CASE 6818: TENNECO OIL COMPANY FOR AN NGPA DETERMINATION, EDDY COUNTY, NEW MEXICO

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Case NO. 6818





STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR LARRY KEHGE SECRETARY POST OFFICE BOX 2068 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

April 17, 1980

Mr. David L. Motloch Division Attorney Tenneco Oil Company 6800 Park Ten Blvd. Suite 200 North San Antonic, Texas 78213

Re: CASE NO. 6818 ORDER NO. R-6305

Applicant:

Tenneco Oil Company

Dear Sir:

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

**Ppurs** very truly m JOE D. RAMEY Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	x
Artesia OCD	X
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. 6818 Order No. R-6305

APPLICATION OF TENNECO OIL COMPANY FOR AN NGPA DETERMINATION, EDDY COUNTY, NEW MEXICO.

#### ORDER OF THE DIVISION

## BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 26, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of April, 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. 6818 is hereby dismissed.

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



STATE OF NEW MEXICO OIL CONSERVATION DIVISION C JOE D. RAMEY, Director

Page STATE OF NEW MEXICO 1 ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION 2 STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 3 26 March 1930 EXAMINER HEARING 5 \_\_\_\_ 6 ) IN THE MATTER OF: 7 Application of Tenneco Oil Company) CASE for an NGPA determination, Eddy ) 6818 8 ) County, New Mexico. 9 ) \*\*\* 10 BEFORE: Richard L. Stamets 11 12 TRANSCRIPT OF HEARING 13 14 APPEARANCES 15 16 For the Oil Conservation Ernest L. Padilla, Esq. 17 Division: Legal Counsel to the Division State Land Office Bldg. 18 Santa Fe, New Mexico 87501 19 20 21 22 Z3 24 25

SAI.LY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico 87501 Phone (SC5) 455-7409

	Page
1	MR. STAMETS: Call next Case 6818.
2	MR. PADILLA: Application of Tenneco Oil
3	Company for an NGPA determination, Eddy County, New Mexico.
4	MR. STAMETS: Applicant has requested
5	that this case be dismissed, and it shall be.
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7	(Hearing concluded.)
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SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico 87301 Phone (305) 435-7409

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# REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R. DO HEREBY CERTIFY that the foregoing 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.

Dauly & Bigd C.S.E.

6818.

Richard R. Temb

SAI.LY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fc, New Mexico 87501 Phone (505) 455-7409 2ĵ

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8 9	an NGPA determin Mexico.	ation, Eddy County, New) )	
10 11	BEFORE: Daniel S. Nutter		
12 13 14	TRANSC	RIPT OF HEARING	
15	APP	EARANCES	
î7 18 19	For the Oil Conservation Division:	Ernest L. Padilla, Esq Legal Counsel to the I State Land Office Bldg Santa Fe, New Mexico 8	)ivision
20 21	For the Applicant:	W. Thomas Kellahin, E: KELLAHIN & KELLAHIN 500 Don Gaspar Santa Fe, New Mexico 8	-
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MR. NUTTER: The hearing will come to order, please. The first case this afternoon will be Case Number 6818. MR. PADILLA: Application of Tenneco Oil Company for an NGPA determination, Eddy County, New Mexico. MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin, appearing on behalf of Tenneco Oil Company. SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fe, New Mexico 87301 Phone (303) 435-7409 We'd like to continue that case to the next scheduled hearing of the Division. MR. NUTTER: Case Number 6818 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. March 26, 1980. (Hearing concluded.) 

# REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Susly W. Boyd C.S.R.

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

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Kellahin, appearing on behavia of ionneco Oil Company.

Which is continue that case to the

next scheduled hearing of the Division.

TR. TOTIN: Gase Number 6318 will be continued to the Exceller Hearing schedules to be held at this searce place at 9:00 of clock a. m. March 26, 1980.

(Mearing concluded.)

SALLY W. BOYD, C.S.R. Rt. I Box 193-B Sania Fc, New Mexico 87501 Phone (305) 455-7405

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I, SALLY W. LOTD, C.S.M., 30 HERDBY CERCITY that the foregoing Transcript of Hearing before the Gil 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.

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

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Examiner Hearing - Wednesday - March 26, 1980

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- CASE 6846: Application of Doyle Hartman for two compulsory poolings, two non-standard gas proration units, and two unorthodox well locations. Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying two 80-acre nonstandard gas proration units, the first being the S/2 NE/4 of Section 13, Township 21 South, Range 36 East, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the North line and 2310 feet from the East line of said Section 13, and the second being the N/2 NE/4 of said Section 13 to be dedicated to a well to be drilled at an unorthodox location 1330 feet from the North line and 2310 feet from the East line of said Section 13. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designtion of applicant as operator of the wells and a charge for risk involved in drilling said wells.
- CASE 6834: (Continued and Readvertised)

Application of Conoco Inc. for a dual completion and morthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its SEMU Burger Well No. 107 at an unorthodox location 2615 feet from the South and East lines of Section 19, Township 20 South, Range 38 East, to produce oil from the Blinebry Oil and Gas and Drinkard Pools.

CASE 6837: (Continued from March 12, 1980, Examiner Hearing)

Application of Curtis Little for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all minural interests in the Dakota formation underlying the W/2 of Section 7, Township 25 North, Range 3 West, 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 6847: Application of Tenneco Oil Company for dual completions and downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete, in such a manner as to produce gas from the Dakota formation and commingled Chacra and Mesaverde production through parallel strings of tubing, ten proposed wells to be located as follows: in Township 29 North, Range 10 West: Unit C, Section 19; Unit N, Section 19; Unit A, Section 30; and Unit D, Section 30; in Township 29 North, Range 11 West: Unit G, Section 24; Unit U, Section 24; Unit A, Section 25; Unit D, Section 25; Unit M, Section 25; and Unit P, Section 25.
- CASE 6818: (Continued from March 12, 1980, Examiner Hearing)

Application of Tenneco Oil Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its State HL 11 Well No. 1 located in Unit N of Section 11, Township 19 South, Range 29 East.

CASE 6849: (This is the same matter as was previously designated Case No. 6813.)

Application of Petroleum Development Corporation to amend Order No. R-6196, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Order No. R-6196 which authorized re-entry of a well at an unorthodox location in the Lusk-Morrow Gas Pool to be dedicated to the N/2 of Section 13, Township 19 South, Range 31 East. Applicant now seeks approval for a new revised location 750 feet from the North line and 660 feet from the West line of said Section 13.

CASE 6848: Application of Petroleum Development Corporation for pool contraction and creation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Querecho Plains-None Spring Pool to comprise the Upper Bone Spring formation only, from 8390 feet to 8680 feet on the log of its McKay West Federal Well No. 1 located in Unit 7 of Section 34, Township 18 South, Range 32 East, and the creation of the Querecho Plains-Lower Bone Spring Pool to comprise said formation from 8680 feet to the base of the Bone Spring underlying the NW/4 of said Section 34.

#### CASE 6826: (Continued from March 12, 1980, Examiner Hearing)

Application of Tahoe Gil and Cattle Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Penrose Skelly Pool underlying the SE/4 SE/4 of Section 25. Township 21 South, Range 36 Fast, to be dedicated to its Bromlee Well No. 1 located thereon. Also to be considered will be the cost of recompleting 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 recompleting said well.

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	ENERGY AND OIL CONSI STATE LI SANTA I	OF NEW MEXICO MINERALS DEPARTMENT ERVATION DIVISION AND OFFICE BLDG. FE, NEW MEXICO ebruary 1980	
	EXAM	INER HEARING	
IN THE	MATTER OF:	)	
	an NGPA determinat	) neco Oil Company for) ion, Eddy County, )	CASE 6813
	New Mexico.	)	
BEFORE .	Richard L. Stamets		
bbi oldi.	Richard D. Stamets		
TRANSCRIPT OF HEARING			
	АРРЕ	ARANCES	
For the	e Oil Conservation	Ernest L. Padilla,	Esq.
Divis	sion:	Legal Counsel to t State Land Office	Bldg.
		Santa Fe, New Mexi	.co 8/501

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**SALLY W. BOYD, C.S.R.** Rt. 1 Box 193-B Santa Fe, New Mexico 87501

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	1	MR. STAMETS: Call next Case 6818. Ap-
	2	plication of Tenneco Oil Company for NGPA determination, Eddy
	3	County, New Mexico.
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	5	will be continued to the March 12th Examiner Hearing.
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# REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing and 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.E.

Examiner Conservation Division

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

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2	plication of Tenneco Oil Company for NGPA determination, Eddy
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SALLY W. BOYD, C.S.R. Rt. 1 Box 193-B Santa Fc. New Mexico 87301 Phone (505) 455-7409

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Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B Santa Fc, New Mexico 87501 Phone (505) 455-7409

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Dockets Nos. 6-80 and 7-80 are tentatively set for March 12 and 26, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKUT. DRAMINER HEARING - MIDHEDDAY - FLORWARY 27, 1960

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

The following cases will be heard before Richard L. Stamets, fxaminer, or Daniel S. Nutter, Alternate Examiner:

CASE 6787: (Continued from February 13, 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 6811: Application of Laguna Petroleum Company 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 SE/4 NE/4 of Section 13, Township 8 South, Range 32 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.

Application of Maralo Inc. to amend Order No. R-5816, Lea County, New Mexico. Applicant, in the CASE 6812: above-styled cause, seeks to amend Order No. R-5816 to permit the seven waterflood injection wells authorized to be drilled at unorthodox locations by said order to be produced until May 1, 1980, or until depleted, prior to being placed on water injection.

- Application of Petroleum Development Corporation to amend Order No. R-6196, Eddy County, New Mexico. CASE 6813: Applicant, in the above-styled cause, seeks to amend Order No. R-6196 which authorized re-entry of a well at an unorthodox location in the Lusk-Morrow Gas Pool to be dedicated to the N/2 of Section 13, Township 19 South, Range 31 East. Applicant now seeks approval for a new revised location 750 feet from the North line and 660 feet from the West line of said Section 13.
- CASE 6814: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Betenbough Unit Area, comprising 1921 acres, more or less, of State and fee lands in Cownship 13 South, Rauge 36 East.
- CASE 6797: (Continued from January 30, 1980, Examiner Hearing)

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.

- Application of Florida Exploration Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Ross Draw Unit Well No. 8, a Wolfcamp gas well 1650 feet from the North and East lines of Section 27, Township 26 South, Range 30 East, the N/2 of said Section 27 being dedicated to the well. CASE 6815:
- Application of Hanson Oil Corporation for salt water disposal, Eddy County, New Mexico. CASE 6816: Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Penrose Grayburg formation in the perforated interval from 3404 feet to 3633 feet in its Creek Well No. 1 located in Unit C of Section 35, Township 18 South, Range 30 East, Shugart Pool.
- CASE 6817: Application of Mewbourne Oil Company to amend Order No. R-6100, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Order No. R-6100 whereby the unorthodox Morrow location approved by said order would instead be applicable to the Wolfcamp and Bone Springs formations.

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Sec. 1

CASE 6818: Application of Tenneco Oil Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its State HL 11 Well No. 1 located in Unit N of Section 11, Township 19 South, Range 29 East.

Application of Tennico Cil Co far in NEPA determination, Eddy County, New Mergico

a new onohore reservoir determination for its State HL 11 WEEL Tro. 1 located in Unit Nog Section 11, Township 19 South, fange 29 East.

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# Tenneco Oil Exploration and Production A Tenneco Company

Southwestern Division

February 19, 1980



OIL CONSERVATION DIVISION

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

Attn: Richard Stamets, Hearing Examiner

Gentlemen:

This letter is sent to confirm the resetting of Case #6818 from February 27, 1980 to March 12, 1980. The case was reset by telephone on February 18, 1980.

Thank you for your time and attention.

Sincerely,

Watch David L. Motloch **Division** Attorney

LTOEP 111A 12/78

DLM/jm

cc: Jim Strother

## Tenneco Oil Exploration and Production A Tenneco Company

Southwestern Division

6800 Park Ten Blvd + Suite 200 North San Antonio, Texas 78213 (512) 734-8161

February 8, 1980

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State of New Mexico Energy and Minerals Dept. Oil Conservation Division State Land Office Bldg. Box 2088 Santa Fe, New Mexico 87501

Attn: D. S. Nutter Chief Engineer

Case 6818

RE: Application for Determination State HL 11 #1-N

Dear Mr. Nutter:

This letter is sent to confirm our phone conversation setting a hearing on the referenced Application for February 27, 1980.

For your information, this Application for Determination covers the State HL 11 #1-N Well located in SW<sup>2</sup> of Section 11, T-19-S, R-29-E, Eddy County, New Mexico. Application is being made for a Section 102 determination for production from the Morrow formation.

Thank you for your time and attention.

Very truly yours,

Ĺ. Motloch **Division Attorney** 

DLM:njp

xc: Richard L. Wynne

LTOEP 111A 12 78

► Page 3 of 3

CASE 6818: (Continued from February 27, 1980, Examiner Hearing)

Application of Tenneco Oil Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its State HL 11 Well No. 1 located in Unit N of Section 11, Township 19 South, Range 29 East.

- Application of Anadarko Production Company for an NGPA determination, Eddy County, New Mexico. CASE 6835: Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its New Mexico State "AB" Com. Well No. 1 located in Unit H of Section 36, Township 18 South, Range 28 East,
- CASE 6836: Application of Anadarko Production Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its New Mexico "AA" State Well No. 1 located in Unit F of Section 35, Township 18 South, Range 28 East.
- CASE 6837: Application of Curtis Little for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 7, Township 25 North, Range 3 West, 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 6819: (Continued from February 27, 1980, Examiner Hearing)

Application of V-F Petroleum, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the McKee or Devonian formations, or both, underlying four 40-acre units, being the SE/4 SE/4, NE/4 SE/4, NW/4 SE/4, and SW/4 SE/4 of Section 21, Township 23 South, Range 37 East, North Teague Field, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling anid wells.

Tennico Dillo. FERC Delermination new reservoir State H.L. 11 WELL no. 1 660 F5L 1980 FWC 11- Twp 19 5: 29 East Edde

Eddy Co. morron formation called in leg. David Motloch area 512 734 8161 San Antonio 6800 Park Ten Blod Suite 200 horth San Antonio TK 78213 2:05 pm 2/7/80

DRAFT dr/ STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

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

CASE NO. 6818

Order No. R- 6305

APPLICATION OF TENNECO OIL COMPANY

FOR AN NGPA DETERMINATION, EDDY

COUNTY, NEW MEXICO.

#### ORDER OF THE DIVISION

## BY THE DIVISION:

This cause came on for hearing at 9 a.m. on <u>March 26</u>, 19<u>80</u>, at Santa Fe, New Mexico, before Examiner <u>Richard L. Stamets</u> NOW, on this <u>day of</u>, 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. 6818 is hereby dismissed.

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

