

CASE 51471: MESA PETROLEUM CORP.
for compulsory pooling, Lea
County, New Mexico.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 16, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Mesa Petroleum
Corporation for compulsory pool-
ing, Lea County, New Mexico.

Case No. 5147

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conser-
vation Commission:

William Carr, Esq.
Legal Counsel for the Com-
mission
State Land Office Building
Santa Fe, New Mexico

MR. STAMETS: Call next Case 5147.

MR. CARR: Case 5147. Application of Mesa Petroleum Corporation for compulsory pooling, Lea County, New Mexico.

Mr. Examiner, we have received a request from Applicant that that case be dismissed.

MR. STAMETS: Case 5147 will be dismissed.

STATE OF NEW MEXICO)
) ss.
 COUNTY OF SANTA FE)

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Richard L. Nye
 RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5747, heard by me on *Jan 16*, 19*74*.
Richard L. Nye, Examiner
 New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
 STATE-WIDE DEPOSITION NOTARIES
 225 JOHNSON STREET
 SANTA FE, NEW MEXICO 87501
 TEL. (505) 982-0386



OIL CONSERVATION COMMISSION

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

January 21, 1974

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

Mr. Clarence Hinkle
Hinkle, Bondurant, Cox & Eaton
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Re: CASE NO. 5147
ORDER NO. R-4711
Applicant:
Mesa Petroleum 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 R. L. Burns, c/o Oil Reports & Gas Services, Inc.
Post Office Box 763 - Hobbs, New Mexico

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. 5147
Order No. R-4711

APPLICATION OF MESA PETROLEUM
CORPORATION FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 16, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of January, 1974, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

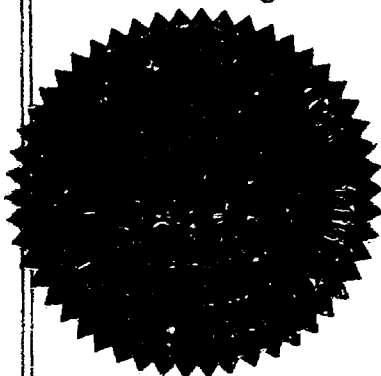
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 5147 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. Trujillo
I. R. TRUJILLO, Chairman

Alex J. Armiijo
ALEX J. ARMIJO, Member

A. L. Porter, Jr.
A. L. PORTER, JR., Member & Secretary

S E A L

jr/

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 16, 1974

9 A.M. - OIL CONSERVATION COMMISSION 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 February, 1974, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for February, 1974.

CASE 5110: (Continued from the November 15, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider extending the horizontal limits of the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, to include the S/2 of Section 28, Township 25 South, Range 24 East.

Also to be considered will be the institution of gas prorationing in said pool to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool.

CASE 5111: (Continued from the November 15, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider extending the horizontal limits of the Burton Flats-Morrow Gas Pool, Eddy County, New Mexico, to include the S/2 of Section 34, Township 20 South, Range 28 East, and the N/2 of Sections 8 and 9, and all of Section 10, Township 21 South, Range 27 East.

Also to be considered will be the institution of gas prorationing in said pool to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool.

CASE 5112: (Continued from the November 15, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider extending the horizontal limits of the Burton Flats-Strawn Gas Pool, Eddy County, New Mexico, to include all of Section 10, Township 21 South, Range 27 East.

(Case 5112 continued from Page 1)

Also to be considered will be the institution of gas prorationing in said pool to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool.

CASE 5113: (Continued from the November 15, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the institution of gas prorationing in the Burton Flats-Atoka Gas Pool, Eddy County, New Mexico, and to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool.

CASE 5124: (Continued from the November 28, 1973, Examiner Hearing)

Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 30, Township 20 South, Range 33 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1300 feet from the East line of said Section 30. 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 5143: Application of El Paso Natural Gas Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its proposed Rocky Arroyo "D" Com. Well No. 2 in the center of Unit L of Section 4, Township 22 South, Range 22 East, Rocky Arroyo-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 4 to be dedicated to the well.

CASE 5144: Application of Depco, Inc. 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-San Andres formation through six wells located on applicant's State 647 lease in Sections 31 and 32, Township 17 South, Range 28 East, Artesia Pool, Eddy County, New Mexico, and through one well on the Kersey and Company Ramapo "A" Lease in said Section 32.

CASE 5145: Application of Texas Pacific Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the perforated interval from 10,872 feet to 11,032 feet in its State "B" Well No. 2 located in Unit B of Section 11, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

CASE 4969: (Reopened)

In the matter of Case No. 4969 being reopened pursuant to the provisions of Order No. R-4557, which order established a temporary special depth bracket allowable for the Tocito Dome-Pennsylvanian "D" Oil Pool, San Juan County, New Mexico. All interested parties may appear and show cause why the special allowable should be made permanent.

CASE 5146: Application of Midwest Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Target Unit Area comprising 5120 acres, more or less, of State and Federal lands in Townships 25 and 26 South, Range 25 East, Eddy County, New Mexico.

CASE 5147: Application of Mesa Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the S/2 of Section 12, Township 16 South, Range 35 East, North Shoe Bar Field, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit in Unit O of said Section 12. 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 5148: Application of Coquina Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox gas well location 990 feet from the North and East lines of Section 16, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 16 to be dedicated to said well.

CASE 5149: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 33, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard Pennsylvanian gas well 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 5150: Application of Hanson Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation through 10 wells in its Mescalero Ridge Unit Area in Sections 26 and 35, Township 19 South, Range 34 East, Pearl-Queen Pool, Lea County, New Mexico.
- CASE 5151: Application of Penroc Oil Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause seeks approval for the dual completion (conventional) of its Dero-Federal A-Com Well No. 1, located in Unit N of Section 35, Township 19 South, Range 28 East, Eddy County, New Mexico, in such a manner as to produce gas from the Winchester-Wolfcamp gas pool and an undesignated Strawn gas pool through the casing-tubing annulus and through tubing.
- CASE 5152: Application of Petro-Lewis Corporation for a Special Depth Bracket Allowable, Media-Entrada Oil Pool, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks a special depth bracket allowable for the Media-Entrada Oil Pool, Township 19 North, Range 3 West, Sandoval County, New Mexico.
- CASE 5140: (Continued from the January 3, 1974, Examiner Hearing)
- Application of Pierce & Dehlinger for compulsory pooling, Vada-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the NW/4 of Section 24, Township 9 South, Range 33 East, Lea County, New Mexico, to be dedicated to the King Resources Sheridan Well No. 1-A located in Unit C of said Section 24. Also to be considered is designation of the applicant as operator of the NW/4 of said Section 24 and the well located thereon, provision for allocation of actual operating costs and charges for supervision, and allocation of costs for reworking said well including a 200% charge attributable to any non-consenting working interest owner's pro rata share of said workover costs, for the risk involved in said workover.
- CASE 4956: (Reopened) (Continued from the January 3, 1974, Examiner Hearing)
- Application of Pierce & Dehlinger for a determination of well costs, Lea County, New Mexico. Applicant, as operator of the Sheridan Well No. 1 located in Unit M of Section 13, Township 9 South, Range 33 East, Lea County, New Mexico, to which well is dedicated the SW/4 of said Section 13, all mineral interests in the Vada-Pennsylvanian Pool thereunder having been pooled by Commission Order No. R-4560, seeks the determination of reasonable well costs attributable to applicant and to King Resources, including, but not limited to, the costs of reworking and placing said Sheridan Well No. 1 back on production and attorneys fees in connection therewith. Applicant further seeks an order assessing, as a charge for the risk involved in the reworking of the well, 120% of the pro rata share of the reasonable well costs attributable to the working interest of King Resources.

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
ANDREW ALLEN

LAW OFFICES
HINKLE, BONDURANT, COX & EATON

600 HINKLE BUILDING
POST OFFICE BOX 10

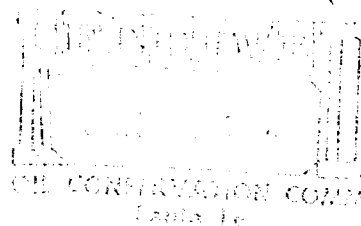
ROSWELL, NEW MEXICO 88201

January 10, 1974

TELEPHONE (505) 622-6510

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) 683-4691

RLH



Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We represent Mesa Petroleum Co. and there appears on the examiner's docket for January 16 Case No. 5147, which is the application of Mesa for compulsory pooling of the Morrow formation under the S $\frac{1}{2}$ Section 12, Township 16 South, Range 35 East, North Shoe Bar field in Lea County.

We have just been advised by Mesa that because of a dry hole which has been drilled in the immediate vicinity of this acreage they now desire to dismiss this case. Please consider this as a motion on behalf of Mesa for dismissal of the case.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By *[Signature]*

CEH:cs

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
ANDREW J. HEN

LAW OFFICES
HINKLE, BONDURANT, COX & EATON

600 HINKLE BUILDING

POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88201

December 18, 1973

TELEPHONE (505) 822-8510

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) 683-4691

Case 5147

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We enclose herewith in triplicate application of Mesa Petroleum Co. for force pooling of the S $\frac{1}{2}$ Section 12, Township 16 South, Range 35 East. We have previously discussed this matter with Dan Nutter and understand that it will be placed on the examiner's docket for January 16.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By Clarence E. Hinkle
CH

CEH:cs
Enc.

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF MESA PETROLEUM CO.
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO. APPLICANT SEEKS AN
ORDER POOLING ALL LEASEHOLD AND
MINERAL INTERESTS AS TO THE MORROW
FORMATION OF PENNSYLVANIAN AGE UNDER-
LYING THE S½ SECTION 12, TOWNSHIP 16
SOUTH, RANGE 35 EAST, N.M.P.M. TO BE
DEDICATED TO A WELL TO BE DRILLED 1980
FEET FROM THE EAST AND 660 FEET FROM THE
SOUTH LINES OF SAID SECTION 12. ALSO
TO BE CONSIDERED WILL BE THE COST OF
DRILLING AND COMPLETING SAID WELL, THE
ALLOCATION OF SUCH COSTS, AS WELL AS
OPERATING COSTS, CHARGES FOR SUPERVISION,
TOGETHER WITH A CHARGE FOR THE RISK
INVOLVED IN DRILLING SAID WELL, AND THE
DESIGNATION OF APPLICANT AS OPERATOR.

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Mesa Petroleum Co., acting by and through the under-
signed attorneys, and hereby makes application for compulsory pooling,
Lea County, New Mexico. Applicant seeks an order pooling all lease-
hold and mineral interests as to the Morrow formation of Pennsylvanian
age underlying the S½ Section 12, Township 16 South, Range 35 East,
N.M.P.M. to be dedicated to a well to be drilled 1980 feet from the
east and 660 feet from the south lines of said Section 12. Also to
be considered will be the cost of drilling and completing said well,
the allocation of such costs, as well as operating costs, charges
for supervision, together with a charge for the risk involved in
drilling said well, and the designation of applicant as operator, and
in support thereof respectfully shows:

1. There is attached hereto, made a part hereof and for
purposes of identification marked Exhibit "A", a plat showing the
location of Mesa Petroleum Co.'s No. 1 Gantt located 1980 feet from
the east and 660 feet from the south lines of Section 12, Township
16 South, Range 35 East, N.M.P.M. This well is projected to test
the Morrow formation of Pennsylvanian age and it is proposed to dedi-
cate the S½ of said Section 12 to the well in the event it proves to
be productive in the Morrow formation. Exhibit "A" also shows the

ownership of all leasehold interests within two miles of the location of the well, as well as all wells which have been drilled and the formations from which they are producing within said two mile radius.

2. The SE $\frac{1}{4}$ Section 12 of the proposed spacing unit is owned by Mesa Petroleum Co. and the SW $\frac{1}{4}$ of said section is owned by R. L. Burns Corporation, whose address is Wells Fargo Bank Building Suite 400, San Bernardino, California 92401. R. L. Burns Corporation has been contacted and so far has not agreed to communitize its interest for the purpose of drilling said well and dedicating the S $\frac{1}{4}$ of said section to the well in the event it proves to be productive from the Morrow formation.

3. The pooling of the leasehold interests covering the S $\frac{1}{4}$ of Section 12 will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights. Applicant seeks the compulsory pooling to form a standard spacing and proration unit as provided by Section 65-3-14 N.M.S.A. 1953 Comp. and in connection therewith to consider the cost of drilling and completing said well, the proper allocation of the cost thereof, as well as the cost of operating said well, and charges for supervision, as well as a charge for the risk involved in drilling the well. Applicant also requests that it be approved as operator of the well.

4. Applicant requests that this matter be included on the examiner's docket for January 16, 1974.

Respectfully submitted.

MESA PETROLEUM CO.

By 

HINKLE, BONDURANT, COX & EATON
Attorneys for Applicant
P.O. Box 10
Roswell, New Mexico 88201

0388
DRAFT

dr/ *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:

1038
CASE NO. 5147

Order No. R- 4711

APPLICATION OF MESA PETROLEUM
CORPORATION FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

du
ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 16, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of January, 1974, 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. 5147 is hereby dismissed.

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

think
Jan 16 Clarence Hinkle

Mesa Petroleum Corp

Compulsory pooling all mineral
interests in the Marrow formation
~~N. Shoe Bar - Marrow Gas Pool~~

interests underlying the S/2 12-16-35
N. Shoe Bar Field Lea Co NM
to be dedicated to a well to be drilled

at a point 660' FSL & 1980' FEL

Also to be cons. etc.

Mesa Petroleum Corp.

(N. Shoe Bar - ~~Strawn~~
3/2 12-16-35 ^{marrow.}

160	160
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compulsory pooling Lea Co.

SE SW
are leasehold & mine
3/2 12 16 35 Strawn
to be dedicated 660 &
1980 &

cost of drl.
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super & risk des of app
as op.