

CASE NO. 5382: BELCO PETROLEUM
CORP. FOR SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO

CASE No.

5382

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 8, 1975

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Belco Petroleum Corpor-)
ation for special pool rules, Eddy)
County, New Mexico.)
-----)

Case No.
5382

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

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

MR. STAMETS: Call the next case, Case 5382.

MR. CARR: Case 5382. Application of Belco Petroleum Corporation for special pool rules, Eddy County, New Mexico.

MR. STAMETS: This Case was advertised that in the absence of objection the pool would be placed on the standard 320-acre spacing for Pennsylvanian Gas Pools rather than the present 160-acre spacing. Is there any objection at this time?

MR. BUELL: Mr. Examiner, I'm Sumner Buell appearing for Shell. We have no objection so long as an exception is made for the No. 1 James Ranch Well in the Southeast quarter of Section 36. It's in the Application.

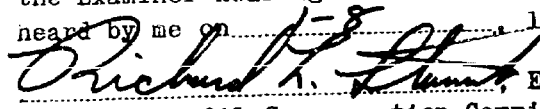
MR. STAMETS: Okay. Fine. Being no objection we will take Case 5382 under advisement.

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, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5382, heard by me on 1-8-75.


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

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMISO
MEMBER

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

January 22, 1975

Mr. Sumner Buell
Montgomery, Federici, Andrews,
Hannahs & Buell
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: CASE NO. 5382

ORDER NO. R-4944

Applicant:

Belco Petroleum Corporation

Dear Sir:

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

Very truly yours,

N. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

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

Other _____

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. 5382
Order No. R-4944

APPLICATION OF BELCO PETROLEUM
CORPORATION FOR THE ADOPTION OF
POOL RULES, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 8, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 22nd day of January, 1975, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Belco Petroleum Corporation, is an owner and operator in the Los Medanos-Atoka Gas Pool, Eddy County, New Mexico.

(3) That said Los Medanos-Atoka Gas Pool was created and designated by the Commission by Order No. R-1424 effective July 1, 1959.

(4) That by Commission Order No. R-2707, dated May 25, 1964, Rule 104 of the Commission Rules and Regulations was amended to provide that all gas pools of Pennsylvanian age or older in Southeast New Mexico which were created and defined June 1, 1964, or later shall have 320-acre spacing and proration units, inasmuch as it was found that in Southeast New Mexico..."a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract."

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the Los Medanos-Atoka Gas Pool, in Eddy County, New Mexico, inasmuch as that pool was excluded from the

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Case No. 5382
Order No. R-4944

provisions of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That no appearances were made in opposition to the application at the hearing of the instant case and no objection was received to the inclusion of the Los Medanos-Atoka Gas Pool under the provisions of Rule 104 of the Commission Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the Los Medanos-Atoka Gas Pool in Eddy County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.

(8) That the discovery well for the pool, The Shell Oil Company James Ranch Unit Well No. 1, located in Unit O of Section 36, Township 22 South, Range 30 East, should continue to be spaced on 160-acres.

IT IS THEREFORE ORDERED:

(1) That effective February 1, 1975, each well completed or recompleted in the Los Medanos-Atoka Gas Pool or in the Atoka formation within one mile thereof shall be subject to the provisions of Rule 104 of the Commission Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

PROVIDED HOWEVER, that the Shell Oil Company James Ranch Unit Well No. 1 in Unit O of Section 36, Township 22 South, Range 30 East, is hereby authorized to continue to be operated and produced on a 160-acre spacing and proration unit in said Los Medanos-Atoka Gas Pool.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Los Medanos-Atoka Gas Pool or in the Atoka formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Commission in writing of the name and location of the well by February 15, 1975.

(2) That pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, all other existing wells in the Los Medanos-Atoka Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Commission Rules and Regulations; or pursuant to

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Case No. 5382
Order No. R-4944

Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman


Phil R. Lucero
PHIL R. LUCERO, Member

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

S E A L

dr/

- CASE 5381: Application of Mobil Oil Corporation for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Eunice-San Andres Pool, Lea County, New Mexico, including a provision for a limiting gas-oil ratio of 5,000 to 1.
- CASE 5382: Application of Belco Petroleum Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Los Medanos-Atoka Gas Pool, Eddy County, New Mexico, to provide for 320-acre spacing rather than 160 acres. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Pennsylvania Gas Pools rather than the present 160-acre spacing.
- CASE 5383: Application of Union Texas Petroleum Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Crosby Deep Well No. 3, located in Unit J of Section 33, Township 25 South, Range 37 East, Crosby Field, Lea County, New Mexico, in such a manner as to produce oil from the Fusselman formation and gas from the McKee formation through parallel strings of tubing.
- CASE 5384: Application of Atlantic Richfield Company for a non-standard gas proration unit, three unorthodox gas well locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 240-acre non-standard gas proration unit comprising W/2 NE/4, W/2 SE/4, SE/4 SE/4, and SE/4 SW/4 of Section 32, Township 24 South, Range 37 East, Lea County, New Mexico, to be simultaneously dedicated to its State 157-E Well No. 1, located 2310 feet from the North and East lines, its State 157-C Com Well No. 1, located 330 feet from the South line and 2310 feet from the East line, and its State 157-C Well No. 2, located 990 feet from the South line and 330 feet from the East line, all unorthodox gas well locations in said Section 32.
- CASE 5385: Application of Yates Petroleum Corporation for pool creation and special pool rules and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the High Hope-Abo Gas Pool in Section 13, Township 17 South, Range 23 East, Eddy County, New Mexico, and the promulgation of special pool rules therefor, including a provision for 320-acre spacing and proration units. Applicant further seeks approval for the unorthodox location of its High Hope DJ Federal Well No. 1, located 690 feet from the North line and 480 feet from the West line of Section 13, Township 17 South, Range 23 East, Eddy County, New Mexico, the W/2 of said Section 13 to be dedicated to the well.
- CASE 5386: Application of Yates Petroleum Corporation for four dual completions and one unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following dual completions in Township 17 South, Range 25 East, Eddy County, New Mexico:

Case 5382

LAW OFFICES OF
HUNKER, FEDRIC & HIGGINBOTHAM, P.A.

210 HINKLE BUILDING

POST OFFICE BOX 1837

GEORGE H. HUNKER, JR.
DON M. FEDRIC
RONALD M. HIGGINBOTHAM

ROSWELL, NEW MEXICO 88201

TELEPHONE 622-2700
AREA CODE 505

December 12, 1974

A.L. Porter, Jr., Secretary-Director
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

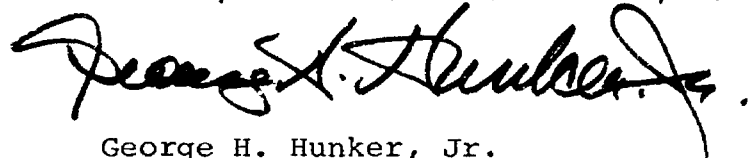
Re: Los Medanos-Atoka Gas Pool
Eddy County, New Mexico

Dear Mr. Porter:

We hand you herewith in duplicate, Belco Petroleum Corporation's Application for a Special Rule for the Los Medanos-Atoka Gas Pool, Eddy County, New Mexico. We are requesting that in the absence of objection, this pool be placed on the standard 320-acre spacing for gas pools of Pennsylvanian age.

Sincerely yours,

HUNKER, FEDRIC & HIGGINBOTHAM, P.A.



George H. Hunker, Jr.

GHH:dd
Enc.

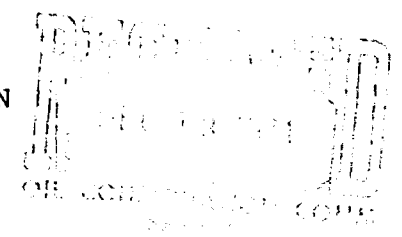
cc: Mr. J.A. Patterson
Belco Petroleum Corporation
411 Petroleum Bldg.
Midland, Texas 79701

cc: Mr. Lee G. Nering
Belco Petroleum Corporation
P.O. Box 19234
Houston, Texas 77024

DOCKET MAILED

Date 12-26-74

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.

APPLICATION OF BELCO PETROLEUM
CORPORATION FOR SPECIAL FIELD
RULES, LOS MEDANOS-ATOKA GAS
POOL, EDDY COUNTY, NEW MEXICO.

A P P L I C A T I O N

COMES NOW Belco Petroleum Corporation, by and through its Attorneys, Hunker, Fedric & Higginbotham, P.A., P.O. Box 1837, Roswell, New Mexico 88201, and makes application to the Commission for a hearing before the Examiner of the Commission for an Order authorizing Special Field Rules for the Los Medanos-Atoka Gas Pool, Eddy County, New Mexico, and in support thereof, SHOWS:

1. That the Commission, by Order No. R-1424, dated June 18, 1959, established the Los Medanos-Atoka Gas Pool (Pennsylvanian), Eddy County, New Mexico, and designated the 160-acre tract comprising the SE $\frac{1}{4}$ of Section 36, Township 22 South, Range 30 East, N.M.P.M., as the spacing or proration unit.
2. That the Commission has since established a State-wide Rule (Order R-2707, May 25, 1964) that each development well for a defined gas pool of Pennsylvanian age or older shall be located on a designated drilling tract consisting of 320 surface contiguous acres, more or less.
3. That development wells have been drilled and completed by Applicant in the Los Medanos-Atoka Field on designated drilling tracts of 320 acres, more or less, and Belco desires that a Special Field Rule be promulgated by the Commission, permitting 320-acre spacing rather than 160-acre spacing in

said pool. Applicant requests that in the absence of objection, this pool (Los Medanos-Atoka) be placed on the standard 320-acre spacing for gas pools of Pennsylvanian age.

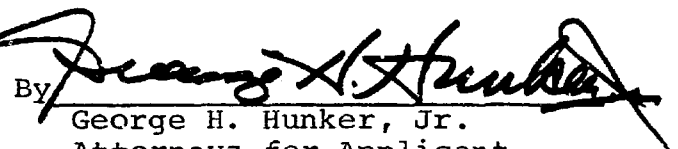
4. That Shell Oil Company, P.O. Box 991, Houston, Texas 77001; Bass Enterprises Production Company and Perry R. Bass, P.O. Box 171, Midland, Texas 79701; and Belco Petroleum Corporation, 411 Petroleum Building, Midland, Texas 79701; are interested parties.

5. That it may be necessary and appropriate for the Commission to make an exception with respect to the SE $\frac{1}{4}$ of Section 36, Township 22 South, Range 30 East, N.M.P.M., upon which is located Shell Oil Company #1 James Ranch, which is currently on 160-acre spacing. Applicant consents and agrees to such an exception.

WHEREFORE, Applicant prays that in the absence of objection, that the Los Medanos-Atoka (Pennsylvanian) Gas Pool be placed on standard 320-acre spacing for gas pools of Pennsylvanian age, and for such other Orders and Rules as may be appropriate in the premises.

Respectfully submitted,

HUNKER, FEDRIC & HIGGINBOTHAM, P.A.

By 
George H. Hunker, Jr.
Attorneys for Applicant
P.O. Box 1837
Roswell, New Mexico 88201

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

CASE NO. ~~5362~~ 5382
Order No. ~~R-4918~~

APPLICATION OF ~~CONTINENTAL OIL COMPANY~~ *Belco Petroleum Corporation*
FOR THE ADOPTION OF POOL RULES, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on ~~November 13, 1974~~ *January 8, 1975*, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this ~~15th~~ *January, 1975* day of ~~November, 1974~~, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, ~~Continental Oil Company~~ *Belco Petroleum Corporation*, is ~~the~~ *an* owner and operator ~~of two gas wells in the South Bell Lake-Morrow Gas Pool, Lea County, New Mexico.~~

(3) That said ~~South Bell Lake-Morrow~~ *Los Medanos - Atoka* Gas Pool was created and designated by the Commission by Order No. ~~R-1882~~ *1424* effective ~~August 1, 1959~~ *July*, with the concurrent abolishment of ~~the Bell Lake-Pennsylvanian Gas Pool, which was created and designated by Commission Order No. R-569, effective January 13, 1955.~~

(4) That by Commission Order No. R-2707, dated May 25, 1964, Rule 104 of the Commission Rules and Regulations was amended to provide that all gas pools of Pennsylvanian age or older in Southeast New Mexico which were created and defined June 1, 1964, or later shall have 320-acre spacing and proration units, inasmuch as it was found that in Southeast New Mexico, "... a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract."

in the Los Medanos - Atoka Gas Pool, Eddy County, New Mexico.

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the ~~South Bell Lake-Morrow~~ *Los Medanos - Atoka* Gas Pool, in ~~the~~ *Eddy* County, New Mexico, inasmuch as that pool was excluded from the provisions of Order No. R-2707, because it was created and defined ~~as the Bell Lake-Pennsylvanian Gas Pool~~ prior to the cut-off date of June 1, 1964.

(6) That no appearances were made ~~at~~ *in opposition to the application* the hearing of the instant case and no objection was received to the inclusion of the ~~South Bell Lake-Morrow~~ *Los Medanos - Atoka* Gas Pool under the provisions of Rule 104 of the Commission Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the ~~South Bell Lake-Morrow~~ *Los Medanos - Atoka* Gas Pool in ~~Lea~~ *Eddy* County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.

(8) That the discovery well for the pool, The Shell Oil Company James Ranch Unit Well No. 1 located in Unit 0 of Section 36, Township 22 South, Range 30 East, should ~~be exempt from the 320-acre spacing provisions of this order~~ continue to be spaced on 160-acres.

IT IS THEREFORE ORDERED:

(1) That effective ~~December 15, 1974~~ ^{February 1, 1975}, each well completed or recompleted in the ~~South Bell Lake Morrow~~ ^{Los Medanos - Pto. Lta.} Gas Pool or in the ~~Robbs~~ formation within one mile thereof shall be subject to the provisions of Rule 104 of the Commission Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

Provided However: That The Shell Oil Company James Ranch Unit Well No. 1 in Unit 0 of Section 36, Township 22 South, Range 30 East, ^{is hereby authorized to} ~~may~~ continue to be operated and produced on a 160-acre spacing and proration unit in said Los Medanos - Pto. Lta. Gas Pool.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the ~~South Bell Lake Morrow~~ ^{Los Medanos - Pto. Lta.} Gas Pool or in the ~~Robbs~~ formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the ~~Robbs~~ ^{Division} District Office of the Commission in writing of the name and location of the well by ~~December~~ ^{February} 15, 1974.

(2) That pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, ^{all other} existing wells in the ~~South Bell Lake Morrow~~ ^{Los Medanos - Pto. Lta.} Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Commission Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

(3) Jurisdiction