

CASE No.

4956

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 13, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Pierce & Dehlinger
for a determination of well costs,
Lea County, New Mexico.

Case No. 4956

BEFORE: Richard L. Stamets, 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 Building
Santa Fe, New Mexico

MR. STAMETS: We call the next Case, 4956.

MR. CARR: Case 4956. Reopened and continued from the February 13, 1974, Examiner Hearing. Application of Pierce & Dehlinger for a determination of well costs, Lea County, New Mexico.

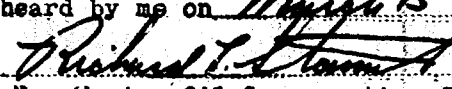
Mr. Examiner, the Commission has received a request that this case be dismissed.

MR. STAMETS: Case 4956 will be dismissed.

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

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.


RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4956, heard by me on March 13, 1974.

Richard L. Nye, Examiner
New Mexico Oil Conservation Commission

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 13, 1974

EXAMINER HEARING

-----)
IN THE MATTER OF:)

Application of Pierce)
and Dehlinger for a)
determination of well)
costs, Lea County, New)
Mexico.)
-----)

Case No. 4956

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the Com-
mission
State Land Office Building
Santa Fe, New Mexico


MR. STAMETS: Call Case 4956.

MR. CARR: Case 4956. Reopened and continued from the January 16, 1974, Examiner Hearing. Application of Pierce and Dehlinger for a determination of well costs, Lea County, New Mexico.

MR. STAMETS: The Commission has received a telephonic request to continue this case until March the 13th, and this case will be so continued.

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

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.


RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4956, heard by me on Feb 13, 1974.


Richard L. Nye, Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 582-0386

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 16, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Pierce and
Dehlinger for a determination
of well costs, Lea County, New
Mexico.

Case No. 4956

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conser-
vation Commission:

William Carr, Esq.
Legal Counsel for the Com-
mission
State Land Office Building
Santa Fe, New Mexico

CASE 4956

Page 2

MR. STAMETS: Call next Case 4956.

MR. CARR: Case 4956. Application of Pierce and Dehlinger for a determination of well costs, Lea County, New Mexico.

Mr. Examiner, we have received a request from the Applicant that this case be continued to February 13th, 1974.

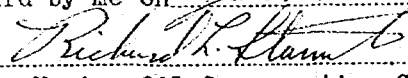
MR. STAMETS: Case No. 4956 will be continued until the February 13th Examiner's Hearing.

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.


RICHARD L. NYE, COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4956, heard by me on Jan 16, 1974.


Richard H. Stamm, 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

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Pierce & Dehlinger
for compulsory pooling, Vada-
Pennsylvanian Pool, Lea County,
New Mexico.

)
)
) Case No. 5140
)
)
)

Application of Pierce & Dehlinger
for a determination of well costs,
Lea County, New Mexico.

)
)
) Case No. 4956
)
)
)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For New Mexico Oil Conservation
Commission:

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

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

MR. NUTTER: We will now call cases 5140 and 4956.

MR. CARR: Case 5140. Application of Pierce and Dehlinger for compulsory pooling, Vada-Pennsylvanian Pool, Lea County, New Mexico. Case 4956. Application of Pierce and Dehlinger for a determination of well costs, Lea County, New Mexico.

Mr. Examiner, at the request of the Applicant, both of these cases should be continued to January 16th.

MR. NUTTER: Case No. 5140 and Case No. 4956 will both be continued to the Examiner Hearing scheduled to be held at 9:00 o'clock A.M., January 16, 1974, at the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico.

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.

Richard E. Mc
COURT REPORTER

I do hereby certify that the foregoing
a complete record of the proceedings in
the Examiner hearing of Case No. 5140-4950
heard by me on 1/3, 19 74

[Signature], 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

New Mexico-Arizona District
Post Office Box 1710
Hobbs, New Mexico 88240
Telephone 505 393 7163

*File
Case 4956*



RECEIVED

JUL 15 1976

O. C. C.
ARTESIA, OFFICE

July 14, 1976

New Mexico Oil Conservation Commission
P. O. Drawer DD
Artesia, New Mexico 88210

Attn: Mr. W. A. Gressett

Dear Sir:

As per your request, I am sending you the test results on
the gas being injected into the Empire Abo Unit.

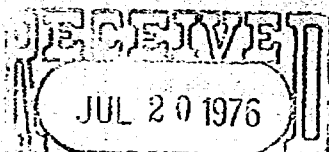
<u>Date</u>	<u>Grs. H₂S/100 cu. ft.</u>	<u>Dew Point</u>
07/13/76	790	30°F @ 1640#

The Dew Point is higher than usual due to Phillips having
trouble with their product line. They had a fire at their
booster station East of Hobbs.

Yours very truly,

L. Troop

LT:rm



NEW MEXICO OIL CONSERVATION COMM.
Santa Fe

Attention:

Dick Stamets



OIL CONSERVATION COMMISSION

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

L. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMUO
MEMBER

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

March 18, 1974

Mr. Owen Lopez
Montgomery, Federici, Andrews,
Hannahs & Buell
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: CASE NO. 4956 and 5140
ORDER NO. R-4744 and R-4746
Applicant:
Pierce & Dehlinger

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 x
Artesia OCC
Aztec OCC

Other Mr. A. J. Losee

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. 4956
Order No. R-4744

APPLICATION OF PIERCE & DEHLINGER
FOR A DETERMINATION OF WELL COSTS,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 13, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of March, 1974, 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. 4956 is hereby dismissed.

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/

- CASE 5183:** Application of Amini Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the North Vacuum Abo Pool rules, authority to drill its Pennzoil State Well No. 2 at an unorthodox location for said pool 1780 feet from the South line and 460 feet from the West line of Section 36, Township 16 South, Range 34 East, Lea County, New Mexico.
- CASE 5184:** Application of Mountain States Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the Buffalo Valley-Pennsylvanian Pool rules, approval for an unorthodox gas well location for a well to be drilled at a point 990 feet from the South and West lines of Section 36, Township 14 South, Range 27 East, Chaves County, New Mexico.
- CASE 5185:** Application of Rice Engineering & Operating, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the open-hole and perforated interval from 8442 feet to 9150 feet in its Abo SWD Well No. 2 located in Unit C of Section 2, Township 17 South, Range 36 East, Lovington Abo Pool, Lea County, New Mexico.
- CASE 5186:** Application of Amerada Hess Corporation for an unorthodox oil well location and two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the Bagley Siluro-Devonian Pool rules, the formation of two non-standard proration units in Section 35, Township 11 South, Range 33 East, Lea County, New Mexico, the first being a 40-acre unit comprising the NW/4 SE/4 to be dedicated to applicant's State BTD Well No. 2, and the second being an 80-acre unit comprising the SE/4 SW/4 and the SW/4 SE/4 to be dedicated to applicant's State BTD Well No. 1, proposed to be drilled at an unorthodox location for said pool 660 feet from the South line and 1900 feet from the East line of said Section 35.
- CASE 5187:** Application of Inexco Oil 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 Section 17, Township 21 South, Range 26 East, Eddy County, New Mexico. Adjacent to the Catclaw Draw-Morrow Gas Pool, to be dedicated to a well to be drilled at a standard location for said pool. 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.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 13, 1974

9 A.M. - OIL CONSERVATION COMMISSION 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:

- ALLOWABLE:**
- (1) Consideration of the allowable production of gas for April, 1974, from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico;
 - (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for April, 1974.

CASE 5179: Application of HNG Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Dogie Draw Unit Area comprising 5,122 acres, more or less of State, Federal, and fee lands in Township 26 South, Range 36 East, Lea County, New Mexico.

CASE 5180: Application of Amoco Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Rock Lake Unit Area comprising 5760 acres, more or less, of State and fee lands in Township 22 South, Range 35 East, Lea County, New Mexico.

CASE 5181: Application of Amoco Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Trail Canyon Unit Area comprising 5758 acres, more or less, of State, Federal and fee lands in Township 24 South, Range 23 East, Eddy County, New Mexico.

CASE 5182: Application of Perry R. Bass 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 W/2 of Section 15, Township 21 South, Range 27 East, adjacent to the Burton Flats Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location in the W/2 of said Section 15. 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 5188: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Blinebry production in the wellbore of its Lockhart B-1 Well No. 8 located in Unit II of Section 1, Township 22 South, Range 36 East, Lea County, New Mexico.
- CASE 5189: Application of Craig Folsom for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well proposed to be drilled at a point 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.
- CASE 5190: Application of Union Oil Company of California for pool creation and special rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow gas pool for its Pipeline Deep Unit Well No. 1 located in Unit J of Section 17, Township 19 South, Range 34 East, Lea County, New Mexico, and for the promulgation of special rules therefor including a provision for 640-acre spacing.
- CASE 5191: Application of Murphy Minerals Corporation 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 through two wells into the Grayburg-San Andres formation on its Gissler "B" lease in Sections 11 and 12, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.
- CASE 5192: In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for the extension of the following pools in Lea County:

Antelope Ridge-Morrow Gas Pool
EK Yates-Seven Rivers-Queen Pool
House-San Andres Pool
Humble City-Atoka Pool
North Shoe Bar-Wolfcamp Pool
Tres Papalotes-Pennsylvanian Pool
Wantz-Granite Wash Pool

- CASE 5124: (Continued from the February 13, 1974 Examiner Hearing)

Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 30, Township 20 South, Range 33 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1300 feet from the East line of said Section 30. 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 5140: (Continued from the February 13, 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) (Continued from the February 13, 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.

J. O. SETH (1883-1963)

A. K. MONTGOMERY
WM. R. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS
SUMNER G. BUELL
SETH D. MONTGOMERY
FRANK ANDREWS III
OWEN M. LOPEZ

JEFFREY R. BRANNEN
JOHN BENNETT POUND

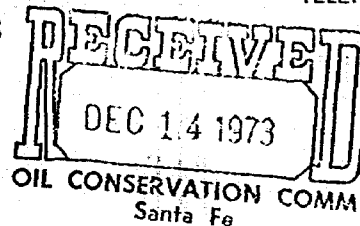
MONTGOMERY, FEDERICI, ANDREWS, HANNAHS & BUELL

ATTORNEYS AND COUNSELORS AT LAW

350 EAST PALACE AVENUE
SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 2307
AREA CODE 505
TELEPHONE 982-3876

[Signature] December 13, 1973



Mr. Daniel S. Nutter
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Applications of Pierce & Dehlinger for the
reopening of OCC Case No. 4956 and for
forced pooling of mineral interest in
Section 24, T 9 S, R 33 E, Lea County, N.M.

Dear Dan:

In accordance with our telephone conversation, please be
advised that it is our desire that the two applications
with respect to the above-referenced matter be continued
from the January 3 hearing until the January 16 hearing.
Thank you for your cooperation.

Sincerely yours,

[Signature]

OML:rmb
5086-73-1

c.c. Mr. A. J. Losee

Docket Mailed
12/18/73

DOCKET MAILED

Date *1-31-74*

DOCKET MAILED

Date _____

DOCKET MAILED

Date *1-4-74*

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 13, 1974

9 A.M. - OIL CONSERVATION COMMISSION 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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for March, 1974, from fourteen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for March, 1974.

CASE 5130: (Continued from the January 3, 1974, Examiner Hearing)

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 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 5165: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Western States Equipment Company, The Travelers Indemnity Company and all other interested parties to appear and show cause why the Hutcherson Com Well No. 1 located in Unit C of Section 27, Township 9 South, Range 34 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5166: Application of Skelly Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its South Salt Lake Unit Well No. 1 at a point 660 feet from the North and West lines of Section 21, Township 21 South, Range 32 East, Lea County, New Mexico. Applicant further seeks establishment of an administrative procedure for the approval of additional unorthodox locations in said South Salt Lake Unit Area without hearing.

CASE 5167: Application of Fluid Power Pump Company and Petro-Lewis Corporation for compulsory pooling, Sandoval County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests underlying two non-standard proration units in Township 19 North, Range 3 West, Media-Entrada Oil Pool, Sandoval County, New Mexico, described as follows:

Unit No. 1, the S/2 SW/4 of Section 14 and N/2 NW/4 of Section 23, dedicated to applicants' Media Well No. 1 located in Unit M of said Section 14; and

(Case 5167 continued from Page 1)

Unit No. 2, the S/2 SE/4 of Section 15 and N/2 NE/4 of Section 22, to be dedicated to applicants' Media Well No. 2 located in Unit P of said Section 15.

CASE 5168: Application of Silver Monument Minerals, Inc. for an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed Humble-Tucker Well No. 5 at an unorthodox location 1315 feet from the South and West lines of Section 25, Township 7 South, Range 32 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.

CASE 5169: Application of Atlantic Richfield Company for an unorthodox oil well location and the amendment of Order No. R-3011, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1200 feet from the South line and 1250 feet from the West line of Section 24, Township 17 South, Range 32 East, Johns Waterflood Project, Maljamar Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-3011 which authorized said project to provide for administrative approval of additional infill locations in said project.

CASE 5173: Application of Mobil Oil Corporation 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 W/2 of Section 3, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to its Maude Rickman Com Well No. 1 located in Unit L of said Section 3. 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 5170: Application of Monsanto 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 16, Township 19 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location in the NE/4 of said Section 16. 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 5171: Application of Coquina Oil Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests of Pennsylvanian age and older underlying the N/2 of Section 16, Township 19 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well proposed to be drilled at an unorthodox location 990 feet from the North and East lines of said Section 16. 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 5140: (Continued from the 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) (Continued from the 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.

CASE 5124: (Continued from the January 16, 1974, Examiner Hearing)

Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests

(Case 5124 continued from Page 3)

underlying the S/2 of Section 30, Township 20 South, Range 33 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1300 feet from the East line of said Section 30. 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 5172: Southeastern New Mexico nomenclature case calling for the creation, abolishment, contraction and extension of certain pools in Lea, Eddy, and Chaves Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the Avalon-Upper Pennsylvanian Gas Pool. The discovery well is Atlantic Richfield Company, State BO Com No. 1 located in Unit G of Section 15, Township 21 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 15: N/2

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Rocky Arroyo-Atoka Gas Pool. The discovery well is the El Paso Natural Gas Company Patterson No. 1 located in Unit H of Section 30, Township 22 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 30: E/2

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Canyon production and designated as the Rocky Arroyo-Canyon Gas Pool. The discovery well is the El Paso Natural Gas Company Rocky Arroyo C No. 1 located in Unit F of Section 8, Township 22 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 8: W/2

(d) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Winchester-Strawn Gas Pool. The discovery well is the Hillin Production Company JCW State Com No. 1 located in Unit C of Section 2, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 2: N/2

(e) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Indian Draw-Delaware Pool, and to consider the assignment of 16,300 barrels of oil discovery allowable to the discovery well, the Amoco Production Company Old Indian Draw Unit Well No. 1, located in Unit J of Section 18, Township 22 South, Range 28 East, Eddy County, New Mexico. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 18: SE/4

(f) Abolish the East Weir-Tubb Pool in Lea County, New Mexico, described as:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 12: E/2 and S/2 SW/4
Section 13: N/2

(g) Extend the Monument-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 11: E/2 SE/4
Section 12: E/2 and SW/4
Section 13: N/2

(h) Contract the Wantz-Abo Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 1: SE/4 SW/4
Section 12: NW/4 NE/4

(i) Contract the Winchester-Wolfcamp Pool in Eddy County, New Mexico, by the deletion of the following described area:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 35: S/2 SE/4

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 2: W/2 NE/4

(j) Extend the West Atoka-Cisco Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 11: S/2

- (k) Extend the West Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 18: N/2

- (l) Extend the Cabin Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 30 EAST, NMPM
Section 35: W/2

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 2: N/2

- (m) Extend the Catclaw Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 20: All

- (n) Extend the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 30 EAST, NMPM
Section 25: SW/4
Section 26: SE/4

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 29: All

- (o) Extend the Burton Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 33: E/2
Section 34: N/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 4: Lots 1, 2, 7, 8, 9, 10, 15 and 16

- (p) Extend the Burton Flats-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 34: S/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 3: Lots 1 through 16

(q) Extend the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 31: S/2

(r) Extend the Fren Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 15: W/2 SW/4

(s) Extend the Grayburg-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 28: S/2

(t) Extend the Golden Lane-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 5: Lots 3, 4, 5, 6, 11, 12,
13 and 14

(u) Extend the Logan Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 27: All

(v) Extend the North Morton-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 25: S/2
Section 36: NE/4

(w) Extend the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 30: N/2

(x) Extend the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 17: E/2

(y) Extend the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 7: S/2

Section 8: W/2

(z) Extend the Rocky Arroyo-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM

Section 33: S/2

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM

Section 4: N/2

Section 5: All

Section 8: W/2

(aa) Extend the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 32: S/2

Section 33: W/2

(bb) Extend the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM

Section 23: NW/4

(cc) Extend the Scharb-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 2: S/2

(dd) Extend the North Shoebar-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 13: NE/4

(ee) Extend the Square Lake Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 9: NE/4

(ff) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 1: NW/4

Section 15: N/2 SW/4

(gg) Extend the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM

Section 2: SW/4

(hh) Extend the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 24 EAST, NMPM

Section 28: S/2

(ii) Extend the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM

Section 30: All

(jj) Extend the Winchester-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

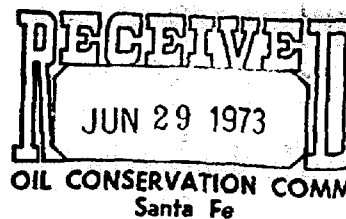
TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 34: W/2

JAMES L. PIERCE
MARTIN E. DEHLINGER

PIERCE & DEHLINGER
201 V & J TOWER
MIDLAND, TEXAS 79701

June 28, 1973



TELEPHONE:
915 - 682-5731

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

Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Gentlemen:

We are attaching hereto a copy of the Authority for Expenditure prepared for the proposed Pierce & Dehlinger No. 1 Exchange Oil & Gas well which we have submitted to King Resources and Midwest Oil Corporation this date.

Very truly yours,
Martin E. Dehlinger
Martin E. Dehlinger

MED:mph
Attachment (1)

RLS

AUTHORITY FOR EXPENDITURE

RECEIVED
JUN 19 1973

LEASE NAME: Pierce & Dehlinger

Exchange Oil & Gas

WELL NO.: 1

LOCATION: 660' FS & EL of Section 13, T-9-S, R-33-E, Lea Co., New Mexico

FIELD: Vada Penn

OIL CONSERVATION COMM

WELL DEVELOPMENT COSTS:

Contract - Footage 9700' @ \$5.60
Contract - Turnkey Day Work WDP 1 x \$1350
Contract - Day Work WODP 1 x \$1200
Hauling
Labor
Cement - Surface Casing
Cement - Intermediate Casing
Location Road, Dirt Work, Damages
Drilling Mud & Chemicals
Log - Open Hole
Drill Stem Tests
Coring
Core Analysis
Bits
Water \$500 water clause
Supervision
Cement - Oil String
Log & Perforate Casing
Acidize and/or Frac 1500 gal. acid w/ balls
Completion Unit or Plug

ESTIMATE
PRODUCER

ESTIMATE
DRY HOLE

\$ 54,320	\$ 54,320
1,350	1,350
1,200	1,200
1,540	540
2,500	
1,078	1,078
1,758	1,758
3,450	3,450
5,500	5,500
2,958	2,958
900	900
1,500	1,500
3,000	1,500
2,336	
550	
1,000	
2,000	2,000
\$ 86,940	\$ 78,054

TOTAL DEVELOPMENT COSTS:

INVESTMENT:

	Footage	Size	Kind	Weight	Price
Surface Casing	300'	11 3/4"	H-40	42#	\$7.05
	2200'	8 5/8"	J-55	24#ST&C	\$4.05
Intermediate	1800'	8 5/8"	J-55	32#ST&C	\$5.14
	700'	5 1/2"	N-80	17#LT&C	\$3.49
Oil String	1300'	5 1/2"	J-55	17#LT&C	\$2.95
	5400'	5 1/2"	J-55	17#ST&C	\$2.83
	2300'	5 1/2"	J-55	17#ST&C	\$2.83
Tubing	9650'	2 3/8"	N-80	4.70Used	\$.70
	9650'	1" IJ	N-80	1.72Used	\$.65

Well Head Connections
Flow Lines & Fittings
Pumping Unit - Motor Triplex & Engine (Used, re-conditioned)
Sucker Rods & Pump Type B Reverse Kobe (New)
Production Packer
Tanks, Treater, Heater, Separator 2 Hi 500, 1-750 POT, Heater Treater
Tank Grade

\$ 2,115	\$ 2,115
8,910	8,910
9,252	9,252
2,443	
3,835	
15,282	
8,027	
6,755	
6,272	
2,500	
2,000	
6,500	
7,000	
7,300	

TOTAL INVESTMENT COST:

\$ 88,191	\$ 20,277
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CONTINGENCIES:

5,000	5,000
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TOTAL COST:

\$ 180,131	\$ 103,331
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DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 25, 1973

9 A.M. - OIL CONSERVATION COMMISSION 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 or Elvis A. Utz, Alternate Examiners:

CASE 4946: Application of Union Texas Petroleum for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Crosby-Fusselman Pool, Lea County, New Mexico, including a provision for classification of oil wells and gas wells, 80-acre spacing for oil wells, 320-acre spacing for gas wells, and a limiting gas-oil ratio of 5000 to one.

CASE 4947: Application of Tom Brown, Inc., for compulsory pooling, and a non-standard unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field Extension, Eddy County, New Mexico, to form a non-standard 336.6-acre unit to be dedicated to a well to be drilled 1680 feet from the North line and 1980 feet from the East line of said Section 13.

Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4948: Application of Skelly Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-complete its R. R. Sims Well No. 7 located 2200 feet from the South and West lines of Section 3, Township 23 South, Range 37 East, Lea County, New Mexico, as a producing oil well in its Penrose "A" waterflood project, Langlie-Mattix Pool, said well being an unorthodox location closer than 330 feet to another well producing from the same pool. Applicant further seeks an administrative procedure for approval of further in-fill development at unorthodox locations in its Penrose "A" Unit Area.

CASE 4949: Application of Skelly Oil Company for the amendment of Order No. R-1069-B, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-1069-B, which order promulgated special pool rules for the Bisti Lower-Gallup Oil Pool, San Juan County, New Mexico. Applicant seeks the adoption of rules for the classification of gas wells in said pool and the dedication of 320 acres thereto.

- CASE 4950: Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Burton Flat Deep Unit Well No. 3 located in Unit V of Section 3, Township 21 South, Range 27 East, Eddy County, New Mexico, to produce gas from the Burton Flat-Morrow Gas Pool Extension and from an undesignated Strawn pool through parallel strings of tubing.
- CASE 4951: Application of Atlantic Richfield Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 15, Township 21 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled by the applicant at a standard location to test the Morrow formation. 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 is the designation of applicant as operator and the risk involved in drilling said well.
- CASE 4952: Application of Atlantic Richfield Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Empire Abo Unit Area comprising 11,339 acres, more or less of State and Federal lands in Townships 17 and 18 South, Ranges 27, 28, and 29 East, Eddy County, New Mexico.
- CASE 4953: Application of Atlantic Richfield Company for a pressure maintenance project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in its Empire Abo Unit Area, Empire-Abo Pool, Eddy County, New Mexico, by the injection of gas into the Abo formation through eight wells in Section 36, Township 17 South, Range 27 East, Sections 3, 4, and 9, Township 18 South, Range 27 East, and Sections 26, 31, 32, and 33, Township 17 South, Range 28 East. Applicant further seeks the promulgation of special rules for the operation of said project, including provision for the assignment of special allowables to wells in the project area based on reservoir voidage factors, the shutting-in of less efficient wells, and volumes of gas injected.
- CASE 4954: Application of Chace Oil Company for pool creation and down-hole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Gallup Oil Pool and Dakota Oil Pool for its Jicarilla 70 Well No. 3 located in Unit C of Section 33, Township 24 North, Range 4 West, Rio Arriba County, New Mexico. Applicant further seeks authority to commingle production from each of said pools in the well-bore of said well and the establishment of an administrative procedure for down-hole commingling of additional wells to be drilled in the area.
- CASE 4955: Application of Pierce & Dehlinger for a non-standard oil proration unit, or in the alternative, compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for

(Case 4955 continued from page 2)

a 160-acre non-standard oil proration unit comprising the SW/4 NE/4 and S/2 NW/4 of Section 13, and the SE/4 NE/4 of Section 14, Township 9 South, Range 33 East, Vada-Pennsylvanian Pool, Lea County, New Mexico, to be dedicated to a well to be drilled in Unit G of said Section 13, or in the alternative, applicant seeks approval of a 120-acre non-standard unit comprising only the above-described lands in Section 13, to be dedicated to the aforesaid proposed well.

As an alternative to either of the above-described non-standard units, applicant seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the NE/4 of the aforesaid Section 13 to be dedicated to a well which would be drilled in Unit H of said Section 13. Also to be considered would be designation of applicant as operator of the well, allocation of well costs and charges for operation, charges for supervision of the well, and the establishment of a 200 percent risk factor for the well.

CASE 4956: Application of Pierce & Dehlinger for a non-standard oil proration unit, or in the alternative, compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard oil proration unit comprising the S/2 S/2 of Section 13, Township 9 South, Range 33 East, Vada-Pennsylvanian Pool, Lea County, New Mexico, to be dedicated to its Sheridan Well No. 1, located in Unit M of said Section 13. In the alternative, applicant seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the SW/4 of said Section 13 to be dedicated to said well; and also pooling all said mineral interests underlying the SE/4 of said Section 13 to be dedicated to a well which would be drilled in Unit P of said Section 13. Also to be considered would be designation of applicant as operator of the well, allocation of well costs and charges for operation, charges for supervision of the well, and the establishment of a 200 percent risk factor for the well.

CASE 4957: Application of Pierce & Dehlinger for a non-standard oil proration unit, or in the alternative, compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard oil proration unit comprising the S/2 N/2 of Section 24, Township 9 South, Range 33 East, Vada-Pennsylvanian Pool, Lea County, New Mexico, to be dedicated to a well to be drilled in Unit H of said Section 24. In the alternative, applicant seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the NE/4 of said Section 24 to be dedicated to the aforesaid proposed well. Also to be considered would be designation of applicant as operator of the well, allocation of well costs and charges for operation, charges for supervision of the well, and the establishment of a 200 percent risk factor for the well.

CASE 4958: Southeastern New Mexico nomenclature case calling for an order for the extension of certain pools in Lea County, New Mexico:

(a) Extend the Eumont Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 28: SW/4

(b) Extend the Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 19: NE/4
Section 20: NW/4

(c) Extend the Humble City-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 10: SE/4

(d) Extend the Jalmat Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 19: N/2

(e) Extend the Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 5: Lots 11, 12, 13, 14 and SW/4

(f) Extend the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 26: W/2 NW/4

(g) Extend the Triple X-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 7: NW/4

(h) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 8: N/2 SW/4

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.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 16, 1974

9 A.M. - OIL CONSERVATION COMMISSION 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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1974, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for February, 1974.

CASE 5110: (Continued from the November 15, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider extending the horizontal limits of the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, to include the S/2 of Section 28, Township 25 South, Range 24 East.

Also to be considered will be the institution of gas prorationing in said pool to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool.

CASE 5111: (Continued from the November 15, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider extending the horizontal limits of the Burton Flats-Morrow Gas Pool, Eddy County, New Mexico, to include the S/2 of Section 34, Township 20 South, Range 28 East, and the N/2 of Sections 8 and 9, and all of Section 10, Township 21 South, Range 27 East.

Also to be considered will be the institution of gas prorationing in said pool to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool.

CASE 5112: (Continued from the November 15, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider extending the horizontal limits of the Burton Flats-Strawn Gas Pool, Eddy County, New Mexico, to include all of Section 10, Township 21 South, Range 27 East.

(Case 5112 continued from Page 1)

Also to be considered will be the institution of gas prorationing in said pool to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool.

CASE 5113: (Continued from the November 15, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the institution of gas prorationing in the Burton Flats-Atoka Gas Pool, Eddy County, New Mexico, and to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool.

CASE 5124: (Continued from the November 28, 1973, Examiner Hearing)

Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 30, Township 20 South, Range 33 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1300 feet from the East line of said Section 30. 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 5143: Application of El Paso Natural Gas Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its proposed Rocky Arroyo "D" Com. Well No. 2 in the center of Unit L of Section 4, Township 22 South, Range 22 East, Rocky Arroyo-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 4 to be dedicated to the well.

CASE 5144: Application of Depco, Inc. for two waterflood projects, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute two waterflood projects by the injection of water into the Grayburg-San Andres formation through six wells located on applicant's State 647 lease in Sections 31 and 32, Township 17 South, Range 28 East, Artesia Pool, Eddy County, New Mexico, and through one well on the Kersey and Company Ramapo "A" Lease in said Section 32.

CASE 5145: Application of Texas Pacific Oil Company 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 in the perforated interval from 10,872 feet to 11,032 feet in its State "B" Well No. 2 located in Unit B of Section 11, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

CASE 4969: (Reopened)

In the matter of Case No. 4969 being reopened pursuant to the provisions of Order No. R-4557, which order established a temporary special depth bracket allowable for the Tocito Dome-Pennsylvanian "D" Oil Pool, San Juan County, New Mexico. All interested parties may appear and show cause why the special allowable should be made permanent.

CASE 5146: Application of Midwest Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Target Unit Area comprising 5120 acres, more or less, of State and Federal lands in Townships 25 and 26 South, Range 25 East, Eddy County, New Mexico.

CASE 5147: Application of Mesa Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the S/2 of Section 12, Township 16 South, Range 35 East, North Shoe Bar Field, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit in Unit O of said Section 12. 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 5148: Application of Coquina Oil Corporation 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 gas well location 990 feet from the North and East lines of Section 16, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 16 to be dedicated to said well.

CASE 5149: Application of Cities Service Oil 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 N/2 of Section 33, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard Pennsylvanian gas well 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 5150: Application of Hanson Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation through 10 wells in its Mescalero Ridge Unit Area in Sections 26 and 35, Township 19 South, Range 34 East, Pearl-Queen Pool, Lea County, New Mexico.

CASE 5151: Application of Penroc Oil Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause seeks approval for the dual completion (conventional) of its Dero-Federal A-Com Well No. 1, located in Unit N of Section 35, Township 19 South, Range 28 East, Eddy County, New Mexico, in such a manner as to produce gas from the Winchester-Wolfcamp gas pool and an undesignated Strawn gas pool through the casing-tubing annulus and through tubing.

CASE 5152: Application of Petro-Lewis Corporation for a Special Depth Bracket Allowable, Media-Entrada Oil Pool, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks a special depth bracket allowable for the Media-Entrada Oil Pool, Township 19 North, Range 3 West, Sandoval County, New Mexico.

CASE 5140: (Continued from the January 3, 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) (Continued from the January 3, 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.

J. O. SETH (1863-1963)

A. K. MONTGOMERY
WM. R. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS
SUMNER G. BUELL
SETH D. MONTGOMERY
FRANK ANDREWS III
OWEN M. LOPEZ
JEFFREY R. BRANNEN
JOHN BENNETT POUND

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS & BUELL
ATTORNEYS AND COUNSELORS AT LAW
350 EAST PALACE AVENUE
SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 2307
AREA CODE 505
TELEPHONE 982-3876

March 11, 1974

HAND DELIVERED

Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

Attention: Mr. Bill Carr

Re: OCC Cases 4956 and 5140

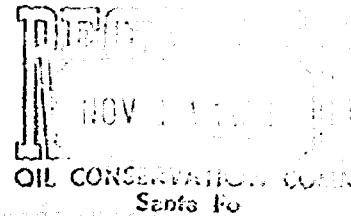
Gentlemen:

On behalf of our client, Messrs. Pierce and Dehlinger,
we hereby request that you dismiss from your docket
the above-referenced cases. Thank you for your co-
operation in this matter.

Sincerely yours,

Owen M. Lopez

OML:rmb
5086-73-1



BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF PIERCE &
DEHLINGER TO REOPEN CASE
NO. 4956 FOR DETERMINING
THE PROPER COSTS TO WHICH
APPLICANT IS ENTITLED FOR
THE OPERATION OF A WELL,
LEA COUNTY, NEW MEXICO.

No. 4956 (Dehlinger)

A P P L I C A T I O N

Comes now Pierce & Dehlinger, a partnership, by its attorneys, and applies to the New Mexico Oil Conservation Commission to reopen Case No. 4956 to determine the proper costs to which applicant is entitled for the operation of the Sheridan No. 1 well located in the SW 1/4 of the SW 1/4 of Section 13, Township 9 South, Range 33 East, Vada-Pennsylvanian Pool, Lea County, New Mexico, and in support of its application states as follows:

1. Applicant is the operator of the Sheridan No. 1 well located in the SW 1/4 of the SW 1/4 of Section 13, Township 9 South, Range 33 East, Lea County, New Mexico.

2. New Mexico Oil Conservation Commission Order No. R-4560 gave approval to applicant's request for forced pooling of 160 acres of all mineral interests in the Vada-Pennsylvanian Pool underlying the SW 1/4 of Section 13, Township 9 South, Range 33 East, Lea County, New Mexico.

DOCKET MAILED

Date 12-18-73

3. King Resources is a non-consenting working interest owner and refused to pay its share of estimated well costs to applicant when the Sheridan No. 1 well was placed back on production.

DOCKET MAILED

Date 1-4-74

4. There exists a dispute between applicant and King Resources as to the prorata share of reasonable well costs

DOCKET MAILED

Date 3-1-74

DOCKET MAILED

Date 12-18-73
+ 1-31-74

attributable to the interest of King Resources, and that applicant believes it to be entitled to recover reasonable well costs, including, but not limited to, the costs of reworking and placing the Sheridan 1 well back on production and attorneys' fees in connection therewith.

5. Applicant further believes it is entitled to a charge for the risk involved of the drilling of the well equal to 120% of the prorata share of reasonable well costs attributable to the interest of King Resources in the well.

6. Approval of this application will prevent waste and protect correlative rights.

WHEREFORE, the applicant requests that this application be set for hearing before the Commission or one of its examiners, and that the Commission enter its order approving the assessment of reasonable well costs attributable to the working interest of King Resources and assessing a charge for the risk involved in the reworking of the well of 120% of the prorata share of the reasonable well costs attributable to the working interest of King Resources.

MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & BUELL

By 

P.O. Box 2307

Santa Fe, New Mexico 87501

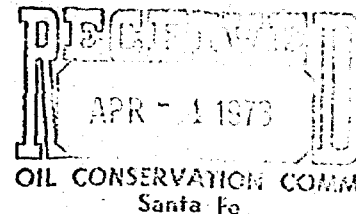
Attorneys for Pierce & Dehlinger

(2)

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF PIERCE &)
DEHLINGER FOR APPROVAL OF)
A NON-STANDARD OIL PRORATION)
UNIT, OR, IN THE ALTERNATIVE)
FOR COMPULSORY POOLING,)
VADA-PENNSYLVANIAN POOL,)
LEA COUNTY, NEW MEXICO)

Case No. 4956



APPLICATION

Come now Pierce & Dehlinger, a Partnership, by their attorneys, and apply to the New Mexico Oil Conservation Commission for approval of a non-standard oil proration unit, in the alternative for compulsory pooling, Vada-Pennsylvanian Pool, Lea County, New Mexico, and in support of its Application states:

1. Applicant is the operator of the S/2 S/2 of Section 13, Township 9 South, Range 33 East, Lea County, New Mexico, and is the operator of the Sheridan Well No. 1, located 660 feet from the south and west lines of said Section 13, which well is completed in the Vada-Pennsylvanian Pool.
2. Applicant seeks the establishment of a 160-acre non-standard oil proration unit in the Vada-Pennsylvanian Pool comprising all of the above described acreage, which non-standard unit would be dedicated to the said Sheridan Well No. 1.
3. In the alternative, applicant seeks an Order of the Commission pooling all mineral interests in the SW/4 of said Section 13 in order to form a standard oil proration unit in the Vada-Pennsylvanian Pool, which proration unit would be dedicated to the said Sheridan Well No. 1. Also, applicant seeks an Order of the Commission pooling all mineral interests in the SE/4 of said Section 13 to form a standard oil proration unit in the Vada-Pennsylvanian Pool, which proration unit would be dedicated to a well which applicant proposes to drill 660 feet

from the south line and 660 feet from the east line of said Section 13. Applicant has been unable to agree with the other mineral interest owners in the SW/4 and in the SE/4 of Section 13 as to voluntary Communitization Agreements covering those lands. Applicant requests that it be designated as the operator of the said units and of the wells located thereon and that the Commission make appropriate provisions for charges of supervision and for the risk involved in the drilling of the well in the SE/4 of said Section 13, which charge for risk should be established at 200% of any non-consenting working interest owner's prorata share of well costs.

4. Approval of this Application, and any of the alternatives set forth herein, will prevent waste and protect correlative rights.

WHEREFORE, the applicant requests that this Application be set for hearing before the Commission or one of its examiners and that the Commission enter its Order approving one of the alternatives set forth in this Application, the applicant's preference of alternatives being in the order as stated herein.

MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & MORRIS

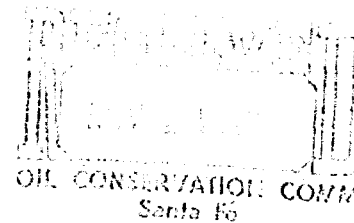
By

Richard S. Morris

P.O. Box 2307

Santa Fe, N.M. 87501

Attorneys for Pierce & Dehlinger.



BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF PIERCE &)
DEHLINGER FOR COMPULSORY)
POOLING, VADA-PENNSYLVANIAN)
POOL, LEA COUNTY, NEW MEXICO.)

No. _____

A P P L I C A T I O N

Comes now Pierce & Dehlinger, a partnership, by its attorneys, and applies to the New Mexico Oil Conservation Commission for compulsory pooling, Vada-Pennsylvanian Pool, Lea County, New Mexico, and in support of its application states:

1. King Resources is the operator of the Sheridan Well No. 1-A, located 660 feet from the North and 1,980 feet from the West lines of Section 24, Township 9 South, Range 33 East, Lea County, New Mexico, which well is completed in the Vada-Pennsylvanian Pool.

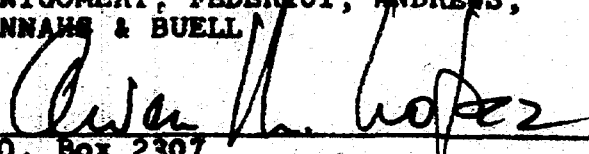
2. Applicant seeks an order of the Commission pooling all mineral interests in the NW 1/4 of said Section 24 to form a standard oil proration unit in the Vada-Pennsylvanian Pool, which proration unit would be dedicated to the said Sheridan Well No. 1-A. Applicant has been unable to agree with the other mineral interest owners in the NW 1/4 of Section 24 as to voluntary communitization agreements covering those lands. Applicant requests that it be designated as the operator of the said unit and of the well located thereon, and that the Commission make appropriate provisions for charges of supervision and for the risk involved in the operation of the well in the NW 1/4 of said Section 24, which charge for risk should be established at 200% of any non-consenting working interest owner's prorata share of well costs.

3. King Resources has produced the Sheridan Well 1-A and continues to do so without having obtained voluntary pooling agreements or having applied for an order of the Commission pooling said lands contrary to the pool rules in effect for the Vada-Pennsylvanian Pool, Lea County, New Mexico.

4. Approval of this application will prevent waste and protect correlative rights.

WHEREFORE, the applicant requests that the Commission order King Resources to shut down the Sheridan Well No. 1-A pending the outcome of this case; that this application be set for hearing before the Commission or one of its examiners; and that the Commission enter its order approving this application.

MONTGOMERY, FEDERICI, ANDREWS,
HANNAH & BUELL

By 
P.O. Box 2307
Santa Fe, New Mexico 87501
Attorneys for Pierce & Dehlinger

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. 4956

Order No. R- 4744

APPLICATION OF PIERCE & DEHLINGER
FOR A DETERMINATION OF WELL COSTS,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 13, 19 74,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of March, 19 74, the Commission,
a quorum being present, having considered the record and the recom-
mendations 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. 4956 is hereby dismissed.

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