

CASE 5187: Application of INEXCO
OIL CO. FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

CASE No.

5187

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 13, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Inexco Oil Company
for compulsory pooling, Eddy County,
New Mexico.

Case No.
5187

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William Carr, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
Santa Fe, New Mexico

MR. STAMETS: Call the next case. Case 5187.

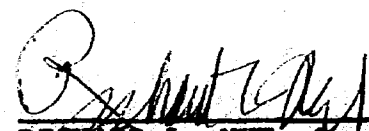
MR. CARR: Case 5187. Application of Inexco
Oil Company for compulsory pooling, Eddy County, New
Mexico.

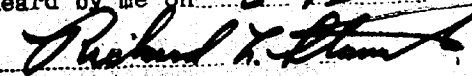
Mr. Examiner, we have received a request from
the Applicant that this Case be dismissed.

MR. STAMETS: Case 5187 will be dismissed.

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

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, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings of the Examiner hearing of Case No. 5162 heard by me on 3-13-74.

New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0366



OIL CONSERVATION COMMISSION

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

March 18, 1974

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMUJO
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. 5187
ORDER NO. R-4749
Applicant:
Inexco Oil Company

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.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC

Other Gulf Oil Corporation, Midland, Texas

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. 5187
Order No. R-4749

APPLICATION OF INEXCO OIL
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 13, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of March, 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:

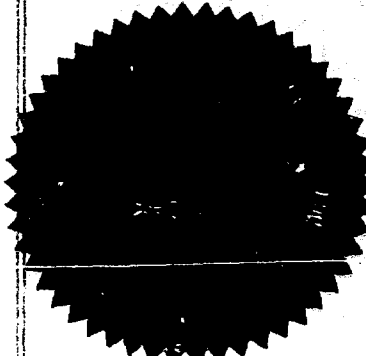
That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 5187 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. ARMIJO, Member

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

S E A L

dr/

Docket No. 6-74

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 13, 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 April, 1974, from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico;
 - (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for April, 1974.

CASE 5179: Application of HNG Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Dogie Draw Unit Area comprising 5,122 acres, more or less of State, Federal, and fee lands in Township 26 South, Range 36 East, Lea County, New Mexico.

CASE 5180: Application of Amoco Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Rock Lake Unit Area comprising 5760 acres, more or less, of State and fee lands in Township 22 South, Range 35 East, Lea County, New Mexico.

CASE 5181: Application of Amoco Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Trail Canyon Unit Area comprising 5758 acres, more or less, of State, Federal and fee lands in Township 24 South, Range 23 East, Eddy County, New Mexico.

CASE 5182: Application of Perry R. Bass 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 W/2 of Section 15, Township 21 South, Range 27 East, adjacent to the Burton Flats Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location in the W/2 of said Section 15. 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 5183:** Application of Amini Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the North Vacuum Abo Pool rules, authority to drill its Pennzoil State Well No. 2 at an unorthodox location for said pool 1780 feet from the South line and 460 feet from the West line of Section 36, Township 16 South, Range 34 East, Lea County, New Mexico.
- CASE 5184:** Application of Mountain States Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the Buffalo Valley-Pennsylvanian Pool rules, approval for an unorthodox gas well location for a well to be drilled at a point 990 feet from the South and West lines of Section 36, Township 14 South, Range 27 East, Chaves County, New Mexico.
- CASE 5185:** Application of Rice Engineering & Operating, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the open-hole and perforated interval from 8442 feet to 9150 feet in its Abo SWD Well No. 2 located in Unit C of Section 2, Township 17 South, Range 36 East, Lovington Abo Pool, Lea County, New Mexico.
- CASE 5186:** Application of Amerada Hess Corporation for an unorthodox oil well location and two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the Bagley Siluro-Devonian Pool rules, the formation of two non-standard proration units in Section 35, Township 11 South, Range 33 East, Lea County, New Mexico, the first being a 40-acre unit comprising the NW/4 SE/4 to be dedicated to applicant's State BTD Well No. 2, and the second being an 80-acre unit comprising the SE/4 SW/4 and the SW/4 SE/4 to be dedicated to applicant's State BTD Well No. 1, proposed to be drilled at an unorthodox location for said pool 660 feet from the South line and 1900 feet from the East line of said Section 35.
- CASE 5187:** Application of Inexco 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 Section 17, Township 21 South, Range 26 East, Eddy County, New Mexico, adjacent to the Catclaw Draw-Morrow Gas Pool, to be dedicated to a well to be drilled at a standard location for said pool. 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 5188: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Blinebry production in the wellbore of its Lockhart B-1 Well No. 8 located in Unit II of Section 1, Township 22 South, Range 36 East, Lea County, New Mexico.
- CASE 5189: Application of Craig Folsom for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well proposed to be drilled at a point 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.
- CASE 5190: Application of Union Oil Company of California for pool creation and special rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow gas pool for its Pipeline Deep Unit Well No. 1 located in Unit J of Section 17, Township 19 South, Range 34 East, Lea County, New Mexico, and for the promulgation of special rules therefor including a provision for 640-acre spacing.
- CASE 5191: Application of Murphy Minerals Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water through two wells into the Grayburg-San Andres formation on its Gissler "B" lease in Sections 11 and 12, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.
- CASE 5192: In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for the extension of the following pools in Lea County:
- Antelope Ridge-Morrow Gas Pool
EK Yates-Seven Rivers-Queen Pool
House-San Andres Pool
Humble City-Atoka Pool
North Shoe Bar-Wolfcamp Pool
Tres Papalotes-Pennsylvanian Pool
Wantz-Granite Wash Pool
- CASE 5124: (Continued from the February 13, 1974 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 5140: (Continued from the February 13, 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 February 13, 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.

BEFORE THE OIL CONSERVATION COMMISSION OF

THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF INEXCO OIL COMPANY FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

A P P L I C A T I O NOIL CONSERVATION COM.
Santa Fe

Comes now Inexco Oil Company and applies to the Oil Conservation Commission of New Mexico for an order pooling all of the mineral interests underlying Section 17, Township 21 South, Range 26 East, N.M.P.M., as to formations of Pennsylvanian age or older, and in support thereof would show the Commission:

1. The applicant is the owner of the right to drill and develop said Section 17 and proposes to drill a well to the Catclaw Morrow Gas Pool.
2. The Catclaw Morrow Gas Pool is spaced on 640 acre units.
3. All of the owners within Section 17 have agreed to pool their interests for the formation of a standard unit with the exception of Gulf Oil Corporation, which owns 240 acres within the 640 acre unit. *(Medford)*

DOCKET MAILED

Date 3-1-74

4. In order to prevent waste and to protect the correlative rights of the owners within the unit, Section 17 should be pooled for the formation of a standard unit for Morrow production in the Catclaw Morrow Gas Pool.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law the Commission enter its order pooling Section 17, Township 21 South, Range 26 East, N.M.P.M., in the Catclaw Morrow Gas Pool, together with a provision for the allocation of the costs

DOCKET MAILED

Date 3-1-74

of drilling, completing and equipping the well to be drilled at a standard location, the allocation of costs of operating said well, including charges for supervision, the designation of applicant as operator, and the assignment of a charge for the risk involved in drilling said well, and for such other and further relief as may be proper.

INEXCO OIL COMPANY

By *Jason W. Kellahin*
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEY FOR APPLICANT

DRAFT

jr

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. 5187

Order No. R-4749

APPLICATION OF INEXCO OIL
COMPANY FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 13, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of March, 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. 5187 is hereby dismissed.

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