

CASE 7258: HNG OIL COMPANY FOR COMPUL-
SORY POOLING, LEA COUNTY, NEW MEXICO

Case No.

7258

Application

Transcripts

Small Exhibits

ETC

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
20 May 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of HNG Oil Company for
compulsory pooling, Lea County,
New Mexico.

CASE
7258

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

For the Applicant:

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MR. NUTTER: Call next Case Number 7258.

MR. PADILLA: Application of HNG Oil
Company for compulsory pooling, Lea County, New Mexico.

MR. NUTTER: Applicant has requested
this case be dismissed.

Case Number 7258 will be dismissed.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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 CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7268
heard by me on 5/20 19.81.
[Signature] 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
20 May 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of HNG Oil Company for
compulsory pooling, Lea County,
New Mexico.

CASE
7258

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

For the Applicant:

MR. NUTTER: Call next Case Number 7258.

MR. PADILLA: Application of HNG Oil
Company for compulsory pooling, Lea County, New Mexico.

MR. NUTTER: Applicant has requested
this case be dismissed.

Case Number 7258 will be dismissed.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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 CSR

SALLY W. BOYD, C.S.R.
Rt. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7258
heard by me on 5/20 1981.

[Signature], Examiner
Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 26, 1981

POST OFFICE BOX 2019
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 627-2434

Mr. William F. Carr
Campbell, Byrd & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 7258
ORDER NO. R-6694

Applicant:

HNC Oil Company

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 _____ 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. 7258
Order No. R-6694

APPLICATION OF HNG OIL COMPANY
FOR COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 20, 1981,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of May, 1981, 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.

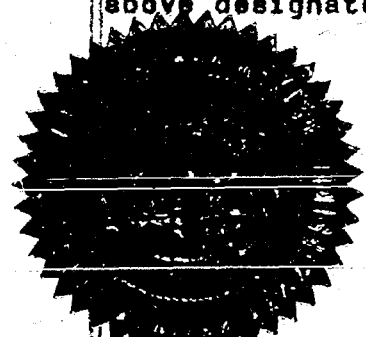
IT IS THEREFORE ORDERED:

That Case No. 7258 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L
fd/

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

May 19, 1981

Mr. Joe D. Ramey
Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

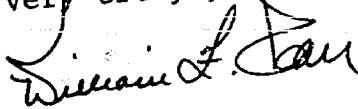
Re: Oil Conservation Division Case No. 7258:
Application of HNG Oil Company for
Compulsory Pooling, Lea County, New Mexico

Dear Mr. Ramey:

HNG and Phillips Petroleum Company have reached agreement for development of the acreage which is the subject of the above-referenced case. HNG, therefore, requests that this case be dismissed.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC:lr

cc: Mr. Raymond Parker

Dockets Nos. 17-81 and 18-81 are tentatively set for June 3 and 17, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 20, 1981

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for June, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for June, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7242: (Readvertised)

Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Mississippian location of its McDonald Well No. 1 to be drilled 660 feet from the South line and 990 feet from the East line of Section 33, Township 13 South, Range 36 East, the S/2 of said Section 33 to be dedicated to the well.

CASE 7243: (Readvertised)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian and Mississippian formations underlying the S/2 of Section 33, Township 13 South, Range 36 East, for a gas completion and/or all mineral interests in the Pennsylvanian-Devonian formations underlying the SE/4 SE/4 of said Section 33 for an oil completion. 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.

CASE 7253: Application of Bandera Energy Company for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 27, Township 16 South, Range 35 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7254: Application of Mesa Petroleum Company for compulsory pooling, San Juan County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying the W/2 of Section 15, Township 30 North, Range 11 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7255: Application of Gulf Oil Corporation for compulsory pooling, Lea 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 the W/2 of Section 28, Township 18 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7256: Application of Petro-Lewis Corporation for downhole commingling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry, Drinkard, and Abo production in the wellbore of its Gulf Sarkeys Well No. 2 located in Unit F of Section 25, Township 21 South, Range 37 East.

CASE 7257: (This case will be dismissed and a different well will be docketed for hearing later.)

Application of Cities Service Company for a salt water disposal well, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Entrada formation at approximately 5300 feet in its Federal "M" Well No. 1 in Unit P of Section 21, Township 19 North, Range 5 West.

CASE 7225: (Continued from April 22, 1981, Examiner Hearing)

Application of Knox Industries, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Morrow location of its Maddox Well No. 1 to be drilled 1980 feet from the South line and 660 feet from the West line of Section 12, Township 23 South, Range 34 East, Northeast Antelope Ridge Field, the S/2 of said Section 12 to be dedicated to the well.

CASE 7258: Application of HNG Oil Company for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 32, Township 21 South, Range 35 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, designation of applicant as operator of the well, and a charge for the risk involved in drilling said well.

CASE 7086: (Continued from April 8, 1981, Examiner Hearing)

Application of Blackwood & Nichols Company, Ltd. for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 30 and 31 North, Ranges 6, 7, and 8 West, containing 33,500 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

CASE 7259: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit New Mexico State University and Fireman's Fund Insurance Company to appear and show cause why two certain geothermal wells, being the New Mexico State University Well No. TG-3 and Well No. DT-4, both located in the NW/4 SE/4 of Section 14, Township 29 South, Range 8 West, Luna County, New Mexico, should not be ordered plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7260: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, contracting vertical limits, and extending horizontal limits of certain pools in Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the West Antelope Ridge-Atoka Gas Pool. The discovery well is Monsanto Company Back Basin Well No. 1 located in Unit I of Section 20, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 20: E/2

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn production and designated as the Antelope Ridge-Strawn Gas Pool. The discovery well is Estoril Production Corporation Curry Federal Well No. 1 located in Unit I of Section 22, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 15: S/2
Section 22: All

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Montoya production and designated as the Fowler-Montoya Pool. The discovery well is Gulf Oil Corporation Lillie Well No. 1 located in Unit D of Section 23, Township 24 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 23: NW/4

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Grama Ridge-Atoka Gas Pool. The discovery well is Minerals, Inc. Llano 33 State Well No. 1 located in Unit J of Section 33, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 33: S/2

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the McMillan-Wolfcamp Gas Pool. The discovery well is Marbob Energy Corporation State CJ Com Well No. 1 located in Unit G of Section 24, Township 20 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM
Section 24: N/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the North Osudo-Bone Spring Pool. The discovery well is Jake L. Hamon Hamon-Samedan-Petty Well No. 1 located in Unit N of Section 8, Township 20 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
Section 8: SW/4

(g) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the West Palmillo-Wolfcamp Pool. The discovery well is Bass Enterprises Production Company Palmillo State Well No. 1 located in Unit J of Section 1, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 1: NW/4 SE/4

(h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Scoggin Draw-Atoka Gas Pool. The discovery well is Amoco Production Company Federal F Gas Com Well No. 1 located in Unit G of Section 3, Township 18 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 3: E/2

(i) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Cisco production and designated as the East Tannehill-Cisco Pool. The discovery well is Energy Reserves Group, Inc. El Paso State Well No. 1 located in Unit P of Section 8, Township 6 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 34 EAST, NMPM
Section 8: SE/4

(j) ABOLISH the Carlsbad-Canyon Gas Pool in Eddy County, New Mexico, described as: (acreage to be added to East Carlsbad-Wolfcamp Gas Pool)

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 21: S/2

(k) ABOLISH the Carlsbad Permo-Pennsylvanian Gas Pool in Eddy County, New Mexico, described as: (acreage to be added to East Carlsbad-Wolfcamp Gas Pool)

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 15: All

(l) EXTEND the Baldridge Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 36: S/2

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 31: S/2

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 1: E/2
Section 12: E/2

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM
Section 6: W/2
Section 7: N/2

- (m) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
 Section 30: SE/4
- (n) EXTEND the Bull's Eye-San Andres Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM
 Section 12: N/2 SE/4
TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM
 Section 7: NW/4 SW/4
- (o) EXTEND the North Caprock-Mississippian Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
 Section 5: SE/4
- (p) EXTEND the East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
 Section 14: N/2
 Section 15: All
 Section 16: E/2
 Section 20: E/2
 Section 21: All
- (q) EXTEND the Catelaw Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM
 Section 33: E/2
- (r) EXTEND the Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
 Section 20: E/2 NE/4
- (s) EXTEND the Diamond Mound-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
 Section 6: S/2
- (t) EXTEND the Dublin Ranch-Atoka Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
 Section 22: S/2
 Section 27: N/2
- (u) EXTEND the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
 Section 23: NW/4 SW/4
- (v) EXTEND the Hare-San Andres Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
 Section 21: S/2
- (w) EXTEND the South Kemnitz Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
 Section 30: E/2
- (x) EXTEND the North McMillan-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
 Section 21: S/2

(y) EXTEND the Maljamar-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 28: W/2

(z) EXTEND the Malaga-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 10: S/2
Section 23: N/2

(aa) EXTEND the North Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM
Section 17: SE/4

(bb) EXTEND the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 5: Lots 1, 2, 3, 4, 5, 6, 7,
and 8

(cc) CONTRACT the vertical limits of the Shugart-Pennsylvanian Gas Pool to include the Morrow formation only and redesignate said pool as Shugart-Morrow Gas Pool, and extend the horizontal limits of said pool to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 26: N/2

(dd) EXTEND the North Shugart-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 7: E/2
Section 18: All

(ee) EXTEND the East Weir-Blaine Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 7: N/2 N/2
Section 8: N/2 N/2
Section 9: W/2 NW/4

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
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TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

May 1, 1981

Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 7258

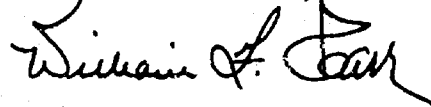
Re: Application of HNG Oil Company for Compulsory
Pooling, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of HNG Oil Company
in the above-referenced matter.

The applicant requests that this matter be included on the
docket for the examiner hearing scheduled to be held on
May 20, 1981.

Very truly yours,



William F. Carr

WFC:1r

Enclosures

cc: Mr. Raymond Parker

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

IN THE MATTER OF THE APPLICATION
OF HNG OIL COMPANY FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

Case 7258

APPLICATION

Comes now, HNG OIL COMPANY, by and through its undersigned attorneys and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in the Wolfcamp and Pennsylvanian formations in and under the S/2 of Section 32, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division.

1. Applicant is the owner of 12.5% of the working interest in and under the S/2 of Section 32, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location in the S/2 of said Section 32.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other working interest owners in the S/2 of said Section 32 except Phillips Petroleum Co., owner of a 75.00% working interest.
4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

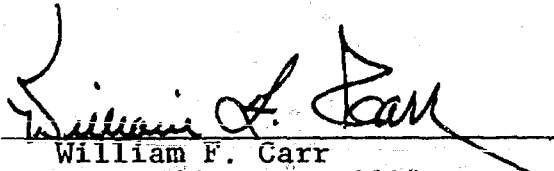
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law the Division enter its order pooling the lands, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling, and after completion, including overhead charges, and a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

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

IN THE MATTER OF THE APPLICATION
OF HNG OIL COMPANY FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

Case 7258

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2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location in the S/2 of said Section 32.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other working interest owners in the S/2 of said Section 32 except Phillips Petroleum Co., owner of a 75.00% working interest.
4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

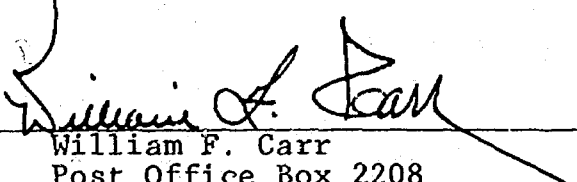
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law the Division enter its order pooling the lands, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling, and after completion, including overhead charges, and a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

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

IN THE MATTER OF THE APPLICATION
OF HNG OIL COMPANY FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

Case 7258

APPLICATION

Comes now, HNG OIL COMPANY, by and through its undersigned attorneys and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in the Wolfcamp and Pennsylvanian formations in and under the S/2 of Section 32, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division.

1. Applicant is the owner of 12.5% of the working interest in and under the S/2 of Section 32, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location in the S/2 of said Section 32.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other working interest owners in the S/2 of said Section 32 except Phillips Petroleum Co., owner of a 75.00% working interest.
4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

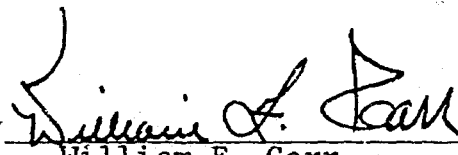
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law the Division enter its order pooling the lands, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling, and after completion, including overhead charges, and a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

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. 7258

Order No. R- 6694

APPLICATION OF HNG OIL COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 20,
1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of May, 1981, 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. 7258 is hereby dismissed.

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

JAR

SP

ALL