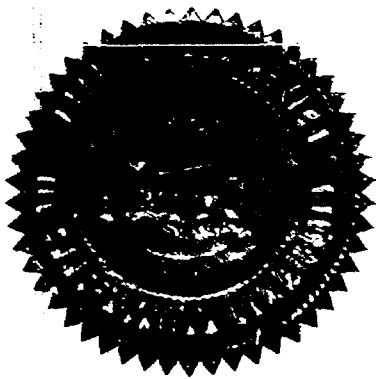
That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 5100 is hereby dismissed.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*[Signature]*  
J. R. TRINIDAD, Chairman

JOHN J. ARMISTEAD, Member

*[Signature]*  
A. L. BROWN, Jr., Secretary

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 14, 1973

9 A.M. - OIL CONSERVATION COMMISSION 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 5044: (Continued from the October 3, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Sycor Newton, Peru Milling Company, R. E. Deming and Aetna Life and Casualty Company and all other interested parties to appear and show cause why the State L 6350 Well No. 1 located in Unit M of Section 10, Township 23 South, Range 11 West, Luna County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5098: Application of R. J. Zonne for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a Morrow gas pool for his Federal Well No. 1 located in Unit G of Section 20, Township 22 South, Range 32 East, Lea County, New Mexico, and the promulgation of special rules therefor, including a provision for 640-acre spacing.

CASE 4849: (Reopened)

In the matter of Case No. 4849 being reopened pursuant to the provisions of Order No. R-4436 which order established temporary special rules for the Humble City-Atoka Pool, Lea County, New Mexico, including a provision for 80-acre spacing. All interested parties may appear and show cause why said pool rules should remain in effect.

CASE 5099: Application of Pennzoil Company for a pool creation, special pool rules and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a Wolfcamp gas pool for its Moore Com Well No. 1 located at an unorthodox Wolfcamp location 2310 feet from the South line and 660 feet from the East line of Section 23, Township 22 South, Range 26 East, Eddy County, New Mexico, and the promulgation of special pool rules therefor, including a provision for 320-acre spacing.

CASE 5100: Application of Estill Production Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the W/2 of Section 21, Township 18 South, Range 33 East, South Corbin-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.



- CASE 5101: Application of Southern Union Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its McKittrick-Federal Well No. 1 at a point 2390 feet from the North line and 830 feet from the East line of Section 14, Township 22 South, Range 24 East, Eddy County, New Mexico, the E/2 of said Section 14 to be dedicated to the well.
- CASE 5102: Application of Anne Burnett Tandy dba Windfohr Oil Company for two waterflood projects, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute two waterflood projects by the injection of water into the Grayburg and San Andres formations through 6 wells on its Jackson "B" Lease and through 3 wells on its Gissler "B" Lease, located in Sections 1 and 11, respectively, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.
- CASE 5103: Application of David Fasken for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location at a point 1000 feet from the North and West lines of Section 32, Township 20 South, Range 25 East, Indian Hills-Morrow Gas Pool, Eddy County, New Mexico.
- CASE 5104: Application of El Paso Natural Gas Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Rocky Arroyo "C" Well No. 1 located in Unit F of Section 8, Township 22 South, Range 22 East, Rocky Arroyo Field, Eddy County, New Mexico, in such a manner as to produce gas from the Canyon formation and gas from the Morrow formation through the casing-tubing annulus and through the tubing, respectively.
- CASE 5105: Application of Stallworth Oil and Gas for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location at a point 760 feet from the North line and 860 feet from the West line of Section 11, Township 9 South, Range 33 East, Vada-Pennsylvanian Pool, Lea County, New Mexico, as an exception to the provisions of Rule 4 of Order No. R-3179-A.
- CASE 5106: Application of Read & Stevens, Inc. for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Harris Federal Well No. 2 at a point 990 feet from the North line and 2310 feet from the West line of Section 24, Township 15 South, Range 27 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, as an exception to Rule 2 of Order No. R-1670-H, the N/2 of said Section 24 to be dedicated to said well.

Examiner Hearing - Wednesday - November 14, 1973

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CASE 5107: Southeastern nomenclature case calling for the extension of certain pools in Lea County, New Mexico.

(a) Extend the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM  
Section 2: S/2

(b) Extend the Blinebry Oil Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM  
Section 1: SE/4  
Section 12: NE/4

(c) Extend the Blinebry Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM  
Section 1: SE/4  
Section 12: NE/4

(d) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 12: SW/4

(e) Extend the South Eunice-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 2: SE/4

(f) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM  
Section 7: SE/4  
Section 8: SW/4  
Section 17: N/2 NW/4

(g) Extend the West Garrett-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM  
Section 31: SE/4

Examiner Hearing - Wednesday - November 14, 1973

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(h) Extend the High Plains-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM  
Section 26: NW/4

CASE 5114: Application of Texaco Inc. and Perry R. Bass for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests underlying the W/2 of Section 32, Township 20 South, Range 33 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to the well currently being drilled by Amini Oil Company at an unorthodox location for said 320-acre unit at a point 990 feet from the South line and 1980 feet from the West line of said Section 32.

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF ESTILL PRODUCTION CORPORATION  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO

A P P L I C A T I O N

COMES NOW ESTILL PRODUCTION CORPORATION and as provided by Section 65-3-14, New Mexico Statutes 1953, as amended, applies to the Oil Conservation Commission of New Mexico for an order pooling all of the mineral interests in and under the W/2 of Section 21, Township 18 South, Range 33 East, N.M.P.M., Lea County, New Mexico and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill and develop the above described acreage.
2. Applicant has obtained voluntary agreement for pooling from all but the following:

AZTEC OIL & GAS COMPANY  
2000 First National Bank Building  
Dallas, Texas 75202  
which has ownership of the SW/4 of  
Section 21, T18S, R33E., N.M.P.M.,  
Lea County, New Mexico

11-1-73

3. As required by the provisions of Commission Rule 104, Applicant proposes to dedicate the W/2 of Section 21, Township 18 South, Range 33 East, N.M.P.M., Lea County, New Mexico, to the well.

4. Applicant requests that it be designated operator of the pooled unit requested above.

11-1-73

5. Applicant has been unable to obtain voluntary agreement for the pooling of the unpooled interests indicated in paragraph 2 above, and in order to avoid the drilling of unnecessary wells, to protect correlative rights, and to prevent waste, the Commission should pool all interests in the spacing or proration unit as a unit.

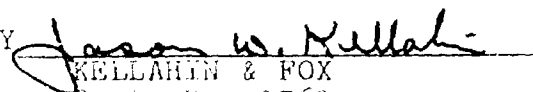
6. Applicant proposed to drill a well at an orthodox location within the unit to be dedicated as described above.

WHEREFORE, Applicant respectfully requests that the Commission set this matter for hearing before the Commission's duly appointed examiner, and that after notice and hearing as required by law the Commission enter its order pooling all interest underlying the W/2 of Section 21, Township 18 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and designating applicant operator of the pooled unit, together with provision for applicant to recover its costs out of production including a risk factor to be determined by the Commission and with provisions for the payment of operating costs and costs of supervision out of production to be allocated among the owners as their interest may appear and for such further orders as may be proper in the premises.

Respectfully submitted,

ESTILL PRODUCTION CORPORATION

BY

  
KELLAHIN & FOX  
P. O. Box 1769  
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

DRAFT

dr/

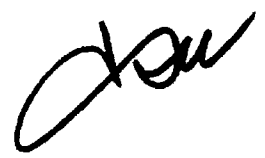
BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 5100

APPLICATION OF ESTILL PRODUCTION  
CORPORATION FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

Order No. R- 4672



ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 14, 19<sup>73</sup>,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of November, 19<sup>73</sup>, the Commission,  
a quorum being present, having considered the record and the recom-  
mendations 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. 5100 is hereby dismissed.

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

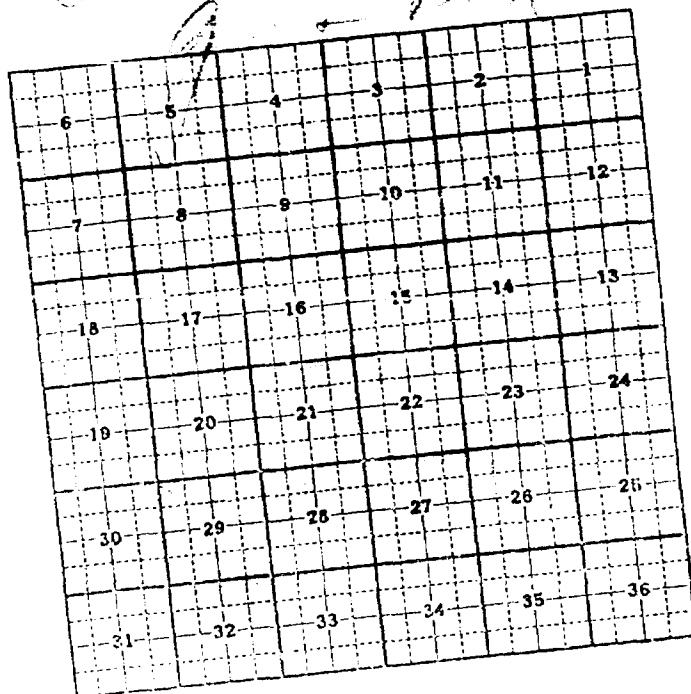
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Ph.

Address

Remarks

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Base*



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or County .....