

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

IN THE MATTER OF THE APPLICATION  
OF ORYX ENERGY COMPANY FOR  
FOR COMPULSORY POOLING AND  
UNORTHODOX LOCATION,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 10270

APPLICATION

COMES NOW ORYX ENERGY COMPANY, by its undersigned attorneys, pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), hereby applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the following described acreage in Section 19, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, in the following manner:

1. 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 said vertical extent, which presently includes but is not necessarily limited to the Undesignated Atoka-Morrow Pool.
2. The SE/4 of Section 19 to form a standard 160-acre gas proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Atoka-Morrow Pool.

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FEB 26 1991

OIL CONSERVATION DIV.  
SANTA FE

Applicant further seeks approval of an unorthodox gas well location 990 feet from the South line and 990 feet from the East line of said Section 19.

In support thereof, Applicant states:

1. Applicant is a 25% working interest owner in the S/2 of Section 19, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

2. Applicant desires to drill a well at an unorthodox location 990 feet from the South line and 990 feet from the East line of said Section 19.

3. Applicant is informed and believes that the working interest/mineral owners entitled to participate in and pay for the costs of the subject well are as shown on Exhibit "A" attached hereto.

4. Applicant has sought the voluntary agreement of all those parties shown on Exhibit "A" for the formation of the appropriate spacing and proration unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement.

5. The offset operators towards whom the subject well encroaches are set forth on Exhibit "B".

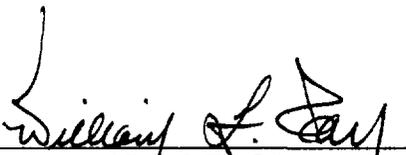
6. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibits "A" and "B" of this application for compulsory pooling and its request for a hearing on March 21, 1991 by sending those parties a copy of this application and cover letter.

7. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interest involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division, and, that after notice and hearing as required by law, the Division enter its order pooling the mineral interests and approve the unorthodox well location described herein. Applicant further prays that it be named operator of the well, that the order make provisions for applicant to recover out of production its costs of drilling, equipping and completing the well, its costs of operation, including costs of supervision and a risk factor in the amount to be determined by the Division for the drilling and completion of the well and for such other and further relief as may be proper.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 

WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR ORYX ENERGY  
COMPANY

**EXHIBIT A**

	<b>S/2 of Sec. 19 320 Acres Interest</b>	<b>SE/4 of Sec. 19 160 Acres Interest</b>
Chevron U.S.A. Inc. Post Office Box 1150 Midland, Texas 79702	62.500	25.000
Conoco, Inc. Conoco Plaza, 10 Desta Drive Midland, Texas 79705	3.125	6.250
Yates Petroleum Corp. 105 South Fourth Street Artesia, New Mexico 88210	9.375	18.750
ORYX Energy Company Post Office Box 2880 Dallas, Texas 75221	25.000	50.000
	<hr/> 100.000	<hr/> 100.000

## **EXHIBIT "B"**

Noted below are the names and addresses for affected parties which should be notified due to the unorthodox well location:

Yates Petroleum Corp.  
105 South Fourth Street  
Artesia, New Mexico 88210

Conoco, Inc.  
Conoco Plaza, 10 Desta Drive  
Midland, Texas 79705

DeKalb Energy Co.  
1625 Broadway  
Denver, Colorado 80202

Depco, Inc.  
1000 Petroleum Building  
110 16th Street  
Denver, Colorado 80202

Kaiser-Francis Oil Co.  
Post Office Box 21468  
Tulsa, OK 74121-1468

Texaco, U.S.A.  
Post Office Box 2100  
Denver, Colorado 80201

Marathon Oil Company  
Post Office Box 552  
Midland, Texas 79702  
Attn: Tom Lowry



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

February 27, 1991

Oryx Energy Company  
c/o Campbell & Black, P.A.  
P.O. Box 2208  
Santa Fe, NM 87504-2208

Case 10270

Attention: William F. Carr

*RE: Application for compulsory pooling and an unorthodox gas well location, S/2 equivalent of Section 19, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.*

Dear Mr. Carr:

In reviewing the subject application dated February 26, 1991, I was unable to find the existence of an "Atoka-Morrow Pool" nor was I able to locate a pool within one-mile of the S/2 equivalent of said Section 19 which is spaced on 160 acres.

I therefore prepared the following advertisement for this matter:

"Application of Oryx Energy Company for compulsory pooling, non-standard gas proration unit and an unorthodox gas well location, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying Lots 3 and 4, the E/2 SW/4 and SE/4 (S/2 equivalent) of Section 19, Township 18 South, Range 28 East, to form a non-standard 326.81-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Red Lake Atoka-Morrow Gas Pool and Undesignated North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox gas well location 990 feet from the South and East lines (Unit P)

Oryx Energy Company  
c/o Campbell & Black, P.A.  
Attention: William F. Carr  
February 27, 1991  
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of said 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 applicant as operator of the well and a charge for risk involved in drilling said well."

Should you have any contradictory information on this matter, please contact me so that an amended application may be filed.

Sincerely,



Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/ag

cc: Oryx Energy Company - Dallas, TX