

Case Number

5906

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 11, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Palmer Oil & Gas Company)
for compulsory pooling, San Juan County,)
New Mexico.)

CASE
5906
(Cont'd.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	Lynn Teschendorf, Esq.
Conservation Commission:	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

1 MR. STAMETS: We will call next Case 5906.

2 MS. TESCHENDORF: Case 5906, application of Palmer
3 Oil & Gas Company for compulsory pooling, San Juan County,
4 New Mexico.

5 The applicant has requested that this case also be
6 dismissed.

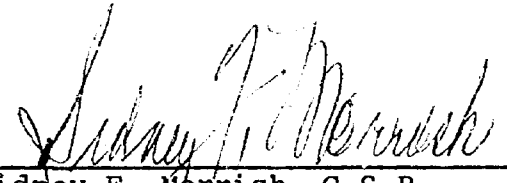
7 MR. STAMETS: Case 5906 will be dismissed.
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sid morrish reporting service

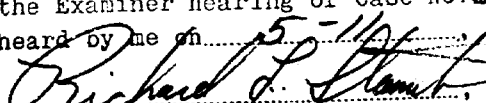
General Court Reporting Service
825 Calle Mejia, No. 172, Santa Fe, New Mexico 87501
Phone (505) 982-9212

REPORTER'S CERTIFICATE

1
2 I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
3 do hereby certify that the foregoing and attached Transcript
4 of Hearing before the New Mexico Oil Conservation Commission
5 was reported by me, and the same is a true and correct record
6 of the said proceedings to the best of my knowledge, skill and
7 ability.

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9 
10 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

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16 I do hereby certify that the foregoing is
17 a complete record of the proceedings in
18 the Examiner hearing of Case No. 5906.
19 heard by me on 5-14-77, 1977.
20 , Examiner
21 New Mexico Oil Conservation Commission
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23
24
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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 20, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Palmer Oil & Gas Company) CASE
for compulsory pooling, San Juan County,) 5906
New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	Lynn Teschendorf, Esq.
Conservation Commission:	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

1 MR. STAMETS: Next we will call Case 5906.

2 MS. TESCHENDORF: Case 5906, application of Palmer
3 Oil & Gas Company for compulsory pooling, San Juan County,
4 New Mexico.

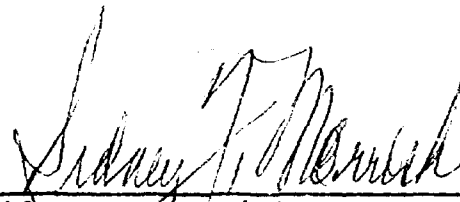
5 The applicant has also requested that we continue
6 this case to the May 11th Examiner Hearing.

7 MR. STAMETS: Case 5906 will be continued to May 11th
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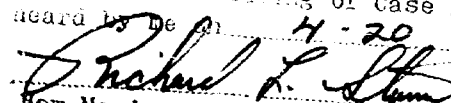
REPORTER'S CERTIFICATE

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2 I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
3 do hereby certify that the foregoing and attached Transcript
4 of Hearing before the New Mexico Oil Conservation Commission
5 was reported by me, and the same is a true and correct record
6 of the said proceedings to the best of my knowledge, skill and
7 ability.

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10 
11 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

12
13
14
15 I do hereby certify that the foregoing is
16 a complete record of the proceedings in
17 the Examiner hearing of Case No. 5906
18 heard by me on 4-20-77
19 
20 Examiner
21 New Mexico Oil Conservation Commission
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OIL CONSERVATION COMMISSION

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



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
May 25, 1977

STATE GEOLOGIST
EMERY C. ARNOLD

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

Re: CASE NO. 5906
ORDER NO. R-5428

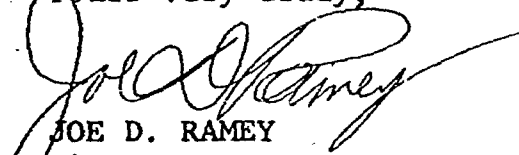
Applicant:

Palmer Oil & Gas 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
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC x

Other Dan A. McKinnon, III

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. 5906
Order No. R-5428

APPLICATION OF PALMER OIL & GAS
COMPANY FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 11, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of May, 1977, 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. 5906 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
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

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

S E A L

jr/

Dockets Nos. 17-77 and 18-77 are tentatively set for hearing on May 25 and June 8, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - THURSDAY - MAY 5, 1977

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

CASE 5912: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the establishment of categories of plugging bonds, including blanket bonds not exceeding \$50,000, and one-well bonds in amounts determined sufficient to reasonably pay the cost of plugging the wells covered by each bond. Also to be considered will be the exclusion from future bond forms of provisions conditioning performance on recompense for damages to livestock, range, water, crops or tangible improvements. Also to be considered will be the amendment of Rule 101 of Commission Rules and Regulations concerning the above provisions.

Docket No. 16-77

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 11, 1977

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 Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for June, 1977, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for June, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5913: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Kent Shannon, American Employers' Insurance Company, and all other interested parties to appear and show cause why the following wells in Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Hi Lonesome Well No. 1, located in Unit D of Section 32, Township 8 South, Range 27 East;
El Paso Well No. 1, located in Unit M of Section 36, Township 10 South, Range 26 East; and
Karma Well No. 1, located in Unit O of Section 16, Township 10 South, Range 27 East.

CASE 5914: Application of Atlantic Richfield 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 Wimberly WN Well No. 11, to be located 990 feet from the North line and 1490 feet from the West line of Section 24, Township 25 South, Range 37 East, Justis-Fusselman Pool, Lea County, New Mexico.

CASE 5915: Application of C. W. Trainer for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of his Boyd Well No. 1, the surface location of which would be 830 feet from the South line and 2130 feet from the West line of Section 13, Township 20 South, Range 32 East, Lea County, New Mexico. Applicant proposes to vertically drill said well to a depth of from 5100 feet to 7900 feet and to then directionally drill in a southerly direction, bottoming said well in the Morrow formation at a true vertical depth of approximately 13,500 feet within 200 feet of the center of Unit F of Section 24, Township 20 South, Range 32 East. The N/2 of said Section 24 would be dedicated to the well.

CASE 5916: Application of Marathon Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of North Vacuum-Abo, Vacuum-Wolfcamp and Vacuum Upper-Pennsylvanian production in the wellbore of its McCallister State Well No. 7 located in Unit N of Section 25, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 5917: Application of Hanagan Pet. Corp. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Round Mountain Well No. 1, to be located 2310 feet from the North line and 660 feet from the East line of Section 34, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, all of said Section 34 to be dedicated to the well.

CASE 5918: Application of Marbob Energy Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its NG Phillips State Well No. 10 located 2645 feet from the South line and 1325 feet from the East line of Section 27, Township 17 South, Range 28 East, Artesia Queen-Grayburg-San Andres Pool, Eddy County, New Mexico.

CASE 5919: Application of Tenneco Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Strawn formation through the perforated interval from 11,174 feet to 11,236 feet in its Jones Federal Well No. 1, located in Unit K of Section 23, Township 19 South, Range 31 East, Lusk-Strawn Pool, Eddy County, New Mexico.

CASE 5920: Application of New Mexico Salt Water Disposal Co., 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 Devonian formation through the perforated interval from approximately 13,000 feet to 13,500 feet in its Sinclair State Lea Well No. 1, located in Unit M of Section 1, Township 11 South, Range 34 East, Sand Springs-Devonian Pool, Lea County, New Mexico.

CASE 5921: Application of Eastland Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Grayburg formation through perforated intervals from 3506 feet to 3598 feet in its Power Deep Unit Well No. 1, located in Unit F of Section 6, Township 18 South, Range 31 East, Power Grayburg-San Andres Pool, Eddy County, New Mexico.

CASE 5922: Application of A. L. Daugherty for an exception to Order No. R-3221, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of produced salt water into an intermittent saline lake located in Section 24, Township 8 South, Range 29 East, and Section 19, Township 8 South, Range 30 East, both in Chaves County, New Mexico.

CASE 5653: (Reopened) (Continued from April 6, 1977, Examiner Hearing)

In the matter of Case 5653 being reopened pursuant to the provisions of Order No. R-5191 which order established temporary special pool rules for the Daisy-Wolfcamp Pool, Lea County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 5923: Application of El Paso Natural Gas Company for underground gas storage, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute its Barker Dome Gas Storage Project by utilizing certain wells for the injection into and withdrawal of gas from the Upper Dakota formation underlying all of Sections 8, 9, 10, 11, 14, 15, 16, 17, 20, 21, 22, 23, 28, and 29, and portions of Sections 7, 18, 19, 27, 30, and 32, all in Township 32 North, Range 14 West, Barker Creek-Dakota Pool, San Juan County, New Mexico.

CASE 5904: (Continued from April 20, 1977, Examiner Hearing)

Application of Palmer Oil & Gas Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Fruitland and Pictured Cliffs formations underlying the NE/4 and/or SE/4 of Section 20, Township 32 North, Range 6 West, San Juan County, New Mexico, and in the Mesaverde and Dakota formations underlying the E/2 of said Section 20, the above-described lands to be dedicated to a well to be drilled at a standard location thereon. 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 5905: (Continued from April 20, 1977, Examiner Hearing)

Application of Palmer Oil & Gas Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the W/2 SE/4 and the E/2 SW/4 of Section 3, and the NW/4 of Section 10, and all mineral interests in the Pictured Cliffs and Fruitland formations underlying the NW/4 of Section 10, all in Township 31 North, Range 7 West, San Juan County, New Mexico, to be dedicated to a well to be drilled 1800 feet from the North line and 850 feet from the West line of said Section 10. 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 5906: (Continued from April 20, 1977, Examiner Hearing)

Application of Palmer Oil & Gas Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the W/2 SW/4 of Section 2, the E/2 SE/4 of Section

(Case 5906 continued on Page 3)

3, and the NE/4 of Section 10, all in Township 31 North, Range 7 West, San Juan County, New Mexico, to be dedicated to a well to be drilled 1525 feet from the North line and 1850 feet from the East line of said Section 10. 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 5924: Northwestern New Mexico Nomenclature Case calling for the creation and extension of certain pools in San Juan, Rio Arriba, and McKinley Counties:

a) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Cuervo-Gallup Oil Pool. The discovery well is the Adobe Oil Company Dugan Federal A Well No. 1 located in Unit F of Section 29, Township 24 North, Range 8 West, NMPM. Said pool would comprise:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 29: NW/4

b) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Devonian production and designated as the Tom-Devonian Oil Pool. The discovery well is the Brooks Hall Oil Corporation Navajo AO Well No. 1 located in Unit A of Section 33, Township 25 North, Range 19 West, NMPM. Said pool would comprise:

TOWNSHIP 25 NORTH, RANGE 19 WEST, NMPM
Section 33: NE/4 NE/4

c) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Chozas Mesa-Gallup Gas Pool. The discovery well is the Phillips Petroleum Company Jicarilla 28-3 Well No. 1 located in Unit G of Section 6, Township 28 North, Range 3 West, NMPM. Said pool would comprise:

TOWNSHIP 28 NORTH, RANGE 3 WEST, NMPM
Section 6: All

d) EXTEND the Aztec Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 9: W/2

e) EXTEND the Blanco Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM
Section 16: SE/4

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM
Section 27: SE/4
Section 29: W/2
Section 30: All
Section 31: All
Section 32: All
Section 34: All

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM
Section 19: W/2

f) EXTEND the Dufers Point Gallup-Dakota Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 2: SW/4
Section 10: All
Section 11: NW/4

g) EXTEND the Gallegos Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 24: SW/4
Section 25: NW/4

- h) EXTEND the Kutz Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Section 28: SE/4
Section 33: NE/4

- i) EXTEND the North Los Pinos Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM
Section 25: N/2

- j) EXTEND the Nipp Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 2: W/2
Section 11: W/2

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 5: E/2
Section 7: S/2
Section 8: E/2 & SW/4
Section 17: W/2 & NE/4
Section 18: All
Section 34: N/2 & SE/4
Section 35: All

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 12: E/2

- k) EXTEND the Papers Wash-Entrada Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 19 NORTH, RANGE 5 WEST, NMPM
Section 15: N/2 SW/4

- l) EXTEND the East Puerto Chiquito-Mancos Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 1 EAST, NMPM
Section 5: All

- m) EXTEND the Twin Mounds Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM
Section 5: All
Section 8: All

- n) EXTEND the Tapacito Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM
Section 30: NW/4
Section 31: NE/4
Section 32: SW/4

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM
Section 23: S/2

- o) EXTEND the WAW Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 26: SW/4

Dockets Nos. 15-77 and 16-77 are tentatively set for hearing on May 11 and May 25, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 20, 1977

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. Kutter, Alternate Examiner:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for May, 1977, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for May, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5872: (Reopened)

In the matter of Case 5872 being reopened pursuant to the provisions of Order No. R-5373 which order suspended Rules 15(A) and 15(B) of the General Rules for Prorated Gas Pools as promulgated by Order No. R-1670, as amended, to permit overproduced wells to continue to produce gas during the present severe weather conditions without danger of being shut in for overproduction. All interested parties may appear and show cause why said suspension should not be rescinded. Also to be considered will be the matter of final disposition of overproduction accrued during the period of suspension of Rules 15(A) and 15(B), and what, if any, special consideration should be given to underproduction accrued to gas wells during the period of suspension of said rules.

CASE 5888: (Continued from March 23, 1977, Examiner Hearing)

Application of Dalport Oil Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its A. L. Christmas Well No. 3 to be drilled 330 feet from the South line and 2310 feet from the East line of Section 25, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

CASE 5901: Application of Gulf Oil Corporation for a non-standard proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 400-acre non-standard gas proration unit comprising the SE/4 of Section 8, and the E/2 NW/4 and NE/4 of Section 17, Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's Theodore Anderson Wells Nos. 1 and 4, located at unorthodox locations in Unit C of said Section 8 and Unit B of said Section 17, respectively.

CASE 5902: Application of Amoco Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Apple Draw Unit Area comprising 3840 acres, more or less, of Federal, State, and Fee lands in Township 25 South, Range 27 East, Eddy County, New Mexico.

CASE 5903: Application of Maddox Energy Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a gas well to be drilled at a point 2310 feet from the South line and 1650 feet from the West line of Section 9, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

CASE 5639: (Reopened)

In the matter of Case 5639 being reopened pursuant to the provisions of Order No. R-5173, which order established temporary special pool rules for the South Maljamar-Strawn Pool, Lea County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 5904: (This Case will be continued to the May 11, 1977, Examiner Hearing)

Application of Palmer Oil & Gas Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Fruitland and Pictured Cliffs formations underlying the NE/4 and/or SE/4 of Section 20, Township 32 North, Range 6 West, San Juan County, New Mexico, and in the Mesaverde and Dakota formations underlying the E/2 of said Section 20, the above-described lands to be dedicated to a well to be drilled at a standard location thereon. 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 5905: (This Case will be continued to the May 11, 1977, Examiner Hearing)

Application of Palmer Oil & Gas Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the W/2 SE/4 and the E/2 SW/4 of Section 3, and the NW/4 of Section 10, and all mineral interests in the Pictured Cliffs and Fruitland formations underlying the NW/4 of Section 10, all in Township 31 North, Range 7 West, San Juan County, New Mexico, to be dedicated to a well to be drilled 1800 feet from the North line and 850 feet from the West line of said Section 10. 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 5906: (This Case will be continued to the May 11, 1977, Examiner Hearing)

Application of Palmer Oil & Gas Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the W/2 SW/4 of Section 2, the E/2 SE/4 of Section 3, and the NE/4 of Section 10, all in Township 31 North, Range 7 West, San Juan County, New Mexico, to be dedicated to a well to be drilled 1525 feet from the North line and 1850 feet from the East line of said Section 10. 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 5907: Application of Dome Petroleum Corporation for a special depth bracket allowable, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a special depth bracket allowable of 750 barrels of oil per day for the Papers Wash-Entrada Oil Pool, McKinley County, New Mexico.

CASE 5908: Application of Dome Petroleum Corporation for a special depth bracket allowable, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a special depth bracket allowable of 750 barrels of oil per day for the Ojo Encino-Entrada Oil Pool, McKinley County, New Mexico.

CASE 5909: Application of Dome Petroleum Corporation for pool creation and special depth bracket allowable, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the Snake Eyes-Entrada Oil Pool in Section 20, Township 21 North, Range 8 West, San Juan County, New Mexico, and the establishment of a special depth bracket allowable of 750 barrels of oil per day for said pool.

CASE 5910: Application of Yates Petroleum Corporation for gas pool creations and downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of three Pennsylvanian gas pools in Townships 17 and 18 South, Ranges 24, 25, and 26 East, Eddy County, New Mexico, including the Richard Knob- and East Eagle Creek-Lower Penn Gas Pools with provisions in each for commingling Strawn, Atoka, and Morrow production in the wellbores of wells drilled therein, and the Eagle Creek Permo-Penn Gas Pool with provision for commingling Wolfcamp, Cisco, Canyon, and Strawn production in the wellbores of wells drilled therein.

CASE 5898: (Continued from April 6, 1977, Examiner Hearing)

Application of Chace Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Ballard-Pictured Cliffs and South Lindrith Gallup-Dakota production in the wellbore of its Jicarilla 70 Well No. 3 located in Unit C of Section 33, Township 24 North, Range 4 West, Rio Arriba County, New Mexico. In the alternative, applicant seeks authority to commingle said production at the surface without prior measurement and waiver of the gas-oil ratio test requirement.

CASE 5911: Application of Odessa Natural Gas Company for special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of special pool rules for the Chacon-Dakota Oil Pool, Rio Arriba County, New Mexico, to provide for 160-acre spacing for oil wells and for reclassification of wells from oil to gas and the removal of such gas wells to the Basin-Dakota Pool.

CASE 5629: (Reopened)

In the matter of Case 5629 being reopened pursuant to the provisions of Order No. R-6192, which order established temporary special pool rules for the Chacon-Dakota Oil Pool, Rio Arriba and Sandoval Counties, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 5889: (Continued & Readvertised)

Application of Saturn Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Abo formation underlying the NE/4 SE/4 of Section 11, Township 23 South, Range 37 East, Lea County, New Mexico, to be dedicated to its Lineberry Well No. 1 located in Unit I of said Section; and underlying the NW/4 SE/4 of said Section 11 to be dedicated to its Lineberry Well No. 2 located in Unit J of said Section. In the event re-entry into either well is unsuccessful, applicant proposes to drill a replacement well at a standard location on its tracts. Also to be considered will be the costs of recompletion or drilling and completing said wells and the allocation of the costs 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 recompletion or drilling of said wells.

OWEN B. MARRON
DAN A. MCKINNON, III

LAW OFFICES OF
MARRON & MCKINNON
408 SANDIA SAVINGS BUILDING
400 GOLD AVENUE, S.W.
ALBUQUERQUE, NEW MEXICO 87102

TELEPHONE
247-4051
AREA CODE 505

6 April 1977

Casa 5904
5905
5906

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

Re: Palmer Oil & Gas Co. - Mizel: Forced Pooling Proceeding

Dear Mr. Ramey:

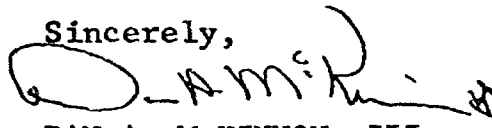
Yesterday our firm was retained to represent the interests of Sam Mizel, Harriette Mizel, Larry Mizel, Stephen Mizel and Morris Mizel, all of whom reside outside of the State of New Mexico and who are parties to the referenced proceeding. We have been advised that a hearing before the Commission is set for 20 April 1977 and are therefore requesting a postponement thereof for the following reasons:

1. Mr. Marron and I will be in trial for at least two days commencing on 19 April of a matter in our local District Court, which has been pending for a number of months.

2. Since we were retained only yesterday, we will need additional time within which to adequately prepare for the hearing.

By copy of this letter to Mr. Kellahin, who is attorney for Palmer Oil and Gas Company, we are advising him of our request for a postponement.

Sincerely,

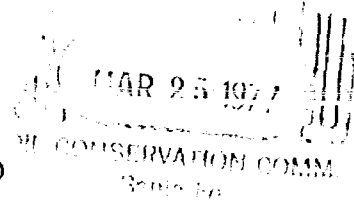

DAN A. MCKINNON, III

DAMcK:rbp

Cc Jason W. Kellahin
Attorney at Law
P. O. Box 1769
Santa Fe, New Mexico 87501

Case ~~5906~~
5906

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO



IN THE MATTER OF THE APPLICATION
OF PALMER OIL & GAS COMPANY FOR
COMPULSORY POOLING, SAN JUAN
COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now Palmer Oil & Gas Company and applies to the Oil Conservation Commission of New Mexico for an order pooling all of the mineral interests underlying three 320-acre proration units, and three 160-acre proration units as follows:

I. Three non-standard proration units heretofore approved by the New Mexico Oil Conservation Commission in its Order No. R-5364 entered February 8, 1977, for production from the Blanco-Mesaverde Pool, as follows:

Township 31 North, Range 7 West, N.M.P.M.

1. Unit 1 - Section 3 - W/2 SE/4, E/2 SW/4
Section 10 - NW/4

Well to be located 1800 feet from the North line, and 850 feet from the West line of Section 10.

2. Unit 2 - Section 2 - W/2 SW/4
Section 3 - E/2 SE/4
Section 10 - NE/4

Well to be located 1850 feet from the East line, and 1525 feet from the North line of Section 10.

Township 32 North, Range 6 West, N.M.P.M.

3. Unit 3 - Section 20 - E/2

Well to be located at a standard location for Mesaverde production.

II. Applicant further seeks authority to dually-complete the proposed wells for production from the Fruitland, or the

Case ~~FILE~~
5906

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

MAR 25 1977
OIL CONSERVATION COMM
3:06 PM

IN THE MATTER OF THE APPLICATION
OF PALMER OIL & GAS COMPANY FOR
COMPULSORY POOLING, SAN JUAN
COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now Palmer Oil & Gas Company and applies to the
Oil Conservation Commission of New Mexico for an order pooling
all of the mineral interests underlying three 320-acre pro-
ration units, and three 160-acre proration units as follows:

I. Three non-standard proration units heretofore
approved by the New Mexico Oil Conservation Commission in its
Order No. R-5364 entered February 8, 1977, for production from
the Blanco-Mesaverde Pool, as follows:

Township 31 North, Range 7 West, N.M.P.M.

1. Unit 1 - Section 3 - W/2 SE/4, E/2 SW/4
Section 10 - NW/4

Well to be located 1800 feet from the North line, and
850 feet from the West line of Section 10.

2. Unit 2 - Section 2 - W/2 SW/4
Section 3 - E/2 SE/4
Section 10 - NE/4

Well to be located 1850 feet from the East line, and
1525 feet from the North line of Section 10.

Township 32 North, Range 6 West, N.M.P.M.

3. Unit 3 - Section 20 - E/2

Well to be located at a standard location for Mesaverde
production.

II. Applicant further seeks authority to dually-complete
the proposed wells for production from the Fruitland, or the

Pictured Cliffs formations, or both in the event the Mesaverde is found non-productive, dedicating to such production the 160-acre tract on which the well is located.

III. Applicant has made diligent effort to obtain the consent or participation of all interest owners underlying the various tracts, and has been unable to obtain the participation, or to acquire fractional mineral interest, to be more fully shown at the hearing of this case, from the following persons, whose names and addresses are shown to the best of applicant's information and belief:

Morris Mizel
2118 East 3rd Street
Tulsa, Oklahoma 74104

Sam Mizel
P. O. Box 2975
Tulsa, Oklahoma 74101

Harriett Mizel
1075 S. Birch, Apt. 401
Denver, Colorado 80222

Larry Mizel
3600 Yosemite, Suite 900
Denver, Colorado 80237

Steven Mayer Mizel
P. O. Box 644
Novato, California 94947

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 the mineral interests, whatever they may be in the formations and the units described in this application, designating the applicant as operator, and making provision for applicant to recover his reasonable costs of drilling, completing and equip-

Case ~~5967~~
5966

ping the wells out of production, including a charge for supervision, and for assignment of a risk factor as provided by law, and the rules and regulations of the commission. Applicant further prays for approval of the dual completion of the subject wells, as proposed.

Respectfully submitted,
PALMER OIL & GAS COMPANY

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

Attorneys for applicant

Application of Palmer Oil & Gas
Company for compulsory pooling, San
Juan County, New Mexico.

Applicant, in the above-styled cause,
seeks an order pooling all mineral interests
in the Mesaverde and Dakota formations
underlying the W/2 SW/4 of Section 2,
the E/2 SE/4 of Section 3, and the
NE/4 of Section 10, all in Township 31
North, Range 7 West, San Juan County,
New Mexico, to be dedicated to a well
to be drilled ~~1525~~ 1525 feet from the
North line and 1850 feet from the
East line of said Section 10. Also
to be considered will be the cost...

DRAFT

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

dr/

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

CASE NO. 5906

Order No. R- 5428

APPLICATION OF PALMER OIL & GAS
COMPANY FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 11, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter R.A.S.

NOW, on this day of May, 1977, 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. 5906 is hereby dismissed.

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