

CASE NO.

7578

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

# MGF

OIL CORPORATION

MAILING ADDRESS:

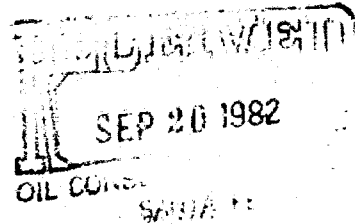
P.O. Box 360 • Midland, Texas 79702-0360

CORPORATE HEADQUARTERS:

Seventh Floor • Vaughn Building

TELEPHONE:

915 / 685-9700



September 17, 1982

New Mexico Department of Energy and Minerals  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attn: Mr. Joe D. Ramey  
Division Director  
Oil Conservation Division

Re: Compulsory Pooling  
Case No. 7578  
Order No. R-6916-A

*File*

Gentlemen:

In accordance with the above referred to Order, MGF Oil Corporation is to furnish you an itemized schedule of actual well costs incurred in the drilling and completion of the J. Speight Well No. 1.

We are enclosing a copy of the statements that have been mailed to the other working interest owner, beginning April, 1982 through June, 1982.

The charges for the above referred to period total \$249,737.34.

We trust the enclosed information is in compliance with the captioned order; however, if other information is necessary, please advise.

Yours very truly,

MGF OIL CORPORATION

*Pat Francis*  
Patsy R. Francis  
Landman

Encl. (6)

# MGF

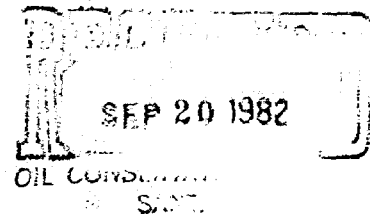
OIL CORPORATION

MAILING ADDRESS:  
P.O. Box 360 • Midland, Texas 79702-0360

CORPORATE HEADQUARTERS:  
Seventh Floor • Vaughn Building

TELEPHONE:  
915 / 685-9700

Date: July 16, 1982  
To: Pat Francis  
Subject: Accumulated Costs  
J. Speight #1



The costs recorded through June 30, 1982 are as follows:

April	\$ 54,632.45
May	94,625.63
June	<u>100,479.26</u>
Total	<u>\$249,737.34</u>

I trust the attached detail is sufficient for your needs.

*Lawrence Rhodes*  
Lawrence Rhodes

LR/sd

MGF OIL CORPORATION  
P.O. BOX 360  
MIDLAND, TX 79702-0360  
(915) 684-7121

PROPERTY  
STATEMENT

APRIL 1982

PAGE 1

SEP 20 1982

GENERAL PARTNER  
MGF 81 LTD

PROPERTY NO. 110523-0  
SPEIGHT, J #1

LEA

NEW MEXICO

TYPE OF EXPENSE	VENDOR	VOUCHER NO.	INVOICE AMOUNT
LEASE & WELL EQUIPMENT - NEW			
SURFACE CASING	MATERIAL TRANSFER	8204-0808	25,250.81
*MT M0200 - 1734.9' 8 5/8" 24# K-55			
*STC			
PRODUCTION CASING	MATERIAL TRANSFER	8204-0808	23,168.74
*MT M0199 - 3408.9' 4 1/2" 10.50# K-			
*SS STC			
LEASE & WELL EQUIPMENT - NEW	SUBTOTAL		48,419.55
TANGIBLE DEVELOPMENT COSTS			
IMAGES	FNB FT WORTH AS P	8204-0017	1,700.00
IMAGES	FNB FT WORTH AS P	8204-0017	1,700.00-
ADMINISTRATIVE	ORLG OVERHEAD	8204-0103	941.70
RUCKING	CAPROCK FORKLIFT	8204-0227	234.49
RCC & TEST CSG & TGG	B & L EQUIPMENT I	8204-1850	1,525.81
DAQ, LOC & SURVEY	FALCON SALES & SE	8204-1877	1,778.40
COMPANY SUPERVISION	RUSSEL LANGFORD	8204-2068	32.50
IMAGES	FNB FT WORTH AS P	8204-9006	1,700.00
INTANGIBLE DEVELOPMENT COSTS	SUBTOTAL		6,212.90
NET VARIANCE CALCULATION			
TOTAL GROSS			54,632.45
GENERAL PARTNER			.15750000

5:9  
6

MGF OIL CORPORATION  
P.O. BOX 360  
MIDLAND, TX 79702-0360  
(915) 684-7121

PROPERTY  
STATEMENT

MAY 1982

PAGE 1

SEP 20 1982

GENERAL PARTNER  
MGF 81 LTD

PROPERTY NO. 110523-0  
SPEIGHT, J #1

LEA

NEW MEXICO

TYPE OF EXPENSE	VENDOR	VOUCHER NO.	INVOICE AMOUNT
LEASE & WELL EQUIPMENT - NEW			
USING MATERIAL TRANSFER	8205-0804	736.36	
*MT M0069 - 185' 2 3/8" EUE 8RD 4.70			
*# J-55 TUBING			
USING MATERIAL TRANSFER	8205-0805	5,385.40	
*MT M0068 -1353' 2 3/8" 8RD 4.70# J-			
*55			
USING MATERIAL TRANSFER	8205-0806	7,955.75	
*MT M0237 - 1902.5' 2 3/8" 4.70# J-5			
*5 EUE			
ELLHEAD TEXAS OILFIELD SU	8205-1434	15,559.18	
ELLHEAD TEXAS OILFIELD SU	8205-1434	2,590.64	
INSTALLATION B-M SERVICE COMPA	8205-1611	239.62	
PACKERS/ANCHORS BAKER PACKERS	8205-1612	3,235.96	
INSTALLATION CONTROL EQUIPMENT	8205-1622	222.08	
CONTROL PANEL SERVICE TECHNICIA	8205-1661	687.21	
INSTALLATION VINSON SUPPLY CO	8205-1670	265.09	
INSTALLATION VINSON SUPPLY CO	8205-1670	64.89	
ANKS WESTERN EQUIPMENT	8205-1672	8,236.75	
LEASE & WELL EQUIPMENT - NEW SUBTOTAL		45,178.93	
LEASE & WELL EQUIPMENT - USED			
SEPARATOR MATERIAL TRANSFER	8205-0803	4,095.00	
*BS&B 2' X 6' HORIZONTAL SEPARATOR			
USING MATERIAL TRANSFER	8205-0805	89.55	
*MT M0068 - 30' 2 3/8" 8RD 4.70# J-5			
*5			
LEASE & WELL EQUIPMENT - USED SUBTOTAL		4,184.55	
TANGIBLE DEVELOPMENT COSTS			
ADMINISTRATIVE DRILLING O/H	8205-0103	273.39	
COMPANY SUPERVISION FIELD DAY WORK	8205-0104	619.00	
*4/82			

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HGF OIL CORPORATION  
P.O. BOX 360  
MIDLAND, TX 79702-0360  
(915) 684-7121

PROPERTY  
STATEMENT

MAY 1982

PAGE 2

SEP 20 1982

OIL CO.

GENERAL PARTNER  
MGF 81 LTD

PROPERTY NO. 110523-0  
SPEIGHT, J #1

LEA

NEW MEXICO

TYPE OF EXPENSE	VENDOR	VOUCHER NO.	INVOICE AMOUNT
INTANGIBLE DEVELOPMENT COSTS			
COMPANY SUPERVISION	FIELD DAY WORK	8205-0104	1,413.00
*4/82			
GEOLOGICAL/ENG	COMPANY SUPERVISI	8205-0106	2,108.46
TESTING & CORING	MIDLAND SAMPLE CU	8205-1219	9.54
COMPANY SUPERVISION	DOON RAY	8205-1243	40.30
POTENTIAL TEST	DAVIS FLUID CALIP	8205-1325	551.98
PROC & TEST CSG & TBG	FALCON SALES & SE	8205-1332	1,703.73
RENTAL EQUIPMENT	J.L.B. RENTAL EQU	8205-1346	247.94
ROAD, LOC & SURVEY	MID-TEX CONSTRUCT	8205-1371	10,734.00
ROAD, LOC & SURVEY	MIDWEST EQUIPMENT	8205-1374	629.12
TRUCKING	LEWIE MONTGOMERY	8205-1375	652.94
TRUCKING	LEWIE MONTGOMERY	8205-1375	272.08
WELL SERV UNIT	POOL WELL SERVICE	8205-1417	2,805.92
TRUCKING	ROCKY MOUNTAIN PI	8205-1421	40.00
TRUCKING	ROCKY MOUNTAIN TR	8205-1422	654.66
RENTAL EQUIPMENT	BULL ROGERS, INC.	8205-1424	156.00
WATER	ROWLAND TRUCKING	8205-1426	821.71
WATER	ROWLAND TRUCKING	8205-1426	2,554.66
PUMP TRUCK SERV	ROWLAND TRUCKING	8205-1426	1,613.04
CEMENT-SERVICES	THE WESTERN CO. O	8205-1445	8,285.02
COMPANY SUPERVISION	DENNIS POWELL	8205-1508	74.57
ROAD, LOC & SURVEY	APEX SIGNS	8205-1609	77.70
CEMENT-SERVICES	THE WESTERN CO. O	8205-1671	8,380.29
DAMAGES	JACK WRIGHT	8205-1767	100.00
WELDING	LARRY'S WELDING S	8205-1889	28.60
WELDING	LARRY'S WELDING S	8205-1889	100.10
WELDING	LARRY'S WELDING S	8205-1889	114.40
INTANGIBLE DEVELOPMENT COSTS	SUSTOTAL		45,262.15
NET VARIANCE CALCULATION			
TOTAL GROSS			94,625.63
GENERAL PARTNER			.15750000

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MGF OIL CORPORATION  
P.O. BOX 360  
MIDLAND, TX 79702-0360  
(915) 684-7121

PROPERTY  
STATE & T

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PAGE 1

SEP 20 1982

OIL CO.

GENERAL PARTNER  
MGF 81 LTD

PROPERTY NO. 110523-0  
SPEIGHT, J #1

LEA

NEW MEXICO

TYPE OF EXPENSE	VENDOR	VOUCHER NO.	INVOICE AMOUNT
LEASE & WELL EQUIPMENT - NEW			
INSTALLATION	CONTROL EQUIPMENT	8206-1024	246.86
CONTROL PANEL	VINSON SUPPLY CO	8206-1067	2,798.89
INSTALLATION	B-Y SERVICE COMPA	8206-1374	245.44
INSTALLATION	B-Y SERVICE COMPA	8206-1374	490.88
INSTALLATION	B-M SERVICE COMPA	8206-1374	368.16
INSTALLATION	B-M SERVICE COMPA	8206-1374	306.80
INSTALLATION	B-M SERVICE COMPA	8206-1374	98.80
INSTALLATION	C E NATCO	8206-1376	181.15
INSTALLATION	CONTINENTAL-EMSCO	8206-1383	137.47
INSTALLATION	CONTINENTAL-EMSCO	8206-1383	595.20
INSTALLATION	CONTINENTAL-EMSCO	8206-1383	1,205.33
INSTALLATION	HALLER-PHILLIPS,	8206-1511	14.35
INSTALLATION	HALLER-PHILLIPS,	8206-1511	16.85
INSTALLATION	WILSON SUPPLY CO	8206-1582	570.09
INSTALLATION	MIDLAND CONSTRUCT	8206-1615	156.00
INSTALLATION	PEE NEE'S WELDING	8206-1714	252.00
INSTALLATION	WILSON SUPPLY CO	8206-1743	1,071.54
INSTALLATION	GRABETH SALES & S	8206-1793	3,343.87
INSTALLATION	GRABETH SALES & S	8206-1793	659.04
LEASE & WELL EQUIPMENT - NEW SUBTOTAL			12,758.72
INTANGIBLE DEVELOPMENT COSTS			
LOGGING	GEARHART INDUSTRI	8206-1030	8,601.16
ANCHORS & SERVICE	T & C TANK RENTAL	8206-1064	443.04
ACID/FRAC	THE WESTERN CO. O	8206-1068	2,666.54
PERFORATING	GEARHART INDUSTRI	8206-1390	3,991.25
DRILLING - FOOTAGE	MGF DRILLING CO -	8206-1404	55,797.88
DRILLING - DAYWORK	MGF DRILLING CO -	8206-1404	5,443.46
WELDING	PEE NEE'S WELDING	8206-1413	2,981.66
WELDING	PEE NEE'S WELDING	8206-1413	1,739.00
WATER	PETRO-THERMO CORP	8206-1415	136.14
WATER	ROWLAND TRUCKING	8206-1419	397.24

68910.1  
100

MGF OIL CORPORATION  
P.O. BOX 360  
MIDLAND, TX 79702-0360  
(915) 684-7121

PROPERTY  
STATE - TX

JUNE 1982

PAGE 2

SEP 20 1982

OIL COM

GENERAL PARTNER  
MGF 51 LTD

PROPERTY NO. 110523-0  
SPEIGHT, J #1

LEA

NEW MEXICO

TYPE OF EXPENSE	VENDOR	VOUCHER NO.	INVOICE AMOUNT
INTANGIBLE DEVELOPMENT COSTS			
MUD & CHEMICALS	TIGER MUD SERVICE	8206-1426	3,193.03
ROAD, LOC & SURVEY	JOHN WEST ENGINEE	8206-1434	209.04
LOGGING	JOHN WEST ENGINEE	8206-1434	307.46
ROAD, LOC & SURVEY	CONCRETE, INC.	8206-1497	90.64
ROAD, LOC & SURVEY	GLOBE CONSTRUCTIO	8206-1509	211.14
TRUCKING	MGF DRILLING CO -	8206-1538	56.62
ROAD, LOC & SURVEY	MGF DRILLING CO -	8206-1538	1,446.00
ROAD, LOC & SURVEY	SCOTT LUMBER & SU	8206-1560	5.02
INTANGIBLE DEVELOPMENT COSTS SUBTOTAL			87,720.54
NET VARIANCE CALCULATION			
TOTAL GROSS			100,479.26
GENERAL PARTNER			.15750000



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
12 May 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of MGF Oil Corporation  
for compulsory pooling, Lea County,  
New Mexico.

CASE  
7579

Application of MGF Oil Corporation  
for compulsory pooling, Lea County,  
New Mexico.

CASE  
7579

Application of MGF Oil Corporation  
for compulsory pooling, Lea County,  
New Mexico.

CASE  
7580

BEFORE:

Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, 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

7578  
WENDALL GIBSON

Direct Examination by Mr. Carr 5

DON MATSON

Direct Examination by Mr. Carr 14

Cross Examination by Mr. Stamets 19

7579  
WENDALL GIBSON

Direct Examination by Mr. Carr 20

Cross Examination by Mr. Stamets 24

7580  
WENDALL GIBSON

Direct Examination by Mr. Carr 27

1		3
2	E X H I B I T S	
3		
4	CASE 7578	
5	Applicant Exhibit One, Plat	7
6	Applicant Exhibit Two, List	8
7	Applicant Exhibit Three, Notice	11
8	Applicant Exhibit Four, AFE	12
9	Applicant Exhibit Five, Structure Map	16
10	Applicant Exhibit Six, Plat	17
11		
12	CASE 7579	
13	Applicant Exhibit One, Plat	20
14	Applicant Exhibit Two, List	21
15	Applicant Exhibit Three, Letter	22
16	Applicant Exhibit Four, Letter	22
17	Applicant Exhibit Five, Letter	22
18	Applicant Exhibit Six, Letter	22
19	Applicant Exhibit Seven, Letter	22
20	Applicant Exhibit Eight, Letter	22
21	Applicant Exhibit Nine, Letter	22
22		
23	CASE 7580	
24	Applicant Exhibit One, Plat	27
25	Applicant Exhibit Two, Correspondence	28
	Applicant Exhibit Three, Correspondence	28

1

2

MR. STAMETS: We will call next Case 7578.

3

4

5

MR. PEARCE: Case 7578 is the application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico.

6

7

8

MR. STAMETS: Mr. Carr, in the limited time, why don't we call -- are you going to have the same witnesses in each case?

9

10

MR. CARR: We'll have the same witnesses in each of the three cases.

11

12

13

MR. STAMETS: Let's call all three cases. We'll just qualify the witnesses at one time and get them sworn, and we'll just take each case in order.

14

15

So we will call then Case 7579 and Case 7580.

16

17

18

MR. PEARCE: That is the application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico, and Case 7580 has the same description.

19

20

(Witnesses sworn.)

21

22

23

24

25

MR. CARR: May it please the Examiner, my name is William F. Carr, with the law firm Campbell, Byrd, & Black, P. A., of Santa Fe, appearing on behalf of the applicant, and we first would call Mr. Gibson.

WENDALL GIBSON

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

DIRECT EXAMINATION

BY MR. CARR:

Q Would you please state your name and place  
of residence?

A Wendall Gibson, Midland, Texas.

Q By whom are you employed?

A MGF Oil Corporation.

Q In what capacity?

A Division Landman.

Q Have you previously testified before this  
Commission or one of its examiners and had your credentials ac-  
cepted and made a matter of record?

A Yes, I have.

Q Are you familiar with the application filed  
in this case on behalf of MGF Oil Corporation?

A Yes, sir, I am.

Q Are you familiar with the subject acreage?

A Yes.

1  
2 Q And are you familiar with the subject wells?

3 A Yes.

4 MR. CARR: Are the witness' qualifications  
5 acceptable?

6 MR. STAMETS: They are.

7 Q Mr. Gibson, will you briefly state what  
8 MGF seeks in Case 7578?

9 A MGF seeks an order from the Commission  
10 pooling all the mineral interests from the surface to the base  
11 of the Seven Rivers formation in and under the southeast quarter  
12 of Section 31, Township 19 South, Range 39 East, Lea County,  
13 New Mexico.

14 Q Mr. Gibson, what is the current status of  
15 the well on this proposed pooled unit?

16 A It's shut-in.

17 Q And it has been drilled?

18 A Yes, sir.

19 Q Did MGF previously appear before an Exa-  
20 miner of this Division and obtain an order pooling the south-  
21 east of the southeast of this section?

22 A Yes. We -- 2-17-82.

23 Q And that order assessed -- pooled the in-  
24 terest and imposed a risk penalty?

25 A Yes, sir, it did.

1

2

Q Will you please refer --

3

MR. STAMETS: What is that order number?

4

Do you have that?

5

A No, I don't.

6

MR. CARR: We don't have it with us. I'll

7

provide that after the hearing.

8

MR. STAMETS: Okay.

9

Q Mr. Gibson, will you please refer to what

10

has been marked for identification as Exhibit One, identify

11

this, and explain what it shows?

12

A This is a plat depicting the 160-acre

13

spacing proration unit in MGF's "J" State No. 1 Well.

14

Q Is this a standard spacing unit for Seven

15

Rivers gas well in the statewide rules?

16

A Yes, it is.

17

Q And the Seven Rivers is now the primary

18

objective of this well? Is this an orthodox well location?

19

A Yes, sir.

20

Q Does this plat also show other acreage in

21

the area in which MGF has an ownership interest?

22

A The plat reflects the area of interest

23

by the hatchmarks outlining the area and the protation unit

24

is shown colored, or outlined in yellow.

25

Q Are there any Seven Rivers wells in the

1  
2 immediate area that have shown gas in the -- or any wells that  
3 have shown gas in the Seven Rivers formation?

4 A Only the MGF well.

5 Q And are any of the wells in the area, do  
6 any of these wells have an established production history from  
7 the Seven Rivers?

8 A No.

9 Q There are a number of wells shown on this  
10 plat south of the proposed spacing unit. Are any of these  
11 wells completed in the Seven Rivers?

12 A No, as far as we know, there's no Seven  
13 Rivers history or any Seven Rivers gas wells within two and a  
14 half miles of our well.

15 Q Will you now refer to MGF Exhibit Number  
16 Two and identify this for Mr. Stamets?

17 A This is ownership under spacing unit.

18 Q And what percentage of the working interest  
19 in the proposed spacing unit does MGF represent at the hearing  
20 today?

21 A We represent over 99 percent of the  
22 working interest and over 98 percent of the net revenue inter-  
23 est.

24 Q Now this exhibit contains excerpts from  
25 title opinions. Let's see, the first three pages being on the



1  
2 south half of the proposed spacing unit.

3 A That's correct.

4 Q And the last page being the north half.

5 A Right.

6 Q Would you indicate for Mr. Stamets what  
7 interests have not voluntarily joined in the drilling of the  
8 well?

9 A On our exhibit colored in yellow, the  
10 Osa Mason heirs, and down -- that would be number one.

11 Number twenty-one, Ruby P. Wright, and  
12 number twenty-five, R. A. Thurman (sic).

13 Q And what efforts have you made to locate  
14 each of these individuals?

15 A We have mailed letters to various parties,  
16 starting in December, 1977. We've written to county clerks,  
17 relatives, churches, vital statistics agencies, chambers of  
18 commerce, banks, registry of wills, with no results.

19 Q And to date we do not know the whereabouts  
20 of any of the three parties who have not committed.

21 A We don't.

22 Q Now looking at the north half of the pro-  
23 posed spacing unit, what interests are not voluntarily commit-  
24 ted to the well?

25 A Well, we have royalty interests of Mr.

1  
2 Campbell and his sister, Mrs. -- I mean Mr. Welborn and his  
3 sister, Mrs. Campbell, the royalty interest only.

4 Q Would you review for Mr. Stanets the efforts  
5 you have made to obtain a voluntary agreement from Mr. Welborn  
6 and Ms. Campbell?

7 A Well, I have had several conversations with  
8 Mr. Campbell -- I mean Mr. Welborn, who represents his sister,  
9 Mrs. Campbell, and he called me back in January, stating he  
10 had noticed a location in the paper announcing the proposed --  
11 the proposed drilling the well on his property, and wanted to  
12 know when we were going to drill on his land. He stated he was  
13 getting up in age and wanted an oil well on his land. He  
14 didn't see how we could drill by 5-29-82, so he offered a new  
15 lease with different terms, such as more bonus money and more  
16 royalty.

17 I told him we would probably drill on his  
18 land before the expiration date.

19 Again in February I called Mr. Welborn, be-  
20 cause he asked me to call when we were going to start our  
21 drilling program, and I told him about drilling, about the  
22 drilling program, and we were seeking 160-acre proration unit  
23 as prescribed by State rules in the Seven Rivers gas. He said  
24 we may have the right to do this but again he wanted to change  
25 the terms of the existing lease, which I again told him we would

1  
2 still drill on him before the expiration date of the current  
3 valid leases.

4 Then on April the 12th he called me because  
5 he had received notice of a hearing. He was very nice and  
6 again wanted to alter his lease and did not want to fool with  
7 a gas well. He said he had a guy looking into it. That's  
8 about -- and again I told him we wasn't going to change the  
9 terms or give him any more royalty, and that's the sum of  
10 our conversation.

11 Q And you have not been able to get his  
12 voluntary commitment of his royalty interest to this well?

13 A No, we haven't.

14 Q Would you now refer --

15 MR. STAMETS: Now let me -- let me clarify  
16 that. We are speaking of the royalty interest only as to  
17 Welborn and Campbell?

18 A Yes, sir.

19 MR. STAMETS: Okay.

20 Q Now, Mr. Gibson, I'd like to direct your  
21 attention to MGF Exhibit Number Three and ask that you identify  
22 this for Mr. Stamets.

23 A This is the application of the first  
24 hearing, mailed May the 1st. No, this is the application to --  
25 dated May the 3rd to Alonzo J. Welborn and to Mrs. Campbell,

1 making them aware of the May 12th hearing.

2 Q This is a notice to Welborn, Campbell, and  
3 other individuals of the hearing.

4 A Yes, sir.

5 Q What is --

6 A Betty M. Gresson (sic) we have her lease.  
7 Sabine Production, we have their leases,  
8 their lease, and also executed executive rights on the parties.  
9 They have North American Royalties have farmed out. We worked  
10 out an agreement with them.

11 Kirby has leased.

12 We have everyone except the royalty interests,  
13 which I asked for a letter and that's the only one we have  
14 out.

15 Q Will you now refer --

16 A Except the unknowns.

17 Q Will you now refer to what has been marked  
18 Exhibit Number Four and review this for Mr. Stanets?

19 A This is the AFE on drilling the "J" State  
20 well.

21 Q Would you summarize the costs reflected on  
22 that AFE?

23 A To a casing point, \$174,800; completed  
24 well, \$295,900.  
25

1  
2 Q Are these costs in line with what is being  
3 charged by other operators in the area?

4 A Yes, they are.

5 Q Have you made an estimate of overhead and  
6 administrative charges to be assessed against any operator -- or  
7 any interest owner who does not participate in the drilling of  
8 the well?

9 A Yes, we have.

10 Q And what are those figures?

11 A \$3500 and \$400.

12 Q And these would be monthly figures?

13 A Yes, sir.

14 Q Are these costs in -- or charges in line  
15 with what other operators in the area are charging?

16 A Yes, they are.

17 Q And do you recommend that these figures  
18 be incorporated into any order which results from this hearing?

19 A I do.

20 Q Does MGF request to be designated operator  
21 of the proposed -- or of the well?

22 A Yes, we do.

23 Q In your opinion will granting this appli-  
24 cation be in the best interest of conservation, the prevention  
25 of waste, and the protection of correlative rights?

1

2

A Yes, it will.

3

Q Were Exhibits One through Four prepared

4

by you or can you testify as to their accuracy?

5

A Yes, sir, they were.

6

MR. CARR: At this time, Mr. Stamets, we would offer into evidence MGF Exhibits One through Four.

8

MR. STAMETS: These exhibits will be admitted.

10

MR. CARR: I have nothing further on Direct of Mr. Gibson.

12

MR. STAMETS: Are there any questions of the witness? He may be excused.

14

MR. CARR: At this time I'd call Mr. Matson.

15

16

DON MATSON

17

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

19

20

DIRECT EXAMINATION

21

BY MR. CARR:

22

Q Will you state your full name and place of residence?

23

24

A My name is Don Matson, Midland, Texas.

25

Q Mr. Matson, by whom are you employed and

1  
2 in what capacity?

3 A I'm employed by MGF Oil Corporation as  
4 Manager of the Permian Basin Division.

5 Q Have you previously testified before this  
6 Commission or one of its examiners?

7 A Yes, I have.

8 Q And at that time were you qualified as an  
9 expert witness?

10 A Yes, I was.

11 Q In what fields were you so qualified?

12 A In both geophysics and geology.

13 Q Are you familiar with the application  
14 filed in this case on behalf of MGF?

15 A Yes.

16 Q Are you familiar with the subject area  
17 and the subject well?

18 A Yes.

19 MR. CARR: Are the witness' qualifications  
20 acceptable?

21 MR. STAMETS: They are.

22 Q Mr. Matson, would you refer back to what  
23 has been marked MGF Exhibit Number One and using this exhibit  
24 summarize for Mr. Stamets the general development in the Seven  
25 Rivers in this area?

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A. This exhibit is a structural map prepared on top of the Yates formation. The reason that it's not prepared on top of the Seven Rivers, we just had more general well control.

Q. No, that's Number One.

A. Oh, I'm sorry. Exhibit One is a land plat, excuse me, I was trying to -- the land plat, which was entered as Exhibit One just simply shows the MGF leasehold interest, area of interest, as we call it, and the well locations or completed wells that MGF had drilled, as well as other wells that existed in the area prior to our entry into this area.

We have drilled three wells that penetrated the Seven Rivers, which are continually drilling gas. WE drilled one dry hole to the Seven Rivers that we did not attempt a completion, and we are currently at total depth in the Seven Rivers with a fifth well, which we are testing for producing capability at the present time, that well being located in the northeast of the southwest of Section 31.

Q. Mr. Matson, will you now refer to your structure map, which has been marked Exhibit Number Five, and review this for the Examiner?

A. All right. This exhibit is a structure map prepared on the top of the Yates formation, which is some 200 feet above the top of the Seven Rivers. WE have used the



1  
2 Yates simply because we have more well control in the general  
3 area for the Yates than we do for the Seven Rivers and it's  
4 much, much better mapping points than the Seven Rivers is.

5 The map demonstrates the low relief struc-  
6 tural anticline position, the crest of it being positioned to  
7 the south of the subject leases that we're talking about and  
8 proration units, and as well, the wells that we're talking  
9 about.

10 It appears at this point that we are drilling  
11 our wells on the -- on the north flank of this structure, and  
12 are indicative of a stratigraphic entrapment of gas in the  
13 Seven Rivers formation.

14 We have a, oh, a number of small, thin --  
15 well, not small, but thin sand stringers which are giving us  
16 our gas production.

17 As you can see to the north, the northern  
18 portion of the map, there's essentially no well control at all.  
19 We do know the limits of the field to the south. We do not  
20 know the limits of the field to the north, so we do have an  
21 element of risk still ahead of us on developing this field to  
22 the north.

23 Q Will you now refer to what has been marked  
24 for identification as Exhibit Number Six and review that for  
25 the Examiner?

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Exhibit Number Six is an information plat, which shows the initial potential in millions of cubic feet of gas per day on the wells that we've completed from the Seven Rivers formation.

As you can see, our three wells, and the calculated absolute open flow potentials are noted on this plat for each well.

Q In your opinion is there still risk that a well in the Seven Rivers will not be a commercial success?

A Oh, very much so.

Q Are you prepared to make a recommendation to the Examiner as to the risk penalty that should be assessed against those interests -- interest owners who do not voluntarily join in the drilling of the well?

A Yes, I recommend 200 percent over and above the costs of the well.

Q Were Exhibits Five and Six prepared by you?

A Yes.

MR. CARR: At this time, Mr. Stamets, we would offer MGF Exhibits Five and Six.

MR. STAMETS: These exhibits will be admitted.

MR. CARR: And that concludes our direct

1  
2 case.

3  
4 CROSS EXAMINATION

5 BY MR. STAMETS:

6 Q Mr. Matson, does MGF anticipate a payout  
7 on the well in question here?

8 A We're -- we're not sure. We -- we're pro-  
9 jecting reserves in the neighborhood of 2/10ths to 3/10ths of  
10 a Bcf, or 200-million to 300-million cubic feet of gas. These  
11 are only estimates because we really don't have anything to  
12 lean on as far as far as statistical information. The wells  
13 are all shut-in; we have no producing capability rates at the  
14 present time. We're shut-in pending a gas contract negotiation.

15 MR. STAMETS: Any other questions of the  
16 witness? He may be excused.

17 We'll go ahead then with Case 7579.

18 MR. CARR: And for Case 7579 I would call  
19 Mr. Gibson.

20  
21 WENDALL GIBSON

22 being recalled as a witness and being previously sworn upon his  
23 oath, testified as follows, to-wit:  
24  
25

## DIRECT EXAMINATION

BY MR. CARR:

Q Mr. Gibson, are you familiar with the application filed on behalf of MGF in Case 7579?

A Yes, sir, I am.

Q Are you familiar with the subject acreage and the subject well?

A Yes.

Q Will you briefly state what MGF seeks with this application?

A We are seeking an order from the Commission pooling all the mineral interests from the surface to the base of the Seven Rivers formation in and under the north half of the northwest quarter, Section 5, Township 20 South, Range 39 East, Lea County, New Mexico, for an 80-acre gas proration unit.

Q Did MGF previously appear before an examiner of this Commission and obtain an order pooling the northwest quarter of the northwest quarter of said Section 5?

A Yes, sir, on -- I have my date -- December 2nd, 1981, we appeared on Case Number 7402.

MR. CARR: And, Mr. Stamets, the order number in that case was R-6851.

Q And did that order provide for a risk penalty on those interest owners who did not participate in

1  
2 the drilling of the well?

3 A Yes, they did.

4 Q And has that well subsequently been drilled?

5 A Yes, it has.

6 Q Is this an orthodox well location for this  
7 spacing unit?

8 A Yes, it is.

9 Q Does this plat also show other -- the  
10 other area -- or the other leases in which MGF has interest  
11 in the immediate area?

12 A Yes.

13 Q What percentage of the working interest  
14 does MGF represent at the hearing today?

15 A 91.25 percent.

16 Q Will you refer now to Exhibit Two and --  
17 and identify this and explain to Mr. Stamets what it shows?

18 A This is the exhibit reflecting the -- from  
19 the title opinions, reflecting the ownership under the 80 acres.  
20 Also, the underlined names are the ones that again we could  
21 not locate in the other pooling and we have made other efforts  
22 and still cannot locate the ones that's underlined.

23 Q Would you now refer to Exhibit Number  
24 Three and --

25 MR. STAMETS: Let me ask a question about

1  
2 Exhibit Two.

3 You've got several pages, are they all the  
4 same?

5 A No, sir, the -- well, there's some -- did  
6 I get the -- yeah, the first two pages, I'm sorry, the first  
7 two pages, they are repeated. These are just copies. There's  
8 just one page, which is the first page which is the exhibit.

9 MR. STAMETS: Okay, I can dispose --

10 A Yes, sir.

11 MR. STAMETS: -- of everything but the  
12 first page, is that it?

13 A Yes, sir.

14 MR. STAMETS: And you said, if I understood  
15 you correctly, the ones that are underlined there are the ones  
16 that you have not been able to contact?

17 A Right, could not locate.

18 MR. STAMETS: Thank you.

19 Q Will you now refer to what has been marked  
20 Exhibits Three through Nine and identify those for Mr. Stamets?

21 A These are the letters that were -- that  
22 reflect our efforts in trying to locate these people, and I  
23 have underlined, for instance, the first one we'll say is Addie  
24 L. Barnes. Here's a letter we've written to, we thought were  
25 relatives on February the 19th, 1980, and -- which no reply on

1  
2 the back, address unknown. It says Mrs. Addie Barnes deceased.  
3 She did not know any whereabouts.

4 Then another letter, the next letter we  
5 have, where we've written to the County Clerk of Princess Anne  
6 Maryland, and then you can see, well, this one has (not under-  
7 standable) Mrs. Daniel Jones, and this was the Registry of  
8 Wills. a lot of these -- there's no use going through these --  
9 you can tell on Mrs. Lean B. Cropper, we asked on each one of  
10 these letters the whereabouts of people.

11 The same thing in New Hampshire.

12 Q Mr. Gibson, are each of these exhibits  
13 copies of the letters in your file --

14 A Yes, sir.

15 Q -- which are evidence of the efforts you  
16 made to locate each of the unknown parties?

17 A Yes, sir.

18 Q And in your opinion has MGF made a good  
19 faith effort to locate all -- each noncommitted interest owner?

20 A I think we have made a diligent effort.

21 Q Is MGF asking for the imposition of a  
22 risk penalty in this case?

23 A No, not -- we've already had that with  
24 another case.

25 Q Is MGF asking to be designated operator of

1  
2 the proposed well?

3 A. Yes, sir.

4 Q. In your opinion will granting this appli-  
5 cation be in the best interest of conservation, the prevention  
6 of waste, and the protection of correlative rights?

7 A. Yes, it will.

8 MR. CARR: That concludes our direct --  
9 oh, were Exhibits One through Nine prepared by you or under  
10 your direction and supervision?

11 A. Yes, they were.

12 MR. CARR: That concludes our direct pre-  
13 sentation in this case.

14 MR. STAMETS: The exhibits will be admit-  
15 ted.

16  
17 CROSS EXAMINATION

18 BY MR. STAMETS:

19 Q. Has this well been recompleted?

20 A. Yes, sir.

21 Q. As of this time? And that's true of the  
22 well in the first case, so -- and all of these people that you  
23 are referring to here are all royalty interest owners?

24 A. No, working interest owners.

25 Q. These are all mineral interest owners.



1

2

A Yes, sir.

3

Q But you are seeking no risk against these

4

people for the cost of the workover?

5

A We already did that on our first hearing,

6

200 percent.

7

Q Okay, do you intend to charge that original

8

200 percent against the cost of the workover?

9

A No. Well, this is not a workover. We already

10

completed the well and we're just enlarging our 40 acres --

11

Q I see.

12

A -- to an 80-acre proration unit. We went

13

all the way to the Abo with a dry hole, the San Andres, and then

14

we came up and completed back in our gas formation, so now

15

we're seeking an 80-acre versus the 40 acres, and all of these

16

other people have been penalty --

17

Q And all of those interests were the same.

18

A Yes, sir, common ownership.

19

Q Okay. Okay.

20

MR. CARR: And the previous order pooled

21

everything from the surface through the Abo.

22

MR. STAMETS: All right. Let me back up,

23

then, relative to that last case, and is that an instance where

24

the well was originally completed in another zone?

25

A The State Well, no, sir.

1

2

Q Okay.

3

A It was drilled to Seven Rivers only.

4

WE had a pooling for an Abo but we didn't go to the Abo, we went

5

to the Seven Rivers only. We had from the surface down to the

6

Abo.

7

Q All right.

8

MR. STAMETS: Do we need to repeat the

9

200 percent risk factor in that order?

10

MR. CARR: I don't believe you do, because

11

here again, the ownership is -- no, I'm sorry, it's different

12

here. There are additional interest owners in this one.

13

MR. STAMETS: Are there other questions

14

of the witness relative to his testimony in Case 7579? Okay,

15

he may be excused in this case.

16

MR. CARR: And we will call him again in

17

Case 7580.

18

MR. STAMETS: Okay, you may continue, Mr.

19

Carr.

20

21

WENDALL GIBSON

22

being recalled as a witness and being previously sworn upon

23

his oath, testified as follows, to-wit:

24

25

## DIRECT EXAMINATION

BY MR. CARR:

Q Mr. Gibson, are you familiar with the application filed on behalf of MGF in Case 7580?

A Yes, sir.

Q Are you familiar with the subject acreage and the proposed well?

A Yes, sir.

Q Will you state briefly what MGF seeks with this application?

A Again MGF seeks an order from the Commission pooling all the mineral interests from the surface to the base of the Seven Rivers formation in and under the southwest quarter of Section 31, Township 19 South, Range 39 East, Lea County, New Mexico.

Q Will you refer to what has been marked for identification as Exhibit Number One, identify this, and explain what it shows?

A This is a map depicting our 160-acre production unit outlined in orange. Also again shows our area of interest by hatch marks, our leasehold interest by the letters MGFOC, and our wells that we have drilled and the proposed low well.

Q Is this location different than the loca-

1  
2 tion as cited in the application filed in this case?

3 A Yes, it is. We filed the application for  
4 1980 feet from the west line and 1980 feet from the south line;  
5 however, with the pipeline right-of-way, we had to go 1930  
6 from the west line and 1980 from the south line, due to a pipe-  
7 line in the area.

8 Q Is this still a standard location?

9 A Yes, it is.

10 Q What percent of the working interest does  
11 MGF represent at this hearing today?

12 A Over 9 -- oh, 100 percent of the working  
13 interest.

14 Q And what interests are you seeking to pool  
15 in this -- with this application?

16 A The -- we have Alonzo J. Welborn again  
17 and Mrs. Winifred S. Campbell, royalty interest.

18 Q Would you please refer to what has been  
19 marked for identification as Exhibit Two and identify this for  
20 Mr. Stamets?

21 A This is also a letter to Mr. Welborn and  
22 Mrs. Campbell informing them of the hearing.

23 Q This exhibit also contains a letter to  
24 Texaco, is that correct?

25 A Yes, sir, we have -- Texaco, I have a letter

1 here that Texaco has agreed to lease to us on the --

2 Q So the only thing you're seeking in this  
3 case is the pooling of the Welborn/Campbell royalty interest.

4 A Right.

5 Q MGF is therefor not seeking the imposition  
6 of a risk penalty or assessment of administrative costs.

7 A No.

8 Q Does MGF request to be designated operator  
9 of the well?

10 A Yes, we do.

11 Q In your opinion would granting this appli-  
12 cation be in the best interest of conservation, the prevention  
13 of waste, and the protection of correlative rights?

14 A Yes, it will.

15 Q Would you briefly summarize for Mr. Stamets  
16 the efforts you made to bring in the -- voluntarily, the in-  
17 terest of Mr. Welborn and Ms. Campbell?

18 A Again, I talked to Mr. Welborn on several  
19 occasions in the past few months and as discussed before, he  
20 wanted to change the terms of the lease, and I told him that  
21 we were going to drill on the well -- drill on his property,  
22 which this low well will be on his property, or is located on  
23 his property, and all he seemed to want to do is change the  
24 terms of the lease, and we have drilled within our primary  
25

1  
2 term, so that sums it up. I think he's satisfied now.

3 Q In your opinion has MGF made a good faith  
4 effort to obtain the voluntary joinder of the Welborn/Campbell  
5 royalty interest?

6 A Yes, we have.

7 Q Were Exhibits One through Three prepared  
8 by you or can you testify as to their accuracy?

9 A Yes.

10 MR. CARR: At this time, Mr. Stamets, we  
11 would offer Exhibits One through Three.

12 MR. STAMETS: Exhibits One through Three  
13 will be admitted.

14 MR. CARR: That concludes our direct pre-  
15 sentation.

16 MR. STAMETS: Any questions of the witness  
17 in this case? He may be excused.

18 Mr. Carr, let me just make certain that I  
19 am absolutely clear on what we're going to do in each of these  
20 cases.

21 In the first case, Case 7578, we will be  
22 pooling 160 acres for Seven Rivers oil --

23 MR. CARR: For Seven Rivers gas.

24 MR. STAMETS: -- and in that case it will  
25 be necessary -- for Seven Rivers gas, I'm sorry -- it will be

1  
2 necessary to have findings and orders relative to the cost of  
3 drilling --

4 MR. CARR: And the risk.

5 MR. STAMETS: -- and assigning a risk fac-  
6 tor.

7 In the second case, 7579, we're only  
8 amending the original order --

9 MR. CARR: That's correct.

10 MR. STAMETS: -- to include 80 acres and  
11 there are no other differences.

12 MR. CARR: That's correct.

13 MR. STAMETS: And in the final case we will  
14 only be pooling royalty interest under 160 acres, a 160-acre  
15 unit.

16 MR. CARR: That's correct.

17 MR. STAMETS: Okay, thank you.

18 Is there anything further in any of these  
19 cases?

20 They will be taken under advisement.

21  
22 (Hearings concluded.)  
23  
24  
25

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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7576, 7579, 2 7580 heard by me on 5-12-1982  
Richard L. Howard, Examiner  
 Oil Conservation Division

SALLY W. BOYD, C.S.R.

Box 191-R  
 Santa Fe, New Mexico 87501  
 Phone (505) 455-7409

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BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

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 14, 1982

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

Re: CASE NO. 7578  
ORDER NO. R-6916-A

**Applicant:**

MGF Oil Corporation

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           x            
Artesia OCD           x            
Aztec OCD                           

**Other**

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 7578  
Order No. R-6916-A

APPLICATION OF MGF OIL CORPORATION  
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 May 12, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 11th day of June, 1982, 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, MGF Oil Corporation, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the SE/4 of Section 31, Township 19 South, Range 39 East, NMPM, Lea County, New Mexico.
- (3) That the applicant has the right to drill and has drilled 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 said well was drilled as an oil well on a 40-acre oil proration unit pooled under the terms of Division Order No. R-6916 entered March 5, 1982, in Case No. 7487.
- (6) That the non-consenting parties in this case and Case No. 7487 are the same.

-2-

Case No. 7578

Order No. R-6916-A

(7) 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 in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(8) That the applicant should continue to be designated the operator of the subject well and unit.

(9) That the pooling in this case should be accomplished by amending the first paragraph of Order (1) of said Division Order No. R-6916 to read in its entirety as follows:

"(1) That two units are hereby pooled in Section 31, Township 19 South, Range 39 East, NMPM, Lea County, New Mexico, to form a standard 40-acre oil and standard 160-acre gas spacing and proration unit, respectively, being:

- (a) for oil, all mineral interests down to and including the Abo formation underlying the SE/4 SE/4 of the section, and
- (b) for gas, all mineral interests down to and including the Seven Rivers formation underlying the SE/4 of the section;

either unit to be dedicated to a well to be drilled at a standard location thereon."

IT IS THEREFORE ORDERED:

(1) That the first paragraph of Division Order No. R-6916 entered March 5, 1982, is hereby amended to read in its entirety as follows:

"(1) That two units are hereby pooled in Section 31, Township 19 South, Range 39 East, NMPM, Lea County, New Mexico, to form a standard 40-acre oil and standard 160-acre gas spacing and proration unit, respectively, being:

- (a) for oil, all mineral interests down to and including the Abo formation underlying the SE/4 SE/4 of the section, and

-3-

Case No. 7578

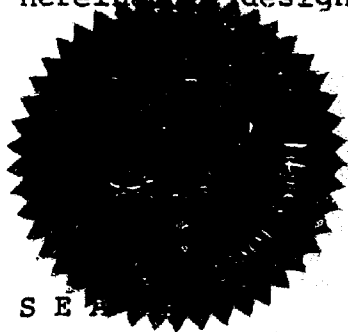
Order No. R-6916-A

- (b) for gas, all mineral interests down to and including the Seven Rivers formation underlying the SE/4 of the section;

either unit to be dedicated to a well to be drilled at a standard location thereon."

(2) 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

S E A

W.N.M.C.F. MICROGRAPHICS

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

NGE EXHIBIT NO. 1

CASE NO. 7578

Submitted by G. Olson

Hearing Date 5/17/82

W.N.M.C.F. MICROGRAPHICS



March 26, 1982

TITLE OPINION IN RE:

9/2 of SE/4 Section 31, Township 19 South, Range 39 East,  
N.M.P.M., Lea County, New Mexico

FEE SIMPLE TITLE: Fee simple title to the oil, gas and other minerals in and under the above described land is shown to be vested in the following owners as indicated, to-wit:

STATUS: UL - unleased; MGF - leased; NAR - leased

	<u>OWNER</u>	<u>UNDIVIDED MINERAL INTEREST OWNED</u>
UL	1) Oca Mason Heirs Jean Marie Johansen, et vir. Dan Myron James Mason Franklin Keith Mason	1/160
MGF	2) John H. Costello (John H. Harrington Interest)	3/160
MGF	3) Bella Steiner, a widow	3/320
MGF	4) June D. Speight	3/32
NAR	5) Henry D. Beddford	1/32
MGF	6) Georgiana S. Kane	3/320
UL	7) Louis F. Breuner	1/320
UL	8) Ellis Rudy	3/320
UL	9) Henry Schaefer	1/640
UL	10) Janice R. Magee and Betty J. Catlin	1/320
UL	11) Joseph F. Woodsum	1/160
UL	12) Suits E. Strasinger and/or Maude Strasinger	1/320
UL	13) Dr. Edwin Merrithew	1/640
UL	14) Ruby R. Fulmer	1/320
UL	15) Alice C. Hardy	1/320
UL	16) Irving G. Downs	1/640
UL	17) A. C. and/or Blanche E. Edler	1/160
UL	18) Edward Seymour Osborne	1/160
MGF	19) Frank A. Elliott, Jr.	1/160
MGF	20) Charles K. Elliott	1/160
UL	21) Libby P. Wright	1/320
MGF	22) Henry A. and/or Blanche Oliver	1/320
MGF	23) Richard S. Oliver and Linda Oliver (Heirs of Andrew W. Oliver)	1/320

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

MAE EXHIBIT NO. 2

CASE NO. 7578

Submitted by GUBIN

Hearing Date 5/12/82

MGF	24)	Ann Ellen Dekker (Heir of Lottie Oliver)	1/320
UL	25)	R. A. Thurmon	1/320
MGF	26)	H. Dillard Schenck	1/16
MGF	27)	H. Dillard Schenck (Life Est.)	1/16
MGF	28)	Kirby D. Schenck	5/128
MGF	29)	H. B. Fuqua, Tr. U/W/O Dolores Mooers, Dec'd.	7/240
MGF	30)	Maria Mooers Heater	7/480
MGF	31)	The First National Bank of Fort Worth, Trustee	3/160
NAR	32)	S. C. Bilberry	1/32
MGF	33)	Lillian Herdon	3/320
NAR	34)	Florence Louise Whitsett Woods	7/320
MGF	35)	New Mexico Bank & Trust Co., J. E. Simmons and Beulah Simmons	3/32
NAR	36)	Pat Alston Ward	1/32
MGF	37)	Richard Lyons Moore	35/3840
MGF	38)	Michael H. Moore	35/3840
MGF	39)	Stephen Scott Moore	35/3840
UL	40)	Priscilla A. Kyte, Conservator of the Est. of David Bond Kyte	1/128
UL	41)	Betty M. Dreessen	1/128
UL	42)	Betty M. Dreessen and Ingrid D. Powell, Trustees	1/128
MGF	43)	Bank of Calif. Nat'l. Assoc., Tr. for Betty K. Dreessen	64% of 1/128
MGF	44)	Bank of Calif. Nat'l. Assoc., Tr. for Cecile Mariee Dreessen	12% of 1/128
MGF	45)	Craig C. Powell & Ingrid D. Powell, Trs. for C&I Powell Tr.	12% of 1/128
UL	46)	Edward T. Dreessen, Jr.	12% of 1/128
UL	47)	Roy G. Barton	35/1280
MGF	48)	Promco, Inc.	1/640
MGF	49)	Robert W. Wakefield	1/1280
MGF	50)	David D. Wakefield	1/1280
MGF	51)	John L. Pratt, III	1/1280
MGF	52)	Frank Grier Wakefield	1/1280



Page 3 of fee simple title

MGF	53)	Andrew Oil and Gas Royalties	3/640
NAR	54)	The Hefner Company	9/160
MGF	55)	Gladys Berry	1/640
MGF	56)	Doris A. Wilk	1/640
MGF	57)	Mark and/or Bessie Whelan	1/640
MGF	58)	Arlon Bernice Bray	1/1280
MGF	59)	Beatrice Blackburn	1/1280
UL	60)	Sabine Production Company	1/20
NAR	61)	The Blanco Company	1/16
UL	62)	Kirby Exploration Company	9/128

TITLE OPINION IN RE: )  
 The oil, gas and other minerals )  
 in and under the Northwest Quarter )  
 (NW/4) and the North Half of the )  
 South Half (N/2S/2) of Section 31, )  
 Township 19 South, Range 39 East, )  
 N.M.P.M., Lea County, New Mexico. )

(b) Fee simple title to the oil, gas and other minerals in and under the North Half of the Southeast Quarter (N/2SE/4) of Section 31, Township 19 South, Range 39 East, N.M.P.M., Lea County, New Mexico, is shown to be vested in the following owners as indicated, to-wit:

<u>OWNER</u>	<u>UNDIVIDED MINERAL INTEREST OWNED</u>
Robert Thomas Hartley	An undivided 1/16 interest
Teddy Lowe Hartley	An undivided 1/16 interest
Coy S. Lowe	An undivided 1/8 interest
Larry K. Lowe	An undivided 1/16 interest
Loretta D. Lowe	An undivided 1/16 interest
Daryl L. Lowe	An undivided 1/16 interest
Shana Lowe Conine	An undivided 1/16 interest
Charles D. Sands	An undivided 1/32 interest
Alonzo J. Welborn	An undivided 7/128 interest
Winifred Sue Campbell	An undivided 7/128 interest
John J. Christmann	An undivided 7/64 interest
Jones Robinson Company, a partnership	An undivided 1/16 interest
Anderson Carter (life estate)	An undivided 1/32 interest
Powhatan Carter, Jr., (life estate)	An undivided 1/32 interest
New Mexico Bank and Trust Company, Trustee under terms of Trust created under Wills of J. E. and Beulah H. Simmons, deceased	An undivided 1/16 interest
Mary Frances Cusack	An undivided 1/256 interest
John Patrick Cusack, Jr.	An undivided 3/2,048 interest
John Patrick Cusack, Jr., Trustee under terms of Trust created by Last Will of J. P. Cusack, deceased	An undivided 1/1,024 interest
Michael F. Cusack	An undivided 3/2,048 interest
Samedan Oil Corporation	An undivided 1/128 interest
Me-Tex Supply Company	An undivided 3/64 interest

PS Form 3811, Oct. 1980

● **SENDER:** Complete items 1, 2, 3, and 4.  
Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
☒ Show to whom and date delivered .....  
☐ Show to whom, date, and address of delivery.....  
 2. ☐ **RESTRICTED DELIVERY** .....  
 (The restricted delivery fee is charged in addition to the return receipt fee.)

**TOTAL \$** .....

3. **ARTICLE ADDRESSED TO:**  
 Alonzo J. Welborn  
 P.O. Box 423  
 Alvaredo, TX 76009

4. **TYPE OF SERVICE:** **ARTICLE NUMBER**  
☐ REGISTERED ☐ INSURED  
☒ **CERTIFIED** ☐ COD  
☐ EXPRESS MAIL  
 263886

**(Always obtain signature of addressee or agent)**

I have received the article described above.  
**SIGNATURE** ☐ Addressee ☐ Authorized agent  
*Alonzo J. Welborn*

5. **DATE OF DELIVERY** **POSTMARK**  
 5-5-82 MAY 5 1982

6. **ADDRESSEE'S ADDRESS (Only if required)**

7. **UNABLE TO DELIVER BECAUSE:**

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

No. 263886  
 RECEIPT FOR CERTIFIED MAIL  
 NO INSURANCE COVERAGE PROVIDED--  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

*Alonzo J. Welborn*  
 P.O. Box 423  
 Alvaredo, TX 76009

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

PS Form 3800, Apr. 1976

UNITED STATES POSTAL SERVICE  
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE  
USE TO AVOID PAYMENT  
OF POSTAGE, \$300



RETURN  
(MGF/7578) TO



William F. Carr 75009  
CAMPBELL, BYRD & BLACK, P.A.  
POST OFFICE BOX 2200  
SANTA FE, NEW MEXICO 87501

(Name of Sender)

(Street or P.O. Box)

(City, State, and ZIP Code)

STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,  
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article RETURN RECEIPT REQUESTED adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse RESTRICTED DELIVERY on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

CAMPBELL, BYRD & BLACK, P.A.  
LAWYERS

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

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

May 3, 1982

Alonzo J. Welborn  
P.O. Box 423  
Alvaredo, TX 76009

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico	
Case No. <u>7578</u>	Exhibit No. <u>3</u>
Submitted by <u>MGE</u>	
Hearing Date <u>5/12/82</u>	

Re: New Mexico Oil Conservation Division Case 7578

Gentlemen:

Enclosed is a copy of the docket for the May 12, 1982 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*

William F. Carr

WFC:kb

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

NAF EXHIBIT NO. 3

CASE NO. 7578

Submitted by GIBSON

Hearing Date 5/12/82

PS Form 3811, Dec. 1960

● **SENDER:** Complete items 1, 2, 3, and 4.  
Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
☒ Show to whom and date delivered ..... —¢  
☐ Show to whom, date, and address of delivery.. —¢  
 2. ☐ **RESTRICTED DELIVERY** —¢  
 (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$ .....

3. **ARTICLE ADDRESSED TO:**  
 Winifred Sue Campbell  
 1717 Norfolk, Apt. 249  
 Lubbock, TX 79416 3301

4. **TYPE OF SERVICE:** **ARTICLE NUMBER**  
☐ REGISTERED ☐ INSURED  
☒ CERTIFIED ☐ COD 263887  
☐ EXPRESS MAIL

(Always obtain signature of addressee or agent)  
 I have received the article described above.  
**SIGNATURE** ☐ Addressee ☐ Authorized agent  
*Maureen Bygg*

5. **DATE OF DELIVERY** .....

6. **ADDRESSEE'S ADDRESS** (Only if requested) .....

7. **UNABLE TO DELIVER BECAUSE:** .....

7A. **ADDRESSEE'S INITIALS** .....

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

No. 263887

**RECEIPT FOR CERTIFIED MAIL**

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

SENT TO:  
*Winifred Sue Campbell*  
 STREET AND NO.  
*1717 Norfolk, Apt. 249*  
 P.O. STATE AND ZIP CODE  
*Lubbock, TX 79416*

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

PS Form 3800, Apr. 1976

UNITED STATES POSTAL SERVICE  
OFFICIAL BUSINESS

**SENDER INSTRUCTIONS**

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE  
USE TO AVOID PAYMENT  
OF POSTAGE, \$300



**RETURN  
TO**  
(MGF/7578)



William F. Carr  
CAMPBELL, BYRD & BLACK, P.A.  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501

(Name of Sender)

(Street or P.O. Box)

(City, State, and ZIP Code)

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,  
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED**, adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

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. WAROLE  
KEMP W. GORTHEY

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 3, 1982

Winifred Sue Campbell  
1717 Norfolk, Apt. 2419  
Lubbock, TX 79416

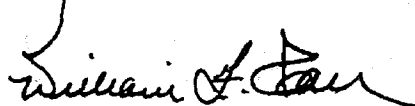
Re: New Mexico Oil Conservation Division Case 7578

Gentlemen:

Enclosed is a copy of the docket for the May 12, 1982 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:kb

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED



PS Form 3811, Dec. 1965

**• SENDER: Complete items 1, 2, 3, and 4.**  
Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
☒ Show to whom and date delivered .....  
☐ Show to whom, date, and address of delivery .....  
 2. ☐ **RESTRICTED DELIVERY** .....  
 (The restricted delivery fee is charged in addition to the return receipt fee.)

**TOTAL \$** .....

2. **ARTICLE ADDRESSED TO:**  
 Betty M. Dreessen  
 27447 Edgerton Rd.  
 Los Altos Hills, CA 94022

3. **TYPE OF SERVICE:** **ARTICLE NUMBER**  
☐ REGISTERED ☐ INSURED  
☒ CERTIFIED ☐ COD 263888  
☐ EXPRESS MAIL

**(Always obtain signature of addressee or agent)**  
 I have received the article described above.  
**SIGNATURE** ☐ Addressee ☐ Authorized agent  
*Betty M. Dreessen*

5. **DATE OF DELIVERY** **POSTMARK**  
 5/6/82

6. **ADDRESSEE'S ADDRESS (Only if requested)**  
*Los Altos Hills, CA 94022*

7. **UNABLE TO DELIVER BECAUSE:** 7a. **EMPLOYEE'S INITIALS**

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

**No. 26388**  
**RECEIPT FOR CERTIFIED MAIL**  
 NO INSURANCE COVERAGE PROVIDED—  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

PS Form 3800, Apr. 1976

**SENT TO**  
*Betty M. Dreessen*  
**STREET ADDRESS**  
*27447 Edgerton Rd.*  
**CITY, STATE AND ZIP CODE**  
*Los Altos Hills, CA 94022*

**POSTAGE** \$2

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

UNITED STATES POSTAL SERVICE  
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete Items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE  
USE TO AVOID PAYMENT  
OF POSTAGE, \$300



RETURN  
(MGF/7578) TO



William F. Carr  
CAMPBELL, BYRD & BLACK, P.A.  
POST OFFICE BOX 2203  
SANTA FE, NEW MEXICO 87501  
(Name of Sender)

(Street or P.O. Box)

(City, State, and ZIP Code)

STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,  
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
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5. Enter fees for the services requested in the appropriate spaces on the front of this receipt, if return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

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  
KEMP W. GORTNEY

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

May 3, 1982

Betty M. Dreessen  
27447 Edgerton Rd.  
Los Altos Hills, CA 94022

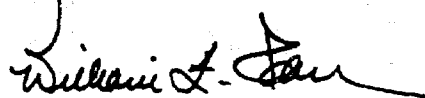
Re: New Mexico Oil Conservation Division Case 7578

Gentlemen:

Enclosed is a copy of the docket for the May 12, 1982 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:kb

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

PS Form 3811, Oct. 1980

● **SENDER:** Complete items 1, 2, 3, and 4.  
Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one):  
☒ **REGISTERED** ☐ **INSURED**  
☐ **CERTIFIED** ☐ **COD**  
☐ **EXPRESS MAIL**

2. ☐ **RESTRICTED DELIVERY**  
 (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$

3. **ARTICLE ADDRESSED TO:**  
 Kirby Exploration Company  
 P.O. Box 1745  
 Houston, TX 77001

4. **TYPE OF SERVICE:** **ARTICLE NUMBER**  
☒ **REGISTERED** ☐ **INSURED**  
☐ **CERTIFIED** ☐ **COD**  
☐ **EXPRESS MAIL** 263889

(Always obtain signature of addressee or agent)

I have received the article described above.

**SIGNATURE** ☐ **Addressee** ☐ **Authorized agent**

5. **DATE OF DELIVERY**  
 MAY 5 1982

6. **ADDRESSEE'S ADDRESS (Only if required)**

7. **UNABLE TO DELIVER BECAUSE:**

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

No. 263889  
**RECEIPT FOR CERTIFIED MAIL**

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

PS Form 3800, Apr. 1976

**Kirby Exploration Co.**  
**Box 1745**  
**Houston, TX 77001**

POSTAGE \$

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

UNITED STATES POSTAL SERVICE  
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE  
USE TO AVOID PAYMENT  
OF POSTAGE, \$300



RETURN  
(MGF/7578) TO



William F. Carr  
CAMPBELL, BYRD & BLACK, P.A.  
POST OFFICE BOX 2763  
SANTA FE, NEW MEXICO 87501

(Name of Sender)

(Street or P.O. Box)

(City, State, and ZIP Code)

STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,  
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, leaving the receipt attached, and present the article at a post office service window or hand it to your mail carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, detach and retain the receipt, and mail the article.
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6. Save this receipt and present it if you make inquiry.

CAMPBELL, BYRD & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
HARL D. BYRD  
BRUCE D. BLACK  
MICHAEL E. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
WILLIAM G. WAROLE  
KEMP W. GORTHEY

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 986-4421  
TELECOPIER: (505) 983-6043

May 3, 1982

Kirby Exploration Company  
P.O. Box 1745  
Houston, TX 77001

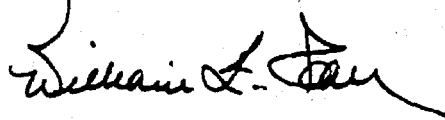
Re: New Mexico Oil Conservation Division Case 7578

Gentlemen:

Enclosed is a copy of the docket for the May 12, 1982 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:kb

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

PS Form 3811, Dec. 1980

Complete items 1, 2, 3, and 4.  
Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
☒ Show to whom and date delivered ..... \$  
☐ Show to whom, date, and address of delivery.. \$

2. ☐ **RESTRICTED DELIVERY** ..... \$  
(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$

3. ARTICLE ADDRESSED TO:  
 North American Royalties, Inc.  
 850 Empire Plaza  
 Midland, TX 79701

4. TYPE OF SERVICE: ARTICLE NUMBER  
☐ REGISTERED ☐ INSURED 263890  
☒ CERTIFIED ☐ COO  
☐ EXPRESS MAIL

**(Always obtain signature of addressee or agent)**

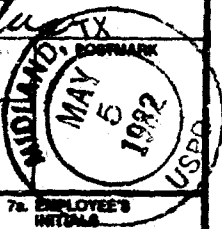
I have received the article described above.  
 SIGNATURE ☐ Addressee ☐ Authorized agent  
*J. W. Settles*

DATE OF DELIVERY

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE: 7a. EMPLOYEE'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



No. 263890

RECEIPT FOR CERTIFIED MAIL

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

SENT TO: *North American Royalties, Inc.*  
 SUBJECT AND NO. *850 Empire Plaza*  
 CITY, STATE AND ZIP CODE *Midland, TX 79701*

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

**UNITED STATES POSTAL SERVICE**  
OFFICIAL BUSINESS

**SENDER INSTRUCTIONS**

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE  
USE TO AVOID PAYMENT  
OF POSTAGE, \$300



(MGF/7578) **RETURN**  
**TO** ↓

**William F. Carr**

CAMPBELL, BYRD A. BLACK, JR.  
POST OFFICE BOX 2200  
SANTA FE, NEW MEXICO 87501

(Name of Sender)

(Street or P.O. Box)

(City, State, and ZIP Code)

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,  
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see item 1)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.



CAMPBELL, BYRD & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
HAROLD BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
WILLIAM G. WARDLE  
KEMP W. GORTHEY

JEFFERSON PLACE  
SUITE 1410 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE (505) 986-4421  
TELECOPIER (505) 983-6043

May 3, 1982

North American Royalties, Inc.  
850 Empire Plaza  
Midland, TX 79701

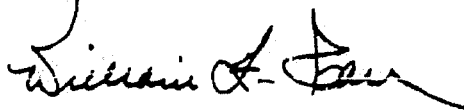
Re: New Mexico Oil Conservation Division Case 7578

Gentlemen:

Enclosed is a copy of the docket for the May 12, 1982 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:kb

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

# CAMPBELL, BYRD & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
HAROLD D. BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
WILLIAM G. WARDLE  
KEMP W. GORTHEY

JEFFERSON PLACE  
SUITE 1110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE (505) 988-4421  
TELECOPIER (505) 983-6043

May 3, 1982

Sabine Production Company  
P.O. Box 3083  
Midland, TX 79702

Re: New Mexico Oil Conservation Division Case 7578

Gentlemen:

Enclosed is a copy of the docket for the May 12, 1982 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*

William F. Carr

WFC:kb

Enclosure

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

No. 263899

## RECEIPT FOR CERTIFIED MAIL

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

Sabine Production Company P.O. Box 3083 Midland, TX 79702	
POSTAGE	\$
CERTIFIED MAIL	C
SPECIAL DELIVERY	C
RESTRICTED DELIVERY	C
SHOW TO WHOM AND DATE DELIVERED	C
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	C
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	C
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	C
TOTAL POSTAGE AND FEES	\$
POSTMARK OR DATE	

PS Form 3800, Apr. 1976

*SENDER: Complete items 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.	
(CONSULT POSTMASTER FOR FEES)	
1. The following service is requested (check one). <input checked="" type="checkbox"/> Show to whom and date delivered ..... \$ <input type="checkbox"/> Show to whom, date, and address of delivery ..... \$ 2. <input type="checkbox"/> RESTRICTED DELIVERY (The restricted delivery fee is charged in addition to the return receipt fee.)	
TOTAL \$	
3. ARTICLE ADDRESSED TO: Sabine Production Company P.O. Box 3083 Midland, TX 79702	
4. TYPE OF SERVICE: <input type="checkbox"/> REGISTERED <input type="checkbox"/> INSURED <input checked="" type="checkbox"/> CERTIFIED <input type="checkbox"/> COD <input type="checkbox"/> EXPRESS MAIL	ARTICLE NUMBER 263899
(Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent	
5. DATE OF DELIVERY MAY 7 1982	POSTMARK
6. ADDRESSEE'S ADDRESS (Only if requested)	
7. UNABLE TO DELIVER BECAUSE	

CAMPBELL, BYRD & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
HAROLD BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
WILLIAM G. WARDLE  
KEMP W. GORTHEY

JEFFERSON PLACE  
SUITE 100 NORTH GUADALUPE  
POST OFFICE BOX 3206  
SANTA FE, NEW MEXICO 87501  
TELEPHONE (505) 266-4431  
TELECOPIER (505) 263-6043

May 3, 1982

Sabine Production Company  
Post Office Box 3083  
Midland, Texas 79702

Re: New Mexico Oil Conservation Division Case 7578

Gentlemen:

Enclosed is a copy of the docket for the May 12, 1982 Oil Conservation Division Examiner Hearing.

You may have an interest that possible will affect the executive rights for:

Louis F. Breuner	.0015625 WI
Ellis Rudy	.0046875 WI
Henry Schaefer	.0007812 WI
Janice R. Magee and Betty J. Catlin	.0015625 WI
Joseph F. Woodsum	.003125 WI
Suits E. Strasinger and wife,	.0015625 WI
Maude Strasinger	
Dr. Edwin Merrithew	.0007812 WI
Ruby R. Fulmor	.0015625 WI
Alice C. Handy	.0015625 WI
A.C. and/or Blanche E. Elder	.003125 WI
Edward Seymour Osborne	.003125 WI

Very truly yours,

*William F. Carr*  
William F. Carr

WFC:jh  
w/enc.  
CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED

No. 263900  
RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED -  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

PS Form 3800, Dec. 1980

● **SENDER:** Complete items 1, 2, 3, and 4.  
Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
☒ **XX** Show to whom and date delivered ..... \$  
☐ Show to whom, date, and address of delivery .. \$

2. ☐ **RESTRICTED DELIVERY** ..... \$  
(The restricted delivery fee is charged in addition to the return receipt fee.)

**TOTAL** \$

3. **ARTICLE ADDRESSED TO:**  
Sabine Production Company  
P.O. Box 3083  
Midland, TX 79702

4. **TYPE OF SERVICE:** **ARTICLE NUMBER**  
☐ REGISTERED ☐ INSURED  
☒ **XX** CERTIFIED ☐ COD 263900  
☐ EXPRESS MAIL

(Always obtain signature of addressee or agent)  
I have received the article described above.  
**SIGNATURE** ☐ Addressee ☐ Authorized agent  
*Joe Heller*

5. **DATE OF DELIVERY** **POSTMARK**

RETURN RECEIPT REQUESTED, INSURED

PS Form 3800, Apr. 1976

*Sabine Production*  
P.O. Box 3083  
Midland, TX 79702

**CONSULT POSTMASTER FOR FEES**

**OPTIONAL SERVICES**

**RETURN RECEIPT SERVICE**

**TOTAL POSTAGE AND FEES** \$

**POSTMARK OR DATE**

Operator: MGF Oil Corp. Type of Operation: Drilling Gas Well Date: 3-19-82  
Lease: J. Speight Well No. 1 Field: House County: La  
Location: 660' FEL & 660' FSL Sec. 31, T-19-S, R-39-E Prospect: Nadine

AFE No. \_\_\_\_\_ Proposed T.D. 3200' Formation Seven-Rivers

INTANGIBLE DRILLING COSTS

		Completed Well	To Casing Point
216-009	Road, Location & Survey	18,000	18,000
216-008	Damages	2,500	2,500
216-002	Drilling-Footage: 3200 ft. @ 19.00/ft.	60,800	60,800
216-003	Drilling, daywork: 1 days @ 5400 /day	5,400	5,400
216-021	Fuel	-	-
216-033	Water	8,000	8,000
216-020	Bits	-	-
216-004	Mud and Chemicals	4,000	4,000
216-006	Cement Services	20,000	20,000
216-025	DST's Coring ft. Mud Logging Days	-	-
216-015	Logging	8,000	5,000
216-016	Perforating	3,000	-
216-011	Treating-Acidize/frac	10,000	-
216-014	Well Service Unit	15,000	-
216-013	Rental Equipment	5,000	3,000
216-005	Trucking	10,000	5,000
216-022	Frac Oil & Wash Oil	-	-
216-023	Labor	5,000	3,000
216-034	Direct Supervision	7,000	5,000
216-036	Contingencies 8%	14,500	11,200

WELL EQUIPMENT

\$ 196,200 \$ 150,900

	Casing	Footage	Size	Grade	Thread	Weight	Price		
214-001	Surf.	1700'	8 5/8	K-55	ST&C	24#	12.85	21,900	21,900
214-002	Inter.								
214-003	Prod.	3200'	5 1/2	K-55	ST&C	15.50	8.35	26,700	-
	Pipe Insp								
	Liner								
	Coated	500'	5 1/2	-	-		3.30	1,700	-
214-004	Tubing	3000'	2 3/8	J-55	EUE	4.7	3.80	11,400	-
214-015	Well Head	8 5/8 x 5 1/2 x 2 3/8	2000 x 2000 x 2000					10,000	2,000
214-005	Pumping Equipment	-							
214-014	Packers/Anchors							3,000	-

Total \$ 74,700 \$ 23,900

LEASE EQUIPMENT

214-011	Tanks 1-210 bbl press trnk 1-210 bbl	6,000	-
214-024	Separation Equipment Stack Pack	6,000	-
214-012	Line Pipe	2,000	-
214-013	Fittings	3,000	-
214-016	Installation	8,000	-

APPROVAL:	Working Interest Owners	Total	\$ 25,000	\$ -
Engineering				
Geologic				
Land		Total AFE	\$ 295,900	\$ 174,800
Managerial				

%W.I. TO \$ \$

Working Interest Owner Approval:  
This AFE is approved for the account of \_\_\_\_\_  
By: \_\_\_\_\_ Date: \_\_\_\_\_

Remarks:

BEFORE EXAMINER MUTTER  
OIL CORPORATION DIVISION  
MGF EXHIBIT NO. 5  
CASE NO. 1558

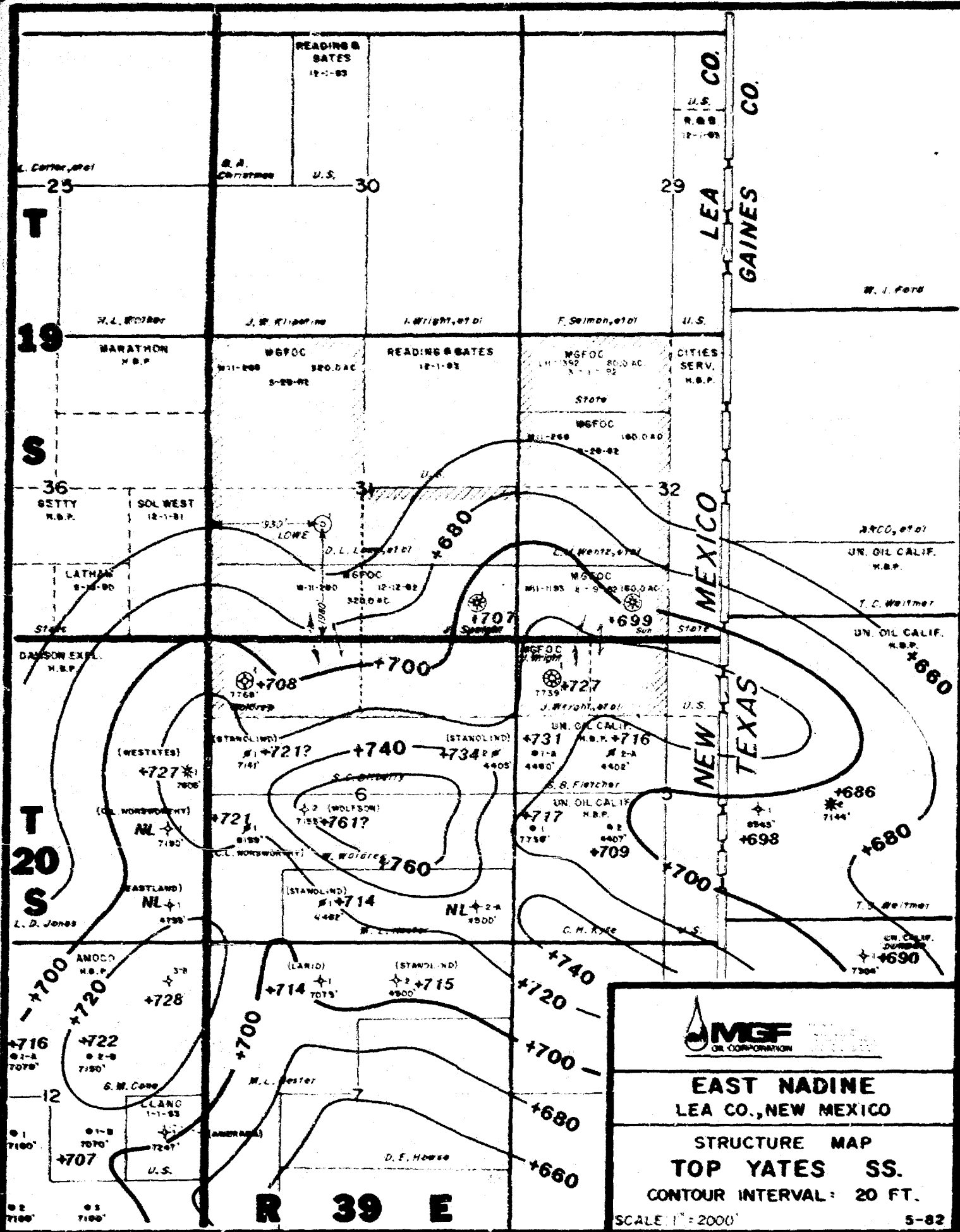
BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

NGF EXHIBIT NO. 4

CASE NO. 7578

Submitted by GIBSON

Hearing Date 5/12/82



**EAST NADINE**  
LEA CO., NEW MEXICO

STRUCTURE MAP  
**TOP YATES SS.**  
CONTOUR INTERVAL: 20 FT.  
SCALE 1" = 2000'  
5-82

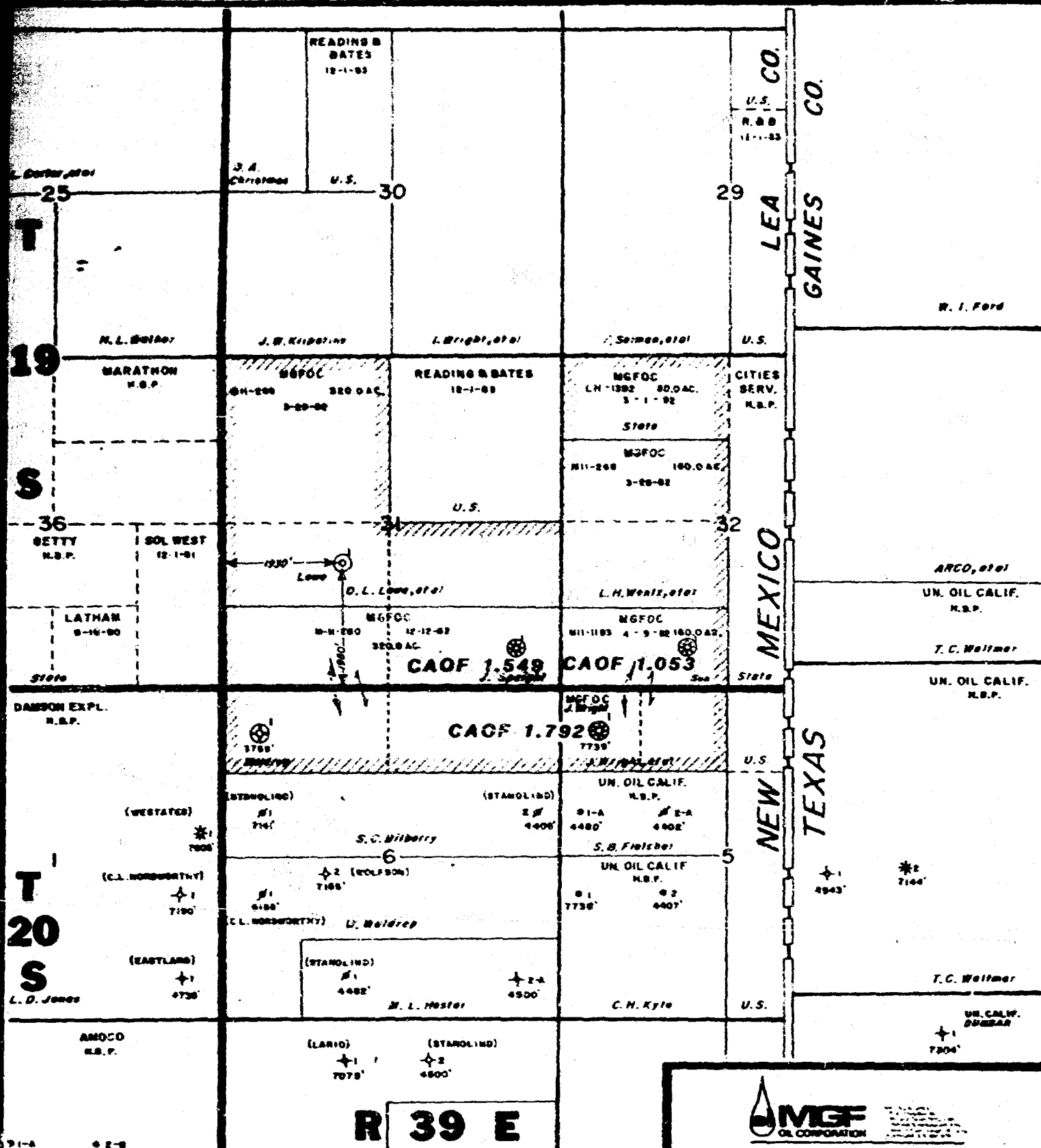
BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

NAF EXHIBIT NO. 5

CASE NO. 7578

Submitted by MATSON

Hearing Date 5/13/82





BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

MGF EXHIBIT NO. 6

CASE NO. 7578

Submitted by MATSON

Hearing Date 5/12/82

Dockets Nos. 14-82 and 15-82 are tentatively set for May 26 and June 9, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 12, 1982

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:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for June, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for June, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7540: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Pauly-Anderson-Pritchard, William H. Pauly, and all other interested parties to appear and show cause why the Maloy Well No. 1, located in Unit P, Section 16, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7538: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Francis L. Harvey and all other interested parties to appear and show cause why the Pinkstaff Estate Well No. 2, located in Unit A, Section 29, Township 29 North, Range 10 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7566: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Flag-Redfern Oil Co., Principal, National Surety Corporation, and all other interested parties to appear and show cause why four wells, being the Julander No. 1 located in Unit L, Section 34; Julander No. 2 located in Unit I, Section 33; Margis No. 1 located in Unit G, Section 33; and Margis No. 2 located in Unit J, Section 33, all in Township 30 North, Range 12 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7560: (Continued from April 28, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Charles R. Heisen, Fidelity and Deposit Company of Maryland, Surety, and all other interested parties to appear and show cause why the Crownpoint Well No. 1, located in Unit F, Section 18, Township 18 North, Range 13 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7542: (Continued from April 14, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Benson-Montin-Greer Drilling Corporation, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the following wells: Dustin No. 1, located in Unit K, Section 6, and the Gallegos Canyon Unit No. 2, located in Unit K, Section 35, both in Township 29 North, Range 12 West, and the Segal No. 1, located in Unit K, Section 10, and the Price No. 1, located in Unit N, Section 15, both in Township 31 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with Division-approved plugging programs.

CASE 7567: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Richardson Unit Area, comprising 1,283.35 acres, more or less, of State and Fee lands in Townships 13 and 14 South, Range 36 East.

CASE 7565: (Continued from April 28, 1982, Examiner Hearing)

Application of Delta Drilling Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Mesalero Unit Area, comprising 719.77 acres, more or less, of State, Fee and Federal lands in Townships 9 and 10 South, Range 32 East.

CASE 7568: Application of Petroleum Corp. of Delaware for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Superior Federal Well No. 6 located in Unit N of Section 6, Township 20 South, Range 29 East, East Burton Flat Field, to produce oil from the Strawn formation through tubing and gas from the Morrow formation through the casing-tubing annulus by means of a cross-over assembly.

Examiner Hearing - WEDNESDAY - MAY 12, 1982

- CASE 7569: Application of Petroleum Corp. of Delaware for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbores of its Parkway West Unit Well No. 3, located in Unit K of Section 29, and Well No. 10, located in Unit G of Section 27, both in Township 19 South, Range 29 East.
- CASE 7570: Application of J. Cleo Thompson for three unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for three unorthodox well locations, being 660 feet from the North line and 1330 feet from the West line, 660 feet from the North line and 2630 feet from the East line, and 660 feet from the North line and 1310 feet from the East line, all in Section 2, Township 17 South, Range 30 East, Square Lake Pool.
- CASE 7516: (Continued from March 31, 1982, Examiner Hearing)
- Application of Benson-Montin-Greer for a unit agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Canada Ojitos Unit Area, comprising 12,361 acres, more or less, of Jicarilla Apache Indian lands in Township 27 North, Range 1 West.
- CASE 7571: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Abo formation underlying the SE/4 of Section 9, the SW/4 of Section 10, the NW/4 of Section 15, all in Township 6 South, Range 26 East, each to form a standard 160-acre spacing and proration unit 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.
- CASE 7551: (Continued from April 14, 1982, Examiner Hearing)
- Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 21, Township 11 South, Range 31 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 7572: Application of Anadarko Production Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Ballard GSA Waterflood Project by drilling and converting ten wells located in Unit N of Section 5, Units N and P of Section 6, Units F, H, J, and P of Section 7, Units F and N of Section 8, and Unit F of Section 17, all in Township 18 South, Range 29 East, Loco Hills Pool.
- CASE 7573: Application of Anadarko Production Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its West Square Lake Waterflood Project by the conversion to water injection of five wells located in Units J and N of Section 9, D and H of Section 10, and J of Section 3, all in Township 17 South, Range 30 East.
- CASE 7574: Application of Sun Exploration and Production Company for two non-standard gas proration units and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Jalmat gas proration units comprising the NW/4 of Section 21, for its Boren & Greer Com Well No. 2 in Unit C and the NE/4 of Section 20, for its Boren & Greer Com Well No. 3, to be drilled at an unorthodox location 660 feet from the North line and 940 feet from the East line of said Section 20, all in Township 22 South, Range 36 East. Applicant further seeks rescission of Order No. R-5688.
- CASE 7575: Application of Eagle Oil & Gas Co. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for a Wolfcamp-Penn test well to be drilled 1500 feet from the South line and 660 feet from the East line of Section 2, Township 17 South, Range 27 East, the S/2 of said Section 2 to be dedicated to the well.
- CASES 7576 and 7577: Application of Apollo Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in each of the following cases, seeks an order pooling all mineral interests from the surface through the base of the San Andres formation underlying the lands specified in each case, each 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. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:
- CASE 7576: NE/4 SW/4 Section 6, Township 19 South, Range 38 East
- CASE 7577: SE/4 SW/4 Section 6, Township 19 South, Range 38 East

CASE 7578: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the SE/4 of Section 31, Township 19 South, Range 39 East, to form a standard 160-acre gas proration unit 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 7579: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the N/2 NW/4 of Section 5, Township 20 South, Range 39 East, to form a non-standard 80-acre gas proration unit 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 7580: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Seven Rivers formation underlying the SW/4 of Section 31, Township 19 South, Range 39 East, to form a standard 160-acre gas proration unit 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 7581: Application of Estoril Producing Corp. for an unorthodox gas well location, Lea 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 South line and 990 feet from the East line of Section 10, Township 23 South, Range 34 East, Antelope Ridge-Morrow Gas Pool, the S/2 of said Section 10 to be dedicated to the well.

CASES 7582 thru 7585: Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7582: NW/4 Section 13, Township 6 South, Range 24 East

CASE 7583: NE/4 Section 13, Township 6 South, Range 24 East

CASE 7584: SW/4 Section 13, Township 6 South, Range 24 East

CASE 7585: NW/4 Section 24, Township 6 South, Range 24 East

CASES 7525 thru 7534: (Continued from April 28, 1992, Examiner Hearing)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following 10 cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7525: SW/4 Section 3, Township 5 South, Range 24 East

CASE 7526: NW/4 Section 3, Township 5 South, Range 24 East

CASE 7527: SE/4 Section 3, Township 5 South, Range 24 East

CASE 7528: NW/4 Section 4, Township 5 South, Range 24 East

CASE 7529: NE/4 Section 4, Township 5 South, Range 24 East

CASE 7530: NW/4 Section 11, Township 6 South, Range 24 East

CASE 7531: SW/4 Section 11, Township 6 South, Range 24 East

CASE 7532: SE/4 Section 27, Township 6 South, Range 24 East

CASE 7533: SW/4 Section 27, Township 6 South, Range 24 East

CASE 7534: NW/4 Section 34, Township 6 South, Range 24 East

CASE 7515: (Continued from April 14, 1982, Examiner Hearing)

Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying all or portions of Townships 26 and 27 North, Ranges 12 and 13 West, Township 28 North, Range 13 West, Township 29 North, Ranges 13 through 15 West, and Township 30 North, Ranges 14 and 15 West, containing 164,120 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.

CASE 7566: Application of Standard Resources Corp. for designation of a tight formation, Chaves and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Abo formation underlying all or portions of Township 15 South, Ranges 23 through 25 East, Township 19 South, Range 20 East, and Township 20 South, Range 20 East, all in Chaves County; in Eddy County: Township 16 South, Ranges 23 through 26 East, Township 17 South, Ranges 21, 22, 24, and 25 East, and Township 18 South, Ranges 21, 23, 24 and 25 East, Township 19 South, Ranges 21, 23, and 24 East, and Township 20 South, Ranges 21, 23, and 24 East, containing 460,800 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.

CASE 7587: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Draper Mill-Wolfcamp Gas Pool. The discovery well is the HNG Oil Company Vaca Draw 16 State Well No. 1 located in Unit E of Section 16, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM  
Section 16: W/2

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Jabalina-Morrow Gas Pool. The discovery well is the Amoco Production Company Perro Grande Unit Well No. 1 located in Unit J of Section 6, Township 26 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM  
Section 6: E/2

- (c) ABOLISH the Diamond Mound-Morrow Gas Pool in Chaves and Eddy Counties, New Mexico, as heretofore classified, defined, and described as:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 35: All

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM  
Section 31: E/2

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 3: Lots 1 through 16  
Section 4: Lots 1 through 16  
Section 5: Lots 1 through 16  
Section 6: Lots 1, 2, 7, 8, 9, 10, 15, 16, and S/2

- (d) EXTEND the vertical limits of the Diamond Mound-Atoka Gas Pool in Chaves and Eddy Counties, New Mexico, to include the Morrow formation, and redesignate said pool to Diamond Mound-Atoka-Morrow Gas Pool, and extend the horizontal limits of said pool to include acreage from abolished Diamond Mound-Morrow Gas Pool and one additional well as follows:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 35: All

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM  
Section 31: E/2

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM  
Section 9: S/2

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 3: Lots 1 through 16  
Section 4: Lots 1 through 16  
Section 5: Lots 1 through 16  
Section 6: Lots 1, 2, 7, 8, 9, 10, 15, 16, and S/2

- (e) EXTEND the Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 35: E/2  
Section 36: N/2

- (f) EXTEND the Crow Flats-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM  
Section 1: All  
Section 22: N/2

- (g) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 10: All  
Section 11: W/2  
Section 14: W/2  
Section 15: W/2  
Section 34: W/2

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

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

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

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM  
Section 28: All

- (j) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM  
Section 10: N/2

- (k) EXTEND the East LaRica-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 36: S/2

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 31: S/2

- (l) EXTEND the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM  
Section 18: E/2

- (m) EXTEND the Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM  
Section 11: E/2

- (n) EXTEND the South Millman-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 16: N/2

- (o) EXTEND the East Millman-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 7: NE/4

- (p) EXTEND the Millman Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 8: S/2

- (q) EXTEND the West Nadine-Blinbry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 5: SW/4

- (r) EXTEND the West Osado-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM  
Section 11: S/2  
Section 12: S/2

- (s) EXTEND the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 4 SOUTH, RANGE 24 EAST, NMPM

Section 24: S/2  
Section 25: All  
Section 26: E/2  
Section 35: W/2 and NE/4  
Section 36: N/2

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM

Section 19: SW/4  
Section 30: W/2  
Section 31: NW/4

TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM

Section 2: NW/4  
Section 7: All  
Section 8: All  
Section 9: N/2 and SW/4  
Section 16: W/2  
Section 17 thru 20: All  
Section 21: W/2  
Section 28: W/2  
Section 29: All  
Section 30: All  
Section 31: N/2  
Section 32: N/2  
Section 32: NW/4

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM

Section 1 thru 5: All  
Section 6: E/2  
Section 7: SW/4 and E/2  
Section 8 thru 12: All  
Section 14 thru 22: All  
Section 23: N/2  
Section 27: N/2  
Section 28 thru 30: All  
Section 31: NE/4  
Section 32: N/2  
Section 33: All  
Section 34: All

TOWNSHIP 6 SOUTH, RANGE 24 EAST, NMPM

Section 2: All  
Section 11 thru 14: All  
Section 22 thru 28: All  
Section 34: E/2  
Section 35: All  
Section 36: All

Examiner Hearing - WEDNESDAY - MAY 12, 1982

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NNPM

Section 4 thru 6: All  
Section 7 thru 8: All  
Section 9: N/2  
Section 17 thru 20: All  
Section 29 thru 32: All

TOWNSHIP 7 SOUTH, RANGE 24 EAST, NNPM

Section 1: All  
Section 2: All  
Section 3: E/2  
Section 9 thru 15: All  
Section 22 thru 27: All  
Section 34 thru 36: All

TOWNSHIP 7 SOUTH, RANGE 25 EAST, NNPM

Section 6: W/2  
Section 7: S/2  
Section 13: SW/4  
Section 14: S/2  
Section 15: S/2  
Section 18 and 19: All  
Section 20: S/2  
Section 22 thru 27: All  
Section 29 thru 32: All  
Section 34 thru 36: All

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NNPM

Section 5: All  
Section 6: All  
Section 7 thru 10: All  
Section 11: W/2  
Section 15 thru 17: All  
Section 18: N/2  
Section 19 thru 22: All  
Section 28 thru 32: All

TOWNSHIP 8 SOUTH, RANGE 24 EAST, NNPM

Section 1 through 3: All  
Section 10: E/2  
Section 11: All  
Section 12: All

TOWNSHIP 8 SOUTH, RANGE 25 EAST, NNPM

Section 1 through 12: All  
Section 13 through 16: N/2

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NNPM

Section 6: W/2

- (c) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NNPM

Section 23: SE/4  
Section 24: S/2 and NE/4  
Section 25 through 27: All  
Section 28: E/2

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NNPM

Section 3 through 5: All  
Section 6: N/2  
Section 8 through 10: N/2  
Section 17: W/2  
Section 18: SE/4  
Section 19: All  
Section 20: W/2  
Section 29: W/2  
Section 30: All  
Section 31: All  
Section 32: W/2



TOWNSHIP 9 SOUTH, RANGE 23 EAST, NNPM

Section 3: W/2  
Section 4: All  
Section 5: All  
Section 6: E/2  
Section 8: All

- (u) EXTEND the East Red Lake-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NNPM

Section 25: E/2 NE/4 and NE/4 SE/4

- (v) EXTEND the Sand Ranch-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NNPM

Section 16: All

- (w) EXTEND the Sawyer-San Andres Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 38 EAST, NNPM

Section 4: SW/4

- (x) EXTEND the Tom-Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NNPM

Section 7: All

- (y) EXTEND the Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NNPM

Section 2: W/2  
Section 7: N/2

- (z) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NNPM

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

- (aa) EXTEND the South Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NNPM

Section 16: SE/4

\*\*\*\*\*  
DOCKET: COMMISSION HEARING - MONDAY - MAY 17, 1982

Docket No. 14-82

OIL CONSERVATION COMMISSION - 9 A.M.  
ROOM 205 - STATE LAND OFFICE BUILDING,  
SANTA FE, NEW MEXICO.

CASE 7522: (DE NOVO)

Application of Santa Fe Exploration Co. for an unorthodox gas well location, Eddy County, New Mexico Applicant, in the above-styled cause, seeks approval of an unorthodox location 660 feet from the North and West lines of Section 14, Township 20 South, Range 25 East, Permian-Penn, Strawn, Atoka and Morrow formations, the N/2 of said Section 14 to be dedicated to the well.

Upon application of Chama Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7476: (DE NOVO)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying two 160-acre gas spacing units, being the NE/4 and SE/4, respectively, of Section 12, Township 5 South, Range 24 East, each 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.

Upon application of Mesa Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

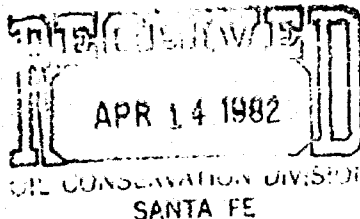
CASE 7513: (DE NOVO)

Application of Mesa Petroleum Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the SE/4 of Section 12, Township 5 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Upon application of Mesa Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CAMPBELL, BYRD & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
MARL D. BYRD  
BRUCE D. BLACK  
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April 14, 1982

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

*Case 7578*

Re: Application of MGF Oil Corporation for Compulsory  
Pooling, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of MGF Oil Corporation 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 May 12, 1982.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr".

William F. Carr

WFC:jh  
w/enc.  
cc: Mr. W.M. Gibson

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

IN THE MATTER OF THE APPLICATION  
OF MGF OIL CORPORATION FOR  
COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO

CASE 75 78

APPLICATION

Comes now, MGF OIL CORPORATION, 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 from the surface through the Seven Rivers formation in and under the SE/4 of Section 31, Township 19 South, Range 39 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant is the owner of 77% of the working interest in and under the SE/4 of said Section 31, and applicant 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 said Section 31.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the SE/4 of said Section 31 except the following:

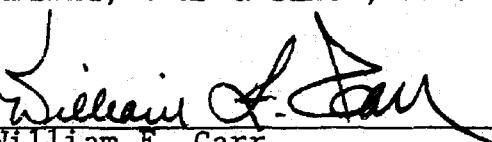
SEE ATTACHED SCHEDULE.

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 applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling, and after completion, including overhead charges, and assessing 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

SCHEDULE TO BE ATTACHED TO AND  
MADE PART OF PARAGRAPH 3 OF APPLICATION

Alonzo J. Welborn	.0273437 RI
Winifred Sue Campbell	.0273437 RI
Betty M. Dreesen	.0019531 WI
Edward T. Dreesen, Jr.	.0004687 WI
Priscilla A. Kyte, Conservator of the Estate of David Bond Kyte	.0039062 WI
Roy G. Barton	.0136718 WI
Kirby Exploration Company	.0351562 WI
North American Royalties, Inc.	.1171875 WI
Sabine Production Co.	.025WI
Sabine Production Co., Executive Rights for:	
Louis F. Breuner	.0015625 WI
Ellis Rudy	.0046875 WI
Henry Schaefer	.0007812 WI
Janice R. Magee and Betty J. Catlin	.0015625 WI
Joseph F. Woodsum	.003125 WI
Suits E. Strasinger and wife, Maude Strasinger	.0015625 WI
Dr. Edwin Merrithew	.0007812 WI
Ruby R. Fulmor	.0015625 WI
Alice C. Handy	.0015625 WI
A.C. and/or Blanche E. Elder	.003125 WI
Edward Seymour Osborne	.003125 WI

*Shirley  
O. Jones*

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. 7573

Order No. R-6916-A

*P.L.  
M.S.*

APPLICATION OF MGF OIL CORPORATION  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.

*[Signature]* *11/88*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 12, 1982,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of <sup>June</sup> ~~May~~, 1982, 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, MGF Oil Corporation, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the SE/4 of Section 31, Township 19 South, Range 39 East, NMPM, Lea County, New Mexico.

(3) That the applicant has the right to drill and <sup>has drilled</sup> ~~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 said well was drilled as an oil well on a 40-acre oil proration unit pooled under the terms of Division Order No R-6916 entered March 5, 1982, in Case No 7487.

See under

(6) That the non-consenting parties in this case and Case No. 7487 are the same.

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 \_\_\_\_\_ percent thereof as a reasonable charge for the risk involved in the drilling of the well.



(9) That ~~the pooling in~~ this case should be accomplished by amending the first paragraph of Order (1) of said Division Order No R-6916 to read in its entirety as follows:

(1) That two units are hereby pooled in Section 31, Township 19 South, Range 39 East, NM PM, Lea County, New Mexico, to form a <sup>standard</sup> 40-acre oil and standard 160-acre gas spacing and production unit, respectively, being:

(a) for oil, all mineral interests down to and including the Abo formation ~~underlying~~ underlying the SE/4 SE/4 of the section, and

(b) for gas, all mineral interests down to and including the Seven Rivers formation ~~underlying~~ underlying the SE/4 of the section;

either unit to be dedicated to a well to be drilled at a standard location thereon.

IT IS THEREFORE ORDERED:

(1) That the first paragraph of Division Order No B-6916 entered March 5, 1982, is hereby amended to read in its entirety as follows:

"(1) That two units are hereby pooled in Section 31, Township 19 South, Range 39, East, NM PM, Lea County, New Mexico, to form a 40-acre oil and <sup>standard</sup> 160-acre gas spacing and production unit, respectively, being:

(a) for oil, all mineral interests down to and including the Abo formation ~~underlying~~ underlying the SE/4 SE/4 of the section, and

(b) for gas, all mineral interests down to and including the Seven Rivers formation ~~underlying~~ underlying the SE/4 of the section;

either unit to be dedicated to a well to be drilled at a standard location thereon."

(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,                      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 \$                      per month while drilling and \$                      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.
- (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 interest's 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.

OK → (2) ~~(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.

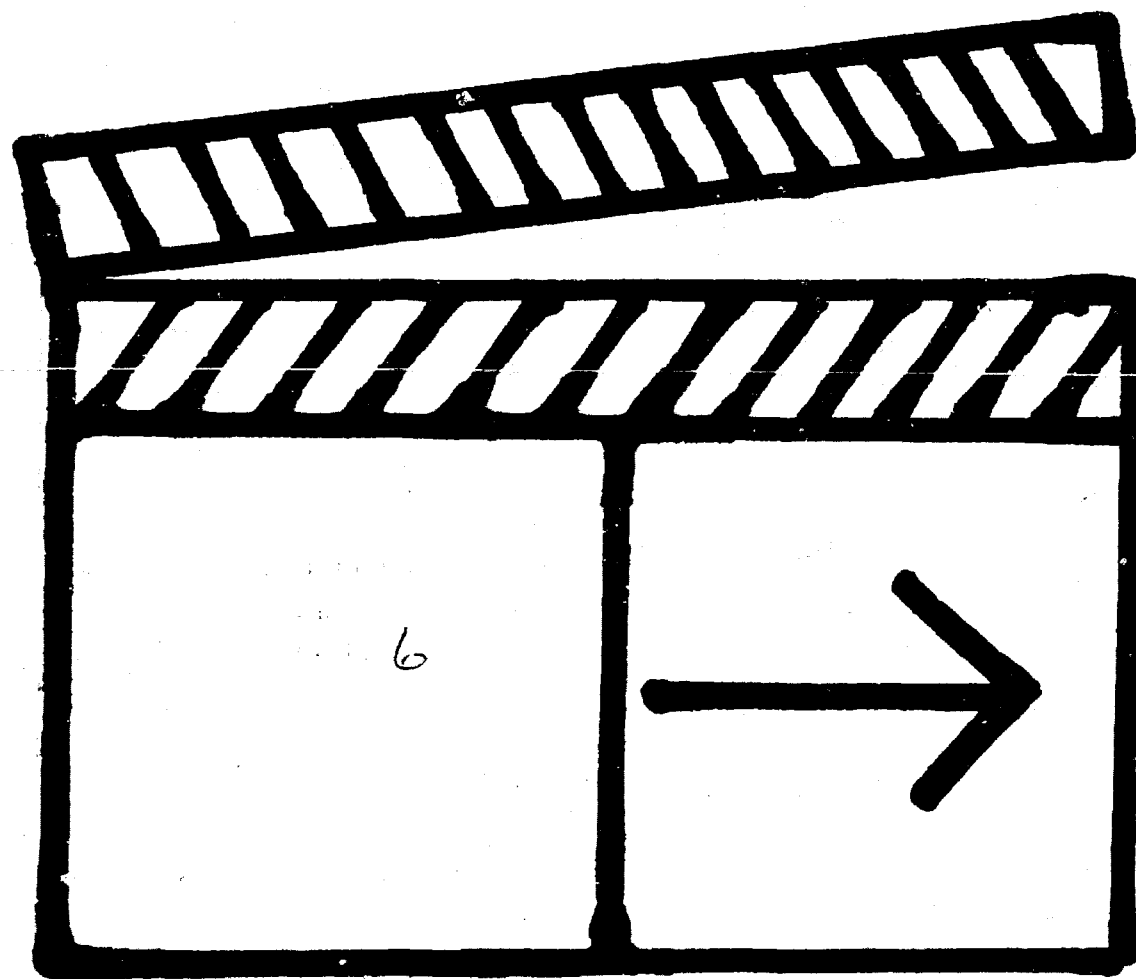
STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

JOE D. RANEY,  
Director

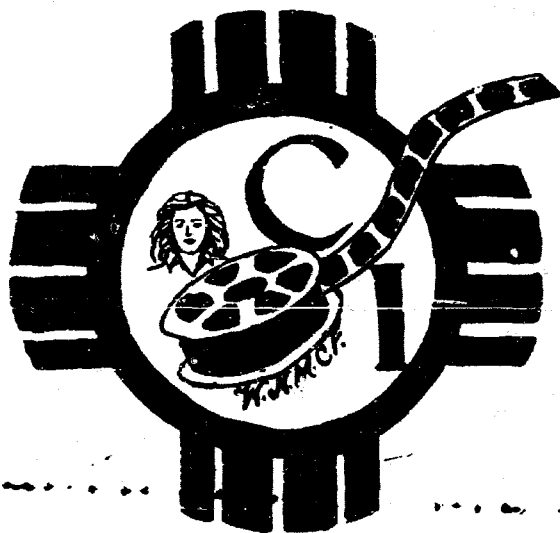
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Oil Conservation Division Case Files

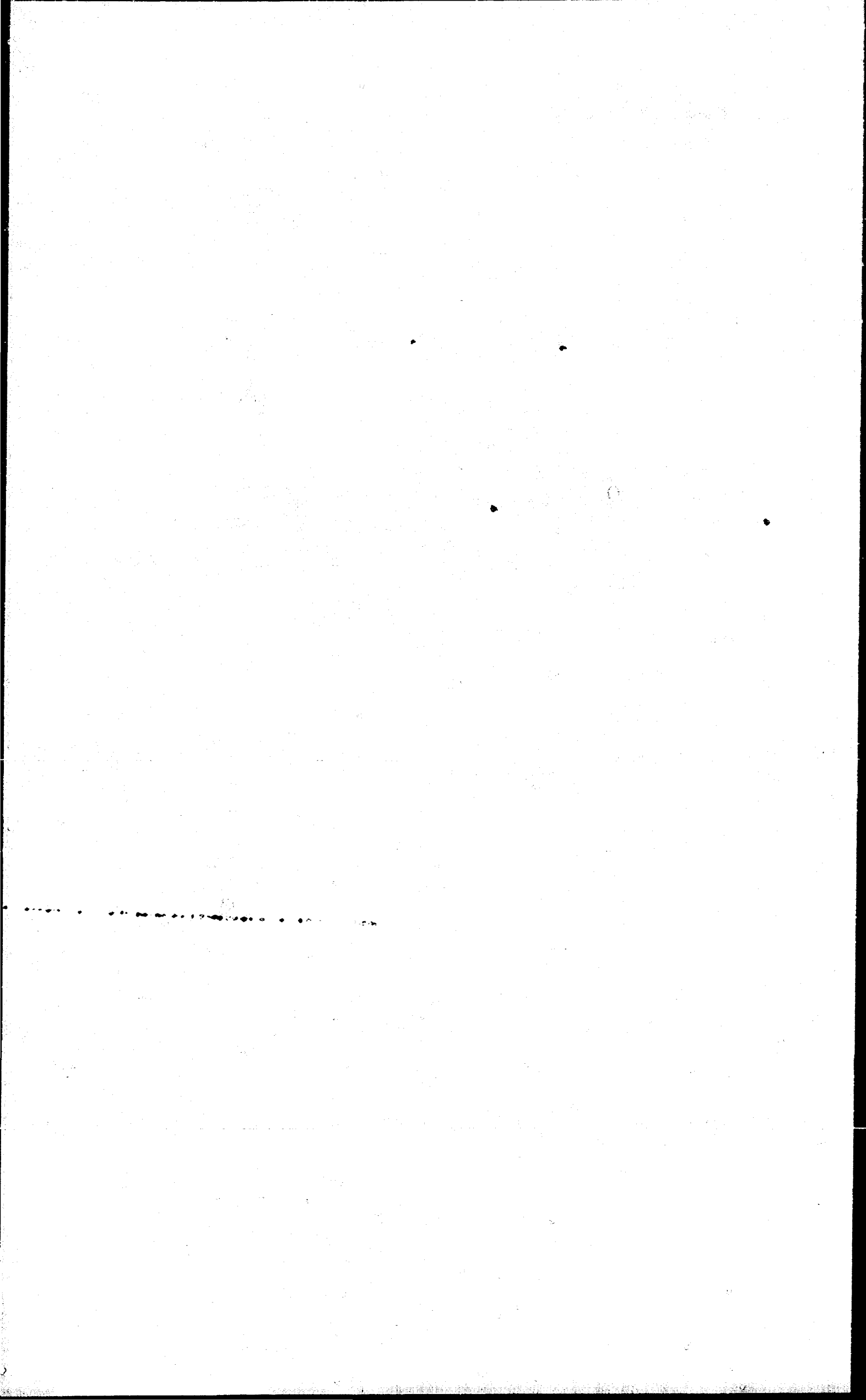


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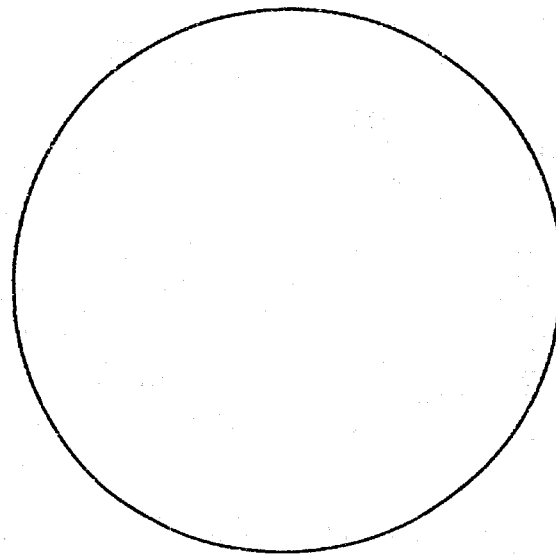


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ROLL NUMBER

DOCUMENT TYPE *Oil Conservation Division Case Files*  
DATE OF FILMING *September 15, 1987*  
CAMERA OPERATOR *Lydia Blea*  
ENDING DOCUMENT *Case 7578; M&F Oil Corporation for  
Compulsory Pooling, Lea County, New Mexico*



# IMAGE EVALUATION TEST TARGET (MT-2)



## POINT SIZE

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D6fmh 9ss9d  
Wcuzl L1cdg  
6Y3sl Okjdg

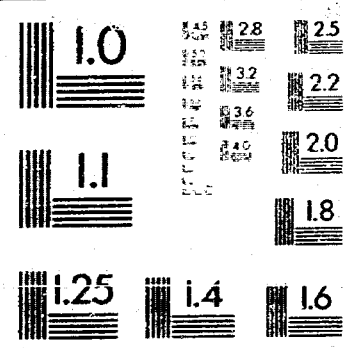
## FUTURA

## NEWS GOTHIC

14 K2b8t Okjdg  
4ef8k Gmn0c  
12 Zlo6x Ge92  
7n34a 6Y3sl

10 Y0r8j A7o7q  
Qelvf 2xbiy  
8 9ss9d L1cdg  
6 33q7n E1t9g  
4 Z55lg Hq47j Su1xi W5a5

## POINT SIZE



4 6 8 10 12 14 16 18 20 22 25 28 32 36 40 45 50 56 63 71 80 90 100

4 6 8 10 12 14 16 18 20 22 25 28 32 36 40 45 50 56 63 71 80 90 100

## SERIF (BASKERVILLE) SIZE SANS SERIF (MICROFONT)

PHOTOGRAPHIC SCIENCES CORPORATION  
770 BASKET ROAD  
P.O. BOX 338  
WEBSTER, NEW YORK 14580  
(716) 265-1600



**STATEMENT OF DOCUMENT CERTIFICATION**

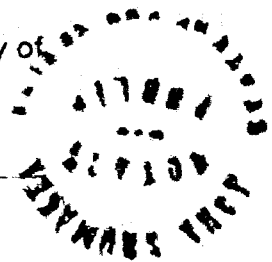
All micrographic images of documents following this certificate are of authorized documents in the possession of this agency. These documents are routinely microfilmed as a necessary operation in the generation of an inviolate document file.

  
\_\_\_\_\_  
Director

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

Sworn and subscribed to before me, a notary public, this 10<sup>th</sup> day of April, 19 86,

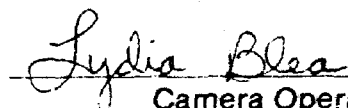
  
\_\_\_\_\_  
Notary Public



MY COMMISSION EXPIRES May 17, 1989

**CERTIFICATE OF AUTHENTICITY**

THIS IS TO CERTIFY that the microphotographs appearing on this roll of film are accurate and complete reproductions of the records of the Oil Conservation Division as delivered in the regular course of business for microfilming.  
(agency name)

  
\_\_\_\_\_  
Camera Operator

## STATEMENT OF DOCUMENT CERTIFICATION

All micrographic images of documents following this certificate are of authorized documents in the possession of this agency. These documents are routinely microfilmed as a necessary operation in the generation of an inviolate document file.

  
\_\_\_\_\_  
Director

STATE OF NEW MEXICO )

COUNTY OF SANTA FE )

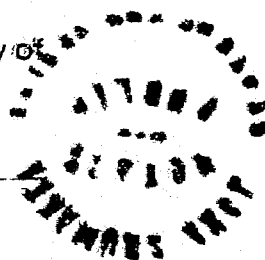
ss.

Sworn and subscribed to before me, a notary public, this 10<sup>th</sup> day of

April, 19 86,

  
\_\_\_\_\_  
Notary Public

MY COMMISSION EXPIRES May 17, 1984



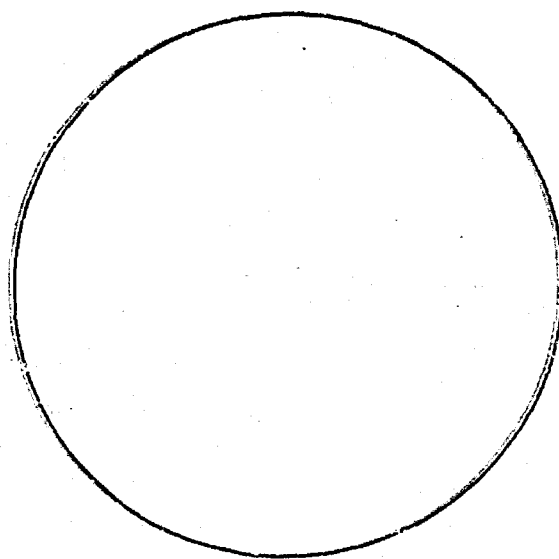
## CERTIFICATE OF AUTHENTICITY

THIS IS TO CERTIFY that the microphotographs appearing on this roll of film are accurate and complete reproductions of the records of the

\_\_\_\_\_  
(agency name) as delivered in the regular course of business for microfilming.

  
\_\_\_\_\_  
Camera Operator

# IMAGE EVALUATION TEST TARGET (MT-2)



## POINT SIZE

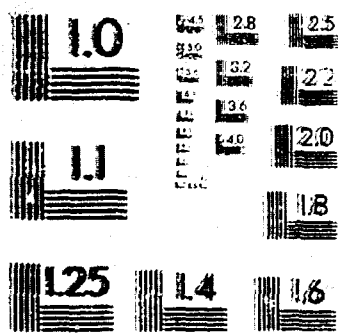
- 4 2xbyi GmrlOc  
6 Hq47j Vrlpe9 A7o7q Se92  
8 Su7xi 33q7n'Onlyf 4ef8k  
10 2xbiy GmrlOc  
Y5a5o Etl9g  
12 7m34a K2b8t  
D6fmh 9ss9d  
14 Wcuzl Ll1odg  
6Y3sl Okjdg

## FUTURA

## NEWS GOTHIC

- 14 K2b8t Okjdg  
4ef8k GmrlOc  
12 Zlo6x Ge92  
7m34a 6Y3sl  
10 YOr8j A7o7q  
Oelvf 2xbiy  
8 9ss9d Ll1odg  
33q7n' Etl9g  
6 Z35lg Hq47j Su7xi Y5a5  
4 2xbyi GmrlOc

## POINT SIZE

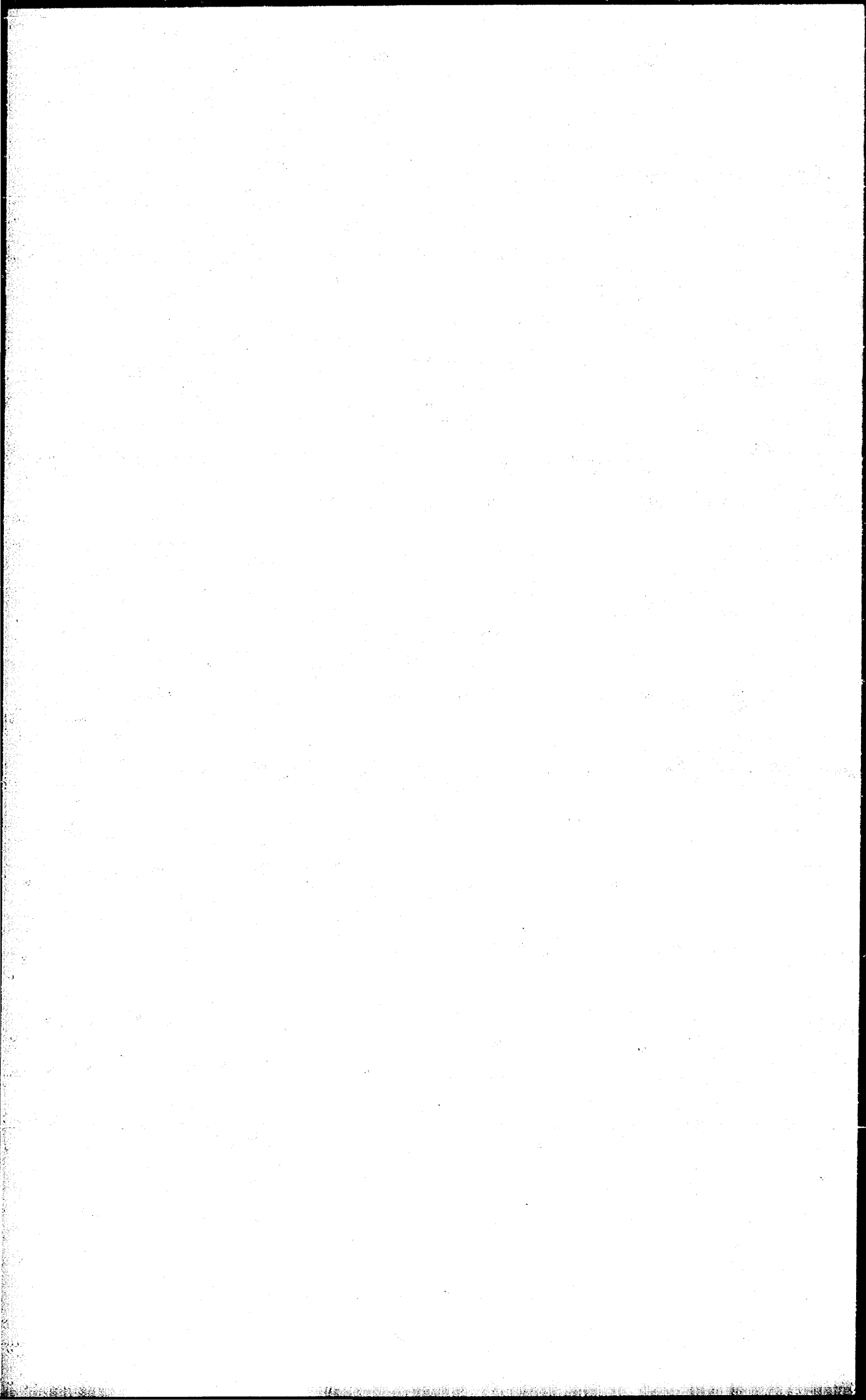


4 12C68 05H7P P6G8B 01K0G  
6 12C68 05H7P P6G8B 01K0G  
8 XMB80 HWEKH XYARQ 51DD5  
10 VILNU MZHSF XMB80 HWEKH  
12 6Jfjm Zm79a 3s43l 1skfY 126FRKM E67AU FUDWM BOONF  
14 Oz7h9 B5e1P Wo8nk 8tizx 14C9E83 B18AJ Z7QYI 0KJDQ

4 12C68 05H7P P6G8B 01K0G  
6 12C68 05H7P P6G8B 01K0G  
8 XMB80 HWEKH XYARQ 51DD5  
10 VILNU MZHSF XMB80 HWEKH  
12 6Jfjm Zm79a 3s43l 1skfY 126FRKM E67AU FUDWM BOONF  
14 Oz7h9 B5e1P Wo8nk 8tizx 14C9E83 B18AJ Z7QYI 0KJDQ

## SERIF (BASKERVILLE) SIZE SANS SERIF (MICROFONT)

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# START OF ROLL



#6

ROLL NUMBER

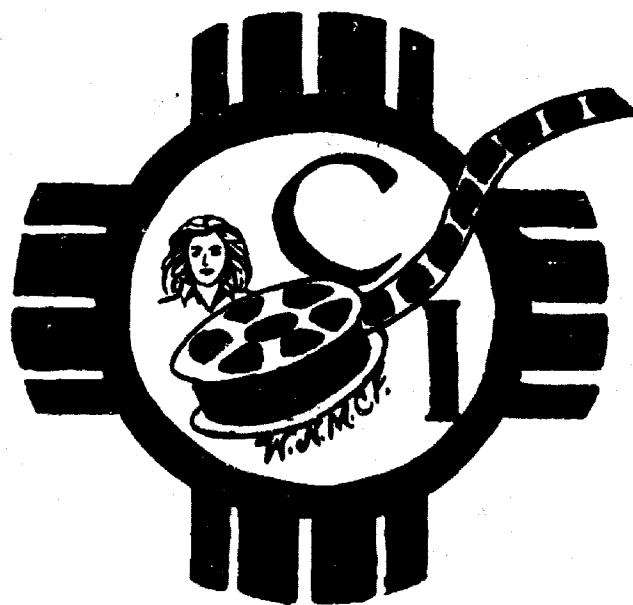
DOCUMENT TYPE *oil. Conservation Division Case File*  
DATE OF FILMING *Sept 18, 1987*  
CAMERA OPERATOR *Barbara Moya*  
STARTING DOCUMENT *Case 7572: Anadarko Production Company  
for a waterflood expansion, Lodge  
County, New Mexico*

THIS ROLL OF FILM PRODUCED BY

C.I. MICROGRAPHICS W.N.M.C.F.

P.O. DRAWER 250

GRANTS, N.M. 87020





W.N.M.C.F. MICROGRAPHICS DEPARTMENT

P.O. DRAWER 250

GRANTS, NEW MEXICO 87020

(505) 287-7961

Any image or images on this negative roll of film between the title page and the ending certificate that were distorted due to a malfunction in filming or processing maybe found in their entirety at the end of this roll as an addition to said roll or on a secondary roll, that has been properly index. In accordance with New Mexico State Statute.

BY Jackie L. Frey  
Jackie L. Frey, C.O. SPEC. 1/1  
C.I. Microfilming Supervisor

C.I. MICROGRAPHICS W.N.M.C.F.

P.O. DRAWER 250

GRANTS, NEW MEXICO 87020



MICROFILM RECORDS ADDITIONS

ROLL NUMBER

#6

By virtue of their content and their relation to other microfilmed records on this roll, the following listed records are added to this roll as supplementary material due to a malfunction.

*addition made on this roll  
due to operator's error in filming.  
Documents on case files  
7572 and documents on case  
file 7573 weren't legible*

I hereby certify that the following microfilm images are true copies of the original records listed above.

*Barbara Mayo*  
CAMERA OPERATOR

*Sept 18, 1987*  
DATE