

Entered April 23, 1981
JLR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7042
Order No. R-6659

APPLICATION OF DOYLE HARTMAN FOR
THE EXTENSION OF VERTICAL LIMITS
OF THE LANGLIE MATTIX POOL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 21, 1981, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 23rd day of April, 1981, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Doyle Hartman, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to the following depths underlying the following 40-acre tracts in Section 19, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico:

NW/4 NE/4:	3446 feet	(Hartman Cities Thomas Well No. 1)
SE/4 NE/4:	3408 feet	(Hartman Cities Thomas Well No. 3)
SW/4 NE/4:	3419 feet	(Hartman Cities Thomas Well No. 4)
SE/4 SE/4:	3402 feet	(Hartman Adele Sowell Well No. 1)
NE/4 SE/4:	3387 feet	(Hartman Adele Sowell Well No. 2)

(3) That the vertical limits of the Jalmat Pool as defined by Division Order No. R-520, dated August 12, 1954, include the Tansill and Yates formations and all but the lowermost 100 feet of the Seven Rivers formation.

(4) That the vertical limits of the Langlie Mattix Pool, as defined by said Order No. R-520, include the lowermost 100 feet of the Seven Rivers formation and all of the Queen formation.

(5) That the lower limits of the Jalmat Pool and the upper limits of the Langlie Mattix Pool, as defined in Finding Nos. (3) and (4) above, are both dependent upon properly picking the base of the Seven Rivers formation, which is also the top of the Queen formation, on the logs of wells drilled in the area.

(6) That in promulgating Order No. R-520 in August, 1954, the Oil Conservation Commission recognized the aforesaid dependency and relied upon certain cross-sectional drawings of logs of wells throughout the area to depict the base of the Seven Rivers formation and the top of the Queen formation, and made these cross-sectional drawings available in the Hobbs District Office of the Division for study by any interested party.

(7) That some operators in the general area have failed to avail themselves of the aforesaid cross-sections or to consult with the Oil Conservation Division staff in making their picks of the base of the Seven Rivers formation and the top of the Queen formation, and as a result, there has been a disparity of opinion as to the base of the Jalmat Pool and the top of the Langlie Mattix Pool, and numerous wells have been completed across the line which separates the Jalmat and Langlie Mattix Pools.

(8) That this problem has been resolved in the majority of the wells by the localized extension of the vertical limits of the Langlie Mattix Pool, or by authorizing downhole commingling between the Jalmat and Langlie Mattix Pools, or by requiring segregation of the pools by mechanical means.

(9) That in the majority of the wells with this problem, there has been no difference in ownership between the Jalmat and Langlie Mattix Pools.

(10) That the above-mentioned cross-sections and/or the Division staff's study of the Seven Rivers and Queen formations in the subject area indicate the base of the Jalmat Pool and the top of the Langlie Mattix Pool to occur in the lands subject to this hearing as follows:

SECTION 19, TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

NW/4 NE/4:	3503 feet
SE/4 NE/4:	3468 feet
SW/4 NE/4:	3488 feet
SE/4 SE/4:	3467 feet
NE/4 SE/4:	3455 feet

(11) That the applicant in Case No. 7042 seeks the contraction of the lower limits of the Jalmat Pool and the concomitant extension of the upper limits of the Langlie Mattix Pool under each of the above-described tracts from the subsurface depths specified in Finding No. (10) above to the subsurface depths specified in Finding No. (2) above.

(12) That Cities Service Company objected to said contraction of the Jalmat Pool and the extension of the Langlie Mattix Pool.

(13) That Case 7042, Application of Doyle Hartman for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico, and Case 7043, Application of Cities Service Company for downhole commingling and simultaneous dedication, Lea County, New Mexico, arising out of the same subject matter and facts, were consolidated for purposes of hearing before the Commission.

(14) That Doyle Hartman, the applicant, acquired his drilling rights in and to the five wells in question under certain farmout agreements dated August 2, 1976, and June 28, 1977, entered into by and between Doyle Hartman and Cities Service Company.

(15) That Cities Service Company, by another farmout agreement dated October 15, 1976, farmed out certain drilling rights to John Yuronka resulting in the drilling of a well in the NW/4 SW/4 of Section 17, Township 24 South, Range 37 East, Lea County, New Mexico; that the drilling of said well also resulted in an application for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico, under Case 7041 (Order R-6518-A) which was dismissed by the Commission at the request of Cities Service Company after being scheduled for a de novo hearing before the Commission following approval of the application by the Oil Conservation Division; that Case 7041 involved similar issues of fact as Cases 7042 and 7043.

(16) That the above-mentioned farmout agreements appear to vary in their description of the horizons, zones, or formations defining the Langlie Mattix Pool to which rights were transferred or conveyed by Cities Service Company.

(17) That disputes arising from the above-mentioned farmout agreements between Doyle Hartman and Cities Service Company as to the ownership of the rights in and to the horizons, zones, or formations defining the Langlie Mattix Pool,