

CASE 3116: Application of TEX-STAR

OIL & GAS CORP. for force-pooling,

LEA COUNTY, NEW MEXICO.

CASE No.  
3716

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

DRAFT

JMD/esr



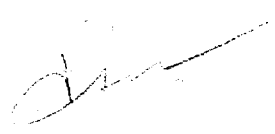
BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 3116

Order No. R-2782

APPLICATION OF TEX-STAR OIL & GAS  
CORPORATION FOR FORCE-POOLING, LEA  
COUNTY, NEW MEXICO.



ORDER OF THE COMMISSION

BY THE COMMISSION:

✓ This cause came on for hearing at 9 o'clock a.m. on  
October 13, 1964, at Santa Fe, New Mexico, before Examiner  
Elvis A. Utz.

NOW, on this \_\_\_\_\_ day of October, 1964, 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. 3116 is hereby dismissed.

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

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF:

THE APPLICATION OF TEX-STAR  
OIL & GAS CORP. FOR A FORCE  
POOLING ORDER, PEARL-QUEEN  
POOL, LEA COUNTY, NEW MEXICO.

Case No. 3116

A P P L I C A T I O N

Comes now Tex-Star Oil & Gas Corp. by and through its attorneys, BURR & COOLEY, 152 Petroleum Center Building, Farmington, New Mexico, and makes application for an order force pooling the Northwest Quarter of the Northwest Quarter (NW $\frac{1}{4}$  NW $\frac{1}{4}$ ) of Section 24, Township 19 South, Range 35 East, N.M.P.M., Pearl-Queen Pool, Lea County, New Mexico, and would show the Commission as follows:

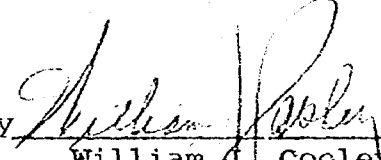
1. That the applicant is the owner of an undivided 57/64ths of the working interest in the NW $\frac{1}{4}$  NW $\frac{1}{4}$  of said Section 24, and the remaining undivided 7/64ths is owned by Earl G. Colton whose address is Milam Building, San Antonio, Texas.
2. That applicant has repeatedly requested Mr. Earl G. Colton to either voluntarily join in the drilling of a unit well on the NW $\frac{1}{4}$  NW $\frac{1}{4}$  of said Section 24 to test the Queen formation, or farm out his interest to applicant, and that he has refused to do so on a reasonable basis.
3. That applicant is entitled to an order of the Commission force pooling the NW $\frac{1}{4}$  NW $\frac{1}{4}$  of said Section 24, Pearl-Queen Pool.
4. That applicant is entitled to a reasonable risk factor in addition to the proportionate share of actual costs expended

by it in drilling, completing and equipping the unit well, out of production attributable to the undivided 7/64ths working interest in the NW $\frac{1}{4}$  NW $\frac{1}{4}$  of said Section 24.

WHEREFORE, applicant prays the Commission, after due notice of hearing, to enter its order force pooling the Northwest Quarter of the Northwest Quarter (NW $\frac{1}{4}$  NW $\frac{1}{4}$ ) of Section 24, Township 19 South, Range 35 East, N.M.P.M., Pearl-Queen Pool, Lea County, New Mexico, and awarding applicant a reasonable risk factor payable out of production attributable to the undivided 7/64ths working interest in the NW $\frac{1}{4}$  NW $\frac{1}{4}$  of said Section 24.

Respectfully submitted,

BURR & COOLEY  
Attorneys for Applicant

By   
William C. Cooley  
152 Petroleum Center Building  
Farmington, New Mexico

**BURR & COOLEY**  
ATTORNEYS AND COUNSELORS AT LAW  
SUITE 152 PETROLEUM CENTER BUILDING  
FARMINGTON, NEW MEXICO

September 17, 1964

JOEL B. BURR, JR.  
WM. J. COOLEY

RECEIVED  
OCT 1 1964

SEP 18 1964

TELEPHONE 325-1702

New Mexico Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Attention: Mr. James Durrett

Gentlemen:

Forwarded herewith are three copies each of two applications of  
Tex-Star Oil & Gas Corp. for force pooling orders.

We hereby request that you docket these applications at the  
earliest possible time due to the fact that the applicant has  
drilling commitments on each of the tracts described in the  
applications which will be coming up very shortly.

Thank you for your assistance in this matter.

Very truly yours,

BURR & COOLEY

By

William J. Cooley

WJC:kp  
Encs.

DOCKET MAILED

Date

10-1-64  
W

DOCKET: EXAMINER HEARING - TUESDAY - OCTOBER 13, 1964

9 A. M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner,  
or Elvis A. Utz, Alternate Examiner:

CASE 3108: (Continued from the September 30, 1964 examiner hearing)

Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Dagger Draw Well No. 1, located in Unit O of Section 6, Township 20 South, Range 25 East, Eddy County, New Mexico, to produce gas from the Strawn and Morrow formations through the casing-tubing annulus and through tubing, respectively.

CASE 3115: Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Lowe-State Well No. 1 located in Unit F of Section 36, Township 21 South, Range 23 East, Eddy County, New Mexico, to produce gas from the Cisco Canyon and Lower Morrow formations through parallel strings of tubing.

CASE 3116: Application of Tex-Star Oil & Gas Corporation for force-pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Pearl-Queen Pool underlying the NW/4 NW/4 of Section 24, Township 19 South, Range 35 East, Lea County, New Mexico.

CASE 3117: Application of Tex-Star Oil & Gas Corporation for force-pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Pool underlying the E/2 of Section 26, Township 30 North, Range 14 West, San Juan County, New Mexico.

CASE 3118: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Penrose Skelly Unit Area comprising 4,400 acres, more or less, of Federal, State and Fee lands in Township 22 South, Range 37 East, Penrose Skelly Pool, Lea County, New Mexico.

October 13, 1964 Examiner Hearing

CASE 3119: Application of Gulf Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Penrose Skelly Pool in its South Penrose Skelly Unit Area by the injection of water into the Grayburg formation through six wells in Sections 5 and 6, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 3120: Application of Dr. Sam G. Dunn for a Review of the Commission's Directive of August 27, 1964, concerning salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks a review of the Commission's Directive of August 27, 1964, prohibiting the disposal of produced salt water in unlined pits after November 1, 1964, in the Linda-San Andres Pool and adjacent areas in Townships 6 and 7 South, Range 26 East, Chaves County, New Mexico. Applicant specifically requests an extension of the November 1st deadline and a determination that salt water disposal in unlined pits in Sections 26, 27, and 34, Township 7 South, Range 26 East, among other areas, does not constitute a hazard to fresh waters and should be excepted from the Commission's directive.

CASE 3121: Application of Dr. Sam G. Dunn for a water injection project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a water injection project by the injection of water into the San Andres formation through one well located in Section 33, Township 6 South, Range 26 East, Linda-San Andres Pool, and by the injection of water into one well in Section 32 or 33, and one well in Section 27, Township 7 South, Range 26 East, all in Chaves County, New Mexico.

CASE 3122: Application of Continental Oil Company for an unorthodox location and a non-standard unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Meyer B-4 Well No. 27 at an unorthodox location 5,610 feet from the South line and 660 feet from the East line of Section 4, Township 21 South, Range 36 East, Oil Center Blinebry Pool, Lea County, New Mexico. Said well would be dedicated to a 53-acre non-standard unit comprising that portion of Lots 1 and 8 of said Section 4 which is productive from the Oil Center Blinebry Pool.

CASE 3123: Application of Continental Oil Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules including a provision for 80-acre spacing and a gas-oil ratio of 6000 to 1 for the Monument-Tubb Pool in Township 20 South, Range 37 East, Lea County, New Mexico.



October 13, 1964 Examiner Hearing

- CASE 3124: Application of Continental Oil Company to amend Order No. R-2566, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Order No. R-2566, which authorized the Continental Baish-Yates Waterflood Project, to also provide authority for the injection into each well of approximately 500 barrels of LPG.
- CASE 3125: Application of Shell Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Antelope Ridge Unit Well No. 4-1 in Unit B of Section 4, Township 24 South, Range 34 East, Lea County, New Mexico, to produce gas from the Antelope Ridge Pennsylvanian and Antelope Ridge Devonian Gas Pools through parallel strings of tubing.
- CASE 3126: Application of Murphy Oil Corporation for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Many Rocks-Gallup Pool by the injection of water into the Gallup formation through five wells in Sections 17, 18 and 20, Township 32 North, Range 17 West, San Juan County, New Mexico. Applicant further seeks the promulgation of special rules for the operation of said project.
- CASE 2654: (Reopened)  
In the matter of Case No. 2654 being reopened pursuant to the provisions of Order No. R-2349, which order established temporary 320-acre gas proration units for the Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, for a period of two years. The Commission will consider indefinite extension of Order No. R-2349 in the absence of evidence to the contrary.
- CASE 3127: Application of Shell Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the China Canyon Unit Area comprising 7611 acres, more or less, of Federal, State and Fee lands in Township 23 South, Ranges 23 and 24 East, Eddy County, New Mexico.
- CASE 3128: Application of Shell Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Grama Ridge Unit Area comprising 3052 acres, more or less, of Federal and State lands in Townships 21 and 22 South, Range 34 East, Lea County, New Mexico.

PAGE -4-

October 13, 1964 Examiner Hearing

CASE 3129: Application of Shell Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Wilson Deep Unit Area comprising 3360 acres, more or less, of State and Fee lands in Township 21 South, Range 34 East, Lea County, New Mexico.

ir/

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



LAND COMMISSIONER  
E. B. JOHNNY WALKER  
MEMBER

P. O. BOX 2088  
SANTA FE

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

October 20, 1964

Mr. William J. Cooley  
Burr and Cooley  
Attorneys at Law  
Suite 152 Petroleum Center Building  
Farmington, New Mexico

Re: CASE NO. 3116 and 3117  
ORDER NO. R-2782 and R-2783  
APPLICANT TEX-STAR OIL & GAS CORP.

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

ir/

Carbon copy of order also sent to:

Hobbs OCC       x      

Artesia OCC                     

Aztec OCC       x      

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. 3116  
Order No. R-2782

APPLICATION OF TEX-STAR OIL & GAS  
CORPORATION FOR FORCE-POOLING, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 13, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 19th day of October, 1964, 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. 3116 is hereby dismissed.

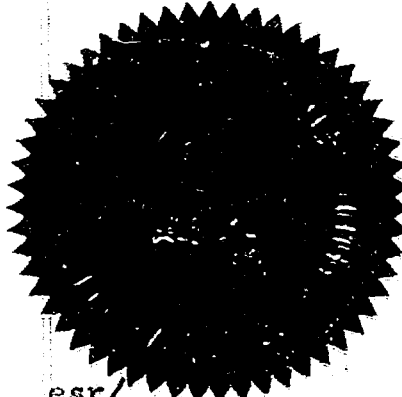
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*E. S. Walker*  
E. S. WALKER, Member

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



esr/

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
October 13, 1964

EXAMINER      HEARING

IN THE MATTER OF: Application of Tex-Star Oil  
& Gas Corporation for force-pooling, Lea  
County, New Mexico.

Application of Tex-Star Oil & Gas Corporation  
for force-pooling, San Juan County, New  
Mexico.

Case No. 3116 & 3117

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243-6691

dearnley-meier reporting services, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



MR. UTZ: The Hearing will come to order, please. I am sure you must all be aware by now, since you are here, that Case 3120 and 3121 will be held upstairs and the balance of the Cases will be heard in this room. Now, is there anyone that is here who intends to contest any of the other fifteen Cases?

MR. GIRAND: Yes.

MR. UTZ: Which one?

MR. GIRAND: We are going to contest the Application of Continental Oil Company, Case Number 3122.

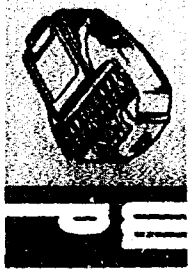
MR. KELLAHIN: Do you want an announcement of appearances at this time?

MR. UTZ: Yes. At this time we will call for appearances in Case 3122, since it is a contested Case.

MR. KELLAHIN: Jason Kellahin of Kellahin and Fox, Santa Fe, New Mexico, appearing for the Applicant.

MR. GIRAND: W. D. Girand of Girand, Cowan & Reese, Hobbs, New Mexico, appearing on behalf of Metex Supply Company, protesting the Application.

MR. UTZ: Since we have two Hearings moving today, and since it is a contested Case, there may be some need for some legal advise. I only have one lawyer to split. We will move Case 3122 and 3126 to the end of the Docket. Now the reason -- If you Gentlemen can't hear there are plenty of seats



down here. The reason for moving Cases 3124 and 3126 to the end of the Docket is so the State Engineer can be present; and in Case 3122 so that we can have a little legal advise. The rest of the Docket will be called in order.

The first Case is 3116.

MR. KELLAHIN: Could we ask that Case 2031 also be moved to the end so all three of Continental's cases will be together.

MR. UTZ: Thirty-one -- which?

MR. KELLAHIN: -- twenty-three.

MR. UTZ: We never object to moving anything to the end. I don't think anybody else would, either. So we will move Case 3123 for convenience to you.

Case 3116 in the matter of force-pooling, Tex-Star Corporation, and Case 3117, in the matter of force-pooling for Tex-Star Oil & Gas Corporation; we have received a request from the attorney on both of these cases asking that they be dismissed.

They will be dismissed.

\* \* \*

STATE OF NEW MEXICO )  
 ) SS.  
 COUNTY OF BERNALILLO )

I, CHARLES FLOYD WALKER, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 20th day of October, 1964.

*Charles Floyd Walker*  
 NOTARY PUBLIC

My Commission Expires:

March 25, 1968.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3116+3117 heard by me on Oct. 13, 1964.

*Chris A. D. J.*, Examiner  
 New Mexico Oil Conservation Commission

dearnley-meier recording service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COURT REPORTING

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO





## NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE OCTOBER 13, 1964 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
George H. Hunker R. A. Gaskill	Monsanto Company Monsanto Co.	Roswell, N.M. Midland, Tex
V. M. HENDRICKS B. Bolea	Gulf Oil Gulf Oil Corp	Roswell Roswell
R. A. Montgomery	MeTex Supply Co	Hobbs
W. L. Durand	The Lx Supply Co	Hobbs
L. D. Lipes	Murphy Oil Corp.	Midland, Texas
<del>W. L. Durand</del>	Murphy Oil Corp	Roswell, NM
L. O. Brady	Shell Oil Co.	Roswell, N.M.
N. L. Tomberlin	Shell Oil Co.	Roswell, N.M.
J. Levine	Continental Oil Co	Hobbs, N.M.
V. T. Lyon	" " "	" "
N. E. Swick	" "	" "
C. R. Tice	Superior Oil Co.	Midland, Texas
Marshall Smith	Stateline Reporting	Santa Fe
Biel Laster	Gulf Oil Corp	Roswell
P. J. M. Gauth	U. S. G. S.	Farmington

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

REGISTER

HEARING DATE OCTOBER 13, 1964 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
<i>Jason Kellahi</i> <i>B. J. Choyer</i> <i>R. H. Sarason</i>	<i>Kellahi &amp; Fox</i> <i>U.S.A.S.</i>  <i>U.S.G.S.</i>	<i>Santa Fe</i> <i>Roswell</i>  <i>ROSWELL</i>