

CASE 5546: NAVAJO REFINING CO.
FOR COMPULSORY POOLING AND AN
UNORTHODOX GAS WELL LOCATION

unortho

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CASE NO.

5546

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 27, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Navajo Refining
Company for compulsory pooling and
an unorthodox gas well location, Eddy
County, New Mexico

CASE
5546

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

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

MR. STAMETS: We will call the next case, 5546.

MR. CARR: Case 5546, application of Navajo Refining Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.

Mr. Examiner, the applicant in this case has requested that the case be dismissed.

MR. STAMETS: Case 5546 will be dismissed.

825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
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sid morrish reporting service

State of New Mexico)
) ss.
 County of Santa Fe)

I, SIDNEY F. MORRISH, a 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.

Sidney F. Morrish
 Sidney F. Morrish, Court Reporter

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 5574,
 heard by me on 8-27, 1975.
Richard F. Hunt, Examiner
 New Mexico Oil Conservation Commission

Phone (505) 825-3333
 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
 General Court Reporting Service
 Sidney F. Morrish, Court Reporter

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 General Court Reporting Service
 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
 Phone (505) 987-9212

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. 5546
Order No. R-5089

APPLICATION OF NAVAJO REFINING
COMPANY FOR COMPULSORY POOLING AND
AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 27, 1975,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 9th day of September, 1975, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in
the premises,

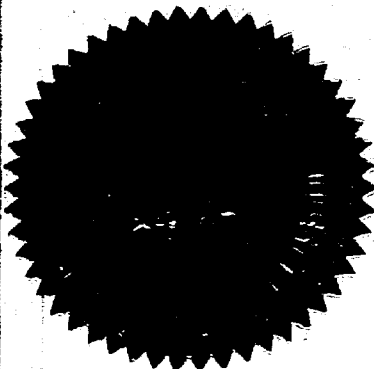
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 5546 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

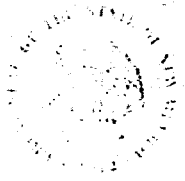
Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

dr/



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

September 9, 1975

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

Re: CASE NO. 5546
ORDER NO. R-5089

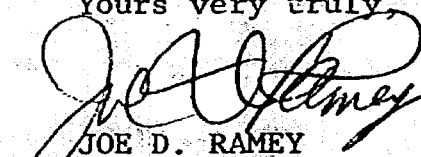
Applicant:

Navajo Refining Company

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Secretary-Director

JDR/fd

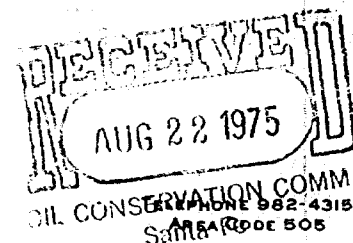
Copy of order also sent to:

Hobbs OCC X
Artesia OCC X
Aztec OCC

Other Yates Drilling Company

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1789
SANTA FE, NEW MEXICO 87501



August 21, 1975

Mr. Joe D. Ramey
Secretary-Director
New Mexico Oil Conservation
Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 5546 - Application of Navajo
Refining Company for Compulsory Pooling
and Unorthodox Well Location, Eddy County.

Dear Mr. Ramey:

This is to request that the above case, presently
set for hearing at the August 27, 1975, Examiner
Hearing, be dismissed.

Yours very truly,

Jason W. Kellahin
Jason W. Kellahin

CC: Mr. Raymond Lamb

JWK:kjf

CASE 5496: (Continued & Readvertised)

Application of Mesa Petroleum Co. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location to test the Pennsylvanian formation for its Nash Unit Well No. 2, to be located 1350 feet from the North line and 1300 feet from the West line, or in the alternative, 1350 feet from the North line and 1980 feet from the West line of Section 18, Township 23 South, Range 30 East, Eddy County, New Mexico.

CASE 5497: (Continued & Readvertised)

Application of Mesa Petroleum Co. for creation of two gas pools and special rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn gas pool and a new Morrow gas pool for its Nash Unit Well No. 1, located in Unit H of Section 13, Township 23 South, Range 29 East, Eddy County, New Mexico, and the promulgation of special pool rules therefor, including a provision for 640-acre spacing units.

CASE 5544: Application of Continental Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Southeast Monument Unit Well No. 96 to be located 1650 feet from the South line and 990 feet from the East line of Section 23, Township 20 South, Range 37 East, Cass-Pennsylvanian Pool, Lea County, New Mexico.

CASE 5545: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Penrose Skelly production in the wellbore of its Lockhart A-17 Well No. 3, located in Unit H of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 5546: Application of Navajo Refining Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 30, Township 17 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox gas well location either 660 feet from the South and West lines, or 1980 feet from the South line and 660 feet from the West line of said Section 30. 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. Also to be considered will be the designation of the applicant as the operator of the well and a charge for the risk involved in drilling said well.

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF NAVAJO REFINING COMPANY FOR
COMPULSORY POOLING AND UNORTHODOX
WELL LOCATION, EDDY COUNTY, NEW
MEXICO

Recd
8/7/75
Odu

A P P L I C A T I O N

COMES NOW, NAVAJO REFINING COMPANY, as provided by
Section 65-31-4, New Mexico Statutes, 1953, as amended,
and applies to the Oil Conservation Commission of New
Mexico for an order pooling all the mineral interest in
the Pennsylvanian Formation underlying the S/2 of Section
30, Township 17 South, Range 26 East, West Atoka-Morrow
Pool, Eddy County, New Mexico, and for an unorthodox well
location, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill and
develop the following described acreage: S/2 of Section
30, T17S, R26E, N.M.P.M., Eddy County, New Mexico.

2. Applicant has obtained voluntary agreement for
pooling from all but the persons named below, whose
address and interest owned according to the applicant's
information and belief are as follows:

Yates Drilling Company
207 S. 4th Street
Artesia, New Mexico 88210
(with interests in the S/2
SW/4 Section 30)

3. As required by the provisions of Commission Rule
104, applicant proposes to dedicate the S/2 of Section 30
to a well to be drilled at an unorthodox location 1980 feet
from the South line and 660 feet from the West line of

said section, or, in the alternative, 660 feet from the South and West lines of said section.

4. A well located as proposed will recover gas that would not otherwise be recovered, is in the interest of conservation and the correlative rights of offset owners will not be impaired.

5. Applicant requests that it be designated the operator of the pooled units requested above.

6. Applicant has been unable to obtain voluntary agreement for the pooling of the unpooled interest 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 interest in the spacing or proration unit as a unit.

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 Pennsylvanian Formation in S/2 of Section 30, T17S, R26E, N.M.P.M., Eddy County, New Mexico, and designating applicant operator of the pooled unit, together with provisions 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 approval of an unorthodox well location as requested, for further orders as may be proper in the premises.

Respectfully submitted,

NAVAJO REFINING COMPANY

By James W. Kellahin
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT

application of Davis
Refining Co. for
compulsory pooling and an ^{unorthodox} ^{gas well}
Eddy Co. N M location,

Appl. in the above-styled cause, seeks
an order pooling all mineral interests
~~and~~ in the Pennsylvanian formation
underlying the E/2 of Section 30,
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to a ~~well~~ ^{gas well} to be drilled at an
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or 1980 feet from the South line
and 660 feet from the west line,
of said Section 30. Also to
be considered etc

Madajo Rfq Co.

S/2 30 17S 26E Eddy

3/2 sw/4 yams

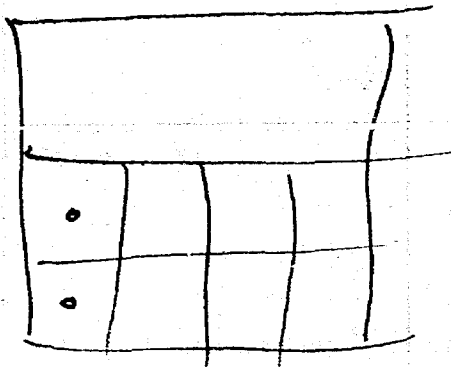
Penn form
unorthodox

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8/6
Jason K

1980S 660W or in the alt.

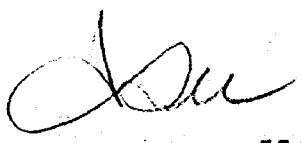
660 S & W



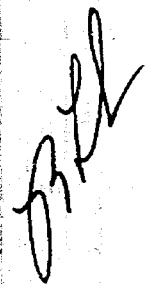
DRAFT
jr/

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:


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Order No. R- 5089


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GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.


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BY THE COMMISSION:

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NOW, on this day of September, 1975, 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. 5546 is hereby dismissed.

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