CASE 5585: APPL. of W. P. CARR for COMPULSORY POOLING, San Juan County

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# CASE NO.

# 5585

APPlication, Transcripts, Small Exhibits,

ETC.



DIRECTOR

JOE D. RAMEY

Other

### OIL CONSERVATION COMMISSION

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

PHIL R. LUCERO
December 1, 1975

Re:

CASE NO.



STATE GEOLOGIST EMERY C. ARNOLD

5585

| Jason Kellahin<br>Kellahin & Fox<br>Attorneys at Law<br>Post Office Box 1869<br>Santa Fe, New Mexico | ORDER NO. R-5127  Applicant:                                    |
|--|---|
|  | W. P. Carr  |
| Dear Sir:  |   |
|  | o copies of the above-referenced y entered in the subject case. |
| Yours very truly,  JOE D. RAMEY  Director  |   |
| .JDR/fd  |   |
| Copy of order also sent  Hobbs OCC x  Artesia OCC  | to:   |

## 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. 5585 Order No. R-5127

APPLICATION OF W. P. CARR FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO.

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 19, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this  $25 \, \text{th}$  day of November, 1975, the Commission, a quorum being present, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

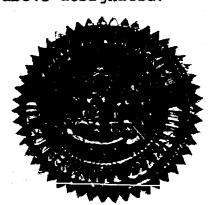
#### FINDS:

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

#### IT IS THEREFORE ORDERED:

That Case No. 5585 is hereby dismissed.

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



STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

SEAL

sid morrish reporting service

General Court Reporting Service

Appendix No. 122, Santa Fe. New Mexico 87501

825 Calle Mejia, No. 122, Santa Fe. New Mexico
Phone (505) 982-9212

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MR. NUTTER: We will call the next Case, Number 5585. MR. CARR: Case 5585, application of W. P. Carr for compulsory pooling, San Juan County, New Mexico.

Mr. Examiner, we have received a letter from Jason Kellahin, attorney for Mr. Carr requesting that this application be dismissed.

MR. NUTTER: Case Number 5585 will be dismissed.

sid morrish reporting service

General Court Reporting Service

General Court Reporting Service

S25 Calle Mejia, No. 122, Santa Fe, New Mexico 87501

Phone (505) 982-9212

#### REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a 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.

Sidney F. Morrish, Court Reporter

I do hereby certify that the foregoing is 

New Mexico Oil Conservation Commission

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE 80X 1769
SANTA FE, NEW MEXICO 87501

JASON W. KELLAHIN ROBERT E. FOX W. THOMAS KELLAHIN

November 7, 1975

TELEPHONE 902-43.5 AREA CODE 505

Disnus 85 Care 5585



Mr. Joe D. Ramey, Secretary-Director New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Application of W. P. Carr for Compulsory Pooling, San Juan County, New Mexico

Dear Mr. Ramey:

This is to request that the application of W. P. Carr for compulsory pooling, covering the NE/4 of Section 13, Township 31 North, Range 11 West, be dismissed, the parties having reached a voluntary agreement. This case is presently set for hearing before a Commission Examiner on November 19, 1975.

Your action on this will be appreciated.

Yours very truly,

Jason W. Kellahin

CC: Mr. W. P. Carr

JWK:kjf

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315 AREA CODE 505

Case 5585

JASON W. KELLAHIN ROBERT E. FOX W.THOMAS KELLAHIN

October 21, 1975

Mr. Joe D. Ramey, Secretary-Director New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed is the application of W. P. Carr for compulorry pooling for the Pictured Cliffs well, San Juan County, New Mexico.

We would appreciate you setting this for hearing on November 19, 1975.

Very truly yours,

Jason W. Kellahin

JWK:kjf

Enclosure

OCT 9 2 1975

Oll. CONSERVATION COMM. Santa Fe Dockets Nos. 30-75 and 31-75 are tentatively set for hearing on December 3 and December 17, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 19, 1975

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:

- ALLOWABLE: (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for December, 1975.
  - (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for December, 1975.
- CASE 5583: Application of Stevens Oil Company for a pilot waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project in the Twin Lakes-San Andres Pool by injection of produced water through its Twinlakes Oil Company Well No. 1, located in Unit D of Section 12, Township 9 South, Range 28 East, Chaves County, New Mexico.
- CASE 5584: Application of Cities Service Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox location 990 feet from the North line and 660 feet from the West line of Section 29, Township 21 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, or, in the alternative, in the NW/4 NW/4 of said Section 29 at some point not closer than 660 feet from either the North or West lines of said Section, the W/2 of said Section 29 to be dedicated to the well.

CASE 5585:

Application of W. P. Carr for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the NE/4 of Section 13, Township 31 North, Range 11 West, Blanco-Pictured Cliffs Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled in Unit G of said Section 13. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5586: Application of Amerada Hess Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Otero-Gallup oil production and Basin-Dakota gas production in the wellbore of its McKense Federal Wells Nos. 1 and 3 located, respectively, in Units M and O of Section 25 and its Harvey State Well No. 1 located in Unit N of Section 36, all in Township 25 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 5587: Application of Pennzoil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Morrow and Atoka gas production in the well-bore of its Gulf Federal Well No. 2, located in Unit L of Section 6, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico.

CASE 5588: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Gonzales-Mesaverde and Basin-Dakota gas production in the wellbore of its Jicarilla Contract 146 Well No. 11 located in Unit K of Section 4, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 558 Application of Filon Exploration Corporation for pool creation, assignment of a discovery allowable, and special pool rules, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Entrada formation for its Federal 33 Well No. 3 located in Unit N of Section 33, Township 21 North, Range 5 West, Sandoval County, New Mexico, and the assignment of a discovery allowable to said well; applicant further seeks the promulgation of special pool rules for said pool, including a provision for a special depth bracket allowable.

CASE 5590: Northwestern New Mexico nomenclature case calling for an order for the creation, contraction, and extension of certain pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

(a) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production and designated as the Nipp Pictured Cliffs Pool and described as:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 16: SW/4
Section 17: SE/4
Section 20: E/2
Section 21: W/2
Section 28: W/2
Section 33: A11
Section 34: SW/4

(b) CONTRACT the Blanco-Pictured Cliffs Pool boundary in Ric Arriba and San Juan Counties, New Mexico, to exclude therefrom:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM Section 17: SW/4

TOWNSHIP 20 NORTH, RANGE 10 WEST, NMPM Section 35: NW/4

(c) EXTEND the Angels Peak-Gallup Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM

Section 5: N/2 Section 15: SE/4

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM

Section 13: S/2

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM

Section 31: All

(d) EXTEND the Aztec-Fruitland Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 8: NW/4 Section 9: SW/4

Section 20: N/2

(e) EXTEND the Aztec-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 9 WEST, MMPM

Section 17: SW/4 Section 20: NW/4

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 11: N/2 Section 12: NW/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM

Section 27: E/2 Section 35: NW/4

(f) EXTEND the Clanco-Mesaverde Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANCE 5 WEST, NMPM

Section 2: All Section 3: A1.1

(g) EXTEND the Blanco-Pictured Cliffs Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM

Section 31: SE/4 Section 32: S/2

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM

Section 28: E/2

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM

Section 29: SW/Section 32: N/2 SW/4

#### TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM

Section 3: All Section 4: E/2

#### TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM

Section 31: NE/4 Section 32: NW/4

#### TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM

Sections 5 through 8: All

Section 14: W/2

Sections 15 through 17: All

Section 18: N/2 and SE/4 Section 20: N/2 and SE/4

Sections 21 through 23: All

Sections 26 through 28: All

Section 29: NE/4

Sections 33 and 34: All

Section 35: N/2

#### TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM

Section 1: All

Section 2: E/2 and SW/4

Section 15: NW/4

Section 16: N/2

Section 26: NE/4

#### TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM

Section 16: S/2

Section 17: SE/4

(h) EXTEND the Bloomfield-Chacra Pool boundary in San Juan County, New Mexico, to include therein:

#### TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 8: SE/4

Section 17: N/2 and SW/4

(i) EXTEND the Campo-Gallup Pool boundary in Rio Arriba County, New Mexico, to include therein:

#### TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM

Section 12: NW/4

(j) EXTEND the Escrito-Gallup Oil Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

#### TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 33: E/2

#### TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM

Section 13: W/2 NE/4, E/2 NW/4 and E/2 SE/4

(k) EXTEND the Fulcher Kutz-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM Section 23: NW/4 and SE/4

#### TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 7: NE/4 Section 8: NW/4

(1) EXTEND the Harris Mesa-Chacra Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM

Section 2: N/2 and SE/4

Section 11: NE/4

Section 12: NW/4

#### TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Section 26: N/2 and SE/4

Section 34: NW/4

Section 35: All

(m) EXTEND the Largo-Chacra Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

#### TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM

Section 6: SW/4

Section 7: W/2

Section 15: SW/4

Section 22: W/2

Section 27: NW/4 Section 28: NE/4

Section 29: S/2

#### TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM

Section 1: SE/4

Section 12: All

(n) EXTEND the South Lindrith Gallup-Dakota Oil Pool boundary in Rio Arriba County, New Mexico, to include therein:

#### TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM

Section 3: NW/4

Section 4: N/2

Section 5: NE/4

#### TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM

Section 33: SW/4

(o) EXTEND the West Lindrith Gallup-Dakota Oil Pool boundary in Rio Arriba County, New Merico, to include therein:

#### TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM

Section 1: NW/4 SW/4 and E/2 SW/4

Section 2: N/2 ...

Section 11: NW/4 NE/4 and S/2 NE/4

(p) EXTEND the Ojo-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 15 WEST, NMPM Section 26: NE/4

(q) EXTEND the Otero-Chacra Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM Section 21: NE/4

TOWNSHIP 26 NORTH, RAIGE 7 WEST, NMPM

Section 11: S/2
Section 13: SW/4
Section 14: N/2
Section 24: NW/4

(r) EXTEND the Rusty-Menefee Oil Pool boundary in Sandoval County, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM Section 13: NW/4
Section 14: NE/4

(s) EXTEND the Tapacito-Pictured Cliffs Pool boundary in Rio Arriba County, New Mexico, to include the ein:

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM Section 16: SW/4
Section 21: N/2

(t) EXTEND the Waw-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 29: E/2 and SW/4
Section 30: SE/4
Section 31: NE/4
Section 32: N/2

(u) EXTEND the Wild Horse-Gallup Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM

Section 14: N/2 Section 24: NE/4

- CASE 5591: Application of Amoco Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox location 1980 feet from the South line and 1241 feet from the West line of Section 33, Township 17 South, Range 29 East, Grayburg-Morrov Gas Pool, Eddy County, New Mexico, the S/2 of said Section 33 to be dedicated to the well.
- CASE 5592: Application of Agua, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection into the San Andres formation through the open-hole interval from approximately 4000 to 5000 feet in its Blinebry-Drinkard SWD System Well No. A-22 located 817 feet from the North line and 965 feet from the East line of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico.

#### CASE 5403: (Reopened)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to further consider the subject matter of Case No. 5377, namely to permit all interested parties to appear and show cause why the continued injection of water for secondary recovery or disposal purposes into any formation from the surface of the ground down to and including the Drinkard formation should be permitted in the following described area in Lea County, New Mexico:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM Sections 13 through 36: All

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM Sections 1 through 12: All

#### CASE 5571: (Continued from October 8, 1975 Examiner Hearing)

Application of Robert G. Cox for amendment of Order No. R-4561, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4561, which order permitted the directional drilling of applicant's Federal "EA" Well No. 1, located 330 feet from the North and West lines of Section 12. Township 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico, in such a manner as to be bottomed within 100 feet of the surface location. Applicant seeks the amendment of said order to permit bottoming of the subject well approximately 58 feet from the North line and 8 feet from the West line of said Section 12 and to permit verification of said downhole location by single-shot directional surveys made concurrently with the drilling of said well.

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#### BEFORE THE

#### OIL CONSERVATION COMMISSION OF NEW MEXICO

Case 5585

IN THE MATTER OF THE APPLICATION OF W. P. CARR FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO

#### APPLICATION

Comes now W. P. Carr and, pursuant to the provisions of Section 65-3-14, New Mexico Statutes Annotated, 1953
Compilation, applies to the Oil Conservation Commission of New Mexico for an order pooling all mineral interests in the Pictured Cliffs formation underlying the NE/4 of Section 13, Township 31 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, and in support thereof would show the Commission:

- 1. Applicant has the right to drill and develop said NE/4 of Section 13 in the Pictured Cliffs formation, and proposes to drill his Larcher No. 2 well in Unit G of said Section 13.
- 2. All interest owners have agreed to pool their interests for the drilling of the proposed well with the exception of Amoco Production Company, whose address is Security Life Building, Denver, Colorado 80202.
- 3. The pooling of all interests for the drilling of a Pictured Cliffs well is necessary to enable applicant to obtain his just share of the gas underlying the quarter-section, and is in the interests of conservation, will prevent waste and will protect correlative rights.

WHEREFORE applicant prays that this application be set

Docket

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for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law the Commission enter its order pooling all mineral interests in the Pictured Cliffs formation, whatever they may be, together with suitable provision for the recovery of the costs of drilling, provision for the allocation of operating costs, establishment of charge for the costs of supervision of the well, designation of applicant as operator, and provision for a charge for the risk involved in the drilling of the proposed well in the amount of a 75% risk factor.

Respectfully submitted,

W. P. CARR

By Joson W. Kellah:

Kellahin & Fox P. O. Box 1769 Santa Fe, New Mexico 87501

Attorneys for Applicant

DOCKET MAILED

#### DRAFT

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# 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.  | 5585    |
|-----------|---------|
| Order No. | R- 5/2) |

APPLICATION OF W. P. CARR FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO.

GRDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 19, 1975 at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of November, 1975, the Commission, a quorum being present, 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. 5585 is hereby dismissed.

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

RHB