

CASE 5738: HAYES OIL COMPANY
FOR A NON-STANDARD PRORATION UNIT
AND AN UNORTHODOX LOCATION

Dismiss

CASE NO.

5738

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 18, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Hayes Oil Company for a) CASE
non-standard proration unit and an) 5738
unorthodox gas well location, Eddy)
County, New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	William F. Carr, Esq.
Conservation Commission:	Legal Counsel for the Commission
	State Land Office Building
	Santa Fe, New Mexico

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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MR. STAMETS: We will call next Case 5738.

MR. CARR: Case 5738, application of Hayes Oil Company for a non-standard proration unit and an unorthodox gas well location, Eddy County, New Mexico.


Mr. Examiner, we have received a request that this case be dismissed.

MR. STAMETS: Case 5738 will be dismissed.

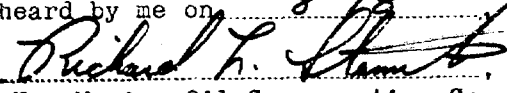
sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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.


Sidney F. Morrish, C.S.R.

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5738
heard by me on 8-18 1976
, Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO

STATE GEOLOGIST
EMERY C. ARNOLD

Mr. John M. Caraway
Hayes Oil Company
Stubbeman, McRae, Sealy,
Laughlin & Browder
Attorneys at Law
P. O. Box 1540
Midland, Texas 79701

Re: CASE NO. 5738
ORDER NO. R-5269

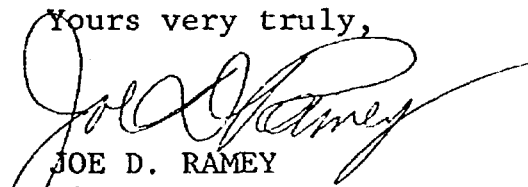
Applicant:

Hayes Oil Company

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
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC

Other

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. 5738
Order No. R-5269

APPLICATION OF HAYES OIL COMPANY FOR
A NON-STANDARD PRORATION UNIT AND AN
UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 18, 1976,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 31st day of August, 1976, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in
the premises,

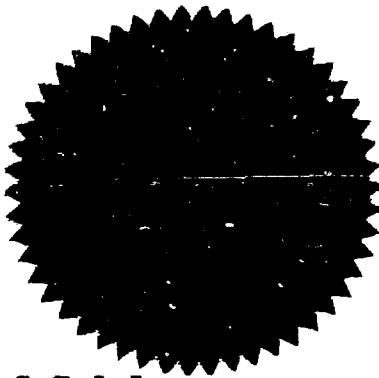
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 5738 is hereby dismissed.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

jr/

FRANK STUBBEMAN
HAMILTON E. McRAE
TOM SEALY
BOYD LAUGHLIN
FRED W. CASSIDY
WM. B. BROWDER, JR.
WALTER C. BEARDSLEY
W. F. PENNEBAKER
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MICHAEL J. CANON
REX AMINI
RICHARD E. BOOTH

STUBBEMAN, McRAE, SEALY, LAUGHLIN & BROWDER

ATTORNEYS AT LAW
MIDLAND, TEXAS 79701
MIDLAND SAVINGS BUILDING
P. O. BOX 1540
A. C. 915 682-1816

AUSTIN, TEXAS
800 VAUGHN BUILDING - ZIP CODE 78701
P. O. BOX 2263 - ZIP CODE 78767
A. C. 512 476-3502

August 12, 1976

ADDRESS REPLY TO: Midland

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

Attention: Mr. Dan Nutter

Dear Mr. Nutter:

By telephone conversation with you earlier this month and confirmed by letter dated August 6, 1976, Hayes Oil Company made application for a 240 acre non-standard proration unit consisting of the NE/4 and N/2 SE/4 of Section 18, T-20-S, R-26-E, NMPM, Eddy County, New Mexico, together with an application for a non-standard location. Hayes Oil Company made its application as it was having difficulty communitizing the E/2 of said Section 18 for a standard proration unit for the drilling of a proposed Morrow Formation gas well. Hayes Oil Company unexpectedly was able to complete its communitization of the E/2 of said Section 18 for said well and therefore there will be no necessity for the non-standard proration unit and non-standard location.

Hayes Oil Company respectfully withdraws its application made by letter of August 6, 1976. Please advise us if there are any fees in connection with the application.

Respectfully submitted,

HAYES OIL COMPANY

By

J. J. Bowden

JJB:fm

5738
Case 5398
8/18
Dismiss

No written

Application

Aug. 9, 1976

Due Date

Called on Aug 6
JH

Memo No. 7-76
June 7, 1976

OIL CONSERVATION COMMISSION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO
87501

MEMORANDUM

TO: ALL OPERATORS
FROM: JOE D. RAMEY, SECRETARY-DIRECTOR
SUBJECT: GAS WELL SHUT-IN PRESSURE TESTS

Commission Rule 402 requires that shut-in pressure tests be taken annually on all gas wells in Southeast New Mexico during the months of July, August, or September unless otherwise specified. In most instances these tests are conducted and reported to the Commission by the transporter. However, when the transporter does not conduct these tests, it is the operator's responsibility to conduct the test during the above period and report the results to the Commission on Form C-125 not later than October 15.

All gas wells are to be shut-in a minimum of 24 hours and pressures recorded with a dead-weight gauge. Longer shut-in periods may be required by special pool rules or Commission policy.

Exceptions can be granted by the appropriate district office for wells which produce large volumes of water or in instances where the shut-in will result in undue hardship.

For your convenience, a current computer listing of active gas wells under your operation is enclosed.

JDR/fd

Enclosure

- CASE 5732: Application of Continental Oil Company to amend Order No. R-1234, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 19 of the Special Rules for the Warren Tubb Gas Pool promulgated by Order No. R-1234, to provide for an increase in the gas-oil ratio limitation for oil wells in said pool to some figure not to exceed 10,000 to one.
- CASE 5736: Application of BCO Inc. for downhole coring. Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Basin Dakota Gas Pool and Lybrook-Gallup Oil Pool and undesignated Greenhorn and Mancos production in the wellbore of its Dunn Well No. 2, located in Unit F of Section 10, Township 23 North, Range 7 West, Rio Arriba County, New Mexico.
- CASE 5737: Application of Howard Boatright Company for amendment of Order No. R-5203, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5203 which authorized salt water disposal into the Delaware formation through applicant's State CS Well No. 1 located in Unit L of Section 17, Township 21 South, Range 27 East, Eddy County, New Mexico. Applicant seeks to increase the maximum wellhead injection pressure for said well from 400 psi to 800 psi.
- CASE 5709: Application of Tahoe Oil and Cattle Company for an exception to the provisions of Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to construct and operate an earthen salt water disposal pit in the NE/4 SW/4 of Section 2, Township 20 South, Range 30 East, Eddy County, New Mexico.
- CASE 5738: Application of Hayes Oil Company for a non-standard proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 240-acre non-standard gas proration unit comprising the NE/4 and N/2 SE/4 of Section 18, Township 20 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a Morrow test well proposed to be drilled at an unorthodox location for said unit at a point 1980 feet from the South line and 660 feet from the East line of said Section 18.
- CASE 5739: Application of William G. McCoy for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its McCord Well No. 1 to be drilled at a point 660 feet from the North and East lines of Section 22, Township 23 South, Range 26 East, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico.
- CASE 5740: Application of Gulf Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying Section 28, Township 24 South, Range 26 East, Eddy County, New Mexico, to be dedicated to applicant's White City Penn Gas Com. Unit No. 3 Well No. 1, to be drilled at a point 2310 feet from the North and West lines of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5741: Application of Gulf Oil Corporation for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the directional drilling of three wells on its Central Drinkard Unit, Drinkard Pool, Lea County, New Mexico, all in Section 33, Township 21 South, Range 37 East, as follows: Well No. 406, surface location 2200 feet from the South line and 1470 feet from the East line, bottom-hole location 2390 feet from the South line and 870 feet from the East line; Well No. 407, surface location 1475 feet from the South line and 1440 feet from the East line, bottom-hole location 1110 feet from the South line and 700 feet from the East line; Well No. 420, surface location 2300 feet from the South line and 1520 feet from the East line, bottom-hole location 1790 feet from the North line and 1030 feet from the East line. All of the above wells would be bottomed within 100 feet of the above-described bottom-hole locations.
- CASE 5742: Application of Gulf Oil Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard Blinbry gas proration unit comprising the S/2 NW/4 and W/2 NE/4 of Section 28, Township 21 South, Range 37 East, Lea County, New Mexico, to be simultaneously dedicated to applicant's Eunice King Wells Nos. 5 and 24, located, respectively, 1874 feet from the North and West lines, and 2036 feet from the North line and 760 feet from the West line of said Section 28. Applicant further seeks authority to later substitute its Eunice King Well No. 15, located 2036 feet from the North and West lines of said Section 28 for the aforesaid Well No. 5 in the above-described simultaneous dedication.
- CASE 5743: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit John W. Adams, Executor of Estates of R. W. and June Adams; and Ruth McGahey, Fred McGahey and David McGahey dba Adams & McGahey, American Employers' Insurance Company, and all other interested parties to appear and show cause why the following wells located in Township 21 North, Range 30 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:
- Gonzales Well No. 2, located in Unit F of Section 9; Adams & McGahey Well No. 1, located in Unit B of Section 16; and Gonzales "A" Well No. 1, located in Unit H of Section 32.

FRANK STUBBEMAN
HAMILTON E. MCRAE
TOM SEALY
BOYD LAUGHLIN
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AUSTIN, TEXAS
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A. C. 512 476-3502

August 6, 1976

ADDRESS REPLY TO: Midland

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

Attention: Mr. Dan Nutter

Dear Mr. Nutter:

Hayes Oil Company, Midland Savings Building, Midland, Texas, hereby respectfully applies for an exception to Rule 104 in connection with the drilling of a proposed Morrow Formation gas well located 1980 feet from the South line and 660 feet from the East line of Section 18, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico. Hayes Oil Company proposes to dedicate 240 acres consisting of the NE/4 and N/2 SE/4 of said Section 18. Therefore, Hayes Oil Company applies for approval of a non-standard 240 acre proration unit and a non-standard location.

Each of the leases covering said 240 acre proposed unit contains pooling authority which would permit the filing of a dedication of pooled unit comprising said 240 acres. One of the leases held by Hayes Oil Company will expire on August 18, 1976 if drilling has not commenced on that date. Hayes Oil Company is attempting to communitize the entire E/2 of said Section 18 and if it is successful in its efforts the E/2 of said Section 18 will be dedicated to said well. However, Hayes Oil Company will probably have to commence the drilling of the well prior to completion of its communitization efforts.

Respectfully submitted,

HAYES OIL COMPANY

By *John M. Caraway*
John M. Caraway *m.g. JB*
(a licensed New Mexico
attorney) its attorney

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August 6, 1976

ADDRESS REPLY TO: Midland

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

Attention: Mr. Dan Nuttler

Dear Mr. Nuttler:

Hayes Oil Company, Midland Savings Building, Midland, Texas, hereby respectfully applies for an exception to Rule 104 in connection with the drilling of a proposed Morrow Formation gas well located 1980 feet from the South line and 660 feet from the East line of Section 18, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico. Hayes Oil Company proposes to dedicate 240 acres consisting of the NE/4 and N/2 SE/4 of said Section 18. Therefore, Hayes Oil Company applies for approval of a non-standard 240 acre proration unit and a non-standard location.

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Respectfully submitted,

HAYES OIL COMPANY

By *John M. Caraway* to JMB
John M. Caraway
(a licensed New Mexico
attorney) its attorney

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August 6, 1976

ADDRESS REPLY TO: Midland

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

Attention: Mr. Dan Nutter

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Respectfully submitted,

HAYES OIL COMPANY

By

John M. Caraway
John M. Caraway
(a licensed New Mexico
attorney) its attorney

in
DRAFT

dr/

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. 5738

Order No. R- 5269

APPLICATION OF HAYES OIL COMPANY
FOR A NON-STANDARD PRORATION UNIT AND
AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

you *Wk*
ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 18, 1976,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of August, 19 76, the Commission,
a quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

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

IT IS THEREFORE ORDERED:

RLS
That Case No. 5738 is hereby dismissed.

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

appl of Hager Oil Co for
a non-std proration unit
an unorthodox gas well loc
Eddy Co N Mex

Appl in the above styled cause
seeks approval for a 240-acre
non std gas proration unit
comprising the NE 1/4 and N 1/2 SE 1/4
of Section 18, Twp 20 S, Rge 26 E,
Eddy Co, N. Mex., to be dedicated
to a Maroon test well proposed
to be drilled at an unortho-
dox loc for said unit at a
point 1980 feet from the
South line and 660 feet from
the East line of said Sec. 18.
Gene Bowden Midland Case 573P