

CASE 6796: UNION OIL COMPANY OF CALI- *ifornia*
FORNIA FOR COMPULSORY POOLING, CHAVES
COUNTY, NEW MEXICO

CASE NO.

6796

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

February 20, 1980

Mr. Sumner G. Buell
Jasper & Buell
Attorneys at Law
Post Office Box 1626
Santa Fe, New Mexico

Re: CASE NO. 6796
ORDER NO. R-6264

Applicant:

Union Oil Company of California

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6796
Order No. R-6264

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA FOR COMPULSORY
POOLING, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 30, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of February, 1980, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

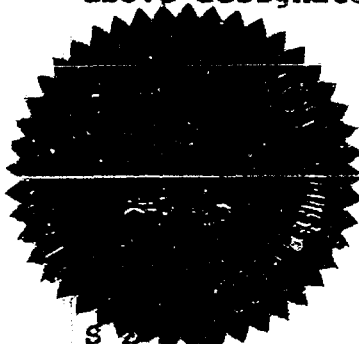
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 6796 is hereby dismissed.

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



S
fd/

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
30 January 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Union Oil Company of) CASE
California for compulsory pooling,) 6796
Chaves County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7405

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MR. STAMETS: Call first Case 6796.

MR. PADILLA: Application of Union Oil
Company of California for compulsory pooling, Chaves County,
New Mexico.

MR. STAMETS: The applicant in the
subject case has requested that it be dismissed and it will
so be.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7406

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a correct record of the hearing held in the Examiner's hearing of Case No. 6796 heard by me on 1-30-80.

Richard R. Starnes, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
30 January 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Union Oil Company of) CASE
California for compulsory pooling,) 6796
Chaves County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7499

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MR. STANLEY: Call first case 6796.

MR. PADILLA: Application of Union Oil
Company of California for compulsory pooling, Chaves County,
New Mexico.

MR. STANLEY: The applicant in the
subject case has requested that it be dismissed and it will
so be.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

I do hereby certify that the foregoing is a correct record of the hearing held in the Examiner Hearing of the _____ heard by me on _____.

_____, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

JASPER and BUELL

Attorneys

121 East Palace Avenue
Post Office Box 1626
Santa Fe, New Mexico 87501
505: 988-2841

John G. Jasper
Sumner G. Buell

January 25, 1980

gll
Ernest L. Padilla, Esquire
Legal Division
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 6796
Application of Union Oil Company of California
for Compulsory Pooling

Dear Ernie:

Confirming our telephone conversation of yesterday, the above case can be dismissed from the January 30, 1980, docket.

Best regards,

Sumner G. Buell
SUMNER G. BUELL

SGB/jc

Dockets Nos. 4-80 and 5-80 are tentatively set for February 13 and 27, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 30, 1980

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. Nutter, Alternate Examiner:

CASE 6787: (Continued from January 16, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the approval of 12 non-standard proration units ranging in size from 261.51 acres to 334.24 acres for 320-acre spaced pools, and 19 non-standard proration units ranging in size from 162.65 acres to 207.57 acres for 160-acre spaced pools, all of the aforesaid units being in and resulting from the irregular size and shape of Sections 1 thru 7 and 18, 19, 30, and 31, along the North and West sides of Township 28 North, Range 3 West, Rio Arriba County.

CASE 6796: Application of Union Oil Company of California for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 SW/4 of Section 1, Township 8 South, Range 28 East, 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 6797: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Penn formations underlying the N/2 of Section 28, Township 18 South, Range 29 East, 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 6798: Application of Estoril Producing 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 Curry Federal Well No. 1, to be drilled 1980 feet from the South line and 660 feet from the East line of Section 22, Township 23 South, Range 34 East, Antelope Ridge-Morrow Gas Pool, the S/2 of said Section 22 to be dedicated to the well.

CASE 6799: Application of Caulkins Oil Company for a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6794: (Continued from January 16, 1980, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tocito Gallup and Dakota production in the wellbore of its Breech "D" Well No. 140 located in Unit A of Section 11, Township 26 North, Range 6 West.

CASE 6800: Application of Caulkins Oil Company for dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Breech "E" Wells Nos. 83-E located in Unit L of Section 5 and 54-E and 68-E located in Units P and L of Section 4; Breech "A" No. 268-E located in Unit P of Section 16; and Breech "D" No. 346 located in Unit D of Section 22, all in Township 26 North, Range 6 West, in such a manner as to produce gas from the Dakota formation and commingled Chacra and Mesaverde production through parallel strings of tubing.

CASE 6801: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Breech "C" Well No. 248-E located in Unit D of Section 13, Township 26 North, Range 6 West, in such a manner as to produce commingled Tapacito-Gallup and Dakota production and commingled Chacra and Mesaverde production through parallel strings of tubing.

CASE 6790: (Continued from January 16, 1980, Examiner Hearing)

Application of Merrion & Bayless for gas well commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to temporarily commingle certain of its Pictured Cliffs gas wells in Sections 1, 2, 3, 9, 10, and 11, Township 26 North, Range 13 West, in a common gathering system and meter the entire lease output through the purchaser's sales meter located in Unit M of said Section 7.

JASPER and BUELL

Attorneys

121 East Palace Avenue
Post Office Box 1626
Santa Fe, New Mexico 87501
505: 988-2841

John G. Jasper
Sumner G. Buell

January 10, 1980

Oil Conservation Division
New Mexico Energy & Minerals Dept.
State Land Office Building
Santa Fe, New Mexico 87501

Re: Application of Union Oil Company of California for
Compulsory Pooling within Sec. 1, T 8 S, R 29 E,
NMPM Chaves County, NM

Gentlemen:

The above application has recently been filed in your
office. We have discovered that some of the addresses of
the other interest owners listed in paragraph 7 of the
application are at this time in error. Corrections should
be made as follows:

Sam T. Gardiner
300 Building of the Southwest
Midland, Texas 79701

Stevens Oil Company
P. O. Box 2203
Roswell, New Mexico 88201

We would certainly appreciate these corrections being made
and apologize for any inconvenience this may cause you.

Very truly yours,

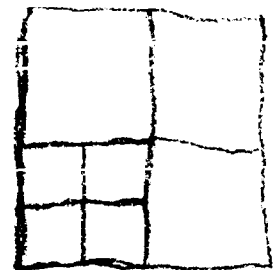

SUMNER G. BUELL

SGB:lp

BEFORE THE OIL CONSERVATION DIVISION
OF THE
NEW MEXICO ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION
OF THE UNION OIL COMPANY OF
CALIFORNIA FOR COMPULSORY POOLING OF
ALL MINERAL INTERESTS IN THE SAN
ANDRES FORMATION IN EAST ONE-HALF
OF THE SOUTHWEST QUARTER OF SECTION
ONE, TOWNSHIP 8 SOUTH, RANGE 28 EAST,
N.M.P.M., CHAVES COUNTY, NEW MEXICO.

NO. 6796



A P P L I C A T I O N

Comes now the Union Oil Company of California by its
attorneys, Jasper & Buell, and applies to the Oil Conservation
Division for an order pooling all mineral interests in the
San Andres formation in the ~~E 1/2 SW 1/4~~ ^{SW 1/4 SW 1/4} of Sec. 1, T. 8 S.,
R. 28 E., N.M.P.M., Chaves County, New Mexico, and in support
thereof states:

1. Applicant is a seventy-five percent (75%) working
interest owner in the above-described lands and formation.

2. Applicant proposes to drill an oil well to be
designated the Union-O'Brian No. 1 to a projected depth of
2,800 feet into the San Andres Formation, said well to be
located ⁶⁶⁰ ~~1,000~~ feet from the south line and 1980 feet from the
west line of Section 1, Township 8 South, Range 28 East, N.M.P.M.,
Chaves County, New Mexico.

3. Applicant is qualified and entitled to be
designated operator of said well and is entitled to be
compensated for its supervision of said well while it is
drilling and in production.

1/8/80
Change per
Call from
Summer Buell
S/P

Talked to Summer 1-11-80
amend appl to cover SW 1/4 SW 1/4 only

4. Other interest owners of the proposed proration unit have not agreed to pool their interests.

5. Any non-consenting working interest owner should be required to pay its proportionate share of well costs for drilling said well and costs of production.

6. A charge for the risk involved should be assessed against any non-consenting working interest owner in the amount of 200%.

7. The other interest owners in the proposed well and proration unit are:

Tenneco Oil Company	12.5%
Suite 200 North	
6800 Park Ten Boulevard	
San Antonio, Texas 78213	

Murray C. McKinnon	0.78125%
Ancillary Personal Representative	
of the Estate of Douglas D. McKinnon,	
Deceased	
1200 C & I Building	
Houston, Texas 77002	

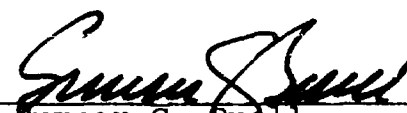
Sam T. Gardiner	2.92969%
Room 311, Mid-America Building	
Midland, Texas 79701	

Stevens Oil Company	3.78906%
5218 Woodway	
Houston, Texas 77056	

8. The granting of this application will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

JASPER & BUELL

By



Sumner G. Buell
Attorneys for Applicant
Post Office Box 1626
Santa Fe, New Mexico 87501

BEFORE THE OIL CONSERVATION DIVISION
OF THE
NEW MEXICO ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION
OF THE UNION OIL COMPANY OF
CALIFORNIA FOR COMPULSORY POOLING OF
ALL MINERAL INTERESTS IN THE SAN
ANDRES FORMATION IN EAST ONE-HALF
OF THE SOUTHWEST QUARTER OF SECTION
ONE, TOWNSHIP 3 SOUTH, RANGE 28 EAST,
N.M.P.M., CHAVES COUNTY, NEW MEXICO.

NO. 6796

ALL MINERAL INTERESTS

Comes now the Union Oil Company of California by its
attorneys, Jasper & Buell, and applies to the Oil Conservation
Division for an order pooling all mineral interests in the
San Andres formation in the ^{SW 1/4 SW 1/4} of Sec. 1, T. 3 S.,
R. 28 E., N.M.P.M., Chaves County, New Mexico, and in support
thereof states:

1. Applicant is a seventy-five percent (75%) working
interest owner in the above-described lands and formation.
2. Applicant proposes to drill an oil well to be
designated the Union-O'Brien No. 1 to a projected depth of
2,800 feet into the San Andres formation, said well to be
located ⁶⁶⁰~~1,700~~ feet from the south line and 1500 feet from the
west line of Section 1, Township 3 South, Range 28 East, N.M.P.M.,
Chaves County, New Mexico.
3. Applicant is qualified and entitled to be
designated operator of said well and is entitled to be
compensated for its supervision of said well while it is
drilling and in production.

1/8/80
Changes per
Call from
Sumner
Buell
E/P

4. Other interest owners of the proposed proration unit have not agreed to pool their interests.

5. Any non-consenting working interest owner should be required to pay its proportionate share of well costs for drilling said well and costs of production.

6. A charge for the risk involved should be assessed against any non-consenting working interest owner in the amount of 200%.

7. The other interest owners in the proposed well and proration unit are:

Tenneco Oil Company	12.5%
Suite 200 North	
6800 Park Ten Boulevard	
San Antonio, Texas 78213	


Murray C. McKinnon	0.78125%
Ancillary Personal Representative	
of the Estate of Douglas D. McKinnon,	
Deceased	
1200 C & I Building	
Houston, Texas 77002	

Sam T. Gardiner	2.92969%
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Midland, Texas 79701	

Stevens Oil Company	3.78906%
5218 Woodway	
Houston, Texas 77056	

8. The granting of this application will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

JASPER & BUELL

By 
Sumner G. Buell
Attorneys for Applicant
Post Office Box 1626
Santa Fe, New Mexico 87501

BEFORE THE OIL CONSERVATION DIVISION
OF THE
NEW MEXICO ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION
OF THE UNION OIL COMPANY OF
CALIFORNIA FOR COMPULSORY POOLING OF
ALL MINERAL INTERESTS IN THE SAN
ANDRES FORMATION IN EAST ONE-HALF
OF THE SOUTHWEST QUARTER OF SECTION
ONE, TOWNSHIP 8 SOUTH, RANGE 28 EAST,
N.M.P.M., CHAVES COUNTY, NEW MEXICO.

NO. 6796

A P P L I C A T I O N

Comes now the Union Oil Company of California by its
attorneys, Jasper & Buell, and applies to the Oil Conservation
Division for an order pooling all mineral interests in the
San Andres formation in the ~~E-1/2 SW-1/4~~^{S-1/4} of Sec. 1, T. 8 S.,
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thereof states:

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interest owner in the above-described lands and formation.

2. Applicant proposes to drill an oil well to be
designated the Union-O'Brian No. 1 to a projected depth of
2,800 feet into the San Andres Formation, said well to be
located ~~1,920~~⁶⁶⁰ feet from the south line and 1920 feet from the
west line of Section 1, Township 8 South, Range 28 East, N.M.P.M.,
Chaves County, New Mexico.

3. Applicant is qualified and entitled to be
designated operator of said well and is entitled to be
compensated for its supervision of said well while it is
drilling and in production.

1/8/80
Change per
Call from
Summer
Buell
S/H

4. Other interest owners of the proposed proration unit have not agreed to pool their interests.

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Suite 200 North	
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Sam T. Gardiner	2.92969%
Room 311, Mid-America Building	
Midland, Texas 79701	

Stevens Oil Company	3.78906%
5218 Woodway	
Houston, Texas 77056	

8. The granting of this application will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

JASPER & BUELL

By 
Sumner G. Buell
Attorneys for Applicant
Post Office Box 1626
Santa Fe, New Mexico 87501

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

dr/

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6796

Order No. R- 6264

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA FOR COMPULSORY
POOLING, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 30,
19 80, at Santa Fe, New Mexico, before Examiner RLS.

NOW, on this _____ day of February, 1980, the Division
Director, 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. 6796 is hereby dismissed.

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