

CASE 5114: Application of TEXACO
INC. & PERRY R. BASS FOR COMPUL-
SORY POOLING & UNORTH. LOCATION.

CASE No.

5114

Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & associates

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
1219 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
Wednesday, November 14, 1973

IN THE MATTER OF:

Application of Texaco, Inc.
and Perry R. Bass for
compulsory pooling and an
unorthodox location, Lea
County, New Mexico.

Case No. 5114

BEFORE: RICHARD L. STAMETS
Examiner

TRANSCRIPT OF EXAMINER HEARING

1 MR. STAMETS: Call next Cast 5114.

2 MR. DERRYBERRY: Case 5114, application of Texaco,
3 Inc. and Perry R. Bass for compulsory pooling and an
4 unorthodox location, Lea County, New Mexico.

5 MR. STAMETS: The Applicants, the Protestants in
6 this case appeared and made their testimony a matter of
7 record in Case Number 5088 heard by an Examiner on
8 October 31st, 1973.

9 At that time, all participants stipulated that the
10 testimony in that case would be applicable in Case 5114;
11 and there are no appearances at this Hearing.

12 We will take the case under advisement potentially
13 for a dismissal and adjourn the Hearing.

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dearnley, meier & associates

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C E R T I F I C A T E

I, JANET RUSSELL, a Court Reporter, in and for the
County of Bernalillo, State of New Mexico, do hereby certify
that the foregoing and attached Transcript of Hearing before
the New Mexico Oil Conservation Commission was reported by me;
and that the same is a true and correct record of the said
proceedings to the best of my knowledge, skill and ability.

Janet Russell
COURT REPORTER

I hereby certify that the foregoing is
a true and correct copy of the
original as filed in my office on 11/4
and is a true and correct copy of the
original as filed in my office on 11/4
and is a true and correct copy of the
original as filed in my office on 11/4
and is a true and correct copy of the
original as filed in my office on 11/4



OIL CONSERVATION COMMISSION

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

November 21, 1973

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMUO
MEMBER**

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

**Mr. A. J. Losee
Losee & Carson
Attorneys at Law
Post Office Box 239
Artesia, New Mexico 88210**

Re: CASE NO. 5114
ORDER NO. R-4679
Applicant:
Texaco & Perry R. Bass

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u> x </u>
Artesia OCC	<u> </u>
Aztec OCC	<u> </u>

Other Mr. Booker Kelly

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5114
Order No. R-4679

APPLICATION OF TEXACO INC. AND
PERRY R. BASS FOR COMPULSORY POOLING
AND AN UNORTHODOX LOCATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 14, 1973, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 20th day of November, 1973, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Texaco Inc. and Perry R. Bass, seeks an order pooling all mineral interests underlying the W/2 of Section 32, Township 20 South, Range 33 East, NMPM, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well being drilled by Amini Oil Company at a location 990 feet from the South line and 1980 feet from the West line of said Section 32.

(3) That the location of said Amini well would be at a non-standard location for the proposed pooled unit.

(4) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Texaco Inc. and Perry R. Bass for an order pooling all mineral interests underlying the W/2 of Section 32, Township 20 South, Range 33 East, NMPM, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well being drilled by Amini Oil Company at a location 990 feet from the South line and 1980 feet from the West line of said Section 32, is hereby denied.

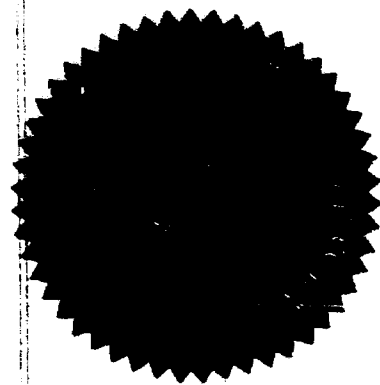
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Case No. 5114

Order No. R-4679

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

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. Trujillo
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. Porter Jr.
A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 14, 1973

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

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

CASE 5044: (Continued from the October 3, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Sycor Newton, Peru Milling Company, R. E. Deming and Aetna Life and Casualty Company and all other interested parties to appear and show cause why the State L 6350 Well No. 1 located in Unit M of Section 10, Township 23 South, Range 11 West, Luna County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5098: Application of R. J. Zonne for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a Morrow gas pool for his Federal Well No. 1 located in Unit G of Section 20, Township 22 South, Range 32 East, Lea County, New Mexico, and the promulgation of special rules therefor, including a provision for 640-acre spacing.

CASE 4849: (Reopened)

In the matter of Case No. 4849 being reopened pursuant to the provisions of Order No. R-4436 which order established temporary special rules for the Humble City-Atoka Pool, Lea County, New Mexico, including a provision for 80-acre spacing. All interested parties may appear and show cause why said pool rules should remain in effect.

CASE 5099: Application of Pennzoil Company for a pool creation, special pool rules and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a Wolfcamp gas pool for its Moore Com Well No. 1 located at an unorthodox Wolfcamp location 2310 feet from the South line and 660 feet from the East line of Section 23, Township 22 South, Range 26 East, Eddy County, New Mexico, and the promulgation of special pool rules therefor, including a provision for 320-acre spacing.

CASE 5100: Application of Estill Production Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the W/2 of Section 21, Township 18 South, Range 33 East, South Corbin-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

- CASE 5101: Application of Southern Union Production Company 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 its McKittrick-Federal Well No. 1 at a point 2390 feet from the North line and 830 feet from the East line of Section 14, Township 22 South, Range 24 East, Eddy County, New Mexico, the E/2 of said Section 14 to be dedicated to the well.
- CASE 5102: Application of Anne Burnett Tandy dba Windfohr Oil Company for two waterflood projects, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute two waterflood projects by the injection of water into the Grayburg and San Andres formations through 6 wells on its Jackson "B" Lease and through 3 wells on its Gissler "B" Lease, located in Sections 1 and 11, respectively, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.
- CASE 5103: Application of David Fasken for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location at a point 1000 feet from the North and West lines of Section 32, Township 20 South, Range 25 East, Indian Hills-Morrow Gas Pool, Eddy County, New Mexico.
- CASE 5104: Application of El Paso Natural Gas Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Rocky Arroyo "C" Well No. 1 located in Unit F of Section 8, Township 22 South, Range 22 East, Rocky Arroyo Field, Eddy County, New Mexico, in such a manner as to produce gas from the Canyon formation and gas from the Morrow formation through the casing-tubing annulus and through the tubing, respectively.
- CASE 5105: Application of Stallworth Oil and Gas for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location at a point 760 feet from the North line and 860 feet from the West line of Section 11, Township 9 South, Range 33 East, Vada-Pennsylvanian Pool, Lea County, New Mexico, as an exception to the provisions of Rule 4 of Order No. R-3179-A.
- CASE 5106: Application of Read & Stevens, Inc. for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Harris Federal Well No. 2 at a point 990 feet from the North line and 2310 feet from the West line of Section 24, Township 15 South, Range 27 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, as an exception to Rule 2 of Order No. R-1670-H, the N/2 of said Section 24 to be dedicated to said well.

CASE 5107: Southeastern nomenclature case calling for the extension of certain pools in Lea County, New Mexico.

(a) Extend the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 2: S/2

(b) Extend the Blinebry Oil Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 1: SE/4
Section 12: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 1: SE/4
Section 12: NE/4

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 12: SW/4

(e) Extend the South Eunice-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 2: SE/4

(f) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 7: SE/4
Section 8: SW/4
Section 17: N/2 NW/4

(g) Extend the West Garrett-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 31: SE/4

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(h) Extend the High Plains-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 26: NW/4

CASE 5114: Application of Texaco Inc. and Perry R. Bass for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests underlying the W/2 of Section 32, Township 20 South, Range 33 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to the well currently being drilled by Amini Oil Company at an unorthodox location for said 320-acre unit at a point 990 feet from the South line and 1980 feet from the West line of said Section 32.

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
PERRY R. BASS, INDIVIDUALLY AND AS)
OPERATOR OF THE LITTLE EDDY UNIT,)
AND TEXACO INC., INDIVIDUALLY AND)
AS AGENT FOR SAID UNIT OPERATOR FOR)
COMPULSORY POOLING, SOUTH SALT LAKE)
MORROW GAS POOL, LEA COUNTY, NEW)
MEXICO)

CASE NO. 5114

APPLICATION

NOW COME Perry R. Bass ("Bass"), individually and as operator of the Little Eddy Unit, and Texaco Inc. ("Texaco"), individually and as agent for said unit operator, and in support hereof, respectfully state:

I

The Little Eddy Unit includes, among other lands, the entire working interests in the West Half of the Southwest Quarter (W/2 SW/4) and the Southwest Quarter of the Northwest Quarter (SW/4 NW/4) of Section 32, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico, down to all depths, including the Pennsylvanian formation. Applicants state that the West Half (W/2) of said Section 32 should be compulsory pooled as the gas drilling and spacing unit for the gas well hereinafter described.

II

Amini Oil Company ("Amini"), of Midland, Texas and Houston, Texas, has commenced drilling operations on its New Mexico State "SL" No. 1 Well to test the Morrow sand of the Pennsylvanian formation at a location 1980 feet from the west line and 990 feet from the south line of said Section 32, and has made application for compulsory pooling of the South Half (S/2) of said Section 32 as the gas drilling and spacing unit for said well.

III

Amini owns the working interest from the surface through the Pennsylvanian formation underlying the Southeast Quarter (SE/4) and East Half of the Southwest Quarter (E/2 SW/4) of Section 32, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and has not agreed to pool its interest with Applicants as to the said West Half (W/2) of Section 32.

IV

Applicants state that all mineral, royalty and working interests, whatever they may be from the surface through the Pennsylvanian formation underlying the West Half (W/2) of said Section 32, should be dedicated to the said "SL" No. 1 Well and pooled to avoid the drilling of unnecessary wells, to protect correlative rights and to afford the owner of each such interest the opportunity to recover their just and fair share of the gas in said formations underlying said drilling and spacing unit.

V.

Bass, individually and as operator of the Little Eddy Unit, and Texaco Inc., individually and as agent for said unit operator, desire, in any event, to participate in the costs of drilling the New Mexico State "SL" No. 1 Well being drilled by Amini to test the Morrow sand of Pennsylvanian formation at a location 1980 feet from the west line and 900 feet from the south line of the said Section 32.

Accordingly, Bass and Texaco pray that Amini be denied any charges for supervision and risk in connection with the drilling and completing of the said New Mexico State "SL" No. 1 Well.

WHEREFORE, Applicants pray:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Commission enter its order pooling all mineral, royalty and working interests, whatever they may be from the surface through the Pennsylvanian formation underlying the West Half (W/2) of Section 32, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico, to form a standard gas spacing and drilling unit to be dedicated to the "SL" No. 1 Well at a location 1980 feet from the west line and 990 feet from the south line of said Section 32.

C. And for such other relief as may be just in the premises.

PERRY R. BASS, Individually and
as Unit Operator of Little Eddy
Unit; and

TEXACO INC., Individually and
as Agent for Unit Operator of
Little Eddy Unit

By: Kenneth Patterson

of

WHITE, KOCH, KELLY & MC CARTHY
P. O. Box 787
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANTS

DRAFT

jr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5114

Order No. R-4679

APPLICATION OF TEXACO INC. AND
PERRY R. BASS FOR COMPULSORY POOLING
AND AN UNORTHODOX LOCATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 14, 1973,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of November, 1973, the Commission,
a quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Texaco Inc. and Perry R. Bass, seeks an
order pooling all mineral interests underlying the W/2 of Section 32,
Township 20 South, Range 33 East, NMPM, South Salt Lake-Morrow Gas Pool,
Lea County, New Mexico, to be dedicated to a well being drilled by
Amini Oil Company at a location 990 feet from the South line and 1980
feet from the West line of said Section 32.

-2-

CASE NO. 5114

Order No. R-

(3) That the location of said Amini well would be at a non-standard location for the proposed pooled unit.

(4) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Texaco Inc. and Perry R. Bass for an order pooling all mineral interests ~~and~~ underlying the W/2 of Section 32, Township 20 South, Range 33 East, NMPM, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well being drilled by Amini Oil Company at a location 990 feet from the South line and 1980 feet from the West line of said Section 32, is hereby denied.

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

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