

CASE 5142: Application of AMOCO  
PRODUCTION FOR RULES FOR BLACK  
RIVER-PENNSYLVANIAN GAS POOL.

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CASE No.

5142

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Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 3, 1974

EXAMINER HEARING

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IN THE MATTER OF: )  
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Application of Amoco Production )  
Company for special pool rules, )  
Eddy County, New Mexico. )  
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Case No. 5142

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

Thomas Derryberry, Esq.  
Legal Counsel for the  
Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant:

Robert H. Borkenhagen, Esq.  
Suite 1100  
American Bank of Commerce Bldg.  
Albuquerque, New Mexico

THE NYE REPORTING SERVICE  
STATE-WIDE DEPOSITION NOTARIES  
225 JOHNSON STREET  
SANTA FE, NEW MEXICO 87501  
TEL. (505) 982-0386

MR. NUTTER: The Hearing will come to order, please. The next case we will call this afternoon will be No. 5142.

MR. DERRYBERRY: Case 5142. Application of Amoco Production Company for special pool rules, Eddy County, New Mexico.

MR. NUTTER: This case was advertised for the promulgation of special rules for the Black River-Pennsylvanian Gas Pool, Eddy County, New Mexico, including a provision for 320-acre spacing this pool. It was also advertised that in the absence of objections the pool would be placed on the standard 320-acre spacing for Pennsylvanian Gas Pool rather than the present 160-acre spacing. For the benefit of those who may be interested, I would like to review the history of 320-acre spacing for Pennsylvanian wells in this State.

In 1961, I believe it was, the Commission adopted Statewide rules placing Pennsylvanian and deeper production in Southeast New Mexico on 320-acre spacing. It found in the Order that prompted issuance from the Hearing that it had been established that one well would drain 320 acres in the Pennsylvanian or deeper formations. So, all pools that are designated Pennsylvanian pools after the date of that order are automatically 320-acre spacing as of Wildcat Pennsylvanian

or deeper gas wells.

In order to avoid complications on old pools the Statewide rule was not changed for pools which had been designated by the Commission as Pennsylvanian pools prior to that date. However, the Commission has adopted the policy of simply placing a pool on 320-acre spacing at the request of the Applicant if there is no objections from owners within the pool and that is the manner in which this case was advertised today. I think we do have appearances in the case other than Amoco, possibly. I will at this time call for appearances.

MR. BORKENHAGEN: Robert H. Borkenhagen, Albuquerque, New Mexico.

MR. NUTTER: Are there any other appearances? Okay. We'll proceed with the case then.

Is there objection to the establishment of 320-acre spacing in the Black River-Pennsylvanian Gas Pool, Eddy County?

MR. BORKENHAGEN: This morning Grace sent a telegram -- I don't know if it's reached you yet or not -- stating that he objected to it and I have an engineer here for Mr. Grace that would go into the basis of that objection now. Now, that you've gotten the total picture, I think maybe the objection was improper or we would like to withdraw the

objection. I'm going to have Jim here go into the basis for his objection and in just a few minutes we'll decide whether to withdraw or not.

MR. NUTTER: Are you going to put him on as a sworn witness or not?

MR. BORKENHAGEN: I don't believe --

MR. NUTTER: Just a statement of position?

MR. BORKENHAGEN: Just give a position.

MR. NUTTER: Would you give us that position, Mr. Becker? Give us your full name.

MR. BECKER: Robert W. Becker. I believe Mr. Grace thought that this was the Washington Ranch area, apparently he since found out. I told him that the Black River is one well. I don't believe he has any acreage involved, so, I don't believe that he wants to object.

MR. NUTTER: So, actually, you are withdrawing the objection then?

MR. BECKER: We are.

MR. NUTTER: All right, sir. We'll take Case No. 5142 under advisement and an order will be recommended by the Examiner to the Commission to place the pool on 320-acre spacing.

STATE OF NEW MEXICO )  
                          )ss.  
COUNTY OF SANTA FE )

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

  
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5142 heard by me on 1-3, 19 74.

, Examiner  
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE  
STATE-WIDE DEPOSITION NOTARIES  
225 JOHNSON STREET  
SANTA FE, NEW MEXICO 87501  
TEL. (505) 982-0386



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

January 15, 1974

I. R. TRUJILLO  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

Mr. J. C. Burton  
Amoco Production Company  
Post Office Box 3092  
Houston, Texas 77001

Re: CASE NO. 5142  
ORDER NO. R-4698  
Applicant:  
AMOCO PRODUCTION CO.

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X  
Artesia OCC X  
Aztec OCC       

Other       

Mr. Robert Borkenhagen, 200 Lomas NW -  
Suite 1100 - American Bank of Commerce Bldg.  
Albuquerque, New Mexico 87102



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5142  
Order No. R-4698

APPLICATION OF AMOCO PRODUCTION  
COMPANY FOR THE ADOPTION OF POOL  
RULES, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 3, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of January, 1974, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Amoco Production Company, is drilling a gas well in the Black River-Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That said Black River-Pennsylvanian Gas Pool was created and designated by the Commission by Order No. R-1824 effective December 1, 1960.

(4) That by Commission Order No. R-2707, dated May 25, 1964, Rule 104 of the Commission Rules and Regulations was amended to provide that all gas pools of Pennsylvanian age or older in Southeast New Mexico which were created and defined June 1, 1964, or later shall have 320-acre spacing and proration units, inasmuch as it was found that in Southeast New Mexico, "... a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract."

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the Black River-Pennsylvanian Gas Pool in Eddy County, New Mexico, inasmuch as that pool was excluded from the provisions of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That no appearances were made at the hearing of the instant case and no objection was received to the inclusion of the Black River-Pennsylvanian Gas Pool under the provisions of Rule 104 of the Commission Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the Black River-Pennsylvanian Gas Pool in Eddy County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That effective February 1, 1974, each well completed or recompleted in the Black River-Pennsylvanian Gas Pool or in formations of Pennsylvanian age within one mile thereof shall be subject to the provisions of Rule 104 of the Commission Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Black River-Pennsylvanian Gas Pool or in the formations of Pennsylvanian age within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District office of the Commission in writing of the name and location of the well by February 15, 1974.

(2) That pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Black River-Pennsylvanian Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Commission Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

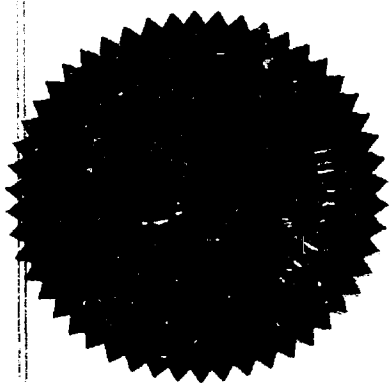
-3-

Case No. 5142

Order No. R-4698

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*I. R. Trujillo*  
I. R. TRUJILLO, Chairman

*Alex J. Armijo*  
ALEX J. ARMILJO, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1974

9 A.M. - OIL CONSERVATION COMMISSION 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:

CASE 5000: (Continued from the June 20, 1973, Regular Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Aztec Totah Unit Wells Nos. 17 and 18, located in Unit E of Section 20, and Unit H of Section 19, respectively, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5006: (Continued from the June 20, 1973, Regular Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Southeast Cha Cha Unit Well No. 1 located in Unit M of Section 32, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5128: Application of Gulf Oil Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28 and the NW/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its J. N. Carson Wells Nos. 4 and 9 located in Units O and K, respectively, of Section 28.

CASE 5129: Application of Dorchester Exploration Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Wilson-Pennsylvanian Pool underlying the E/2 of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location in Unit I of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5130: Application of Mesa Petroleum Company for the amendment of Order No. R-4658, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4658, which order promulgated special

(Case 5130 continued from Page 1)

pool rules for the North Shoe Bar-Strawn Pool, Lea County, New Mexico. Applicant seeks the amendment of said rules to provide for a special gas-oil ratio limitation of 4000 to one.

CASE 5131: Application of Jake Hamon 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 through the perforated interval from 12,935 feet to 12,946 feet and the open-hole interval from 12,960 feet to 13,023 feet in his Getty State L-736 Well No. 1 located in Unit D of Section 32, Township 16 South, Range 36 East, East Shoe Bar-Devonian Pool, Lea County, New Mexico.

CASE 5132: Application of American Quasar Petroleum Company of New Mexico for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the White City Unit Area comprising 5,120 acres, more or less, of Federal, State and fee lands in Township 25 South, Ranges 25 and 26 East, Eddy County, New Mexico.

CASE 5133: Application of Atlantic Richfield Company for four non-standard gas proration units and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following 320-acre non-standard gas proration units in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico:

The N/2 of Section 34 to be dedicated to its Curran Jones Wells Nos. 1 and 10 located in Units A and C, respectively, of Section 34;

McDonald State Lease:

The N/2 of Section 14 to be dedicated to Wells Nos. 11 and 25 both located in Unit D of Section 14;

The E/2 of Section 26 to be dedicated to Wells Nos. 22, 9, and 8 located in Units A, G, and P, respectively, of Section 26;

The W/2 of Section 24 to be dedicated to Wells Nos. 26 and 12 located in Units D and M, respectively, of Section 24.

CASE 5134: Application of Atlantic Richfield Company for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of four wells to a standard 640-acre unit comprising all of Section 15, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, said wells being applicant's McDonald State WN Wells Nos. 23, 14, 15, and 13, located in Units C, G, L, and P, respectively, of Section 15.

CASE 5135: Application of Atlantic Richfield Company for the amendment of Order No. R-4549, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 1 of the Special Rules for the Empire-Abo Pressure Maintenance Project as promulgated by Order No. R-4549 to expand the project area as defined therein to include the

(Case 5135 continued from Page 2)

SW/4 SE/4 of Section 27 and the S/2 SE/4 of Section 34, both in Township 17 South, Range 28 East, and the NW/4 NE/4 and the SE/4 SW/4 of Section 6, Township 18 South, Range 28 East, Empire-Abo Pool, Eddy County, New Mexico.

Applicant further seeks the amendment of Rules 3 and 4 of said special rules to provide that effective January 1, 1974, the maximum allowable for the project area be 33,000 barrels per day rather than 30,000 as presently provided.

CASE 5136: Application of Coastal States Gas Producing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox oil well location of its McGuffin Well No. 2 at a point 1980 feet from the North line and 660 feet from the West line of Section 29, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, Lea County, New Mexico.

CASE 5137: Application of Skelly Oil Company for two unorthodox locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill two producing wells at two unorthodox locations, one 2630 feet from the North line and 1330 feet from the West line and the other 1330 feet from the South line and 10 feet from the West line, both in Section 22, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 5138: Application of Skelly Oil Company for a waterflood project and four dual completions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Seven Rivers formation, Fren Pool, through six injection wells in its Skelly Unit Area in Sections 21, 22 and 28, Township 17 South, Range 31 East, Eddy County, New Mexico, three of which wells would be dually completed for injection into the Seven Rivers formation and the existing Grayburg-Jackson waterflood project. Applicant further seeks authority to dually complete its Skelly Unit Well No. 76 located in Unit 0 of said Section 21 as a dual completion to produce from the Fren Seven Rivers Pool and the Grayburg-Jackson Pool through parallel strings of tubing.

CASE 5139: Application of Skelly Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formation through three wells on its Lea "C" Lease in Section 11, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 5141: Application of David Fasken for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter an existing well, the unorthodox surface location of which is 660 feet from the South and West lines of Section 7, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico,

(Case 5141 continued from Page 3)

and to directionally drill said well in such a manner as to bottom the well in the Morrow formation at a point 915 feet from the South line and 660 feet from the West line of said Section 7.

CASE 5142: Application of Amoco Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Black River-Pennsylvanian Gas Pool, Eddy County, New Mexico, including a provision for 320-acre drilling and proration units. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Pennsylvanian gas pools rather than the present 160-acre spacing.

CASE 5140: (This case will be continued to January 16, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for compulsory pooling, Vada-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the NW/4 of Section 24, Township 9 South, Range 33 East, Lea County, New Mexico, to be dedicated to the King Resources Sheridan Well No. 1-A located in Unit C of said Section 24; Also to be considered is designation of the applicant as operator of the NW/4 of said Section 24 and the well located thereon, provision for allocation of actual operating costs and charges for supervision, and allocation of costs for reworking said well including a 200% charge attributable to any non-consenting working interest owner's pro rata share of said workover costs, for the risk involved in said workover.

CASE 4956: (Reopened) (This case will be continued to January 16, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for a determination of well costs, Lea County, New Mexico. Applicant, as operator of the Sheridan Well No. 1 located in Unit M of Section 13, Township 9 South, Range 33 East, Lea County, New Mexico, to which well is dedicated the SW/4 of said Section 13, all mineral interests in the Vada-Pennsylvanian Pool thereunder having been pooled by Commission Order No. R-4560, seeks the determination of reasonable well costs attributable to applicant and to King Resources, including, but not limited to, the costs of reworking and placing said Sheridan Well No. 1 back on production and attorneys fees in connection therewith. Applicant further seeks an order assessing, as a charge for the risk involved in the reworking of the well, 120% of the pro rata share of the reasonable well costs attributable to the working interest of King Resources.

Reply to: T. Harold McLemore  
(915) 337-8611, Ext. 257



**PHILLIPS PETROLEUM COMPANY**

ODESSA, TEXAS 79760  
PHILLIPS BUILDING, FOURTH & WASHINGTON

EXPLORATION & PRODUCTION DEPARTMENT

December 14, 1973

Re: Black River  
Pennsylvanian Gas Pool,  
Eddy County, New Mexico

File: W2-Ed-647-73

New Mexico Oil Conservation Commission - 3  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.  
Secretary Director

Gentlemen:

Phillips Petroleum Company has been duly advised by Amoco Production Company of their request for a Hearing to establish special pool rules for the captioned field.

It is understood the rules to be recommended will include the current provisions of Statewide Rule No. 104 with respect to gas wells drilled to the Pennsylvanian formation (320-acre Proration Units, 660 feet from nearest side unit boundary line and 1980 feet from nearest end unit boundary line).

We hereby support the proposed rules as outlined.

Yours very truly,

PHILLIPS PETROLEUM COMPANY

*F. F. Lovering*  
F. F. Lovering, Manager  
Southwestern District

THMcL:rm

cc: Amoco Production Company  
Attention: Mr. J. C. Burton  
Division Engineer  
Box 3092, Houston, Texas 77001  
Mr. J. I. O'Neill, Jr.  
Attention: Mr. Byrne O'Neill  
410 West Ohio  
Midland, Texas 79701



**U U Telegram**  
western union

IPMFEKA SANA  
2-096401E003 01/03/74  
ICS IPMBNGZ CSP  
5052433547 TDBN ALBUQUERQUE NM 55 01-03 0109P EST  
PMS THE CHAIRMAN OF THE OIL CONSERVATION COMMISSION, FONE AND  
MAIL  
NEW MEXICO STATE LAND OFFICE BLDG  
SANTA FE NM  
RE APPLICATION NUMBER 5142-AMOCO  
DEAR MR PORTER  
IN REFERENCE TO THE APPLICATION OF AMOCO NUMBER 5142 AS OWNER  
OF ACREAGE IN THE POOL AFFECTED I AM OPPOSED TO THE PROPOSED  
ACTION. I EXPECT TO HAVE AN EXPERT AVAILABLE TO TESTIFY BY 2  
CLOCK PM JANUARY 3 1974. PLEASE READ THIS TELEGRAM INTO THE  
RECORD.  
MICHAEL P GRACE  
1310 EST  
IPMFEKA SANA

827-2137 4-1114  
1135A

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APPROVED  
1058A  
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MICHAEL



**Amoco Production Company**

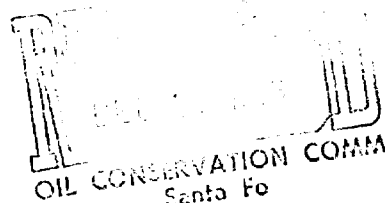
500 Jefferson Building  
P.O. Box 3092  
Houston, Texas 77001

J. C. Burton  
Division Engineer

December 4, 1973

File: JHP-986.51NM-5187

Re: Request for Hearing  
Black River - Pennsylvanian Gas Pool  
Eddy County, New Mexico



New Mexico Oil Conservation Commission (3)  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Amoco Production Company respectfully requests a Hearing for the purpose of obtaining Special Pool Rules for the Black River Pennsylvanian Gas Pool in Eddy County, New Mexico. This Pool was established by Order No. R-1824, November 21, 1960 after the completion of the J. I. O'Neill, Federal Well No. 2 in September, 1958. The Pool is now described as the SE/4 Section 12, T-24-S, R-26-E and is shown on the attached map. It is requested that this matter be heard at the first Examiner Hearing held in January, 1974.

Amoco plans to drill a well to test the Pennsylvanian Formation at a location 1980' from the South and West lines of Section 7, T-24-S, R-27-E.

Amoco Production Company will recommend that Special Pool Rules for the Black River Pennsylvanian Gas Pool be adopted to include the current provisions of Statewide Rule 104 with respect to wells drilled to the Pennsylvanian as to the size and shape of drilling tracts (320 acres) and the footage location of wells drilled. No other Special Pool Rules are being requested at this time.

Yours very truly,

J. C. Burton

DRC/rsj

DOCKET MAILED

Date 12-18-73

Page 2  
December 4, 1973  
File: JHP-986.51  
NM-5187

cc: J. I. O'Neill, Jr.  
410 W. Ohio  
Midland, Texas 79701  
Attention: Byrne O'Neill

Phillips Petroleum Company  
Phillips Building  
4th and Washington  
Odessa, Texas 79760  
Attention: S. A. Rever



DRAFT

jr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5142

Order No. R-4698

APPLICATION OF AMOCO PRODUCTION COMPANY  
FOR THE ADOPTION OF POOL RULES, EDDY  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 3, 1974,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of January, 1974, the Commission,  
a quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Amoco Production Company, is drilling a gas well  
in the Black River-Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That said Black River-Pennsylvanian Gas Pool was created and  
designated by the Commission by Order No. R-1824 effective ~~November 21~~ <sup>December 1</sup>, 1960.

(4) That by Commission Order No. R-2707, dated May 25, 1964, Rule 104 of the Commission Rules and Regulations was amended to provide that all gas pools of Pennsylvanian age or older in Southeast New Mexico which were created and defined June 1, 1964, or later shall have 320-acre spacing and proration units, inasmuch as it was found that in Southeast New Mexico, . . . " a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract."

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the Black River-Pennsylvanian Gas Pool in Eddy County, New Mexico, inasmuch as that pool was excluded from the provisions of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That no appearances were made at the hearing of the instant case and no objection was received to the inclusion of the Black River-Pennsylvanian Gas Pool under the provisions of Rule 104 of the Commission Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the Black River-Pennsylvanian Gas Pool in Eddy County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That effective February 1, 1974, each well completed or recompleted in the Black River-Pennsylvanian Gas Pool or in formations of Pennsylvanian age within one mile thereof shall be subject to the provisions of Rule 104 of the Commission Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

-3-

CASE NO. 5142

Order No. R-

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed <sup>formations of Pennsylvanian</sup> in the Black River-Pennsylvanian Gas Pool or in the ~~Pennsylvanian formation~~ <sup>Age</sup> within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Commission in writing of the name and location of the well by February 15, 1974.

(2) That pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Black River-Pennsylvanian Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Commission Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective date of this order shall subject the well to cancellation of allowable .

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

5142  
CASE NO. ~~7~~

Order No. ~~R-1000~~

APPLICATION OF ~~BELECO PETROLEUM~~ *Amoco Production Company*  
~~CORPORATION~~ FOR THE ADOPTION OF  
POOL RULES, ~~SEA~~ COUNTY, NEW  
MEXICO. *Eddy*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on *January 3, 1974* ~~July 3, 1973~~,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this ~~22nd~~ day of July, 1973, the Commission, a  
quorum being present, having considered the testimony, the  
record, and the recommendations of the Examiner, and being  
fully advised in the premises,

FINDS:

(1) That due public notice having been given as required  
by law, the Commission has jurisdiction of this cause and the  
subject matter thereof.

(2) That the applicant, *Amoco Production Company*  
~~Beleco Petroleum Corporation~~, is  
*drilling a* ~~the owner and operator of certain~~ gas wells in the ~~South Salt Lake-Morrow~~ *Black River-Pennsylvanian*  
~~Gas Pool, Sea County, New Mexico.~~

(3) That said ~~South Salt Lake-Morrow~~ *Black River-Pennsylvanian* Gas Pool was created  
and designated by the Commission by Order No. ~~R-2101~~ *R-1824*, effective  
November ~~5~~, 1960. *21*

(4) That by Commission Order No. R-2707, dated May 25, 1964,  
Rule 104 of the Commission Rules and Regulations was amended to  
provide that all gas pools of Pennsylvanian age or older in  
Southeast New Mexico which were created and defined June 1, 1964,  
or later shall have 320-acre spacing and proration units, inas-  
much as it was found that in Southeast New Mexico, "...a gas well  
completed in the Pennsylvanian formation or a deeper formation  
will efficiently and economically drain and develop a 320-acre  
tract."

(5) That the applicant in the instant case seeks the  
promulgation of rules including a provision for 320-acre spacing  
for the ~~South Salt Lake-Morrow~~ Gas Pool in ~~Sea~~ County, New Mexico,

*Black River-Pennsylvanian*

*Eddy*



inasmuch as that pool was excluded from the provisions of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That no appearances were made at the hearing of the instant case and no objection was received to the inclusion of the ~~South Salt Lake-Morrow~~ Gas Pool under the provisions of Rule 104 of the Commission Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the ~~South Salt Lake-Morrow~~ Gas Pool in Lea County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That effective ~~August 1, 1973~~ <sup>February 1, 1974</sup>, each well completed or recompleted in the ~~South Salt Lake-Morrow~~ Gas Pool or in the ~~Morrow~~ formation within one mile thereof shall be subject to the provisions of Rule 104 of the Commission Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the South Salt Lake-Morrow Gas Pool or in the Morrow formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the ~~Public~~ District Office of the Commission in writing of the name and location of the well by ~~August 15, 1974~~ <sup>February 1, 1974</sup>.

(2) That pursuant to Paragraph A. of Section 65-3-14.5, EMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the ~~South Salt Lake-Morrow~~ Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Commission Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

Case No. 5020  
Order No. ~~R-4600~~ 5742

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

dr/