

Case No.

7271

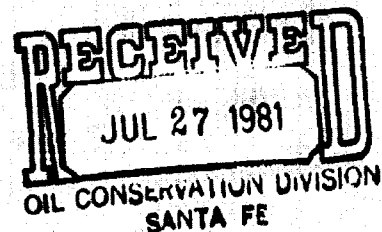
Application

Transcripts

Small Exhibits

ETC

**Morris R. Antweil**  
OIL OPERATOR  
P. O. Box 2010  
HOBBS, NEW MEXICO 88240



July 24, 1981  
CERTIFIED MAIL

UNLEASED MINERAL INTEREST OWNERS

RE: Compulsory Pooling  
NW/4 SE/4 Section 5-T20S-R38E  
Lea County, New Mexico

Enclosed is a copy of New Mexico Oil Conservation Division Order No. R-6712 which compulsory pools the captioned 40-acre tract for the drilling of a Drinkard well.

Morris R. Antweil is preparing to drill the No. 1 Dewey, on the captioned lands, as a 7100-foot Blinbry-Drinkard test. Enclosed is a copy of our AFE Cost Estimate for the proposed well.

You own an unleased mineral interest in the lands involved. Richard F. Pollard has contacted you on several occasions to lease your mineral interest in our behalf. We again invite you to consider leasing your interest instead of submitting to the provisions of the compulsory pooling order.

Yours Very Truly,

MORRIS R. ANTWEIL

*R. M. Williams*  
R. M. Williams

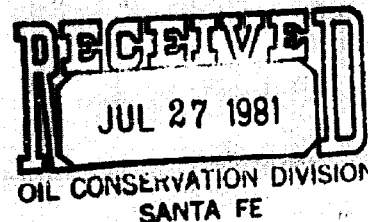
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✓cc: New Mexico Oil Conservation Division  
Santa Fe, New Mexico

*Stamets*  
*Case 7271*

*RJL*

AFE COST ESTIMATE  
NO. 1 DEWEY  
NW/4 SE/4 SEC. 5-T20S-R38E



ITEM	<u>Tangible</u>	<u>Intangible</u>	<u>Total</u>
<u>Cost to Drill 7100-Foot Test</u>			
Roads, Location & Damages	\$	\$ 18,000	\$ 18,000
Move-In & Rig Up Rig		22,500	22,500
Daywork Drilling -		118,400	118,400
16 days @ \$7400/day		14,600	14,600
Bits			
Daywork Operations -		14,800	14,800
2 days @ \$7500/day		30,000	30,000
Mud & Water			
Intermediate Casing -			
1500' 8 5/8" @ \$11.50/ft.	17,250		17,250
Cement & Service -		7,500	7,500
8 5/8" Casing		18,000	18,000
Logging Service		3,000	3,000
Rental Tools & Equipment		3,000	3,000
Wellhead & Connections	3,000	3,000	3,000
Supervision & Expenses		3,000	3,000
Transportation & Misc. Labor		21,950	21,950
Contingencies			
<b>COST TO CASING POINT</b>	<b>\$ 20,250</b>	<b>\$274,750</b>	<b>\$295,000</b>
<u>COMPLETION COST</u>			
Production Casing -			
7100' 4 1/2" @ \$5.45/ft.	\$ 38,700	\$	\$ 38,700
Cement & Service -		7,500	7,500
4 1/2" casing			
Well Service Unit -		10,000	10,000
10 days		6,000	6,000
Perforating Service			
Tubing -			
7000' 2 3/8" @ \$3.25/ft.	23,450		23,450
Rental Tools & Equipment		5,000	5,000
Acid Treatment		3,000	3,000
Fracture Treatment		12,000	12,000
Wellhead & Connections	4,000		4,000
Pumping Unit	35,000		35,000
Rods & Pumping Equipment	12,000		12,000
Battery Facilities	16,000		16,000
Supervision & Expenses		4,000	4,000
Transportation & Misc. Labor		6,000	6,000
Contingencies		12,350	12,350
<b>COST OF COMPLETION</b>	<b>\$129,150</b>	<b>\$ 65,850</b>	<b>\$195,000</b>
<b>TOTAL AFE COST</b>	<b>\$149,400</b>	<b>\$340,600</b>	<b>\$490,000</b>

APPROVAL: \_\_\_\_\_  
by: \_\_\_\_\_  
date: \_\_\_\_\_



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

June 29, 1981

Mr. William F. Carr  
Campbell, Byrd and Black  
Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico

Re: CASE NO. 7271  
ORDER NO. R-6712

**Applicant:**

Morris R. Antweil

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
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. 7271  
Order No. R-6712

APPLICATION OF MORRIS R. ANTWEIL  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION:

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 3, 1981,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of June, 1981, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

- (1) That due public notice having been given as required  
by law, the Division has jurisdiction of this cause and the  
subject matter thereof.
- (2) That the applicant, Morris R. Antweil, seeks an order  
pooling all mineral interests in all formations from the surface  
down through the Drinkard formation underlying the NW/4 SE/4 of  
Section 5, Township 20 South, Range 38 East, NMPM, Lea County,  
New Mexico.
- (3) That the applicant has the right to drill and proposes  
to drill a well at a standard location thereon.
- (4) That there are interest owners in the proposed proration  
unit who have not agreed to pool their interests.
- (5) That to avoid the drilling of unnecessary wells, to  
protect correlative rights, and to afford to the owner of each  
interest in said unit the opportunity to recover or receive  
without unnecessary expense his just and fair share of the oil  
in said pool, the subject application should be approved by  
pooling all mineral interests, whatever they may be, within said  
unit.

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Case No. 7271

Order No. R-6712

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$2500.00 per month while drilling and \$250.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); that the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

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

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before November 1, 1981, the order pooling said unit should become null and void and of no effect whatsoever.

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Case No. 7271  
Order No. R-6712

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in all formations from the surface down through the Drinkard formation underlying the NW/4 SE/4 of Section 5, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 1st day of November, 1981, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Drinkard formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 1st day of November, 1981, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

(2) That Morris R. Antweil is hereby designated the operator of the subject well and unit.

(3) That after the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; that if

no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) That \$2500.00 per month while drilling and \$250.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); that the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.



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Case No. 7271  
Order No. R-6712

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(13) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
*Joe D. Ramey*  
JOE D. RAMEY  
Director

rd/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
3 June 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Morris R. Antweil  
for compulsory pooling, Lea County,  
New Mexico.

CASE  
7271

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

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

For the Applicant:

William F. Carr, Esq.  
CAMPBELL, BYRD, & BLACK P.A.  
Jefferson Place  
Santa Fe, New Mexico 87501

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I N D E X

R. M. WILLIAMS

Direct Examination by Mr. Carr	3
Cross Examination by Mr. Stamets	10

E X H I B I T S

Applicant Exhibit One, Plat	5
Applicant Exhibit Two, Tabulation	6
Applicant Exhibit Three, Letter	6
Applicant Exhibit Four, Documents	7

MR. STAMETS: We'll call next Case 7271.

MR. PADILLA: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico.

MR. CARR: May it please the Examiner, my name is William F. Carr, with the law firm Campbell, Byrd, and Black, P. A., Santa Fe, New Mexico, appearing on behalf of the applicant.

I have one witness who needs to be sworn.

(Witness sworn.)

R. M. WILLIAMS

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your name and place of residence?

A My name is R. M. Williams from Hobbs, New Mexico.

Q By whom are you employed and in what capacity?



1  
2 A Employed by Morris R. Antweil as an  
3 engineer.

4 Q Have you previously testified before  
5 this Commission or one of its examiners and had your credentials  
6 as a petroleum engineer accepted and made a matter of record?

7 A Yes, I have.

8 Q Are you familiar with the application  
9 in this case and the subject acreage?

10 A Yes, I am.

11 MR. CARR: Are the witness' qualifica-  
12 tions acceptable?

13 MR. STAMETS: They are.

14 Q Mr. Williams, will you briefly state  
15 what Antweil seeks with this application?

16 A Yes. We seek to -- an order pooling  
17 all the mineral interests in all formations from the surface  
18 down through the Drinkard formation underlying the northwest  
19 quarter of the southeast quarter of Section 5, Township 20  
20 South, Range 38 East, to be dedicated to a well to be drilled  
21 at a standard location thereon.

22 Also, ask that Morris Antweil be de-  
23 signated as the operator and that consideration of the risk  
24 penalty for the drilling of the well be given.

25 Q Will you please refer to what has been

1  
2 marked for identification as Antweil Exhibit Number One and  
3 explain to Mr. Stamets what it is and what it shows?

4 A Exhibit Number One is a land map of the  
5 area surrounding the 40-acre unit which we seek to force pool.  
6 The proposed proration unit is -- has been colored in yellow.  
7 The proposed location is located with a black dot.

8 The other wells in the vicinity of the  
9 proposed well and proration unit have been designated with the  
10 green spots for completed Blinebry wells and red spots for  
11 completed Drinkard producers.

12 You might also notice that there are  
13 several locations in the immediate vicinity of the proposed  
14 well; the Antweil No. 1 Ike Well in the northeast quarter  
15 southeast quarter of Section 5, immediately east of the pro-  
16 posed location is presently drilling at about 5500 feet.

17 The location to the south of the loca-  
18 tion is presently drilling. Tamarack Petroleum is drilling  
19 a well at that location, and they're probably at approximately  
20 1000 feet in depth at this point.

21 Q Mr. Williams, you are seeking an order  
22 approving all formations under this tract down to and through  
23 the Drinkard, is that correct?

24 A That is correct. We intend to drill  
25 a Drinkard test and we would like to have the opportunity

1  
2 to complete in any interval that's productive between the  
3 surface and the D. Linkard.

4 Q How much of the interest under the pro-  
5 posed spacing unit have you been able to get -- receive  
6 voluntary joinder from in the drilling of this well?

7 A We have obtained leases in all the 40-  
8 acre proration unit except approximately a half an acre, and  
9 a half an acre is divided between ten owners, the unleased  
10 minerals in that quarter quarter section.

11 Q And would you now identify Exhibit  
12 Number Two for Mr. Stamets?

13 A Exhibit Number Two is a tabulation of  
14 the unleased mineral owners, showing their name, address,  
15 and the number of acres of minerals that they own within that  
16 40-acre proration unit.

17 The one mineral owner is address un-  
18 known and we have been unable to find any -- any other members  
19 of the family that know where he is.

20 Q Will you now refer to Antweil Exhibit  
21 Number Three and explain to Mr. Stamets what this is?

22 A Exhibit Number Three is a letter from  
23 Richard F. Pollard to Allen Antweil and some attachments  
24 thereto, which detail Mr. Pollard's efforts in our behalf to  
25 lease or purchase the minerals that are presently unleased

1 in this 40-acre unit.  
2

3 Q And will you now identify Exhibit Number  
4 Four for the Examiner?

5 A Exhibit Number Four are copies of the  
6 notice of hearing that were mailed to each of the unleased  
7 mineral owners by certified mail informing them of the hearing  
8 and our request to pool their unleased mineral interests.

9 Q What are the estimated costs of the  
10 proposed well?

11 A The well we are currently drilling im-  
12 mediately east of the proposed location, our AFE cost estimate  
13 for completed Drinkard well at that location is \$480,000.  
14 And the proposed well would be -- we would anticipate be the  
15 same price.

16 Q Is this cost figure in line with what's  
17 being charged by other operators in the area other than  
18 Antweil?

19 A Yes. We have a participation in the  
20 Tamarack Well which is being drilled in the immediate area,  
21 also, and their AFE cost estimates are within \$5 - 10,000  
22 of ours.

23 Q Have you made an estimate of the over-  
24 head and administrative costs incurred while drilling and  
25 producing this well?



1  
2 A Yes, I have.

3 Q And what are those?

4 A We would propose an overhead cost for  
5 our operating agreement of \$2500 a month for a drilling well  
6 and \$250 a month for a producing well.

7 Q Are these costs in line with what is  
8 being charged by other operators in the area?

9 A Yes, they are.

10 Q And do you request that these figures  
11 be incorporated into any order which would result from this  
12 hearing?

13 A Yes, I would.

14 Q Does Antweil request to be designated  
15 the operator of the well?

16 A We would request to be designated  
17 operator, since we have the other 39-1/2 acres under lease.

18 Q Are you prepared to make a recommenda-  
19 tion to the Examiner concerning a risk factor that should be  
20 assessed against those interests who do not participate in  
21 the drilling of the well?

22 A We will request an assignment of a 200  
23 percent risk factor if they choose not to lease or join in  
24 the drilling of the well.

25 Q And upon what do you base that recom-

1  
2 mendation?

3 A The -- the experience in the area has  
4 shown that the -- the development of -- the porosity develop-  
5 ment in the Drinkard or the Blinebry, which is the completion  
6 interval to the -- that these wells are -- are the -- the  
7 objective completion interval of these wells, has been very  
8 erratic. There will be a good Blinebry development in one  
9 well and poor in the adjacent. The Drinkard will also vary  
10 considerably.

11 There's also a possibility across the  
12 area of Paddock production, which at the present time is  
13 untested, and a possibility of Tubb production, which is  
14 presently untested.

15 But the porosity development, which is  
16 the controlling factor in whether you make a well or not,  
17 have -- have been very erratic.

18 Q In your opinion will granting this  
19 application be in the best interest of conservation, the  
20 prevention of waste, and the protection of correlative rights?

21 A Yes, it would.

22 Q Were Exhibits One through Four prepared  
23 by you or can you testify as to their accuracy?

24 A Yes, I can.

25 MR. CARR: At this time, Mr. Stamets,

1  
2 we would offer Antweil Exhibits One through Four.

3 MR. STAMETS: These exhibits will be  
4 admitted.

5 MR. CARR: I have nothing further on  
6 direct.

7  
8 CROSS EXAMINATION

9 BY MR. STAMETS:

10 Q Mr. Williams, what response did Mr.  
11 Pollard get from these people?

12 A No response. We, as he said in his  
13 letter, he began seeking to lease these for us in July of  
14 1980, and initial leases, with drafts for them to sign the  
15 lease and put the draft in the bank for their collection,  
16 were sent to them at that time, and follow-up letters were  
17 sent in September, November, of '80, and January of '81,  
18 telephone contacts attempts were made, some of the parties  
19 were contacted, and the problem is their interest is -- is  
20 very small. Regardless of what price you paid them per acre,  
21 there's no money involved, and you don't get their attention.

22 MR. STAMETS: Any other questions of  
23 this witness? He may be excused.

24 Anything further in this case?

25 MR. CARR: Nothing further, Mr. Stamets.

MR. STAMETS: The case will be taken

under advisement.

(Hearing concluded.)



## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7271, heard by me on 6-3 1981.

Richard L. Stamm, Examiner  
Oil Conservation Division

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

3 June 1981

EXAMINER HEARING

IN THE MATTER OF:

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BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

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Legal Counsel to the Division  
State Land Office Bldg.  
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Jefferson Place  
Santa Fe, New Mexico 87501

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I N D E X

R. M. WILLIAMS

Direct Examination by Mr. Carr 3

Cross Examination by Mr. Stamets 10

E X H I B I T S

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Applicant Exhibit Three, Letter 6

Applicant Exhibit Four, Documents 7

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MR. PADILLA: Application of Morris R.  
Antweil for compulsory pooling, Lea County, New Mexico.

MR. CARR: May it please the Examiner,  
my name is William F. Carr, with the law firm Campbell, Byrd,  
and Black, P. A., Santa Fe, New Mexico, appearing on behalf  
of the applicant.

I have one witness who needs to be  
sworn.

(Witness sworn.)

R. M. WILLIAMS  
being called as a witness and being duly sworn upon his oath,  
testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your name and place of  
residence?

A My name is R. M. Williams from Hobbs,  
New Mexico.

Q By whom are you employed and in what  
capacity?

1

4

2

A. Employed by Morris R. Antweil as an  
3 engineer.

4

Q Have you previously testified before  
5 this Commission or one of its examiners and had your credentials  
6 as a petroleum engineer accepted and made a matter of record?

7

A. Yes, I have.

8

Q Are you familiar with the application  
9 in this case and the subject acreage?

10

A. Yes, I am.

11

MR. CARR: Are the witness' qualifica-  
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MR. STAMETS: They are.

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15 what Antweil seeks with this application?

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21 at a standard location thereon.

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11 completed Drinkard producers.

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13 several locations in the immediate vicinity of the proposed  
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15 southeast quarter of Section 5, immediately east of the pro-  
16 posed location is presently drilling at about 5500 feet.

17 The location to the south of the loca-  
18 tion is presently drilling. Tamarack Petroleum is drilling  
19 a well at that location, and they're probably at approximately  
20 1000 feet in depth at this point.

21 Q Mr. Williams, you are seeking an order  
22 approving all formations under this tract down to and through  
23 the Drinkard, is that correct?

24 A That is correct. We intend to drill  
25 a Drinkard test and we would like to have the opportunity

1  
2 to complete in any interval that's productive between the  
3 surface and the Drinkard.

4 Q How much of the interest under the pro-  
5 posed spacing unit have you been able to get -- receive  
6 voluntary joinder from in the drilling of this well?

7 A We have obtained leases in all the 40-  
8 acre proration unit except approximately a half an acre, and  
9 a half an acre is divided between ten owners, the unleased  
10 minerals in that quarter quarter section.

11 Q And would you now identify Exhibit  
12 Number Two for Mr. Stamets?

13 A Exhibit Number Two is a tabulation of  
14 the unleased mineral owners, showing their name, address,  
15 and the number of acres of minerals that they own within that  
16 40-acre proration unit.

17 The one mineral owner is address un-  
18 known and we have been unable to find any -- any other members  
19 of the family that know where he is.

20 Q Will you now refer to Antweil Exhibit  
21 Number Three and explain to Mr. Stamets what this is?

22 A Exhibit Number Three is a letter from  
23 Richard F. Pollard to Allen Antweil and some attachments  
24 thereto, which detail Mr. Pollard's efforts in our behalf to  
25 lease or purchase the minerals that are presently unleased

1  
2 in this 40-acre unit.

3 Q And will you now identify Exhibit Number  
4 Four for the Examiner?

5 A Exhibit Number Four are copies of the  
6 notice of hearing that were mailed to each of the unleased  
7 mineral owners by certified mail informing them of the hearing  
8 and our request to pool their unleased mineral interests.

9 Q What are the estimated costs of the  
10 proposed well?

11 A The well we are currently drilling im-  
12 mediately east of the proposed location, our AFE cost estimate  
13 for completed Drinkard well at that location is \$480,000.  
14 And the proposed well would be -- we would anticipate be the  
15 same price.

16 Q Is this cost figure in line with what's  
17 being charged by other operators in the area other than  
18 Antweil?

19 A Yes. We have a participation in the  
20 Tamarack Well which is being drilled in the immediate area,  
21 also, and their AFE cost estimates are within \$5 - 10,000  
22 of ours.

23 Q Have you made an estimate of the over-  
24 head and administrative costs incurred while drilling and  
25 producing this well?

1  
2 A Yes, I have.

3 Q And what are those?

4 A We would propose an overhead cost for  
5 our operating agreement of \$2500 a month for a drilling well  
6 and \$250 a month for a producing well.

7 Q Are these costs in line with what is  
8 being charged by other operators in the area?

9 A Yes, they are.

10 Q And do you request that these figures  
11 be incorporated into any order which would result from this  
12 hearing?

13 A Yes, I would.

14 Q Does Antweil request to be designated  
15 the operator of the well?

16 A We would request to be designated  
17 operator, since we have the other 39-1/2 acres under lease.

18 Q Are you prepared to make a recommenda-  
19 tion to the Examiner concerning a risk factor that should be  
20 assessed against those interests who do not participate in  
21 the drilling of the well?

22 A We will request an assignment of a 200  
23 percent risk factor if they choose not to lease or join in  
24 the drilling of the well.

25 Q And upon what do you base that recom-

1  
2 mendation?

3 A The -- the experience in the area has  
4 shown that the -- the development of -- the porosity develop-  
5 ment in the Drinkard or the Blinebry, which is the completion  
6 interval to the -- that these wells are -- are the -- the  
7 objective completion interval of these wells, has been very  
8 erratic. There will be a good Blinebry development in one  
9 well and poor in the adjacent. The Drinkard will also vary  
10 considerably.

11 There's also a possibility across the  
12 area of Paddock production, which at the present time is  
13 untested, and a possibility of Tubb production, which is  
14 presently untested.

15 But the porosity development, which is  
16 the controlling factor in whether you make a well or not,  
17 have -- have been very erratic.

18 Q In your opinion will granting this  
19 application be in the best interest of conservation, the  
20 prevention of waste, and the protection of correlative rights?

21 A Yes, it would.

22 Q Were Exhibits One through Four prepared  
23 by you or can you testify as to their accuracy?

24 A Yes, I can.

25 MR. CARR: At this time Mr. Stamets,



1  
2 we would offer Antweil Exhibits One through Four.

3 MR. STAMETS: These exhibits will be  
4 admitted.

5 MR. CARR: I have nothing further on  
6 direct.

7  
8 CROSS EXAMINATION

9 BY MR. STAMETS:

10 Q Mr. Williams, what response did Mr.  
11 Pollard get from these people?

12 A No response. We, as he said in his  
13 letter, he began seeking to lease these for us in July of  
14 1980, and initial leases, with drafts for them to sign the  
15 lease and put the draft in the bank for their collection,  
16 were sent to them at that time, and follow-up letters were  
17 sent in September, November, of '80, and January of '81,  
18 telephone contacts attempts were made, some of the parties  
19 were contacted, and the problem is their interest is -- is  
20 very small. Regardless of what price you paid them per acre,  
21 there's no money involved, and you don't get their attention.

22 MR. STAMETS: Any other questions of  
23 this witness? He may be excused.

24 Anything further in this case?

25 MR. CARR: Nothing further, Mr. Stamets.

MR. STAMETS: The case will be taken  
under advisement.

(Hearing concluded.)

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

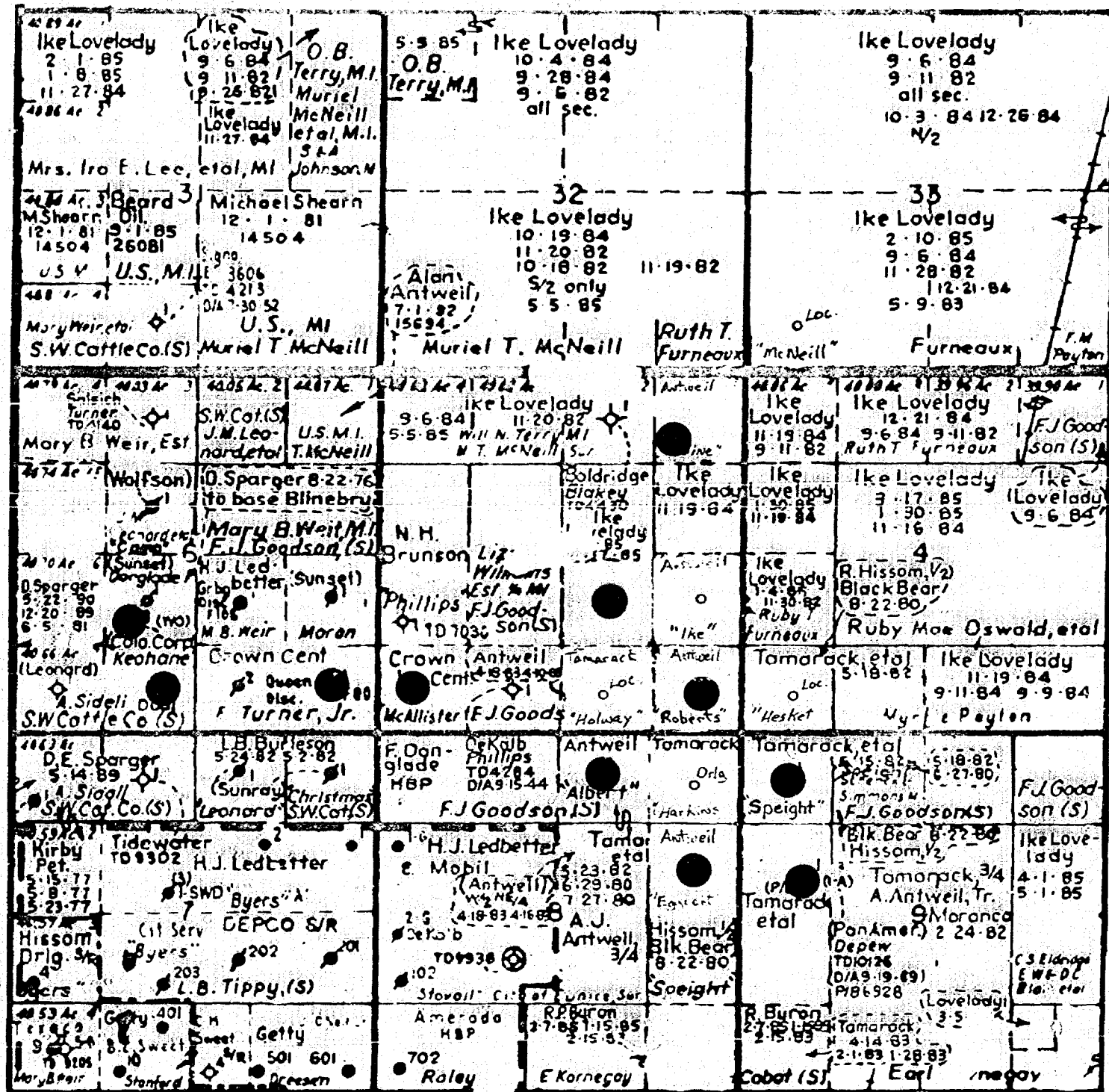
Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 435-7409

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. \_\_\_\_\_,  
heard by me on \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_, Examiner  
Oil Conservation Division



UNLEASED MINERAL INTERESTS  
NW/4 SE/4 Section 5-T20S-R38E

Jane Cromartie Williams Coharie Acres Clinton, NC 28328	0.061999 acres
Richard L. Cromartie C/O Jane Cromartie Williams	0.070273 acres
Harry Eldon Smith Rt. 1 - Box 10-E Winnabow, NC 28358	0.004127 acres
Eva W. Graham Rt. 1 - Box 307 Ash, NC 28420	0.066127 acres
Mary M. Smith 117 Moreland Avenue Laurens, SC 29360	0.066127 acres
Mabel Smith Rule 2422 Holloway Terrace Raleigh, NC 27608	0.066127 acres
Betty S. Warren 516 Market Street Wilmington, NC 28401	0.008273 acres
Donald Woods address unknown	0.086418 acres
John Warren Erickson C/O Elinor Shaughnessy 2727 East 5th Street Tulsa, OK 74101	0.037691 acres
Phillip Julian Erickson 303 Northern Blvd. Saint James, NY 11780	0.037691 acres
TOTAL	0.504853 acres

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

*Admiral* EXHIBIT NO. 2

CASE NO. 7271

Submitted by Williams

Hearing Date June 3, 1981



*Richard F. Pollard*

REAL ESTATE COUNSELOR & APPRAISER

FORT SUMNER, NEW MEXICO 88119

505 - 355-2655

May 20, 1981

Mr. Alan J. Antweil  
P O Box 2010  
Hobbs, New Mexico 88240

Re: NW<sup>1</sup>SE<sup>4</sup> Section 5 20S-38E  
Lea County, NM

Dear Mr. Antweil:

In connection with buying leases on above referenced land, and others, in Section 5 from the R. C. Allen Trust beneficiaries, the Underwood heirs and the Odella N. Spears heirs, the first letters together with leases and drafts were sent out on July 7, 8 and 31, 1980. Follow-up letters were sent on September 10, 1980, November 22, 1980, and January 28, 1981. Telephone contact attempts were also made to some of the parties that could be reached.

The ancillary probate proceedings filed in Lea County Probate Court cause No. 4221 on the Estate of Odella N. Spears, dec., list Donald Woods with "address not known". Attempts were made to secure his address from some of the other heirs without success.

Sample copies of the letters, etc, are attached for your information. The first mailing consisted of some 63 letters and leases.

Cordially,

*Richard F. Pollard*  
Richard F Pollard



BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
<i>Antweil</i>	EXHIBIT NO. <u>3</u>
CASE NO. <u>7271</u>	
Submitted by <i>William</i>	
Hearing Date <u>June 3, 1981</u>	

RICHARD F. POLLARD  
P.O. Box 330  
FORT SUMNER, NEW MEXICO 88119

July 2, 1980

Ms. Mary M. Smith  
P.O. Box 6874  
North Augusta, NC 29841

*Correct  
7/11/80 letter from Mr. Richard F. Pollard, Smith  
117 ...  
Rising ...*

Dear Ms. Smith:

A check of the Lea County, New Mexico records indicates that you own the following mineral interest derived from the R. C. Allen and Lillian Allen Trusts, which were distributed by the Wachovia Bank and Trust Company:

An undivided 16/336 of 1/2 of 40/576ths in SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ , S $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 5, Township 20 South, Range 38 East, N.M.P.M.;

which interest amounts to .3637 net acres.

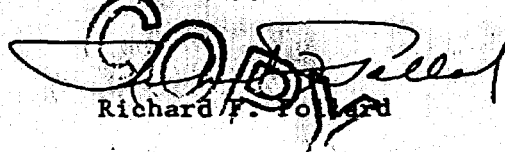
I am prepared to pay \$25.00 per net acre for a 3 year oil and gas lease on this interest. If this meets with your approval, please sign the lease and endorse the draft which are enclosed.

If you prefer to sell this interest, I am prepared to pay \$100.00 per net acre. If you had rather sell this interest, please sign the mineral deed and endorse the draft attached to it which I have also enclosed.

Instructions for the signing of the document are attached to it.

Please call me collect at 505-355-2431 if you have any questions.

Cordially,

  
Richard F. Pollard

*Richard F. Pollard*

REAL ESTATE COUNSELOR & APPRAISER

FORT SUMNER, NEW MEXICO 88119

505 - 355-2655

September 10, 1980

Dear Beneficiary of the R. C. Allen Trust:

Last July I wrote you regarding an oil and gas lease or mineral deed on certain interest you own in Section 5, T20S-R38E, Lea County, NM, and enclosed the documents and drafts for your consideration.

So far I have had no response from you. I would appreciate your signing one or both of the documents and sending them in to the bank for payment.

If you have any questions on this matter, let me hear from you.

Sincerely,

*Richard F. Pollard*  
Richard F. Pollard



RICHARD F. POLLARD  
P. O. Box 330  
FORT SUMNER, NEW MEXICO 88119  
505-355-2655

January 28, 1981

Mr. Phillip Julian Erickson  
803 Northern Blvd.  
Saint James, New York 11780

Dear Mr. Erickson:

Again we urge you to consider exdcuting the oil and gas lease previously mailed to you. We now hold leases on approximately 95% of the interests.

If you do not wish to sign the lease, please be advised that in the event drilling operations are begun on the lands described in the lease, a pooling order will be requested from the Oil Conservation Commission of New Mexico, and if granted, your interest will be pooled and assessed its pro rata share of the drilling and operating costs to be recovered from any production attributable to the interest.

Thank you for your consideration.

Sincerely,  
**COPY**  
Richard F. Pollard

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
EXHIBIT NO.	<u>4</u>
CASE NO.	<u>7271</u>
Submitted by	<u>WILLIAMS</u>
Hearing Date	<u>6/3/81</u>

May 27, 1981

Ms. Jane Cromartie Williams  
Coharie Acres  
Clinton, NC 28328

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Ms. Williams:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

P22 1117795

RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

SENT TO <u>Jane Cromartie</u> STREET AND NO. <u>Williams</u> P.O. STATE AND ZIP CODE		POSTAGE	
CERTIFIED FEE		\$	
SPECIAL DELIVERY		•	
RESTRICTED DELIVERY		•	
SHOW TO WHOM AND DATE DELIVERED		•	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		•	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		•	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		•	
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE			

PS Form 3800, Apr. 1976

5/27/81



May 27, 1981

Mr. Richard L. Cromartie  
c/o Jane Cromartie Williams  
Coharie Acres  
Clinton, NC 28328

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Mr. Cromartie:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

P221117794

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

MAIL TO <i>Richard L. Cromartie</i> STREET AND NO.		P.O., STATE AND ZIP CODE	
POSTAGE	\$	CERTIFIED FEE	\$
OPTIONAL SERVICES		RETURN RECEIPT SERVICE	
CONSULT POSTMASTER FOR FEES		RETURN RECEIPT SERVICE	
SPECIAL DELIVERY		SPECIAL DELIVERY	
RESTRICTED DELIVERY		RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED		SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES		TOTAL POSTAGE AND FEES	
POSTMARK OR DATE		POSTMARK OR DATE	

PS Form 3800, Apr. 1976

5/27/81

May 27, 1981

Mr. Harry Eldon Smith  
Rt. 1, Box 10-E  
Winnabow, NC 28358

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Mr. Smith:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

P22 1117797

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED —  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

SENT TO Harry Eldon Smith STREET AND NO.		P.O. STATE AND ZIP CODE	
POSTAGE		\$	
CERTIFIED FEE		•	
SPECIAL DELIVERY		•	
RESTRICTED DELIVERY		•	
SHOW TO WHOM AND DATE DELIVERED		•	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		•	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		•	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		•	
RETURN RECEIPT SERVICE		•	
CONSULT POSTMASTER FOR FEES		•	
OPTIONAL SERVICES		•	
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR LATE		5/27/81	

PS Form 3800, Apr. 1976

May 27, 1981

Ms. Eva W. Graham  
Rt. 1, Box 307  
Ash, NC 28420

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Ms. Graham:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

P22 1117959

**RECEIPT FOR CERTIFIED MAIL**

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO	Eva W. Graham	
STREET AND NO.	Rt. 1, Box 307	
P.O. STATE AND ZIP CODE	Ash, NC 28420	
POSTAGE	\$	
CONSULT POSTMASTER FOR FEES		
OPTIONAL SERVICES		
RETURN RECEIPT SERVICE		
SPECIAL DELIVERY		
RESTRICTED DELIVERY		
SHOW TO WHOM AND DATE DELIVERED		
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY		
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		
TOTAL POSTAGE AND FEES		
POSTMARK OR DATE		

5/27/81

PS Form 3800, Apr. 1976

May 27, 1981

Ms. Mary M. Smith  
117 Moreland Avenue  
Laurens, SC 29360

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Ms. Smith:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

P221117958

RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

SENT TO <i>Mary M. Smith</i> STREET AND NO.		P.O. STATE AND ZIP CODE	
POSTAGE	CERTIFIED FEE		
SPECIAL DELIVERY			
RESTRICTED DELIVERY			
SHOW TO WHOM AND DATE DELIVERED			
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY			
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY			
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY			
RETURN RECEIPT SERVICE			
OPTIONAL SERVICES			
CONSULT POSTMASTER FOR FEES			
TOTAL POSTAGE AND FEES			
POSTMARK OR DATE			

5/27/81

PS Form 3800, Apr. 1976

May 27, 1981

Ms. Mabel Smith Rule  
2422 Holloway Terrace  
Raleigh, NC 27608

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Ms. Rule:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

P22 1117957

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO Mabel Smith Rule STREET AND NO.		P.O., STATE AND ZIP CODE	
POSTAGE		\$	
CERTIFIED FEE		•	
SPECIAL DELIVERY		•	
RESTRICTED DELIVERY		•	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY		•	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		•	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		•	
CONSULT POSTMASTER FOR FEES		•	
OPTIONAL SERVICES		•	
RETURN RECEIPT SERVICE		•	
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE		5/27/81	

PS Form 3800, Apr. 1976



May 27, 1981

Ms. Betty S. Warren  
516 Market Street  
Wilmington, NC 28401

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Ms. Warren:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

P22 1117956

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED -  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO <i>Betty S. Warren</i> STREET AND NO.		P.O. STATE AND ZIP CODE	
POSTAGE		CONSULT POSTMASTER FOR FEES	
CERTIFIED FEE		CERTIFIED FEE	
SPECIAL DELIVERY		SPECIAL DELIVERY	
RESTRICTED DELIVERY		RESTRICTED DELIVERY	
SHOW TO WHOM AND DATE DELIVERED		SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
RETURN RECEIPT SERVICE		RETURN RECEIPT SERVICE	
TOTAL POSTAGE AND FEES		TOTAL POSTAGE AND FEES	
POSTMARK OR DATE		POSTMARK OR DATE	

5/27/81

PS Form 3800, Apr. 1976

May 27, 1981

Mr. John Warren Erickson  
c/o Elinor Shaughnessy  
2727 East 57th Street  
Tulsa, OK 74101

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Mr. Erickson:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

P22 1117955

**RECEIPT FOR CERTIFIED MAIL**

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

SENT TO <i>John Warren Erickson</i> STREET ADDRESS P.O. STATE AND ZIP CODE		POSTAGE		CONSULT POSTMASTER FOR FEES	
CERTIFIED FEE		SPECIAL DELIVERY		RETURN RECEIPT SERVICE	
RESTRICTED DELIVERY		SHOW TO WHOM AND DATE DELIVERED		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
OPTIONAL SERVICES		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		TOTAL POSTAGE AND FEES	
POSTMARK OR DATE		5/27/81			

PS Form 3800, Apr. 1976

May 27, 1981

Mr. Phillip Julian Erickson  
303 Northern Boulevard  
Saint James, NY 11780

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Mr. Erickson:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

P221117954

**RECEIPT FOR CERTIFIED MAIL**

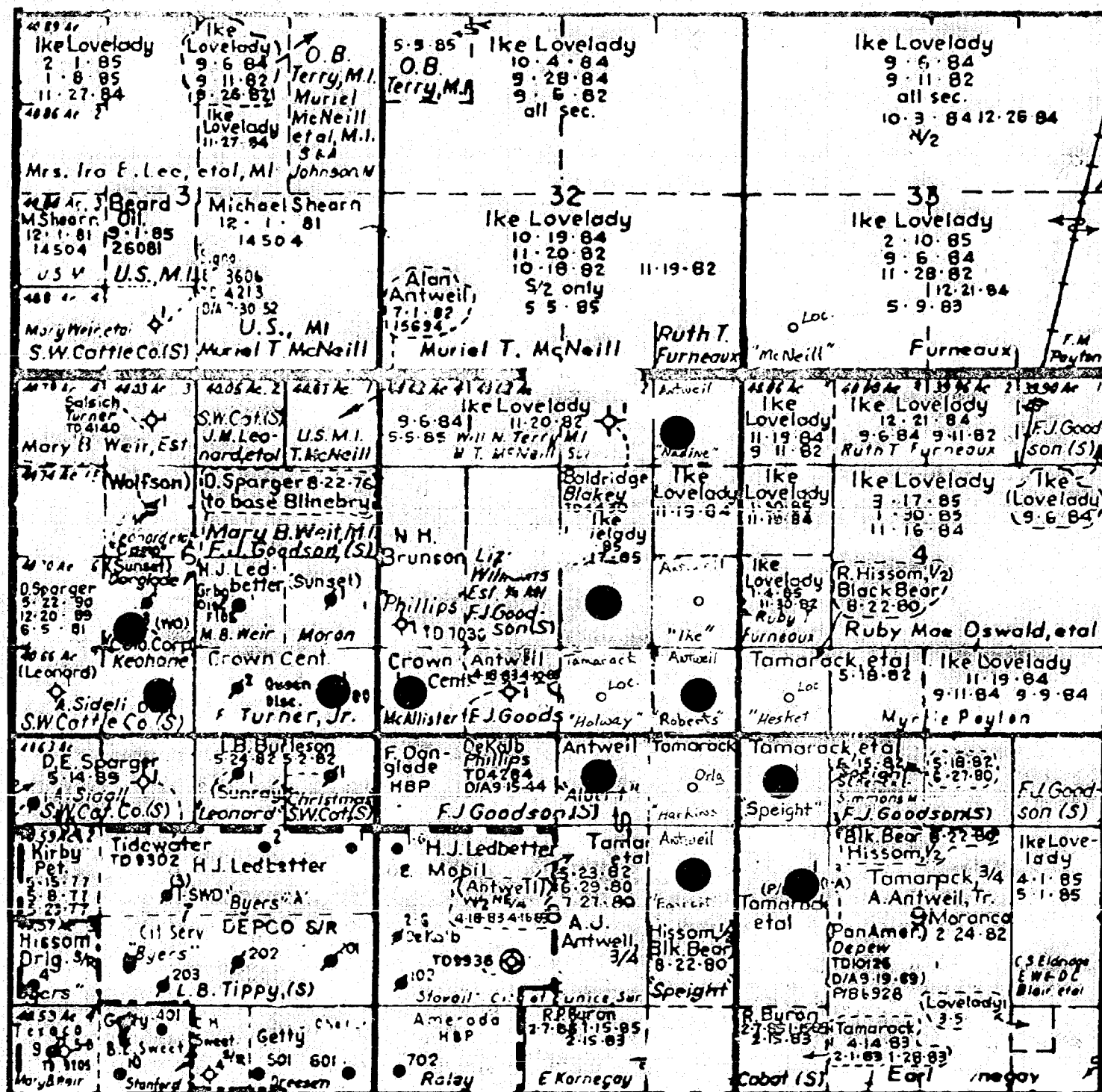
NO INSURANCE COVERAGE PROVIDED —  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO <i>Phillip Julian Erickson</i> STREET AND NO. <i>303 Northern Boulevard</i> P.O. STATE AND ZIP CODE		POSTAGE	
OPTIONAL SERVICES		CERTIFIED FEE	
RETURN RECEIPT SERVICE		SPECIAL DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		SHOW TO WHOM AND DATE DELIVERED	
TOTAL POSTAGE AND FEES		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
POSTMARK OR DATE		CONSULT POSTMASTER FOR FEES	

PS Form 3800, Apr. 1976

5/27/81



# LEGEND



Proration Unit



Proposed Location



Blinebry Producing Well



Drinkard Producing Well

MORRIS R. ANTWEIL  
HOBBS, NEW MEXICO

NADINE AREA  
(BLINEBRY-DRINKARD PROSPECT)  
LEA COUNTY, NEW MEXICO

SCALE 1"=2000'

UNLEASED MINERAL INTERESTS  
NW/4 SE/4 Section 5-T20S-R38E

Jane Cromartie Williams Coharie Acres Clinton, NC 28328	0.061999 acres
Richard L. Cromartie C/O Jane Cromartie Williams	0.070273 acres
Harry Eldon Smith Rt. 1 - Box 10-E Winnabow, NC 28358	0.004127 acres
Eva W. Graham Rt. 1 - Box 307 Ash, NC 28420	0.066127 acres
Mary M. Smith 117 Moreland Avenue Laurens, SC 29360	0.066127 acres
Mabel Smith Rule 2422 Holloway Terrace Raleigh, NC 27608	0.066127 acres
Betty S. Warren 516 Market Street Wilmington, NC 28401	0.008273 acres
Donald Woods address unknown	0.086418 acres
John Warren Erickson C/O Elinor Shaughnessy 2727 East 57th Street Tulsa, OK 74101	0.037691 acres
Phillip Julian Erickson 303 Northern Blvd. Saint James, NY 11780	0.037691 acres
TOTAL	<u>0.504853 acres</u>

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
Anteview	EXHIBIT NO. <u>2</u>
CASE NO. <u>7271</u>	
Submitted by	<u>Williams</u>
Hearing Date	<u>June 3, 1961</u>



*Richard F. Pollard*

REAL ESTATE COUNSELOR & APPRAISER

FORT SUMNER, NEW MEXICO 88119

505 - 355-2655

May 20, 1981

Mr. Alan J. Antweil  
P O Box 2010  
Hobbs, New Mexico 88240

Re: NW<sup>1</sup>SE<sup>1</sup> Section 5 20S-38E  
Lea County, NM

Dear Mr. Antweil:

In connection with buying leases on above referenced land, and others, in Section 5 from the R. C. Allen Trust beneficiaries, the Underwood heirs and the Odella N. Spears heirs, the first letters together with leases and drafts were sent out on July 7, 8 and 31, 1980. Follow-up letters were sent on September 10, 1980, November 22, 1980, and January 28, 1981. Telephone contact attempts were also made to some of the parties that could be reached.

The ancillary probate proceedings filed in Lea County Probate Court cause No. 4221 on the Estate of Odella N. Spears, dec., list Donald Woods with "address not known". Attempts were made to secure his address from some of the other heirs without success.

Sample copies of the letters, etc, are attached for your information. The first mailing consisted of some 63 letters and leases.

Cordially,

*Richard F. Pollard*  
Richard F Pollard



BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

*Antweil* EXHIBIT NO. 3

CASE NO. 7271

Submitted by *Wickens*

Hearing Date June 3, 1981

RICHARD F. POLLARD  
P. O. Box 330  
FORT SUMNER, NEW MEXICO 88119

July 2, 1980

Ms. Mary M. Smith  
P. O. Box-6874  
North Augusta, NC-29841

Dear Ms. Smith:

A check of the Lea County, New Mexico records indicates that you own the following mineral interest derived from the R. C. Allen and Lillian Allen Trusts, which were distributed by the Wachovia Bank and Trust Company:

An undivided 16/336 of 1/2 of 40/576ths in SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 5, Township 20 South, Range 38 East, N.M.P.M.;

which interest amounts to .3637 net acres.


I am prepared to pay \$25.00 per net acre for a 3 year oil and gas lease on this interest. If this meets with your approval, please sign the lease and endorse the draft which are enclosed.

If you prefer to sell this interest, I am prepared to pay \$100.00 per net acre. If you had rather sell this interest, please sign the mineral deed and endorse the draft attached to it which I have also enclosed.

Instructions for the signing of the document are attached to it.

Please call me collect at 505-355-2431 if you have any questions.

Cordially,

  
Richard F. Pollard

*Richard F. Pollard*

REAL ESTATE COUNSELOR & APPRAISER

FORT SUMNER, NEW MEXICO 88119

505 - 355-2655

September 10, 1980

Dear Beneficiary of the R. C. Allen Trust:

Last July I wrote you regarding an oil and gas lease or mineral deed on certain interest you own in Section 5, T20S-R38E, Lea County, NM, and enclosed the documents and drafts for your consideration.

So far I have had no response from you. I would appreciate your signing one or both of the documents and sending them in to the bank for payment.

If you have any questions on this matter, let me hear from you.

Sincerely,

*Richard F. Pollard*  
Richard F. Pollard



RICHARD F. POLLARD  
P. O. Box 330  
FORT SUMNER, NEW MEXICO 88119  
505-355-2655

January 28, 1981

Mr. Phillip Julian Erickson  
803 Northern Blvd.  
Saint James, New York 11780

Dear Mr. Erickson:

Again we urge you to consider exdcuting the oil and gas lease previously mailed to you. We now hold leases on approximately 95% of the interests.

If you do not wish to sign the lease, please be advised that in the event drilling operations are begun on the lands described in the lease, a pooling order will be requested from the Oil Conservation Commission of New Mexico, and if granted, your interest will be pooled and assessed its pro rata share of the drilling and operating costs to be recovered from any production attributable to the interest.

Thank you for your consideration.

Sincerely,  
**COPY**  
Richard F. Pollard

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
Actual	EXHIBIT NO. <u>4</u>
CASE NO. <u>7271</u>	
Submitted by <u>WILLIAMS</u>	
Hearing Date <u>4/3/81</u>	

May 27, 1981

Ms. Jane Cromartie Williams  
Coharie Acres  
Clinton, NC 28328

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Ms. Williams:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William P. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

P22 1117795

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

SENT TO <u>Jane Cromartie</u> STREET AND NO. <u>2000</u> P.O. STATE AND ZIP CODE		POSTAGE		CERTIFIED FEE		SPECIAL DELIVERY		RESTRICTED DELIVERY		SHOW TO WHOM AND DATE DELIVERED		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		TOTAL POSTAGE AND FEES		POSTMARK OR DATE	
						</															



May 27, 1981

Mr. Richard L. Cromartie  
c/o Jane Cromartie Williams  
Coharie Acres  
Clinton, NC 28328

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Mr. Cromartie:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

P221117794

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO  
Richard L. Cromartie  
STREET AND NO.

P.O., STATE AND ZIP CODE

POSTAGE	\$
CERTIFIED FEE	\$
SPECIAL DELIVERY	\$
RESTRICTED DELIVERY	\$
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	
CONSULT POSTMASTER FOR FEES	
TOTAL POSTAGE AND FEES	\$

POSTMARK OR DATE

5/27/81

PS Form 3800, Apr. 1976

May 27, 1981

Mr. Harry Eldon Smith  
Rt. 1, Box 10-E  
Winnabow, NC 28358

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Mr. Smith:

Enclosed is a copy of the docket for the June 3, 1981 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-referenced case.

Very truly yours,

William F. Carr

WFC:1r

**Enclosure**

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

p22 i117797

RECEIPT FOR CERTIFIED MAIL

**NO INSURANCE COVERAGE PROVIDED —  
NOT FOR INTERNATIONAL MAIL**

**(See Reverse)**

SENT TO Edison Smith  
Harry  
STREET AND NO.  
P.O., STATE AND ZIP CODE

**P.O., STATE AND ZIP CODE**

POSTAGE	\$
CERTIFIED FEE	\$
SPECIAL DELIVERY	\$
RESTRICTED DELIVERY	\$
SHOW TO WHOM AND DATE DELIVERED	\$
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	\$
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	\$
RETURN RECEIPT SERVICE	\$
OPTIONAL SERVICES	\$
CONSULT POSTMASTER FOR FEES	\$
TOTAL POSTAGE AND FEES	\$
POSTMARK OR DATE	\$

PS Form 3800, Apr. 1976

May 27, 1981

Ms. Eva W. Graham  
Rt. 1, Box 307  
Ash, NC 28420

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Ms. Graham:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

P22 1117959

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

SENT TO <i>Eva W. Graham</i>		POSTAGE \$	
RECEIPT AND NO. <i>Rt. 1 Box 307</i>		CERTIFIED FEE \$	
P.O. STATE AND ZIP CODE <i>Ash NC 28420</i>		SPECIAL DELIVERY \$	
		RESTRICTED DELIVERY \$	
		SHOW TO WHOM AND DATE DELIVERED \$	
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY \$	
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY \$	
		SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY \$	
CONSULT POSTMASTER FOR FEES		TOTAL POSTAGE AND FEES \$	
OPTIONAL SERVICES		POSTMARK OR DATE <i>5/27/81</i>	
RETURN RECEIPT SERVICE			

PS Form 3800, Apr. 1976

May 27, 1981

Ms. Mary M. Smith  
117 Moreland Avenue  
Laurens, SC 29360

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Ms. Smith:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

P221117958

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		STREET AND NO.		P.O. STATE AND ZIP CODE	
Mary M. Smith					
POSTAGE		CERTIFIED FEE		\$	
SPECIAL DELIVERY				•	
RESTRICTED DELIVERY				•	
SHOW TO WHOM AND DATE DELIVERED				•	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY				•	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY				•	
RETURN RECEIPT SERVICE				•	
OPTIONAL SERVICES				•	
CONSULT POSTMASTER FOR FEES				•	
TOTAL POSTAGE AND FEES		\$			
POSTMARK OR DATE					

PS Form 3800, Apr. 1976

5/27/81

May 27, 1981

Ms. Mabel Smith Rule  
2422 Holloway Terrace  
Raleigh, NC 27608

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Ms. Rule:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

P22 1117957

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

SENT TO STREET AND NO. <i>Mabel Smith Rule</i>		P.O., STATE AND ZIP CODE	
POSTAGE		\$	
CERTIFIED FEE		\$	
SPECIAL DELIVERY/ RESTRICTED DELIVERY		\$	
SHOW TO WHOM AND DATE DELIVERED		\$	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY		\$	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		\$	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		\$	
OPTIONAL SERVICES		\$	
RETURN RECEIPT SERVICE		\$	
CONSULT POSTMASTER FOR FEES		\$	
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE		5/27/81	

PS Form 3800, Apr. 1976



May 27, 1981

Ms. Betty S. Warren  
516 Market Street  
Wilmington, NC 28401

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Ms. Warren:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

P22 1117956

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED --  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

SENT TO <i>Betty S. Warren</i> STREET AND NO.		P.O., STATE AND ZIP CODE	
POSTAGE		CONSULT POSTMASTER FOR FEES	
CERTIFIED FEE			
SPECIAL DELIVERY			
RESTRICTED DELIVERY			
SHOW TO WHOM AND DATE DELIVERED			
SHOW TO WHOM DATE AND ADDRESS OF DELIVERY			
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY			
RETURN RECEIPT SERVICE			
OPTIONAL SERVICES			
TOTAL POSTAGE AND FEES			
POSTMARK OR DATE			

PS Form 3800, Apr. 1976

5/27/81

May 27, 1981

Mr. John Warren Erickson  
c/o Elinor Shaughnessy  
2727 East 57th Street  
Tulsa, OK 74101

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Mr. Erickson:

Enclosed is a copy of the docket for the June 3, 1981 Oil  
Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-  
referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

P22 1117955

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		J. Warren Erickson	
STREET AND NO.		2727 East 57th Street	
P.O., STATE AND ZIP CODE		Tulsa, OK 74101	
POSTAGE	CERTIFIED FEE		
SPECIAL DELIVERY			
RESTRICTED DELIVERY			
SHOW TO WHOM AND DATE DELIVERED			
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY			
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY			
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY			
RETURN RECEIPT SERVICE			
OPTIONAL SERVICES			
CONSULT POSTMASTER FOR FEES			
TOTAL POSTAGE AND FEES			
POSTMARK OR DATE		5/27/81	

PS Form 3800, Apr. 1976

May 27, 1981

Mr. Phillip Julian Erickson  
303 Northern Boulevard  
Saint James, NY 11780

Re: New Mexico Oil Conservation  
Division Case No. 7271

Dear Mr. Erickson:

Enclosed is a copy of the docket for the June 3, 1981 Oil Conservation Division Examiner Hearing.

You may have an interest that will be affected by the above-referenced case.

Very truly yours,

William F. Carr

WFC:lr

Enclosure

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

P221117954

RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED —  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

PS Form 3800, Apr. 1976

SENT TO *Phillips Julian*  
STREET ADDRESS *100 Jackson*  
P.O. STATE AND ZIP CODE

CONSULT POSTMASTER FOR FEES		POSTAGE
OPTIONAL SERVICES	CERTIFIED FEE	\$
RETURN RECEIPT SERVICE	SPECIAL DELIVERY	
	RESTRICTED DELIVERY	
	SHOW TO WHOM AND DATE DELIVERED	
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	
	SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	
TOTAL POSTAGE AND FEES		\$
POSTMARK OR DATE		

5/27/81

CASE 7237: (Continued and Readvertised)

Application of Conoco Inc. for a dual completion and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "F-1" Well No. 10 located in Unit V of Section 1, Township 21 South, Range 36 East, to produce oil from the Hardy-Blinebry Pool and commingled Hardy-Drinkard and undesignated Tubb production.

CASE 7267: Application of Conoco Inc. for a dual completion and unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its SEMU Burger Well No. 107 to produce oil from the Skaggs-Crayburg and an undesignated Paddock Pool at an unorthodox location 2615 feet from the South and East lines of Section 19, Township 20 South, Range 38 East.

CASE 7268: Application of Conoco Inc. for pool extension and contraction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the upward extension of the vertical limits of the Skaggs-Crayburg Pool to include the lowermost 100 feet of the Queen formation underlying all of Section 13, the E/2 of Section 24, and NE/4 of Section 25, Township 20 South, Range 37 East, and the W/2 of Section 18, all of Section 19, NW/4 of Section 20, and N/2 of Section 30, Township 20 South, Range 38 East. Applicant also proposes the contraction of the vertical limits of the Eumont Pool by deletion of the lowermost 100 feet of the Queen formation underlying the NW/4 of Section 13 and E/2 of Section 24, Township 20 South, Range 37 East, and the W/2 of Section 18 and W/2 of Section 19, Township 20 South, Range 38 East.

CASE 7248: (Continued from May 6, 1981, Examiner Hearing)

Application of Inexco Oil Company for pool creation, special pool rules, and an oil discovery allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Federal 10 State Com. Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, and the promulgation of special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of approximately 42,290 barrels of discovery allowable to the aforesaid well.

CASE 7269: Application of Alpha Twenty-One Production Company for an unorthodox gas well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the E/2 SW/4 and the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, Eumont Gas Pool, to be dedicated to its Lansford Well No. 4 at an unorthodox location 810 feet from the South line and 1880 feet from the East line of said Section 21.

CASE 7270: 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 Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 21, Township 19 South, Range 27 East, to be dedicated to its Pecos River Federal 21-A Com Well No. 1 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7250: (Continued from May 6, 1981, Examiner Hearing)

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 N/2 of Section 22, Township 18 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7271: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through the Drinkard formation underlying the NW/4 SE/4 of Section 5, Township 20 South, Range 38 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7086: (Continued from May 20, 1981, Examiner Hearing)

Application of Blackwood & Nichols Company, Ltd. for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 30 and 31 North, Ranges 6, 7, and 8 West, containing 33,500 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

Dockets Nos. 19-81 and 20-81 are tentatively set for June 17 and July 2, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 3, 1981**

**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 7261:** Application of Robert N. Enfield for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Pecos River Bluff Unit Area, comprising 4789 acres, more or less, of State and Federal lands in Township 13 South, Range 27 East.
- CASE 7262:** Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Barry State Unit Area, comprising 2,228 acres, more or less, of State lands in Township 21 South, Ranges 33 and 34 East.
- CASE 7263:** Application of Yates Petroleum Corporation for amendment of Order No. R-5527, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-5527, which approved an unorthodox Morrow location, to permit the recompletion of its Blevins "IK" Well No. 1 in Unit D of Section 35, Township 17 South, Range 26 East, as an unorthodox gas well location in all Wolfcamp and Pennsylvanian formations.
- CASE 7238:** (Continued from May 6, 1981, Examiner Hearing)  
Application of Holly Energy, Inc. for directional drilling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Salt Lake South Deep Well No. 1, the surface location of which is 2189 feet from the North line and 500 feet from the East line of Section 6, Township 21 South, Range 32 East, South Salt Lake-Morrow Gas Pool, in a northerly direction to bottom it within 150 feet of the center of Unit A (Lot 1) of said Section 6, Lots 1 thru 8 to be dedicated to the well.
- CASE 7217:** (Continued and Readvertised)  
Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Pennsylvanian location of its Travis Ohio State Com Well No. 1 to be drilled 760 feet from the South line and 660 feet from the West line of Section 13, Township 18 South, Range 28 East, the S/2 of said Section 13 to be dedicated to the well.
- CASE 7251:** (Continued from May 6, 1981, Examiner Hearing)  
Application of Southern Union Exploration Company of Texas for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 36, Township 24 North, Range 1 West, to be dedicated to its Mobil Federal Well No. 1 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7264:** Application of Cities Service Company for a salt water disposal well, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Entrada formation at a depth of 5200 feet to 5350 feet in its Federal "E" Well No. 2 in Unit H of Section 28, Township 19 North, Range 5 West.
- CASE 7265:** Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2310 feet from the North line and 990 feet from the West line of Section 13, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, the N/2 of said Section 13 to be dedicated to the well.
- CASE 7266:** Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the North line and 1650 feet from the East line of Section 14, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, the N/2 of said Section 14 to be dedicated to the well.



CAMPBELL, BYRD & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
HARL D. BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
WILLIAM G. WARDLE

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

May 14, 1981

Mr. Joe D. Ramey  
Division Director  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Case 7271

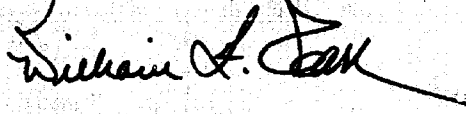
Re: Application of Morris R. Antweil for  
Compulsory Pooling, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Morris R.  
Antweil in the above-referenced matter.

The applicant requests that this matter be included on the  
docket for the examiner hearing scheduled to be held on  
June 3, 1981.

Very truly yours,



William F. Carr

WFC:lr

Enclosures

cc: Mr. R. M. Williams

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION  
OF MORRIS R. ANTWEIL FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.

CASE 7271

APPLICATION

Comes now, MORRIS R. ANTWEIL, by and through its undersigned attorneys and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in all formations from the surface down through and including the Drinkard formation in and under the NW/4 SE/4 of Section 5, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns 95% of the working interest in and under the NW/4 of SE/4 of Section 5, and application has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location in the NW/4 SE/4 of said Section 28.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other working interest owners in the NW/4 SE/4 of said Section 5 except the following owners of unleased mineral interests:

Jane Cromartie Williams	0.061999 acres
Richard L. Cromartie	0.070273 acres
Harry Eldon Smith	0.004127 acres
Eva W. Graham	0.066127 acres
Mary M. Smith	0.066127 acres

Mabel Smith Rule	0.066127 acres
Betty S. Warren	0.008273 acres
Donald Woods	0.086418 acres
John Warren Erickson	0.037691 acres
<u>Phillip Julian Erickson</u>	<u>0.037691 acres</u>
TOTAL	0.504853 acres


4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law the Division enter its order pooling the lands, including provisions designating the applicant as operator of the well, providing for application to recover its costs of drilling, equipping and completing the well, and its costs of supervision while drilling, and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By   
 William F. Carr  
 Post Office Box 2208  
 Santa Fe, New Mexico 87501  
 Attorneys for Applicant

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION  
OF MORRIS R. ANTWEIL FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.

CASE 7271

APPLICATION

Comes now, MORRIS R. ANTWEIL, by and through its undersigned attorneys and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in all formations from the surface down through and including the Drinkard formation in and under the NW/4 SE/4 of Section 5, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns 95% of the working interest in and under the NW/4 of SE/4 of Section 5, and application has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location in the NW/4 SE/4 of said Section 28.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other working interest owners in the NW/4 SE/4 of said Section 5 except the following owners of unleased mineral interests:

Jane Cromartie Williams	0.061999 acres
Richard L. Cromartie	0.070273 acres
Harry Eldon Smith	0.004127 acres
Eva W. Graham	0.066127 acres
Mary M. Smith	0.066127 acres

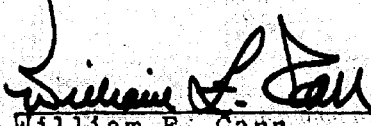
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Respectfully submitted,  
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By   
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
Attorneys for Applicant



BEFORE THE  
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IN THE MATTER OF THE APPLICATION  
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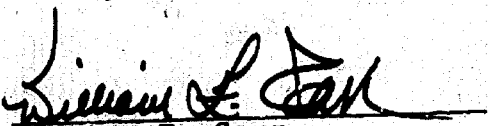
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Respectfully submitted,  
CAMPBELL, BYRD & BLACK, P.C.

By   
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
Attorneys for Applicant

DRAFT

dr/

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. 7271

Order No. R- 6712

APPLICATION OF MORRIS R. ANTWEIL  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 3,  
19 81, at Santa Fe, New Mexico, before Examiner Richard L. Stamets  
NOW, on this \_\_\_\_\_ day of June, 19 81, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Division has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Morris R. Antweil,  
seeks an order pooling all mineral interests in ~~the~~ all  
down through the Drinkard formation  
formations from the surface underlying the NW/4 SE/4 of Section 5,  
of ~~Section~~ XXXXXXXXXXXX, Township 20 South, Range 38 East  
NMPM, \_\_\_\_\_, Lea County, New  
Mexico.

(3) That the applicant has the right to drill and proposes to drill a well at a standard location thereon.

(4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.

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

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that ~~paid~~ estimated well costs exceed reasonable well costs.

(11) That \$ 2500<sup>00</sup> per month while drilling and \$ 250<sup>00</sup> per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); that the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

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

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before November 1, 1981, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, all formations from the surface down through the Drinkard in the \_\_\_\_\_ formation underlying the NW/4 SE/4 of Section 5, Township 20 South, Range 38 East, NMPM, \_\_\_\_\_, Lea County, New Mexico, are hereby pooled to form a standard 40 - acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 1st day of November, 1981, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Drinkard formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 1st day of November, 1981, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.



PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

(2) That Morris R. Antweil is hereby designated the operator of the subject well and unit.

(3) That after the effective date of this order and within 90 days prior to commencing said well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided

above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) That \$ 2500<sup>00</sup> per month while drilling and \$ 250<sup>00</sup> per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); that the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

-6-  
Case  
Order No.

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(13) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.