

RECEIVED

JUN 29 1968

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF MOBIL EXPLORATION AND PRODUCING
U.S. AS AGENT FOR MOBIL PRODUCING
TEXAS-NEW MEXICO, INC. FOR COMPULSORY
POOLING AND THE DELETION OF ACREAGE
FROM AN EXISTING NON-STANDARD PRORATION
AND SPACING UNIT, OR IN THE ALTERNATIVE,
FOR COMPULSORY POOLING, OR AS A FURTHER
ALTERNATIVE FOR THE COMPULSORY POOLING
OF A NON-STANDARD PRORATION UNIT AND
APPROVAL OF THAT UNIT, LEA COUNTY,
NEW MEXICO.

CASE: 9430

APPLICATION

Comes now Mobil Exploration and Producing U.S. as agent for
Mobil Producing Texas-New Mexico, Inc., by and through its
attorneys, Montgomery & Andrews, P.A., and applies to the
New Mexico Oil Conservation Commission as follows:

Applicant seeks an order pooling all mineral interest from
the top of the Wolfcamp to the base of the Pennsylvanian
formations underlying the E/2 of Section 22, T17S, R35E, NMPM,
forming a standard 320-acre spacing and proration unit to be
dedicated to the T. H. McElvain New Mexico "AC" State Well No. 1
located 1980 feet FNL and 660 feet FEL (Unit H) of said section
with the corresponding deletion of the E/2 NW/4 (80 acres) from
the existing 240 acre non-standard spacing and proration unit now
consisting of the NE/4 and the E/2NW/4 of Section 22 presently
dedicated to that well.

In the alternative, Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation underlying the S/2 of Section 22.

As a further alternative, Applicant seeks the pooling of all mineral interests in the SE/4 and the S/2SW/4 to form a non-standard 240 acre non-standard spacing and proration unit for all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation underlying Section 22, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico.

In support thereof applicant alleges that:

1. On January 4, 1986 T. H. McElvain completed his New Mexico "AC" State Well #1 located 1980 feet FNL and 660 feet FEL of Section 22, T17S, R35E, NMPM, Lea County, New Mexico and dedicated a 240 acre non-standard proration and spacing unit for the subject T. H. McElvain well consisting of the E/2NW/4 and NE/4 of said Section 22.

2. Mobil is the owner of an interest in the SE/4 of Section 22 and has the right to drill and develop that acreage.

3. The acreage in which Mobil owns an interest is being drained by the "AC" State Well #1 and in order to prevent the waste caused by the drilling of unnecessary wells and in order to protect its correlative rights two standard 320 acre spacing and proration units should be formed in Section 22.

4. As its first alternative remedy Mobil seeks the compulsory pooling of the E/2 of said Section 22 to form a standard 320 acre spacing and proration unit for the T. H.

McElvain New Mexico "AC" State Well #1 and in accordance therewith applicant has:

(a) Sought voluntary agreements with the owners of said well;

(b) Is unable to obtain a voluntary agreement.

(c) Further prays that it be named operator of the well, and that the order make provisions for applicant to recover out of production its costs of drilling the subject well and for completing and equipping it, costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling of the well.

5. As its second alternative remedy, applicant seeks the pooling of all interests from the top of the Wolfcamp to the base of the Pennsylvanian formations underlying Section 22 and in accordance therewith applicant has:

(a) Sought a voluntary agreement with other interest owners in the S/2 for participation in a well but has been unable to obtain a voluntary agreement;

(b) Further prays that it be named operator of the well, and that the order make provisions for applicant to recover out of production its costs of drilling the subject well and for completing and equipping it, costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling of the well.

6. As a further alternative applicant seeks the pooling of all mineral interests from the top of the Wolfcamp to the base of

APPLICATION - Page 3

the Pennsylvanian formations underlying a non-standard 240 acre spacing and proration unit comprising the SE/4 and S/2SW/4 of Section 22 and for the approval of that non-standard unit and in accordance therewith applicant has:

(a) Sought a voluntary agreement with other interest owners for participation in a well but has been unable to obtain a voluntary agreement;

(b) Further prays that it be named operator of the well, and that the order make provisions for applicant to recover out of production its costs of drilling the subject well and for completing and equipping it, costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling of the well.

7. Pursuant to Division and Commission notice requirements applicant has notified all interested parties as shown on Exhibit A attached hereto and asks that this case be set for hearing before the Commission on July 14, 1988.

WHEREFORE, applicant requests that this application be set for hearing and that after notice and hearing its requested relief be granted.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By

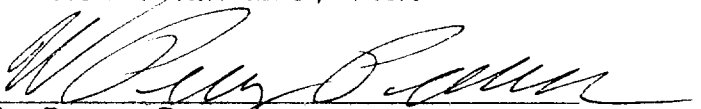

W. Perry Pearce
Post Office Box 2307
Santa Fe, New Mexico 87504-2307

EXHIBIT A

Amerada Hess Corporation
Regional Office
P.O. Box 840
Seminole, Texas 79360

ARCO Oil and Gas Company
P.O. Box 1610
Midland, Texas 79702

McElvain, T. H., Jr.
P.O. Box 2148
Santa Fe, New Mexico 87504-2148

Trainer, C.W.
P.O. Box 755
Hobbs, New Mexico 88240

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
Attn: W. Frank Hulse

called on 27, every, since
June 21, 1988
Memo From
FLORENE DAVIDSON
OC Staff Specialist

To July 14, 1988

Mobil Producing Texas &
New Mexico Inc.

Compulsory Pooling
South Shoe Bar Field
Atoka and Morrow
formations

S/2 Section 22, T17S, R35E
standard 320-acre spacing unit
in the alternative —
E/2 Section 22 to be
dedicated to the existing
McElvain well in the NE/4

Memo

From
FLORENE DAVIDSON
OC Staff Specialist

To

Further alternative —
Non-Standard 240-acre
spacing unit

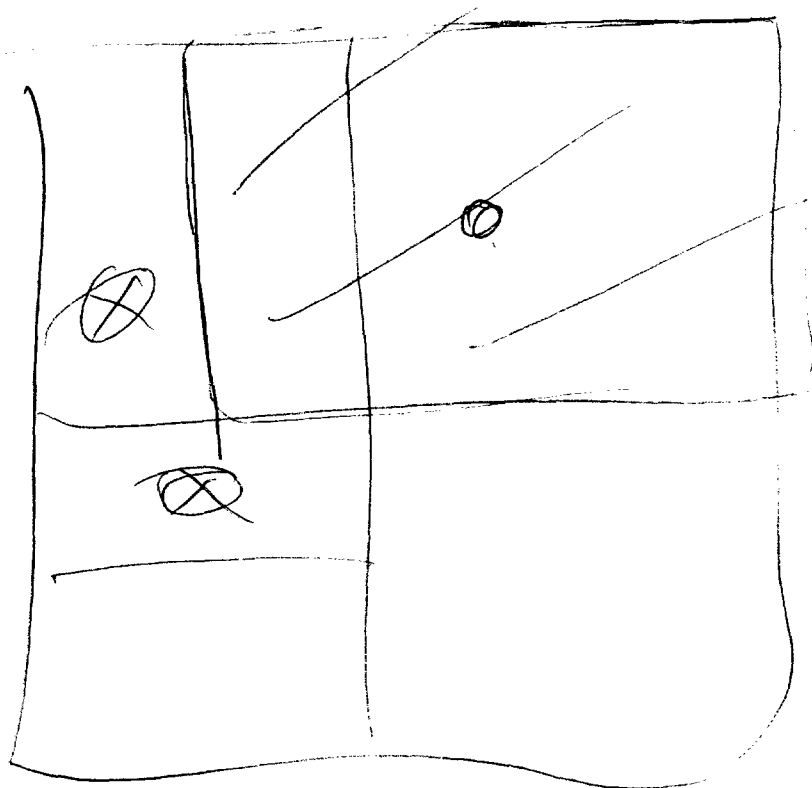
SE14 and S1/2 SW14
Section 22
to be ~~drat~~ dedicated to a
well to be drilled in the
SE14

Memo

From
FLORENE DAVIDSON
OC Staff Specialist

To

EXISTING
FILE



R. 864

Oil Conservation Division Santa Fe, New Mexico 87504-2088
827-5802