

CASE 5504: THE ATLANTIC RICHFIELD COM-
PANY FOR AN UNORTHODOX GAS WELL LOCATION
AND COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

CASE NO.

5504

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 10, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of The Atlantic
Richfield Company for an unorthodox
gas well location and compulsory
pooling, Eddy County, New Mexico

CASE NO. 5504

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the
Commission
State Land Office Building
Santa Fe, New Mexico 87501

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

MR. NUTTER: Case 5504.

MR. CARR: Case 5504. Application of the Atlantic Richfield Company for an unorthodox gas well location and compulsory pooling, Eddy County, New Mexico.

MR. NUTTER: We have received correspondence from the attorneys representing the Applicant in the subject case requesting that Case No. 5504 be dismissed.

Case 5504 will be dismissed.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Adrian T. [Signature]
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5504, heard by me on 6/10, 1975.

[Signature] Examiner
New Mexico Oil Conservation Commission

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

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. 5504
Order No. R-5045

APPLICATION OF THE ATLANTIC RICHFIELD
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 10, 1975,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of June, 1975, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in
the premises,

FINDS:

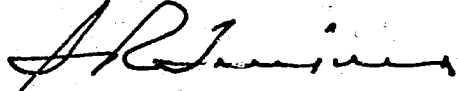
That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

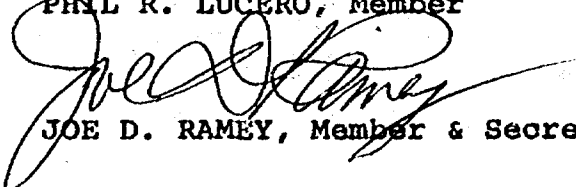
That Case No. 5504 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman


PHIL R. LUCERO, Member


JOE D. RAMEY, Member & Secretary

SEAL

dr/



OIL CONSERVATION COMMISSION

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

June 17, 1975

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
PHIL R. LUCERO
MEMBER

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

Mr. Clarence Hinkle
Hinkle, Bondurant, Cox & Eaton
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Re: CASE NO. 5504
ORDER NO. R-5045

Applicant:

The Atlantic Richfield Co.

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Secretary-Director

JDR/fd

Copy of order also sent to:

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

Other _____

CLARENCE E. HINKLE
W. E. BONDURANT, JR. (94-1973)
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART O. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.

JAMES H. BOZARTH
RONALD O. HARRIS
JAMES H. ISBELL

LAW OFFICES
HINKLE, BONDURANT, COX & EATON

600 HINKLE BUILDING

POST OFFICE BOX 10

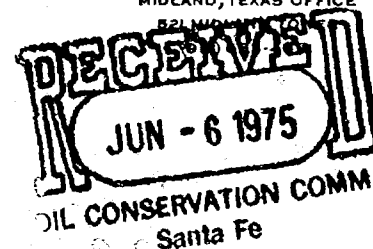
ROSWELL, NEW MEXICO 88201

June 5, 1975

TELEPHONE (805) 822-8510

MR. ISBELL LICENSED
IN TEXAS ONLY

MIDLAND, TEXAS OFFICE



Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

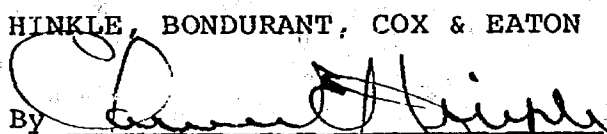
Gentlemen:

We have just been advised by Atlantic Richfield Company that they desire to dismiss their application for an unorthodox gas well location and compulsory pooling involving the W $\frac{1}{2}$ of Section 33, Township 17 South, Range 28 East, Empire Field, Eddy County. This case is docketed as No. 5504 on the examiner's docket for June 10.

You may consider this as a motion by Atlantic Richfield for dismissal of the case. I expect to be at the hearing on other matters and if you prefer, I can make a motion for dismissal at that time.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By 

CEH:cs

cc: Duncan W. Holt, Jr.

cc: M. James Walker

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF ATLANTIC RICHFIELD COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION AND
FOR COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO. APPLICANT SEEKS APPROVAL OF AN
UNORTHODOX GAS WELL LOCATION 1320 FEET
FROM THE SOUTH AND WEST LINES OF SECTION
33, TOWNSHIP 17 SOUTH, RANGE 28 EAST, SAID
WELL TO BE PROJECTED TO 10,500 FEET TO
TEST THE MORROW ZONE OF PENNSYLVANIAN AGE,
AND THE DEDICATION TO SAID WELL OF THE $W\frac{1}{2}$
SAID SECTION 33. APPLICANT ALSO SEEKS AN
ORDER POOLING ALL MINERAL INTERESTS IN
FORMATIONS OF PENNSYLVANIAN AGE UNDERLYING
THE $W\frac{1}{2}$ SECTION 33. ALSO TO BE CONSIDERED
WILL BE THE COST OF DRILLING AND COMPLETING
SAID WELL; THE ALLOCATION OF THE COST THEREOF,
AS WELL AS THE ACTUAL OPERATING COSTS, CHARGES
FOR SUPERVISION AND THE DESIGNATION OF APPLI-
CANT AS OPERATOR AND A CHARGE FOR THE RISK
INVOLVED IN DRILLING SAID WELL.

*no actual
offset
operating costs
Jsu*

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Atlantic Richfield Company, acting by and through
the undersigned attorneys, and hereby makes application for an
unorthodox gas well location and for compulsory pooling, Eddy County,
New Mexico. Applicant seeks approval of an unorthodox gas well loca-
tion 1320 feet from the south and west lines of Section 33, Township
17 South, Range 28 East, said well to be projected to 10,500 feet to
test the Morrow zone of Pennsylvanian age, and the dedication to said
well of the $W\frac{1}{2}$ said Section 33. Applicant also seeks an order pooling
all mineral interests in formations of Pennsylvanian age underlying
the $W\frac{1}{2}$ Section 33. Also to be considered will be the cost of drilling
and completing said well; the allocation of the cost thereof, as well
as the actual operating costs, charges for supervision and the designa-
tion of applicant as operator and a charge for the risk involved in
drilling said well, and in support thereof respectfully shows:

1. There is attached hereto, made a part hereof, and for
purposes of identification marked Exhibit "A", a plat showing the
proposed spacing and drilling unit and the proposed unorthodox location.

Said plat also shows a partial outline of the Empire Abo Unit Area in which the W $\frac{1}{2}$ Section 33 is located. The leasehold interests covering said spacing unit down to and including the unitized formation in the Empire Abo Unit are committed to said unit agreement. The purpose of the proposed well is to test the Morrow zone of Pennsylvanian age.

2. Applicant believes that the proposed unorthodox location is the most strategic position to obtain production from the Morrow zone of Pennsylvanian age.

3. The W $\frac{1}{2}$ Section 33 is land of the State of New Mexico and applicant is the owner of all oil and gas leasehold interests therein except the NW $\frac{1}{4}$ NW $\frac{1}{4}$ said section, which is owned 1/2 by Tenneco Oil Company and 1/2 by Continental Oil Company. Applicant has been unable to reach an agreement with Tenneco and Continental for the pooling of their interests for the purpose of drilling said well and forming a spacing and proration unit.

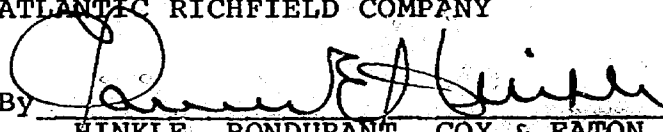
4. Applicant believes that the entire W $\frac{1}{2}$ Section 33 will prove productive of gas in paying quantities from the Morrow zone of Pennsylvanian age and that the pooling of the mineral and leasehold interests within said half section will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights. Applicant seeks compulsory pooling to form a standard spacing and proration unit as provided by Section 65-3-14 N.M.S.A. 1953 Comp. and in connection therewith to consider the cost of drilling and completing said well, the proper allocation of the cost thereof, as well as the cost of operating said well and charges for supervision. Also to be considered is a charge for the risk involved in drilling the well and approval of applicant as operator.

5. There is attached hereto a list of all offset owners insofar as is known to applicant and copies of this application are being mailed to all of said owners at the addresses shown on the list.

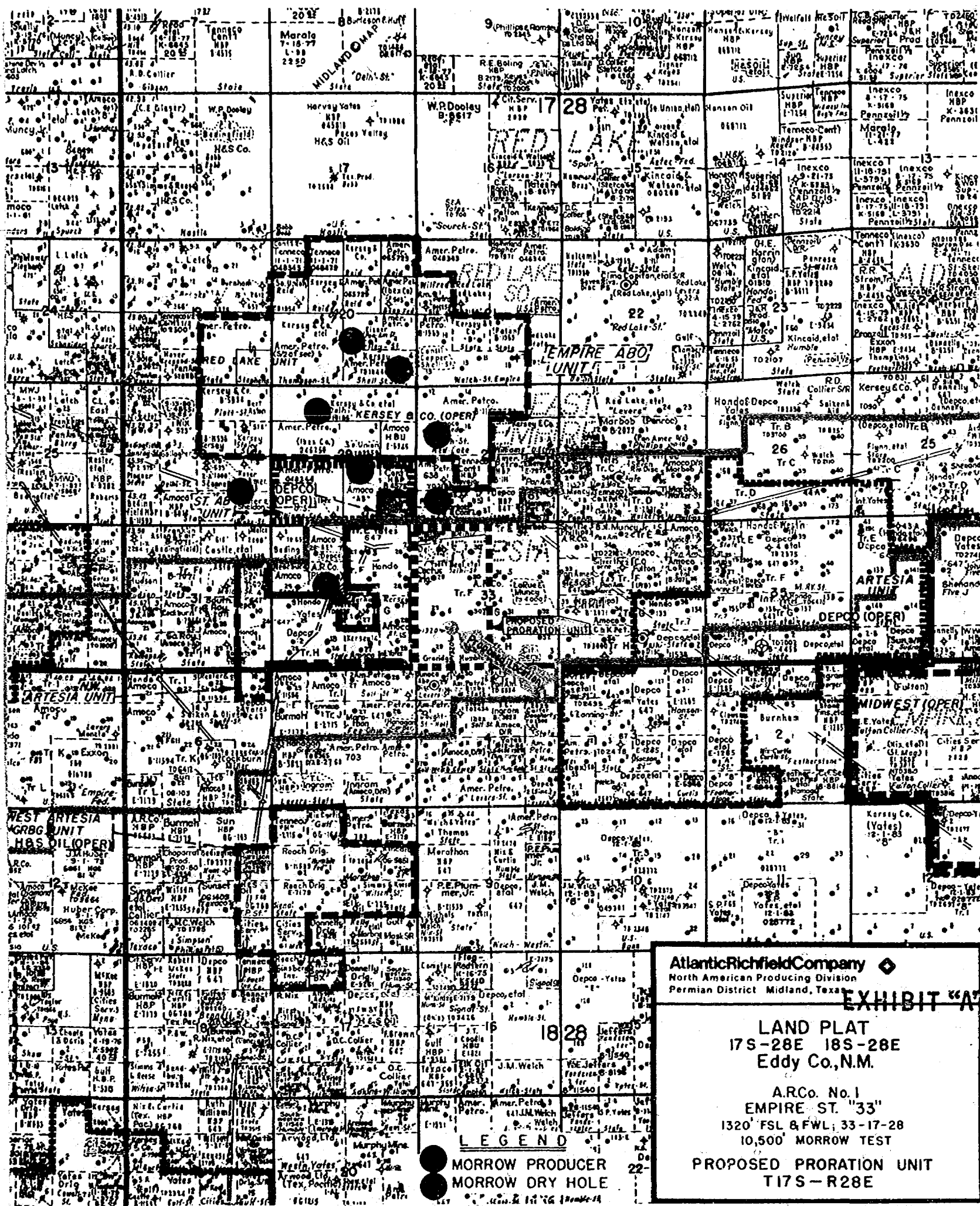
6. Applicant requests that this matter be included on the docket for the examiner's hearing to be held on June 11, 1975.

Respectfully submitted,

ATLANTIC RICHFIELD COMPANY

By 

HINKLE, BONDURANT, COX & EATON
Attorneys for Applicant
Box 10
Roswell, New Mexico 88201



LIST OF OFFSET OPERATORS TO ARCO #1 EMPIRE STATE "33"
(1320 feet FS&WL Section 33, T-17-S, R-28-E, Eddy County, New Mexico)

Hondo Oil & Gas Company
P.O. Box 1610
Midland, Texas 79701

Amoco Production Company
P. O. Box 3092
Houston, Texas 77001

Yates Petroleum Corporation
207 South Fourth Street
Artesia, New Mexico 88210

Mr. S. P. Yates
207 South Fourth Street
Artesia, New Mexico 88210

Mr. Martin Yates III
207 South Fourth Street
Artesia, New Mexico 88210

Harvey E. Yates Company
Suite 1000, Security National Bank Bldg.
Roswell, New Mexico 88201

Mr. J. O. Miller
P. O. Box 892
Lago Vista, Texas 78641

Husky Oil Company
600 South Cherry Street
Denver, Colorado 80222

Castle & Wigzell
Penroc Oil Corporation
P. O. Box 831
Midland, Texas 79701

Mr. Eugene E. Nearburg, et al
4219 Sigma Road
Dallas, Texas 75240

Mr. Joe A. Warren
7504 South 69 East Court
Tulsa, Oklahoma 74113

Kincaid & Watson Drilling Company
P. O. Box 536
Artesia, New Mexico 88210

Petroleum Corporation of Texas
707 Mann Avenue
Artesia, New Mexico 88210

H & S Oil Company
Carper Building
Artesia, New Mexico 88210

Hanson Oil Corporation
P. O. Box 1515
Roswell, New Mexico 88201

Burmah Oil & Gas Company
600 Western United Life Building
Midland, Texas 79701

Sun Oil Company
P. O. Box 1861
Midland, Texas 79701

Marbach Energy Corp

Depco, Inc.
1025 Petroleum Building
Denver, Colorado 80202

Tenneco Oil Company
Suite 1200, 1860 Lincoln Street
Denver, Colorado 80203
Attention: Mr. D. D. Myers

Continental Oil Company
P. O. Box 431
Midland, Texas 79701

Cities Service Oil Company
P. O. Box 1919
Midland, Texas 79701

Marathon Oil Company
P. O. Box 552
Midland, Texas 79701

Exxon Company, USA
P. O. Box 1600
Midland, Texas 79701

American Petrofina Company of Texas
P. O. Box 1311
Big Spring, Texas 79720

Mr. Walter Solt
713 Carper Drive
Artesia, New Mexico 88210

Abo Petroleum Corporation
407 South Fourth Street
Artesia, New Mexico 88210

Myco Industries
207 South Fourth Street
Artesia, New Mexico 88210

Mr. Tom L. Ingram
P. O. Box 1757
Roswell, New Mexico 88201

C&K Petroleum, Inc.
607 Midland National Bank Building
Midland, Texas 79701

Mr. Vilas P. Sheldon
P. O. Box 2369
South Padre Island
Port Isabelle, Texas 78578

Featherstone Farms, Inc.
236 Petroleum Building
Roswell, New Mexico 88201

Franklin, Aston & Fair, Inc.
P. O. Box 1090
Roswell, New Mexico 88201

Wilson Oil Company
P. O. Box 1297
Santa Fe, New Mexico 87501

Mr. F. D. Shufflebarger
P. O. Box 1044
Albuquerque, New Mexico 87103

LIST OF OFFSET OPERATORS TO ARCO #1 EMPIRE STATE "33"
(1320 feet FS&WL Section 33, T-17-S, R-28-E, Eddy County, New Mexico)

Samedan Oil Corporation
2207 Wilco Building
Midland, Texas 79701

Mr. R. L. Burrow
P. O. Box 706
Roswell, New Mexico 88201

Red Lake Oil Company
P. O. Drawer W
Artesia, New Mexico 88210

Mr. S. A. Lanning
1102 Hermosa Drive
Artesia, New Mexico 88210

Mr. J. H. Moore
314 Gulf Building
Midland, Texas 79701

Mr. Van Welch, Jr.
Booker Building
Artesia, New Mexico 88210

Mr. Jerry Curtis
605 South 15th Street
Artesia, New Mexico 88210

Case 5504

CLARENCE E. HINKLE
W. E. BONDURANT, JR. (1914-1973)
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.

JAMES H. BOZARTH
RONALD G. HARRIS
JAMES H. ISBELL

LAW OFFICES
HINKLE, BONDURANT, COX & EATON

600 HINKLE BUILDING
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 622-6510

MR. ISBELL LICENSED
IN TEXAS ONLY

MIDLAND, TEXAS OFFICE
MIDLAND TOWER
MIDLAND, TEXAS 79701

May 23, 1975

RECEIVED
MAY 23 1975
OIL CONSERVATION COMMISSION

Handwritten signature

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

On May 19 we forwarded to you the application of Atlantic Richfield Company for an unorthodox gas well location and for compulsory pooling involving the W $\frac{1}{2}$ Section 33, Township 17 South, Range 28 East. With the application we sent a list of all the offset owners. Atlantic Richfield has now revised Page 2 of the list to include the name of Marbob Energy Corporation. The revised Page 2 in triplicate is enclosed.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By *James H. Isbell*

CEH:cs

cc: M. James Walker

Case 5504

CLARENCE E. HINKLE
W. E. BONDURANT, JR. (94-1973)
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
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PAUL J. KELLY, JR.

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JAMES H. ISBELL

LAW OFFICES
HINKLE, BONDURANT, COX & EATON

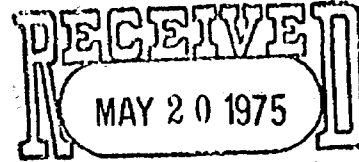
600 HINKLE BUILDING
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 622-6510

MP. ISBELL LICENSED
IN TEXAS ONLY

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) 683-4601

May 19, 1975



OIL CONSERVATION COMM.
Santa Fe

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We enclose herewith in triplicate application of
Atlantic Richfield Company for an unorthodox gas well
location and for compulsory pooling.

I discussed with Dan Nutter placing this matter
on the docket for the examiner's hearing to be held June
11.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By Clarence E. Hinkle
Cd

CEH:cs
Enc.

DOCKET MAILED

Date _____