CASE 5785: THE HARLOW CORPORATION FOR

DISMISS

# CASE NO.

6785

APPlication, Transcripts, Small Exhibits,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 January 1980

### EXAMINER HEARING

IN THE MATT OF:

Application of The Harlow Corporation)

for compulsory pooling. Chaves

County, New Mexico.

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

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

;

MR. STAMETS: Call next Case 6785.

MR. PADILLA: Application of the

Harlow Corporation for compulsory pooling, Chaves County, New Mexico.

MR. STAMETS: The Division not receiving a written application in this case, the case will be dismissed.

(Hearing concluded.)

#### REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified shorthand Reporter, DO HEREBY CERTIFY that the foregoing and attached 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 from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case to. 6785.

Oll Conservation Division

, Examiner

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the Examiner hearing of Case heard by me on	19
	, Examiner
Oil Conservation Division	



BRUCE KING SOVERNOR LARRY KEHICE BECRETARY

## ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING BANTA FE. NEW MEXICO 8750 (505) 827-2434

January 19, 1980

_	CASE NO. 6785
Re:	ORDER NO. R-6254
Mr. W. V. Harlow, Jr.	
President The Marlow Corporation 600 Amarillo Petroleum Building Amarillo, Texas 79101	Applicant:
	The Harlow Corporation
Dear Sir: Enclosed herewith are two copies Division order recently entered	s of the above-referenced in the subject case.
Division order recently ender	
JOE D. RAMEY Director	
JDR/fd	
Copy of order also sent to:	
Hobbs OCD X Artesia OCD X Aztec OCD	
Other	

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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 6785 Order No. R-6254

APPLICATION OF THE HARLOW CORPORATION FOR COMPULSORY POOLING, CHAVES COUNTY, MEW MEXICO.

#### ORDER OF THE DIVISION

#### BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 3, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of January, 1980, 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. 6785 is hereby dismissed.

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

> STATE OF NEW MEXICO OLL CONSERVATION DIVISION

> > Homes

JOE D. RAMEY

Director

Called in by Bill Narlow

Called in by Bill Narlow

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Compulsory Pooling

Compulsory Pooling

Compulsory Pooling

Andrew Comporation

The Narlow Comporation

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18- T85-R29E

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Dan Andres 2880'

Don Andres 2880'

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Docket No. 1-80

Dockets Nos. 2-80 and 3-80 are tentatively set for January 16 and 30, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

#### DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1980

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

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

- CASE 6770: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit National Petroleum Company and all other interested parties to appear and show cause why its Well No. 1 located 905 feet from the North line and 1155 feet from the West line of Section 22, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6786: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of its administrative procedure for the approval of infill drilling on existing gas proration units as promulgated by Order No. R-6013 to permit the approval of infill wells as new onshore production wells pursuant to the Natural Gas Policy Act of 1978 without notice and hearing even though such wells have been spudded prior to receiving such approval.
- CASE 6771: Application of Getty Oil Company for a non-standard gas proration unit, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the E/2 SW/6 of Section 31, Township 24 South, Range 37 East, and the NW/4 NE/4 and NE/4 NW/4 of Section 6, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6772: Application of Reading & Bates Petroleum Co. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the SE/4 of Section 17, Township 24 North, Range 3 West, Chacon-Dakota Pool, 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. 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.
- Application of Southland Royalty Company 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 the E/2 of Section 20, Township 19 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. 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 6774: Application of Doyle Hartman for an unorthodox location, non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the NW/4 NW/4 of Section 6, Township 25 South, Range 37 Fast, and the W/2 SW/4 of Section 31, Township 24 South, Range 37 East, to be dedicated to his Federal Jalmat Com Well No. i at an unorthodox location 590 feet from the North line and 660 feet from the West line of said Section 6; applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.
- CASE 6768: (Continued and Readvertised)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, compulsory pooling, unorthodox well location, and approval of infill drilling, Les County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard gas proration unit comprising the SW/4 SE/4 of Section 21, Township 24 South, Range 37 East, Jalmat Cas Pool, to be dedicated to the El Paso Natural Gas Company Shell Black Well No. 2. Applicant also seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the E/2 SW/4 and NW/4 SE/4 of said Section 21 to form a 120-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South line and 1650 feet from the West line of said Section 21. 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. Applicant further socks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing provation unit which cannot be so drained by the existing well.

CASE CTGT: (Continued from December 12, 1979, Examiner Hearing)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6437: (Continued from October 17, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Town-ship 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proretion unit which cannot be so drained by the existing well.

CASE 6732: (Continued from November 28, 1979, Examiner Hearing)

Application of Dorchester Exploration, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Morton Solid State Unit Well No. 1 located 2156 feet from the North line and 990 feet from the West line of Section 4, Township 15 South, Range 34 East, Tres Papalotes-Pennsylvanian Pool.

- CASE 6775: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico.
  Applicant, in the above-styled cause, seeks approval for the Young Deep Unit Area, comprising 2242 acres, more or less, of Federal lands in Township 18 South, Range 32 East.
- CASE 6776: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Young Deep
  Unit Well No. 1, a Morrow test to be drilled 660 feet from the North and West lines of Section 10,
  Township 18 South, Rauge 32 East, the W/2 of said Section 10 to be dedicated to the well.
- CASE 6777: Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico.

  Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Amoco 22 State Well No. 2 located in Unit G of Section 22, Township 23 South, Range 27 East.
- CASE 6778: Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico.

  Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Loco Hills Welch Well No. 2 located in Unit N of Section 4, Township 18 South, Range 29 East.
- CASE 6745: (Continued from November 28, 1979, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the W/2 of Section 28, Township 23 South, Range 24 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. 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.

- Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the Pronghorn Unit Area, comprising 5,120 acres, more or less, of State and Federal lands in Townships 22 and 23 South, Range 35 East.
- CASE 6780: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the Serpentine Bends Unit Area, comprising
  4,802 acres, more or less, of State and Federal lands in Township 24 South, Ranges 23 and 24 East.
- CASE 6781: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South line and 1980 feet from the East line of Section 1, Township 20 South, Range 28 East, the E/2 of said Section 1 to be dedicated to the well.

Rage 3 of 3 Examiner Hearing - Thursday - January 3, 1980

Docket No. 1-89

- CASE 6782: Application of Inexco 011 Company for an exception to Order No. R-3221, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit H of Section 7, Township 19 South, Range 33 East.
- CASE 6783: Application of McClelian Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, sacks approval for the unorthodox location of its Marlique State Well No. 6 located 1155 feet from the North line and 2475 feet from the West line of Section 24, Township 14 South, Range 29 East, Double "L"-Queen Associated Pool, the NE/4 NW/4 of said Section 24 to be dedicated to the well.
- Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19,

  Township 32 North, Range 14 West, Barker Creek-Paradox Pool, to be dedicated to its Ute Well No. 7
  at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said

  Section 19.

In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.

CASE 6785:

Application of The Harlow Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 SW/4 of Section 18, Township 8 South, Range 29 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. 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.

#### DRAFT

#### STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

dr/

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO.	6785
Order No.	R- 6254

APPLICATION OF THE HARLOW CORPORATION FOR COMPULSORY POOLING, CHAVES COUNTY, NEW MEXICO.

#### ORDER OF THE DIVISION

BI THE DIVISION:
This cause came on for hearing at 9 a.m. on
19 0 , at Santa Fe, New Mexico, before Examiner Richard L. Stamets
NOW, on this day of January, 1980, 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. 6785 is hereby dismissed.
DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.