

CASE 5225: Appli. of FLUID POWER
PUMP, PETRO LEWIS & PARTNERSHIP
PROPERTIES FOR COMPULSORY POOLING.

CASE No.

5225

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 25, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Fluid Power Pump
Company, Petro Lewis Corporation
and Partnership Properties Company
for compulsory pooling, Sandoval
County, New Mexico.

Case No.
5225

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:

William Carr, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

William J. Cooley, Esq.
152 Petroleum Center Bldg.
Farmington, New Mexico

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I N D E X

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GEORGE T. SLAUGHTER

Direct Examination by Mr. Cooley

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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. At this time we are going to interrupt the Inexco case for a few minutes and call Case No. 5225.

MR. CARR: Case 5225. Application of Fluid Power Pump Company, Petro Lewis Corporation, and Partnership Properties Company for compulsory pooling, Sandoval County, New Mexico.

MR. COOLEY: William J. Cooley, Burr and Cooley, Farmington, New Mexico, appearing on behalf of the Applicant. We have one witness, Mr. Slaughter.

(Witness sworn)

GEORGE T. SLAUGHTER

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. COOLEY:

Q Would you state your name, place of residence and occupation?

A George T. Slaughter, Blytheville, Arkansas, President of Fluid Power Pump Company.

Q At the time this application was filed, there were three overriding royalty owners by the names of Mrs. Billie Robinson, Mr. Cranston and Miss Baker who had

SLAUGHTER-DIRECT

not voluntarily unified. Since the filing of the Application, Mrs. Robinson and Mr. Cranston have agreed to voluntarily pool their interests in this unit. We have had no response from Miss Baker, and accordingly, we would proceed.

Have you made legitimate efforts to voluntarily unitize the interests of Miss Baker in this particular northwest quarter of Section 22, Township 19 North, Range 3 West, Sandoval County, New Mexico, in the Media-Entrada Pool?

A Yes, I have.

Q Were those overtures rejected?

A Yes.

Q Is this the reason that you here seek a forced pooling order?

A Yes, sir.

MR. COOLEY: We have no further questions.

MR. NUTTER: Mr. Slaughter, we have an address for Shirley Baker at 825 Petroleum Club Building, Denver, Colorado. Is that a correct address for Miss Baker?

THE WITNESS: Let me see. Yes, sir.

MR. NUTTER: And you have made an effort to contact her and you in fact were able to contact her and

SLAUGHTER-DIRECT

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she declined?

THE WITNESS: Yes.

MR. NUTTER: What interest does Miss Baker have?

THE WITNESS: One percent.

MR. NUTTER: An overriding royalty, is it?

THE WITNESS: Yes, sir.

MR. NUTTER: So, in other words, the Order of the Commission pooling the acreage involved in this case doesn't have to have any factors for participation of working interest or anything else like that?

THE WITNESS: No, sir.

MR. COOLEY: The working interest owners have voluntarily pooled their interest.

MR. NUTTER: Everything is communitized with the exception of the one outstanding overriding royalty interest being Miss Baker?

THE WITNESS: Yes.

MR. COOLEY: The actual legal documents with respect to Mrs. Robinson and Mr. Cranston and his wife have not been drawn and executed, but they have agreed to voluntarily pool and with this, we cannot state that they are not consenting parties.

MR. NUTTER: Are there any further questions

of Mr. Slaughter?

You may be excused.

(Witness excused.)

Do you have anything further, Mr. Cooley?

MR. COOLEY: Nothing, thank you.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 5225?

We will take the case under advisement and resume Case No. 5226.

CASE 5225

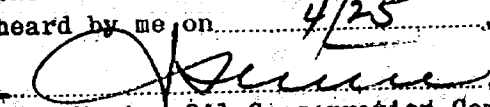
Page.....7.....

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. 5225
heard by me on 4/25, 1974.

, 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 2089 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

May 21, 1974

Mr. William J. Cooley
Burr & Cooley
Attorney at Law
152 Petroleum Center Building
Farmington, New Mexico 87401

Re: CASE NO. 5225
ORDER NO. R-4780
Applicant:
Fluid Power Pump Company

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.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u>x</u>
Artesia OCC	
Aztec OCC	<u>x</u>

Other _____

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. 5225
Order No. R-4780

APPLICATION OF FLUID POWER PUMP
COMPANY, PETRO-LEWIS CORPORATION,
AND PARTNERSHIP PROPERTIES COMPANY
FOR COMPULSORY POOLING, SANDOVAL
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 25, 1974,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of May, 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 applicants, Fluid Power Pump Company, Petro-
Lewis Corporation and Partnership Properties Company, seek an
order pooling all mineral interests in the Entrada formation
underlying a standard 160-acre proration unit consisting of the
NW/4 of Section 22, Township 19 North, Range 3 West, NMPM,
Media-Entrada Oil Pool, Sandoval County, New Mexico.

(3) That said NW/4 of Section 22 is to be dedicated to
applicants' Fluid Power Pump Company No. 5 Well, a producing oil
well located in Unit C of said Section 22.

(4) That there are overriding royalty interest owners in
said unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to
protect correlative rights, and to afford to the owner of each
interest in said unit the opportunity to recover or receive with-
out unnecessary expense his just and fair share of the oil in
said pool, the subject application should be approved by pooling
all mineral interests, whatever they may be, within said unit.

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CASE NO. 5225
Order No. R-4780

(6) That Petro-Lewis Corporation should be designated the operator of the subject well and unit.

(7) That all proceeds from production from the subject well which are not and have not been disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

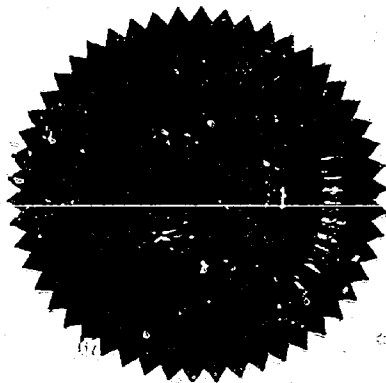
(1) That all mineral interests, whatever they may be, in the Entrada formation underlying the standard 160-acre proration unit consisting of the NW/4 of Section 22, Township 19 North, Range 3 West, NMPM, Media-Entrada Oil Pool, Sandoval County, New Mexico, are hereby pooled and dedicated to applicants' Fluid Power Pump Company No. 5 Well, located in Unit C of said Section 22.

(2) That Petro-Lewis Corporation is hereby designated the operator of the subject well and unit.

(3) That all proceeds from production from the subject well which are not and have not been disbursed for any reason shall be placed in escrow in Sandoval County, New Mexico to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

(4) 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

[Signature]
I. R. TRUJILLO, Chairman

ALEX J. ARMILLO, Member

[Signature]
A. L. PORTER, JR., Member & Secretary

S E A L

jr/

(Case 5221 continued from Page 1)

said well having been projected as an oil well at a standard location for Delaware oil wells. Applicant further seeks approval of a 201.34-acre non-standard gas proration unit for said well comprising the NE/4 of said Section 4.

CASE 5222: Application of Amoco Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Pavo Mesa Unit Area comprising 2,560 acres, more or less, of State and Federal lands in Township 16 South, Range 28 East, Eddy County, New Mexico.

CASE 5223: Application of Continental Oil Company for a 320-acre non-standard gas proration unit, simultaneous dedication of acreage, and reinstatement of cancelled underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the N/2 of Section 17, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Jack B-17 Wells Nos. 3 and 4 located 990 feet from the North and East lines and 990 feet from the North line and 1980 feet from the West line, respectively, of said Section 17. Applicant further seeks the reinstatement of the underproduction which was cancelled November 1, 1973, when the aforesaid proration unit was reclassified to marginal status.

CASE 5224: Application of Phillips Petroleum Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its James "E" Well No. 1 located in Unit C of Section 11, Township 22 South, Range 30 East, Cabin Lake Field, Eddy County, New Mexico, in such a manner as to produce gas from the Strawn and Morrow formations through parallel strings of tubing.

CASE 5225: Application of Fluid Power Pump Company, Petro Lewis Corporation, and Partnership Properties Company for compulsory pooling, Sandoval County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests in the Media-Entrada Oil Pool underlying the NW/4 of Section 22, Township 19 North, Range 3 West, Sandoval County, New Mexico, to be dedicated to the Fluid Power Pump Company Well No. 5 located in Unit C of said Section 22.

CASE 5226: Application of Inexco Oil Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow gas pool for its Fasken El Paso Federal Well No. 1 located in the SW/4 NW/4 of Section 3, Township 21 South, Range 26 East, Eddy County, New Mexico, and the promulgation of special pool rules therefor, including a provision for 640-acre spacing units for Sections 7 through 12, Township 21 South, Range 26 East, and the adoption of 480-acre non-standard spacing units comprising either the N/2 or S/2 of Sections 1 through 6, Township 21 South, Range 26 East, and Section 7, Township 21 South, Range 27 East.

DOCKET: EXAMINER HEARING - THURSDAY - APRIL 25, 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 5206: (Continued from the April 10, 1974, Examiner Hearing)

Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle West Warren-Blinebry and East Skaggs-Drinkard production in the wellbore of its SEMU Burger Well No. 21 located in Unit O of Section 19, Township 20 South, Range 38 East, Lea County, New Mexico.

CASE 5209: (Continued from the April 10, 1974, Examiner Hearing)

Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Estacado Unit Area comprising 1230 acres, more or less, of State and fee lands in Township 14 South, Range 35 East, Lea County, New Mexico.

CASE 5219: Application of Midwest Oil Corporation for pool creation, discovery allowable, and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Wolfcamp production for its South Empire Deep Unit Well No. 4 located in Unit G, of Section 32, Township 17 South, Range 29 East, Eddy County, New Mexico, and for the promulgation of special pool rules therefor, including a provision for 80-acre spacing. Applicant further seeks the assignment of approximately 42,245 barrels of oil discovery allowable to the aforesaid well.

CASE 5220: Application of Atlantic Richfield Company for an unorthodox gas well location and non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McDonald State WN Well No. 24 located 1780 feet from the North line and 660 feet from the West line of Section 25, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to a 320-acre non-standard gas proration unit comprising the N/2 of said Section 25.

CASE 5221: Application of Black River Corporation for an unorthodox gas well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its BR 4 Federal Well No. 3 located 1986 feet from the North line and 330 feet from the East line of Section 4, Township 26 South, Range 24 East, undesignated Delaware gas pool, Eddy County, New Mexico,

CASE 5227: Application of Morris R. Antwell for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying lots 9 through 16 of Section 4, Township 21 South, Range 26 East, Eddy County, New Mexico, to form a standard 320-acre gas proration unit to be dedicated to a well to be drilled at a standard location for said unit. 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 5228: Application of David Fasken for the creation of two pools and a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a Strawn gas pool and a Morrow gas pool for his El Paso 3 Federal Well No. 1 located 2724 feet from the North line and 2870 feet from the East line of Section 3, Township 21 South, Range 26 East, Eddy County, New Mexico. Applicant further seeks approval for the dual completion of said well to produce gas from the Strawn and Morrow formations through parallel strings of tubing.

CASE 5207: (Continued from the April 10, 1974, Examiner Hearing)

Application of Craig Folson for a non-standard proration unit and compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying a non-standard oil proration unit comprising the SW/4 NE/4 SE/4, NW/4 SE/4 SE/4, NE/4 SW/4 SE/4, and the SE/4 NW/4 SE/4 of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1340 feet from the South line and 1300 feet from the East line of said Section 12, said location having been previously been approved by Order No. R-4750. 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 5208: (Continued from the April 10, 1974, Examiner Hearing)

Application of S. P. Yates for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Order No. R-3221, as amended, authority to dispose of produced salt water in an unlined surface pit on its Federal LC 065598 lease in the SW/4 SW/4 of Section 4, and the NE/4 of Section 5, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.

Everyone has consented to pooling
the NW 1/4 of 22-19N-3W except
the following ORRI owners:

Billie Robinson

P.O. 1281

SF

Shirley Baker

825 Petroleum Club Bldg.

Denver Colo 80202

Earl M. Cranston

Joan Allen Cranston

P.O. Box 986

Billings Montana 59103

DOCKET M-FILED

Date 4-11-74

and To Jack Cooley

REPLY MESSAGE

THIS FORM AVAILABLE FROM GRAYARC CO., INC., 882 THIRD AVE., BROOKLYN, N. Y. 11232

TO Oil Conservation Commission
P.O. Box 2088
Santa Fe, NM 87501

FROM

BURR & COOLEY
152 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO 87401
Telephone: (505) 325-1702

SUBJECT:

DATE: April 2, 1974

FOLD ↑

Gentlemen:

Enclosed herewith is the Application of Fluid Power Pump Company,
Partnership Properties Co., and Petro-Lewis Corporation for
forced pooling of the NW/4 of Section 22, T19N., R3W., N.M.P.M.
Media Entrada Oil Pool, Sandoval County, New Mexico.

Case 5225

PLEASE REPLY TO →

SIGNED

William J. Cooley

DATE

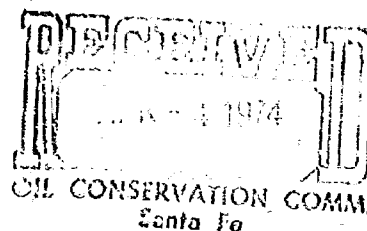
SIGNED

GRAYARC CO., INC., BROOKLYN, N. Y. 11232

THIS COPY FOR PERSON ADDRESSED

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF FLUID POWER PUMP COMPANY, PART-)
NERSHIP PROPERTIES CO., and PETRO-)
LEWIS CORPORATION FOR FORCED POOLING)
OF THE NORTHWEST QUARTER OF SECTION)
22, TOWNSHIP 19 NORTH, RANGE 3 WEST,)
N.M.P.M., MEDIA ENTRADA OIL POOL,)
SANDOVAL COUNTY, NEW MEXICO.)



Case 5-225-

A P P L I C A T I O N

Come now the Applicants, Fluid Power Pump Company, Partnership Properties Co., and Petro-Lewis Corporation, and respectfully make application to the Commission for forced pooling of all mineral interests of whatsoever kind or nature in the NW/4 of Section 22, T19N., R3W., N.M.P.M. insofar as the Media Entrada oil pool is concerned in Sandoval County, New Mexico.

Applicants propose to dedicate the pooled unit to the Fluid Power Pump Company #5 well completed in the Media Entrada oil pool and located in Unit C of said Section 22.

In support of the foregoing Application, Applicants would show the Commission that they have made diligent efforts to voluntarily communitize the NW/4 of said Section 22 and that all working interest, royalty interest and overriding royalty interest owners have agreed to such voluntary communitization with the exception of Billie Robinson, Shirley Baker and Earl M. Cranston and Joan Allen Cranston, his wife, all of whom are overriding royalty interest owners in the NW/4 of said Section 22.

The above-named non-consenting overriding royalty interest owners should be notified by the Commission of this Application

DOCKET MAILED

Date

4-11-74

DOCKET MAILED

Date

4-11-74

as "interested parties".

WHEREFORE, Applicants respectfully pray that the relief sought herein be granted after notice of hearing of this case.

Respectfully submitted,

BURR & COOLEY
152 Petroleum Center Building
Farmington, New Mexico 87401

By William J. Cooley
William J. Cooley
Attorneys for Applicants

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. 5225

Order No. R- 4780

APPLICATION OF FLUID POWER PUMP
COMPANY, PETRO-LEWIS CORPORATION,
AND PARTNERSHIP PROPERTIES COMPANY
FOR COMPULSORY POOLING, SANDOVAL
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 25, 1974,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of May, 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 applicants, Fluid Power Pump Company, Petro-Lewis
Corporation and Partnership Properties Company, seek an order pooling
all mineral interests in the Entrada formation underlying a standard
160-acre proration unit consisting of the NW/4 of Section 22,
Township 19 North, Range 3 West, NMPM, Media-Entrada Oil Pool,
Sandoval County, New Mexico.

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CASE NO. 5225
Order No. R-

(3) That said NW/4 of Section 22 is to be dedicated to applicants' Fluid Power Pump Company No. 5 Well, a producing oil well *located in Unit C of said Section 22.*

(4) That there are ^{*overriding*} royalty interest owners in said unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That Petro-Lewis Corporation should be designated the operator of the subject well and unit.

(7) That all proceeds from production from the subject well which are not and have not been disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Entrada formation underlying the standard 160-acre proration unit consisting of the NW/4 of Section 22, Township 19 North, Range 3 West, NMPM, Media-Entrada Oil Pool, Sandoval County, New Mexico, are hereby pooled and dedicated to applicants' Fluid Power Pump Company No. 5 well, located in Unit C of said Section 22.

(2) That Petro-Lewis Corporation is hereby designated the operator of the subject well and unit.

(3) That all proceeds from production from the subject well which are not and have not been disbursed for any reason shall be

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CASE NO. 5225

Order No. R-

placed in escrow in Sandoval County, New Mexico to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

(4) 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.