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JASON KELLAHIN (RETIRED 1991)

June 9, 2000

Via facsimile



Mr. David R. Catanach, Hearing Examiner  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Re: *NMOCD Case 124228*

*Application of Cross-Timbers Oil Company  
for compulsory pooling, SW/4 Sec 21, T29N, R10W  
San Juan County, New Mexico.*


Dear Mr. Catanach:

On behalf of SG Methane Company Inc., an adversely affected interest owner, please enter our appearance in opposition to the applicant in the referenced case which is currently set for hearing on June 15, 2000. Cross Timbers Oil Company has applied for a compulsory pooling order for a Pictured Cliffs well in the SW/4 of Section 21, T29N, R10W.

SG Methane Company Inc. has an interest in the Pictured Cliffs formation in the SW/4 of this section and also is the operator the Trujillo "29-10-21" Well No. 2 which is a Basin Fruitland Coal Gas Well dedicated to the S/2 of this same section.

Among other things, SG Methane Company Inc. is very concerned that Cross Timbers Oil Company's attempt to drill and complete a Pictured Cliffs well will adversely communicate with and affect SG Methane Company Inc.'s Fruitland Coal Gas Well.

Very truly yours,



W. Thomas Kellahin

ofx: James Bruce, Esq.

Attorney for Cross Timbers Oil Company  
SG Methane Company Inc.  
Attn: Robert H. Guinn, II

**CASE 12382:** Continued from June 1, 2000, Examiner Hearing.

**Application of Nearburg Exploration Company, L.L.C. for Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 21, Township 19 South, Range 28 East, and in the following manner: (a) the S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within this vertical extent which presently includes the Undesignated South Millman-Atoka Gas Pool, Undesignated Winchester-Atoka Gas Pool, Undesignated South Millman-Morrow Gas Pool, Undesignated Winchester-Morrow Gas Pool, and Undesignated North Winchester-Morrow Gas Pool; (b) the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and (c) the SW/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within this vertical extent which presently includes but is not necessarily limited to the East Millman Yates-Seven Rivers-Queen-Grayburg-San Andres Pool and the Undesignated North Winchester-Wolfcamp Pool. These units are to be dedicated to a single well to be drilled at a location considered to be standard for all three units 660 feet from the South line and 1650 feet from the East line (Unit O) of Section 21. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and the three above-described units, and a charge for risk involved in drilling the well. Further, the East Millman Yates-Seven Rivers-Queen-Grayburg-San Andres Pool underlying the SW/4 SE/4 of Section 21 is currently dedicated to C.F.M. Oil Company's Monsanto State Well No. 1 (API No. 30-015-24252), located at a standard oil well location 986 feet from the South line and 1650 feet from the East line (Unit O) of Section 21. At the time of the hearing it will be necessary for the applicant to address certain issues created by the forced pooling of producing acreage currently operated by another operator. The proposed well location is approximately eleven miles east of Lakewood, New Mexico.

**CASE 12423:** Readvertised

**Application of Southwestern Energy Production Company for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Atoka formation, underlying the following described acreage in Section 17, Township 23 South, Range 34 East, and in the following manner: (a) the W/2 to form a standard 320-acre stand-up gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within this vertical extent which presently includes but is not necessarily limited to the Undesignated Antelope Ridge-Strawn Gas Pool, Undesignated West Antelope Ridge-Atoka Gas Pool, and Undesignated Antelope Ridge-Atoka Gas Pool; (b) the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within this vertical extent; and (c) the NW/4 NW/4 (Unit D) to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within this vertical extent which presently includes but is not necessarily limited to the Undesignated North Bell Lake-Bone Spring Pool and Undesignated North Bell Lake-Delaware Pool. These three units are to be dedicated to a single well, the proposed Baywatch "17" Federal Well No. 1, to be drilled 1310 feet from the North and West lines of Section 17 being a standard well location for the 160 and 320-acre spacing and proration units but an unorthodox oil well location for the 40-acre unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling the well. The proposed well location is approximately 19.5 miles southwest of Oil Center, New Mexico.

**CASE 12407:** Continued from May 18, 2000, Examiner Hearing.

**Application of Southwestern Energy Production Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 18, Township 23 South, Range 34 East, and in the following manner: the E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools spaced on 320-acre spacing within that vertical extent, including but not limited to the Undesignated West Antelope Ridge-Atoka Gas Pool and Undesignated North Bell Lake-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; and the SE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Undesignated North Bell Lake-Delaware Pool and Undesignated North Bell Lake-Bone Spring Pool. The units are to be dedicated to its Paloma Blanco "18" Fed. Com. Well No. 1, to be drilled at a location 980 feet from the North line and 660 feet from the East line of Section 18. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing the well. The units are located approximately 20 miles southwest of Oil Center, New Mexico.

**CASE 12428:** **Application of Cross Timbers Oil Company for compulsory pooling, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the SW/4 of Section 21, Township 29 North, Range 10 West, to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including but not limited to the Aztec-Pictured Cliffs Gas Pool. The unit is to be dedicated to applicant's Trujillo Gas Com. Well No. 1R, to be drilled at an orthodox gas well location 1835 feet from the South line and 1910 feet from the West line of Section 21. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Cross Timbers Operating Company as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 3½ miles southwest of Flora Vista, New Mexico.

**DOCKET: EXAMINER HEARING - THURSDAY - JUNE 15, 2000**

8:15 A.M. - 2040 South Pacheco  
Santa Fe, New Mexico

Dockets Nos. 18-00 and 19-00 are tentatively set for June 29 and July 13, 2000. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 12420:** Continued from June 1, 2000, Examiner Hearing.

**Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests underlying the W/2 of Section 5, Township 17 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit or units for all formations and/or pools developed on 320-acre spacing within that vertical extent, including, but not limited to the Undesignated Crow Flats Morrow Gas Pool. The units are to be dedicated to applicant's proposed Dog Canyon 5 Fed. Com. Well No. 1 to be drilled at a standard location 660 feet from the South and West lines of Section 5. 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, designation of Nearburg Producing Company, L.L.C. as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 2 miles northeast of Artesia, New Mexico.

**CASE 12421:** Continued from June 1, 2000, Examiner Hearing.

**Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests underlying the E/2 of Section 19, Township 17 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit or units for all formations and/or pools developed on 320-acre spacing within that vertical extent, including, but not limited to the Undesignated Jennings Spring Wolfcamp Gas Pool, Undesignated Logan Draw Cisco Canyon Gas Pool, Undesignated Hart Draw Atoka Gas Pool, and the Undesignated Logan Draw Morrow Gas Pool. The units are to be dedicated to applicant's proposed Logan Draw 19 Fed. Com. Well No. 1 to be drilled at a standard location 810 feet from the South line and 740 feet from the East line of Section 19. 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, designation of Nearburg Producing Company, L.L.C. as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 10 miles southeast of Artesia, New Mexico.

**CASE 12427:** **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests underlying the E/2 of Section 18, Township 18 South, Range 28 East in the following manner: (a.) the E/2 to form a standard 320-acre gas spacing and proration unit or units for all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently includes the undesignated North-Illinois Camp Morrow Gas Pool; (b.) SE/4 for all 160-acre formations; (c.) S/2 SE/4 for all 80-acre formations and (d.) SW/4 SE/4 for all 40-acre formations, including the undesignated Empire-Abo Pool and the Artesia-Queen-Grayburg-San Andres Pool. The units are to be dedicated to its proposed Pathfinder 18 State Com. No. 1 Well to be drilled at a standard location 990 feet from the South line and 1980 feet from the East line of Section 18. 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, designation of Nearburg Producing Company, L.L.C. as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 10 miles southeast of Artesia, New Mexico.

**CASE 12393:** Continued from May 18, 2000, Examiner Hearing.

**Application of Santa Fe Snyder Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage within Section 17, Township 23 South, Range 34 East, in the following manner: the N/2 of this section to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within this vertical extent, including but not limited to the Antelope Ridge-Morrow Gas Pool; the NW/4 of this section to form a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre gas spacing within this vertical extent; and the SW/4 NW/4 of this section to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within this vertical extent. This unit(s) is to be dedicated to its Paloma Blanco "17" Federal Well No. 1 to be drilled and completed at a standard well location in Unit E of this section. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 22 miles southwest of Eunice, New Mexico.