

CASE NO.

6378

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
14 November 1978

COMMISSION HEARING

IN THE MATTER OF:

THE hearing called by the Oil  
Conservation Division on the  
motion of Shell Oil Company to  
permit Corinne Grace and all other  
interested parties to appear and  
show cause why Division Order  
No. R-3713, which pooled all of Section  
8, Township 21 South, Range 24 East,  
Eddy County, New Mexico, should not be  
declared null and void, if said pooling  
order has not already automatically  
expired due to non-production.

CASE  
6378

BEFORE: Commissioner Ramey

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Lynn Teschendorf, Esq.  
Legal Counsel for the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3090 Plaza Blanca (S.E.) 411-4482  
Santa Fe, New Mexico 87501

1 MR. RAMEY: Call next Case 6378.

2 MS. TESCHENDORF: Case 6378. In the matter  
3 of the hearing called by the Oil Conservation Division on  
4 the motion of Shell Oil Company to permit Corinne Grace and  
5 all other interested parties to appear and show cause why  
6 Division Order Number R-3713 should not be declared null and  
7 void.

8 The applicant has requested that the case  
9 be dismissed.

10 MR. RAMEY: Case 6378 will be dismissed.

11 (Hearing concluded.)  
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SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3028 Plum Street (SOS) 471-4402  
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

Page 3

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY  
CERTIFY that the foregoing and attached Transcript of  
Hearing before the Oil Conservation Division was reported  
by me; that said transcript is a full, true, and correct  
record of the hearing, prepared by me to the best of my  
ability, knowledge, and skill, from my notes taken at the  
time of the hearing.

Sally W. Boyd CSR  
Sally W. Boyd, C.S.R.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Alhambra, Glendale 6617-4468  
Glendale, California 91201

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
November 7, 1978

COMMISSION HEARING

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IN THE MATTER OF:

Application of Jerome P. McHugh for downhole  
commingling, Rio Arriba County, New Mexico.

CASE 6146  
(DE NOVO)

Application of Harvey E. Yates Company for an  
unorthodox gas well location, Eddy County,  
New Mexico.

CASE 6266  
(DE NOVO)

Application of Durham, Inc., for compulsory  
pooling, Eddy County, New Mexico.

CASE 6377

In the matter of the hearing called by the  
Oil Conservation Division on the motion of  
Shell Oil Company to permit Corinne Grace  
and all other interested parties to appear  
and show cause why Division Order No. R-3713  
should not be declared null and void.

CASE 6378

Application of Shell Oil Company for pool  
contraction and pool extension, Eddy County,  
New Mexico.

CASE 6379

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BEFORE: Joe D. Ramey, Director

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

Lynn Teschendorf  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

MR. RAMEY: Call Cases 6146, 6266, 6377, 6378, and 6379.

MS. TESCHENDORF: Case 6146, application of Jerome P. McHugh for downhole commingling Rio Arriba County, New Mexico. Upon application of Jerome P. McHugh this case will be heard De Novo.

Case 6266, application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Upon application of Harvey E. Yates Company this case will be heard De Novo.

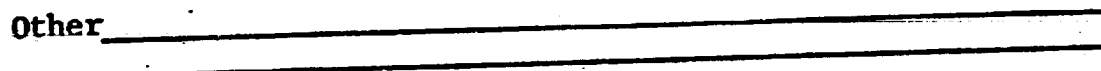
Case 6377, application of Durham, Inc., for compulsory pooling, Eddy County, New Mexico.

Case 6378, in the matter of the hearing called by the Oil Conservation Division on the motion of Shell Oil Company to permit Corinne Grace and all other interested parties to appear and show cause why Division Order No. R-3713 should not be declared null and void.

Case 6379, application of Shell Oil Company for pool contraction and pool extension, Eddy County, New Mexico.

It is requested that these cases be continued until November 14, 1978.

MR. RAMEY: This hearing is hereby continued until November 14, 1978, 9 o'clock a.m., Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico. The hearing is adjourned.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 6378  
Order No. R-5864

APPLICATION OF SHELL OIL COMPANY TO  
PERMIT CORINNE GRACE AND ALL INTERESTED  
PARTIES TO APPEAR AND SHOW CAUSE WHY  
DIVISION ORDER NO. R-3713 SHOULD NOT BE  
DECLARED NULL AND VOID, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION:

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 14,  
1978, at Santa Fe, New Mexico, before the Oil Conservation  
Commission of New Mexico, hereinafter referred to as the  
"Commission."

NOW, on this 20th day of December, 1978, the Commission,  
a quorum being present, having considered the record 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. 6378 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 & Division Director

SEAL  
Ed/



J. O. SETH (1863-1963)

A. K. MONTGOMERY  
FRANK ANDREWS  
FRED C. HANNAHS  
SETH D. MONTGOMERY  
FRANK ANDREWS III  
OWEN M. LOPEZ  
VICTOR R. ORTEGA  
JEFFREY R. BRANNEN  
JOHN BENNETT POUND  
GARY R. KILPATRICK  
THOMAS W. OLSON  
WALTER J. RELENDRES  
BRUCE L. HERR  
MICHAEL W. BRENNAN  
ROBERT P. WORCESTER  
JOHN B. DRAPER  
NANCY M. ANDERSON  
JOHN K. SILVER

**MONTGOMERY, ANDREWS & HANNAHS**

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW  
325 PASEO DE PERALTA  
SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 2307  
AREA CODE 505  
TELEPHONE 982-3873

November 10, 1978

Mr. Daniel S. Nutter  
Examiner  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: OCD Case Nos. 6378 and 6379

Dear Dan:

My apologies for not having been able to talk to you sooner. I tried to call you today, but obviously discovered that it was a holiday. Would you please dismiss the above-referenced cases since our client, Shell Oil Company, has entered into a farmout agreement with Durham, Inc., and I understand, from my telephone conversation with Conrad Coffield, that he has filed a separate application identical to ours and intends to go forward with the application at a later date.

Many, many thanks for your help and cooperation in this matter. Your help was invaluable. Best regards.

Sincerely,

*Owen M. Lopez*

Owen M. Lopez

OML:to

CASE 6342: (Continued from October 11, 1978, Examiner Hearing)

Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla J Well No. 10 located in the SE/4 of Section 26, Township 26 North, Range 5 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Tocito and Dakota production in the wellbore of said well.

CASE 6343: (Continued from October 11, 1978, Examiner Hearing)

Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla N Well No. 3 located in the SE/4 of Section 11, Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Gallup and Dakota production in the wellbore of said well.

CASE 6344: (Continued from October 11, 1978, Examiner Hearing)

Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla F Well No. 1 located in the SW/4 of Section 27, Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Mesaverde and Dakota production in the wellbore of said well.

CASE 6345: (Continued from October 11, 1978, Examiner Hearing)

Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup and Dakota production in the wellbore of its Jicarilla H Well No. 7 located in the SW/4 of Section 19, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

CASE 6347: (Continued from October 11, 1978, Examiner Hearing)

Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Dakota production in the wellbore of its Jicarilla K Well No. 17 located in the SW/4 of Section 12, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 6376: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the Mescalero Sands-Pennsylvanian Gas Pool. The discovery well is Petroleum Development Corporation Estelle Federal Well No. 1 located in Unit E of Section 34, Township 12 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 30 EAST, NMPM  
Section 34: W/2

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Yates production and designated as the Sioux-Yates Pool. The discovery well is Tishman Federal Well No. 1 located in Unit N of Section 5, Township 26 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM  
Section 31: NE/4  
Section 32: W/2

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 5: W/2

(c) EXTEND the Avalon-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
Section 31: W/2  
Section 32: W/2  
Section 33: All

(d) EXTEND the Blinbry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 26: SE/4

- (e) EXTEND the vertical limits of the Box-Canyon Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include the Canyon and Wolfcamp formations and redesignate said pool as the Box Canyon-Permian Pennsylvanian Gas Pool and extend the horizontal limits of said pool to include therein:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM

Section 13: All  
Section 23: S/2  
Section 26: E/2  
Section 35: E/2  
Section 36: W/2

TOWNSHIP 22 SOUTH, RANGE 21 EAST, NMPM

Section 1: N/2

- (f) EXTEND the North Burton Flats-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 28: S/2  
Section 33: E/2

- (g) EXTEND the East Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM

Section 27: S/2

- (h) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM

Section 28: N/2

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM

Section 10: N/2  
Section 21: S/2

- (i) EXTEND the Comanche Stateline Tansill-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM

Section 33: NW/4

- (j) EXTEND the Eagle Creek-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM

Section 29: W/2

- (k) EXTEND the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 22: SW/4 and W/2 SE/4

- (l) EXTEND the Forehand Ranch-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM

Section 15: NW/4 SE/4

- (m) EXTEND the Fowler-Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 16: SE/4

- (n) EXTEND the Jenkins-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM

Section 28: S/2

- (o) EXTEND the Kemnitz-Cisco Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 16: W/2

- (p) EXTEND the East Lusk-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 10: N/2 and SW/4  
Section 15: NW/4

- (q) EXTEND the West Malaga-Morrow Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 9: N/2
- (r) EXTEND the Revelation-Morrow Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM  
Section 3: W/2
- (s) EXTEND the Rock Tank-Upper Morrow Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM  
Section 1: All
- (t) EXTEND the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM  
Section 25: N/2
- (u) EXTEND the Southwest Sulphate-Delaware Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM  
Section 14: NE/4 NE/4
- (v) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 3: NE/4
- (w) EXTEND the Watkins Yates-Seven Rivers-Queen-Grayburg Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 6: SW/4
- (x) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM  
Section 8: All  
TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM  
Section 4: All
- (y) EXTEND the Wilson-Morrow Gas Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM  
Section 14: S/2
- (z) EXTEND the Winchester-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 24: S/2
- (aa) EXTEND the Winchester-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 26: E/2 and SW/4

Dockets Nos. 37-78 and 38-78 are tentatively set for hearing on November 21 and December 6, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - NOVEMBER 7, 1978

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6146: (DE NOVO) (Continued and Readvertised)

Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tapacito-Gallup and Basin-Dakota production within the wellbore of his Jicarilla Well No. 5 located in Unit D of Section 29, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

Upon application of Jerome P. McHugh this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6266: (DE NOVO)

Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Upper Pennsylvanian test well to be located 660 feet from the North and East lines or, in the alternative, 990 feet from the North and East lines of Section 23, Township 21 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, all of said Section 23 to be dedicated to the well.

Upon application of Harvey E. Yates Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6377: Application of Durham, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Section 8, Township 21 South, Range 24 East, Indian Basin-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the North and East lines of said Section 8. 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 6378: In the matter of the hearing called by the Oil Conservation Division on the motion of Shell Oil Company to permit Corinne Grace and all other interested parties to appear and show cause why Division Order No. R-3713, which pooled all of Section 8, Township 21 South, Range 24 East, Eddy County, New Mexico, should not be declared null and void, if said pooling order has not already automatically expired due to non-production.

CASE 6379: Application of Shell Oil Company for pool contraction and pool extension, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Indian Basin-Morrow Gas Pool by the deletion therefrom of the N/2 of Section 8, Township 21 South, Range 24 East, Eddy County, New Mexico, or in the alternative, all of said Section 8, and the extension of the Cemetery-Morrow Gas Pool to include the aforesaid N/2 or all of said Section 8.

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DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 8, 1978

9 A.M. - OIL CONSERVATION DIVISION 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:

CASE 6369: Application of Amoco Production Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its DR Well No. 3 to be drilled 660 feet from the North and East lines of Section 16, Township 19 South, Range 32 East, Lea County, New Mexico, to be simultaneously dedicated with its Well No. 1 located in Unit E to the present 320-acre unit comprising the N/2 of said Section 16.

- CASE 6370:** Application of Amoco Production Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Gilluly B Fed. Well No. 22 to be drilled 2310 feet from the North line and 1980 feet from the West line of Section 33, Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated with the current unit Wells No. 3 and 15 located in Units N and H, respectively, to the present 360-acre non-standard proration unit in Section 33.
- CASE 6371:** Application of Doyle Hartman for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Phillips-Woolworth Well No. 1 located 2310 feet from the North line and 1980 feet from the East line of Section 26, Township 24 South, Range 36 East, Jalast Gas Pool, Lea County, New Mexico.
- CASE 6372:** Application of Belco Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1495 feet from the North line and 330 feet from the West line of Section 6, Township 23 South, Range 31 East, Los Mendanos Atoka Pool, Eddy County, New Mexico, the W/2 of said Section 6 to be dedicated to the well.
- CASE 6373:** Application of Beard Oil Company for a dual completion, surface commingling, pool creation, and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the gas-gas dual completion of its Hanlad Well No. 1 located in Unit E of Section 17, Township 17 South, Range 24 East, Eddy County, New Mexico, to produce gas from the Atoka formation through tubing and the Abo formation through the casing-tubing annulus, and to commingle the production at the surface. Applicant further seeks the creation of a new Abo gas pool and the adoption of special pool rules therefor, including a provision for 320-acre spacing and proration units for a temporary period of one year.
- CASE 6374:** Application of Mesa Petroleum Company for a special oil allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a temporary increase in the oil allowable for its West Knowles Well No. 5 located in Unit H of Section 34, Township 16 South, Range 37 East, West Knowles-Drinkard Pool, Lea County, New Mexico, from 310 barrels to 500 barrels for the 90-day period extending from October 1, 1978 to December 31, 1978.
- CASE 6375:** Application of Harper Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Wantz-Abo, Drinkard, and Blinebry production within the wellbore of its S. J. Sarkeys Well No. 2 located in Unit H of Section 26, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 6352:** (Continued and Readvertised)
- Application of Southland Royalty Company for a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Grenier "A" Well No. 1A located in Unit C of Section 26, Township 30 North, Range 10 West, to produce gas from the Blanco-Pictured Cliffs and Blanco Mesaverde Pools, San Juan County, New Mexico, with separation of the zones to be achieved by means of a polished bore receptacle and mandrel.
- CASE 6346:** (Continued and Readvertised)
- Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Chacra production in the wellbore of its Jicarilla K Well No. 14 located in the SE/4 of Section 11, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 6348:** (Continued and Readvertised)
- Application of Supron Energy Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Mesaverde and Dakota production in the wellbore of its Starr Well No. 3 located in the NE/4 of Section 5, Township 26 North, Range 8 West, San Juan County, New Mexico.
- CASE 6341:** (Continued from October 11, 1978, Examiner Hearing)
- Application of Supron Energy Corporation for dual completions and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the dual completion of its Jicarilla A Well No. 8 located in the NW/4 of Section 23; its Jicarilla E Well No. 7 located in the SE/4 of Section 15; and its Jicarilla E Well No. 8 located in the NW/4 of Section 15, all in Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Mesaverde formation through a separate string of tubing and to commingle Gallup and Dakota production in the wellbores of said wells.

SEP 27 1978

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING )  
CALLED BY THE OIL CONSERVATION )  
DIVISION FOR THE PURPOSE OF )  
CONSIDERING THE MOTION OF )  
SHELL OIL COMPANY FOR AN ORDER )  
TO SHOW CAUSE HEARING AS TO WHY )  
THE OIL CONSERVATION DIVISION )  
ORDER NO. R-3713 POOLING ALL )  
THE MINERAL INTERESTS IN THE )  
MORROW FORMATION UNDERLYING )  
SECTION 8, TOWNSHIP 21 SOUTH, )  
RANGE 24 EAST, NMPM, INDIAN )  
HILLS-MORROW GAS POOL, EDDY )  
COUNTY, NEW MEXICO, IF IT HAS )  
NOT AUTOMATICALLY EXPIRED ON ITS )  
OWN TERMS, SHOULD NOT BE RESCINDED )  
FOR FAILURE TO PRODUCE. )

Case No. 6378

M O T I O N

COMES NOW the applicant Shell Oil Company, by and through  
its attorneys Montgomery, Andrews & Hannahs, P.A., and  
respectfully states:

1. That pursuant to Order No. R-3713, all mineral interests  
in the Morrow formation underlying Section 8, Township 21 South,  
Range 24 East, NMPM, Indian Hills, Eddy County, New Mexico,  
were pooled to form a 640-acre proration unit dedicated to a  
well drilled 1650 feet from the South line and 1750 feet from the  
East line of said Section 8.
2. That Corinne Grace was dedicated the operator of subject  
well and unit.
3. That Corinne Grace held BLM Lease No. 0372996 pertaining  
to the Southeast 1/4 of Section 8, Township 21 South, Range 24  
East, NMPM, which lease expired by its own terms for failure to  
produce on August 31, 1976.
4. That a new lease NM34467 has been issued to Fred C.  
Durham to be effective November 1, 1978 covering the aforesaid  
Southeast 1/4 of said Section 8, Township 21 South, Range 24 East,  
NMPM.

WHEREFORE, the movant respectfully requests a hearing for an order to show cause why the aforesaid Oil Conservation Division Order No. R-3713 has not expired by operation of law for failure to produce, or in the alternative for a rescission of said order because of failure to produce.

Respectfully submitted,

MONTGOMERY, ANDREWS & HANNAHS, P.A.

By Owen M. Lopez  
Owen M. Lopez  
Post Office Box 2301  
Santa Fe, New Mexico 87501



Commission  
Hearing 11-7

B14

Case No. 6378

In the matter of the hearing called by  
The Oil Conservation Division on the  
motion of Shell Oil Company to  
permit Carrine Lease and all other  
interested parties to appear and show  
cause why the ~~compulsory pooling~~  
~~order~~ of the Division Order No. R-3713,  
which pooled all of Section 8, Township  
21 South, Range 27 East, Rddy County,  
Iowa, should not be declared  
null and void, if said ~~pooling~~ pooling  
order has not already <sup>affirmatively</sup> appeared due  
to non-production.

Case No. 6378  
ORDER No. R-5864

APPLICATION OF SHELL OIL  
COMPANY TO PERMIT CORINNE  
GRACE AND ALL INTERESTED  
PARTIES TO APPEAR AND SHOW  
CAUSE WHY DIVISION ORDER  
NO. R-3713 SHOULD NOT BE  
DECLARED NULL AND VOID,  
EDDY COUNTY, NEW MEXICO.

DISMISSAL

**Amberg**  
5023 TS

CASE 6379: SHELL OIL COMPANY FOR POOL  
CONTRACTOR AND POOL EXTENSION, 1957  
COUNTY, NEW MEXICO