

CASE NO.

7699

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
13 October 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Sun Exploration and Pro- CASE  
duction Company for compulsory pooling, 7699  
Eddy County, New Mexico.

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

1  
2 MR. NUTTER: We will call next Case Num-  
ber 7699.

4 MR. PEARCE: That is on the application  
5 of Sun Exploration and Production Company for compulsory  
6 pooling, Eddy County, New Mexico.

7 Mr. Examiner, we have received a request  
8 from the applicant in this matter that this case be dismissed.

9 MR. NUTTER: Case Number 7699 will be  
10 dismissed.

11  
12 (Hearing concluded.)  
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# 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 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 CSR

I do hereby certify that the foregoing is a complete and correct transcript of the proceedings in the hearing of Case No. 7699 heard by me on 10/13 1984

[Signature], Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7407



October 15, 1982

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Thomas Kellahin  
Kellahin & Kellahin  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: CASE NO. 7699  
ORDER NO. R-7110

Applicant:

Sun Exploration & Production  
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	<u>x</u>
Artesia OCD	<u>x</u>
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. 7699  
Order No. R-7110

APPLICATION OF SUN EXPLORATION AND  
PRODUCTION COMPANY FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 13,  
1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of October, 1982, the Division  
Director, having considered the record and the recommendations  
of the Examiner, and being fully advised in the premises,

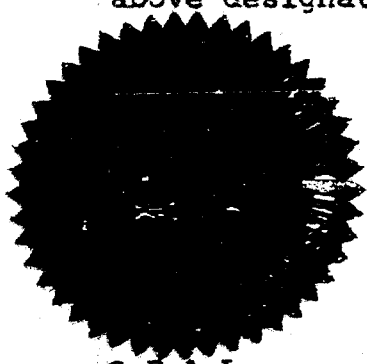
FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 7699 is hereby dismissed.

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



SEAL  
fd/

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

Dockets Nos. 33-82 and 34-82 are tentatively set for October 27 and November 10, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 13, 1982

9 A.M. - MORGAN HALL - 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 November, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for November, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7638: (Continued from September 15, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cibola Energy Corporation, American Employers Insurance Company and all other interested parties to appear and show cause why the Simms Ranch Well No. 1, located in Unit N, Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both in Section 21, the Mora Ranch Well No. 3 located in Unit M and the Mora Ranch Well No. 4, located in Unit M, both in Section 5, all in Township 21 North, Range 21 East, Mora County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7637: (Continued from September 15, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R.A.F. Enterprises, Fireman's Fund Insurance Company and all other interested parties to appear and show cause why the Shaw Well No. 1, located in Unit M, Section 18, Township 4 North, Range 8 East, Torrance County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7698: Application of Joel B. Burr, Jr. for a non-standard proration unit and an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 560 feet from the North line and 2440 feet from the West line of Section 29, Township 30 North, Range 12 West, Fulcher Kutz Pool, and a 120-acre non-standard proration unit comprising the N/2 NW/4 and SW/4 NW/4 of said Section 29 to be dedicated to the well.

CASE 7696: (Continued from September 29, 1982, Examiner Hearing)

Application of Arco Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian through Ellenburger formations underlying the E/2 of Section 31, Township 20 South, Range 36 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 7699: Application of Sun Exploration & Production Company for compulsory pooling, Eddy 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 12, Township 19 South, Range 28 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 7700: Application of Depco, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation underlying the NW/4 of Section 18, Township 5 South, Range 25 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 7701: Application of Amoco Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the perforated interval from 12002 feet to 12012 feet in its Federal "A" Well No. 5 located 810 feet from the South line and 1980 feet from the West line of Section 13, Township 9 South, Range 35 East.

(Continued from September 15, 1982, Examiner Hearing)

CASES 7666, 7668, and 7669: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant in each of the three following cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case 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, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7666: SW/4 Section 3;

CASE 7668: NW/4 Section 14;

All of the above being in Township 5 South, Range 24 East and

CASE 7669: NW/4 of Section 2, Township 9 South, Range 25 East.

CASE 7670: (Continued from September 15, 1982, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 14 South, Range 27 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 7702: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning discovery allowables, contracting, and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Cherry Canyon production and designated as the Antelope Ridge-Cherry Canyon Pool. Further, to assign approximately 34,590 barrels of discovery allowable to the discovery well the Estoril Production Corporation Triple A Federal Well No. 2 located in Unit J of Section 10, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 10. SE/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Cherry Canyon Production and designated as the Brushy Draw-Cherry Canyon Pool. Further, to assign approximately 25,410 barrels of discovery allowable to the discovery well, the J. C. Williamson UCBHW Federal Well No. 1 located in Unit M of Section 25, Township 26 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM  
Section 25: SW/4



- (c) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the West Buffalo Valley-Pennsylvanian Gas Pool. The discovery well is the Clements Energy, Inc. Drumm Com Well No. 1 located in Unit E of Section 33, Township 14 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 26 EAST, NMPM

Section 33: All

Section 34: All

Section 35: All

- (d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the North Grama Ridge-Wolfcamp Gas Pool. The discovery well is the HNG Oil Company San Simon 19 State Well No. 1 located in Unit J of Section 19, Township 21 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM

Section 19: S/2

- (e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Yates and Seven Rivers production and designated as the South House-Yates-Seven Rivers Gas Pool. The discovery well is the Alpha-Twenty One Production Company Colvin Federal Well No. 1 located in Unit B of Section 17, Township 20 South, Range 39 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM

Section 17: Lots 1 and 2 and NW/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the McDonald-Devonian Pool. The discovery well is the Harvey E. Yates Company McDonald Unit Well No. 2 located in Unit D of Section 3, Township 14 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM

Section 3: NW/4

- (g) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the Palm Mesa-Pennsylvanian Gas Pool. The discovery well is the Hault Petroleum Corporation Hault State Well No. 1 located in Unit M of Section 13, Township 8 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM

Section 13: S/2

- (h) CONTRACT the Bar U-Pennsylvanian Pool in Chaves County, New Mexico, to correct overlap with the Tobac-Pennsylvanian Pool, by the deletion of the following described area:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM

Section 31: NE/4

- (i) EXTEND the Austin-Mississippian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 36 EAST, NMPM

Section 32: S/2

- (j) EXTEND the Blinberry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 7: SE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 6: SW/4

Section 7: N/2

- (k) EXTEND the Bootleg Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM  
Section 7: E/2

- (l) EXTEND the Buckeye-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 4: SE/4

- (m) EXTEND the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 9: S/2

- (n) EXTEND the Carlbad-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 16: All  
Section 21: N/2

- (o) EXTEND the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM  
Section 7: SE/4

- (p) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
Section 17: SW/4  
Section 18: E/2  
Section 20: NW/4

- (q) EXTEND the Diamond Mound-Atoka-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 34: N/2

- (r) EXTEND the EK-Bona Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 30: SW/4

- (s) EXTEND the Empire-Abo Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 19: SE/4  
Section 30: N/2 NE/4

- (t) EXTEND the East Gam-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 25: E/2 and SW/4  
Section 35: S/2

- (u) EXTEND the East Grana Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM  
Section 31: N/2  
Section 32: N/2

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- (v) EXTEND the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM  
Section 9: E/2

- (w) EXTEND the Indian Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM  
Section 36: E/2

- (x) EXTEND the South Kemnitz-Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 20: W/2

- (y) EXTEND the Langlie Mattix-Seven Rivers-Queen-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 35: NE/4

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM  
Section 30: SE/4

- (z) EXTEND the Linda-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM  
Section 32: W/2 NE/4, S/2 NW/4 and NW/4 NW/4

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

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM  
Section 13: E/2

- (bb) EXTEND the Lovington-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM  
Section 28: S/2

- (cc) EXTEND the Maljamar-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM  
Section 1: NW/4

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 26: SW/4

- (dd) EXTEND the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM  
Section 9: S/2  
Section 10: All

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM  
Section 1 through 4: All  
Section 11: E/2  
Section 12 through 14: All  
Section 23 through 26: All  
Section 35 and 36: All

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 1: All  
 Section 2: All  
 Section 7: All  
 Section 18: All  
 Section 19: All  
 Section 20: W/2  
 Section 28: W/2  
 Section 29 through 32: All

- (ea) EXTEND the Sand Point-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 10: N/2

- (ff) EXTEND the Skaggs-Abo Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 11: SE/4  
 Section 12: NE/4, W/2 and N/2 SE/4  
 Section 14: N/2

- (gg) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM

Section 19: NE/4

- (hh) EXTEND the Tower-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 31 EAST, NMPM

Section 3: SW/4

- (ii) EXTEND the Turkey Track-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 22: SW/4

- (jj) EXTEND the Vacuum-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM

Section 32: SW/4

- (kk) EXTEND the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM

Section 12: SW/4  
 Section 13: NW/4  
 Section 14: E/2 and SW/4  
 Section 23: NE/4

KELLAHIN AND KELLAHIN

*Attorneys at Law*

El Patio, 117 Guadalupe

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Santa Fe, New Mexico 87501

Telephone (505) 982-4285

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey  
James B. Grant

September 16, 1982

Mr. Joe D. Ramey  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, N. M. 87501

SEP 20 1982

Case 7699

Re: Sun Exploration & Production Company

Dear Mr. Ramey:

Please set the enclosed application for hearing  
before the Examiner Hearing now set for October 13,  
1982.

Very truly yours,

KELLAHIN & KELLAHIN



W. Thomas Kellahin

WTK:mm  
Enc.

cc: Mr. J. T. Harris (Sun)  
Mr. Perry R. Bass  
Mr. Ray Graham - (State Land Office)

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

IN THE MATTER OF THE APPLICATION OF  
SUN EXPLORATION & PRODUCTION COMPANY,  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO

CASE 7699

A P P L I C A T I O N

Comes now, SUN EXPLORATION & PRODUCTION COMPANY, by and through its attorneys, KELLAHIN & KELLAHIN, and applies to the New Mexico Oil Conservation Division for an order pooling all of the mineral interests in the Morrow formation underlying the E/2 of Section 12, T19S, R28E, NMPM, Eddy County, New Mexico and in support thereof would show:

1. Applicant proposes to drill a well in the E/2 of said Section 12 to test the Morrow Formation at a standard location.
2. The Applicant has sought to obtain the cooperation of all parties.
3. In order to obtain their just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.
4. The only interest who will not consent to join in the drilling of the well, to the best of the Applicant's information and belief, is:

Perry R. Bass  
3100 Fort Worth National  
Bank Building  
Fort Worth, Texas 76102  
160 acres

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 all of the

mineral interests in the Morrow Formation underlying the E/2 of Section 12, Township 19 South, Range 28 East, NMPM. Applicant further prays that it be named operator of the well, and that the order make provision for Applicant to recover out of production its costs of drilling the subject well, 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, and for such other and further relief as may be proper.

Respectfully submitted,

KELLAHIN & KELLAHIN  
P. O. Box 2265  
Santa Fe, New Mexico 87501  
(505) 982-4285

By 

W. Thomas Kellahin

Attorneys for Applicant

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*Diomedes*



DOCKET MAILED  
~~10/1/82~~ (Cities Service)