

CASE 5805: MORRIS R. ANTWEIL FOR
COMPULSORY POOLING AND AN UNORTHODOX
LOCATION, EDDY COUNTY, NEW MEXICO

CASE NO.

5805

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

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

Page 1

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 10, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Morris R. Antweil for
compulsory pooling and an unorthodox
location, Eddy County, New Mexico.

CASE
5805

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:

Lynn Teschendorf, 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) 932-9212

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1 MR. STAMETS: The hearing will please come to order.

2 At this time I would like to announce some changes
3 in the order of the docket this morning. Immediately after
4 the Allowable Hearing and a couple of dismissals, we will take
5 up Case 5790, application of Dome Petroleum. Case 5804 will
6 be heard last today and everything else then will follow the
7 order of the docket.

8 At this time we will call Case 5805.


9 MS. TESCHENDORF: Case 5805, application of Morris
10 R. Antweil for compulsory pooling and an unorthodox location,
11 Eddy County, New Mexico.

12 We have heard from the applicant in this case and
13 he has requested that we dismiss it.

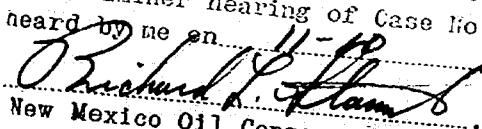
14 MR. STAMETS: Case 5805 will be dismissed.
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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, C.S.R.

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

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5805
heard by me on 11-19 1976
, Examiner
New Mexico Oil Conservation Commission



STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

LAND COMMISSIONER

PHIL R. LUCERO

December 6, 1976



STATE GEOLOGIST

EMERY C. ARNOLD

DIRECTOR
JOE D. RAMEY

Mr. Donald G. Stevens
Attorney at Law
P. O. Box 1797
Santa Fe, New Mexico

Re: CASE NO. 5805
ORDER NO. R-5327

Applicant:

Morris R. Antweil

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
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC	X
Artesia OCC	X
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. 5805
Order No. R-5327

APPLICATION OF MORRIS R. ANTWEIL FOR
COMPULSORY POOLING AND AN UNORTHODOX
LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 10,
1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of November, 1976, 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. 5805 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

SEAL

jr/

- CASE 5805: Application of Morris R. Antwell for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Morrow formations underlying the N/2 of Section 3, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location in Unit G of said Section 3. 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 applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5806: Application of Anadarko Production Company for two unorthodox well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of its Artesia State Unit Well No. 9-5 to be drilled 1270 feet from the North line and 50 feet from the East line of Section 23 and its Artesia State Unit Well No. 2-3 to be drilled 50 feet from the South line and 1270 feet from the West line of Section 13, both in Township 18 South, Range 27 East, Artesia Queen-Grayburg-San Andres Pool, Eddy County, New Mexico.
- CASE 5797: Application of C&K Petroleum, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Dallas Ranch Unit Area comprising 5746 acres, more or less, of State, Federal, and fee lands in Township 9 South, Range 26 East, Chaves County, New Mexico.
- CASE 5807: Application of C&K Petroleum, Inc., for compulsory pooling and a non-standard unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to form a non-standard 336.6-acre unit to be dedicated to a well located 1680 feet from the North line and 1980 feet from the East line of said Section 13. 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 applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5808: Application of C&K Petroleum, Inc., for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down to and including the Pennsylvanian formation underlying the SE/4 SE/4, NE/4 SE/4, NW/4 SE/4, and SW/4 SE/4 of Section 21, Township 16 South, Range 37 East, Lea County, New Mexico, to form four 40-acre oil proration units, the first to be dedicated to a well to be drilled at a point 660 feet from the South and East line of said Section 21 to test the Strawn formation and each of the others to a well subsequently drilled thereon. Also to be considered will be the cost of drilling and completing said wells 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 applicant as operator of the wells and a charge for risk involved in drilling said wells.
- CASE 5785: (Continued from October 27, 1976 Examiner Hearing)
- Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Seven Rivers-Queen formation underlying the NE/4 NE/4, NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4 of Section 19, Township 24 South, Range 37 East, Langlie-Pattix Pool, Lea County, New Mexico, to form four 40-acre proration units to be dedicated to four oil wells to be drilled at standard locations on said tracts. Also to be considered will be the cost of drilling and completing said wells 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 applicant as operator of the wells and a charge for risk involved in drilling said wells.
- CASE 5790: Application of Dome Petroleum Corporation for pool creation and assignment of a discovery allowable, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Entrada production and the assignment of approximately 58,770 barrels of oil discovery allowable to the discovery well, being the Federal 21 Well No. 1 located in Unit K of Section 21, Township 20 North, Range 5 West, McKinley County, New Mexico.
- CASE 5776: (Continued from October 27, 1976, Examiner Hearing)
- Application of Continental Oil 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 James Ranch Unit Well No. 8 to be drilled at a point 1930 feet from the North line and 660 feet from the West line of Section 31, Township 22 South, Range 31 East, Los Medanos-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 31 to be dedicated to the well.

Docket No. 31-76

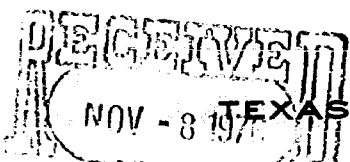
Dockets Nos. 32-76 and 33-76 are tentatively set for hearing on November 23 and December 15, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 10, 1976

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. Mutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for December, 1976, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for December, 1976, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 5796: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Hixon Development Company, National Surety Corporation, and all other interested parties to appear and show cause why the Central Bisti Unit Wells Nos. 41, 46, 47, 49 and 50 located in Units D, I, K, M, and O, respectively, of Section 16, Township 25 North, Range 12 West, Bisti-Lower Gallup Pool, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5798: Application of Exxon Corporation for a unit agreement, Sierra and Dona Ana Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the Prisor Unit Area comprising 24,910 acres, more or less, of State, Federal, and fee lands in Townships 16 and 17 South, Ranges 1 East and 1 West, Sierra and Dona Ana Counties, New Mexico.
- CASE 5799: Application of Gulf Oil Corporation for an unorthodox gas well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28 and the NW/4 NE/4 of Section 33, Township 21 South, Range 37 East, Tubb Gas Pool, Lea County, New Mexico, to be dedicated to applicant's J. N. Carson Well No. 9 located at an unorthodox location 1874 feet from the South line and 2086 feet from the West line of said Section 28.
- CASE 5809: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard, Tubb, and Blinbry production in the wellbore of its Manda "B" Well No. 1, located in Unit C of Section 28, Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 5800: Application of Yates Petroleum Corporation for salt water disposal well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Morrow formation through the perforated interval from 8983 feet to 9129 feet in its Bob Gushwa Well No. 1 located in Unit J of Section 21, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.
- CASE 5801: Application of Atlantic Richfield Company for a non-standard proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 275-acre non-standard gas proration unit comprising the W/2 E/2, N/2 NW/4, and SE/4 NE/4 of Section 19, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's State 176 Wells Nos. 3 and 6 located, at unorthodox locations in Units J and C, respectively, of said Section 19.
- CASE 5802: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictured Cliffs and Blanco Mesaverde production in the wellbore of its San Juan 28-7 Unit Well No. 75 located in Unit L of Section 15, Township 28 North, Range 7 West, Rio Arriba County, New Mexico.
- CASE 5803: Application of El Paso Co., Inc., for downhole commingling and simultaneous dedication, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Fruitland and Pictured Cliffs gas production in the wellbore of its Valdez "A" Well No. 1, located in Unit P of Section 24, Township 29 North, Range 11 West, San Juan County, New Mexico. Applicant further seeks approval for the simultaneous dedication of the SE/4 of said Section 24 to said well and its Valdez Well No. 1 located in Unit I of said Section 24.
- CASE 5804: Application of Stevens Oil Company for a dual completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its O'Brien "C" Well No. 2 located in Unit D of Section 1, Township 9 South, Range 28 East, Chaves County, New Mexico, to produce oil from the San Andres and Devonian formations through parallel strings of tubing.



TEXAS OIL & GAS CORP.
900 WILCO BUILDING
MIDLAND, TEXAS 79701
OIL CONSERVATION COMM.
Santa Fe

Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

Re: New Mexico Oil Conservation
Commission, Case 5805
Force Pool & Unorthodox Location
N/2 Section 3, T-22-S, R-26-E
Eddy County, New Mexico

Gentlemen:

Texas Oil & Gas Corp. owns, by Federal Lease #24,944, an undivided 1/2 leasehold interest covering 160 acres, being Lots 1, 2, 3, and SE/4 NE/4 of Section 3, T-22-S, R-26-E, Eddy County New Mexico.

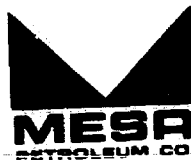
In connection with the above styled case No.5805, Texas Oil & Gas Corp. supports fully and will present no opposition to Morris R. Antweil's application for compulsory pooling and an unorthodox location.

Very truly yours,

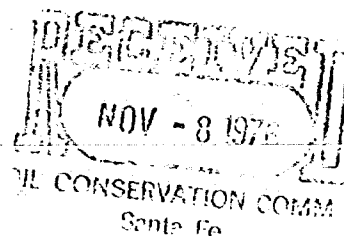
Darrell F. Smith RGE
Darrell F. Smith, Land Mgr.
by Robert Elliott

DS/RE/lj

Robert H. Northington
division land manager



November 4, 1976



New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

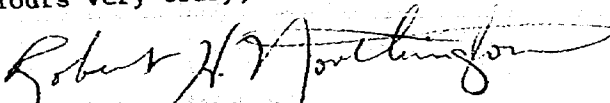
Attention: Mr. Joe D. Ramey, Secretary/Director

Re: Case No. 5805, Morris R. Antweil
Compulsory Pooling and Unorthodox Location
N $\frac{1}{2}$ Section 3-22S-26E
Eddy County, New Mexico
Mesa OP NM-100-3

Gentlemen:

Mesa Petroleum Co. is record owner of a substantial portion of the mineral leasehold under the captioned land. This letter is to respectfully advise you that we support Morris R. Antweil in his application as set out in the captioned case number on Docket No. 31-76 scheduled for Wednesday, November 10, 1976.

Yours very truly,


Robert H. Northington

RHN:hh

Copy: Morris R. Antweil

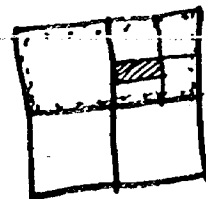
BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF MORRIS R. ANTWEIL FOR COMPULSORY
POOLING AND AN UNORTHODOX LOCATION,
N/2 SECTION 3, TOWNSHIP 22 SOUTH,
RANGE 26 EAST, N.M.P.M., EDDY
COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES NOW, Morris R. Antweil, as provided by Section 65-31-4, New Mexico Statutes, 1953, as amended, applies to the Oil Conservation Commission of New Mexico for an order pooling all the mineral interests in and under the N/2 of Section 3, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, from the surface through the Morrow formation of Pennsylvanian age. Applicant further seeks authorization for an unorthodox gas well location in said N/2 Section 3 which would be located somewhere in the N/2 SW/4 NE/4 of Section 3, Township 22 South, Range 26 East, N.M.P.M. at an exact location yet unknown as an exception to the provisions of Rule 2 of Order No. R-1670-H, as amended, and in support thereof Applicant would show:

1. Applicant is the owner of the right to drill and develop the following described acreage: N/2 of Section 3, Township 22 South, Range 26 East, N.M.P.M.
2. Applicant has obtained voluntary agreement for pooling from all of the persons owning lease rights but numerous mineral owners with an approximate 3 acres of minerals have so far refused to lease or join in the drilling of the proposed well.
3. Applicant requests that it be designated operator of the pooled unit requested above.
4. Applicant has been unable to obtain voluntary agreement for the pooling of the unpooled interests 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 proration unit as a unit.

5. The risk and expense of drilling and completing the well is great and if the owners of the other interests in the N/2 Section 3 do not choose to pay their share of the cost of drilling and completion, Applicant should be allowed a reasonable charge for the supervision and a charge for the risk involved in addition to recovery of the actual cost of drilling and completing the well.

6. Because of topographic and geographic conditions in the N/2 of Section 3, Applicant has determined the best location for its proposed location to be somewhere in the N/2 SW/4 NE/4 (Unit G) however houses and cultivation in said Unit G dictate a location in relation to the quarter quarter section line closer than 330 feet in violation of Order No. R-1670-H. The exact location in the N/2 SW/4 NE/4 is not yet determined because of topography but will be determined by the time of hearing and will be unorthodox.

7. Unless Applicant is granted approval of an unorthodox gas well location as proposed herein, it will be denied its right to obtain its just and equitable share of the gas underlying its lands.

8. Approval of the application will result in the recovery of gas that probably would not otherwise be recovered, will prevent waste, and correlative rights of the other owners in the area will be protected.

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 interests underlying the N/2 of Section 3, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, granting the unorthodox location requested, 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

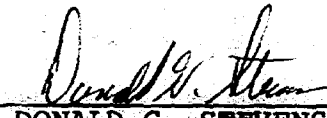
Case 5805

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 further orders as may be proper in the premises.

Respectfully submitted,

MORRIS R. ANTWEIL

By



DONALD G. STEVENS

P.O. Box 1797

Santa Fe, New Mexico 87501

ATTORNEY FOR APPLICANT

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF MORRIS R. ANTWEIL FOR COMPULSORY
POOLING AND AN UNORTHODOX LOCATION,
N/2 SECTION 3, TOWNSHIP 22 SOUTH,
RANGE 26 EAST, N.M.P.M., EDDY
COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES NOW, Morris R. Antweil, as provided by Section 65-31-4, New Mexico Statutes, 1953, as amended, applies to the Oil Conservation Commission of New Mexico for an order pooling all the mineral interests in and under the N/2 of Section 3, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, from the surface through the Morrow formation of Pennsylvanian age. Applicant further seeks authorization for an unorthodox gas well location in said N/2 Section 3 which would be located somewhere in the N/2 SW/4 NE/4 of Section 3, Township 22 South, Range 26 East, N.M.P.M. at an exact location yet unknown as an exception to the provisions of Rule 2 of Order No. R-1670-H, as amended, and in support thereof Applicant would show:

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and to prevent waste, the Commission should pool all interests in the proration unit as a unit.

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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 interests underlying the N/2 of Section 3, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, granting the unorthodox location requested, 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

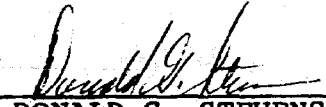
Case 5805

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 further orders as may be proper in the premises.

Respectfully submitted,

MORRIS R. ANTWEIL

By



DONALD G. STEVENS

P.O. Box 1797

Santa Fe, New Mexico 87501

ATTORNEY FOR APPLICANT

W
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:

LI
CASE NO. 5805

Order No. R- 5327

84
APPLICATION OF MORRIS R. ANTWEIL FOR
COMPULSORY POOLING AND AN UNORTHODOX
LOCATION, EDDY COUNTY, NEW MEXICO.

Don Jalk
ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 10, 1976,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of November, 1976, 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. 5805 is hereby dismissed.

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