

CASE 3526: Application of MOBIL
OIL COMPANY for 320-acre spacing
for Cemetary Morrow Gas Pool.

CASE No.
3526

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.



dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 3, 1957

IN THE MATTER OF:

Application of Mobil Oil Company for
320 acre spacing, Eddy County, New
Mexico.

Case No. 3526

Before Daniel S. Nutter

TRANSCRIPT OF HEARING



MR. NUTTER: We will call Case 3526.

MR. HATCH: Case 3526, Application of Mobile Oil Company for 320 acre spacing, Eddy County, New Mexico.

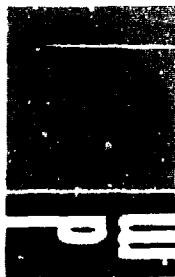
George Hatch, appearing on behalf of the Commission and its staff. If there are no other appearances --

MR. NUTTER: There apparently are none in the Case 3526, other than yourself.

MR. HATCH: Mr. Examiner, Order Number R-2707, dated May 25, 1964, revised Rule 104 to provide for 320 acre spacing for gas pools of Pennsylvanian Age or older in Lea, Chavez, Eddy, and Roosevelt Counties, being created and defined, after June 1, 1964, the subject Pool, the Cemetery Morrow Pool, Eddy County, New Mexico, was created April 1, 1964, by Order R-2671 and where such order classifies a Gas Pool for Morrow production as well as in the subject Pool are completed in a formation of the Pennsylvania Age or older, being the Morrow in the northeast for this case, stated that in the absence of evidence to the contrary, 320 acre spacing will be established for the subject Pool. I would like to move at this time that 320 acre spacing be adopted by the subject Pool.

MR. NUTTER: There apparently is no evidence to the contrary.

MR. HATCH: I find no evidence to the contrary.



dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-669 • ALBUQUERQUE, NEW MEXICO 87101
1205 FIRST NATIONAL BANK BLDG. • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87108

PAGE 4

MR. NUTTER: The Examiner will recommend to the Commission that 320 acre spacing be adopted for said Pool. Is there anything further to be offered in Case 3526? If not, we will take the case under advisement and the hearing is adjourned.

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87101
1205 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87108

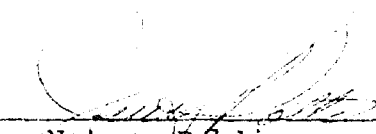


PAGE 5

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)


I, Jerry Potts, Notary Public 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.

Witness my Hand and Seal this _____ day of March, 1967


Notary Public

My Commission expires:
July 10, 1970

I do hereby certify that the foregoing is a true and correct copy of the original as the same was reported to me by the New Mexico Oil Conservation Commission on 2/8/67. 3526


New Mexico Oil Conservation Commission

Mobil Oil Corporation

Don Nutter

P.O. BOX 633
MIDLAND, TEXAS 79701

RECEIVED

February 21, 1967

FEB 24 1967

O. E. C.
ARTESIA, OFFICE

New Mexico Oil Conservation Commission
Artesia, New Mexico

HUMBLE FEDERAL WELL NO. 1
CEMETERY-MORROW GAS POOL
EDDY COUNTY, NEW MEXICO

Gentlemen:

In compliance with Sub-sections 2 and 3 of the decretal paragraph of Commission Order No. R-3194 entered in Case No. 3526, you are furnished herewith Form C-102 showing the acreage dedicated to the subject well and showing such well at the approved irregular location 1980' FSL and 660' FEL of Sec. 17, T20S, R25E, Eddy County, New Mexico.

Yours very truly,

Ira B. Stitt, Jr.

Ira B. Stitt, Jr.
Division Operations Engineer

PWK/vp
Attachment

cc: USGS - Roswell
Attn: Billy Shoger

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

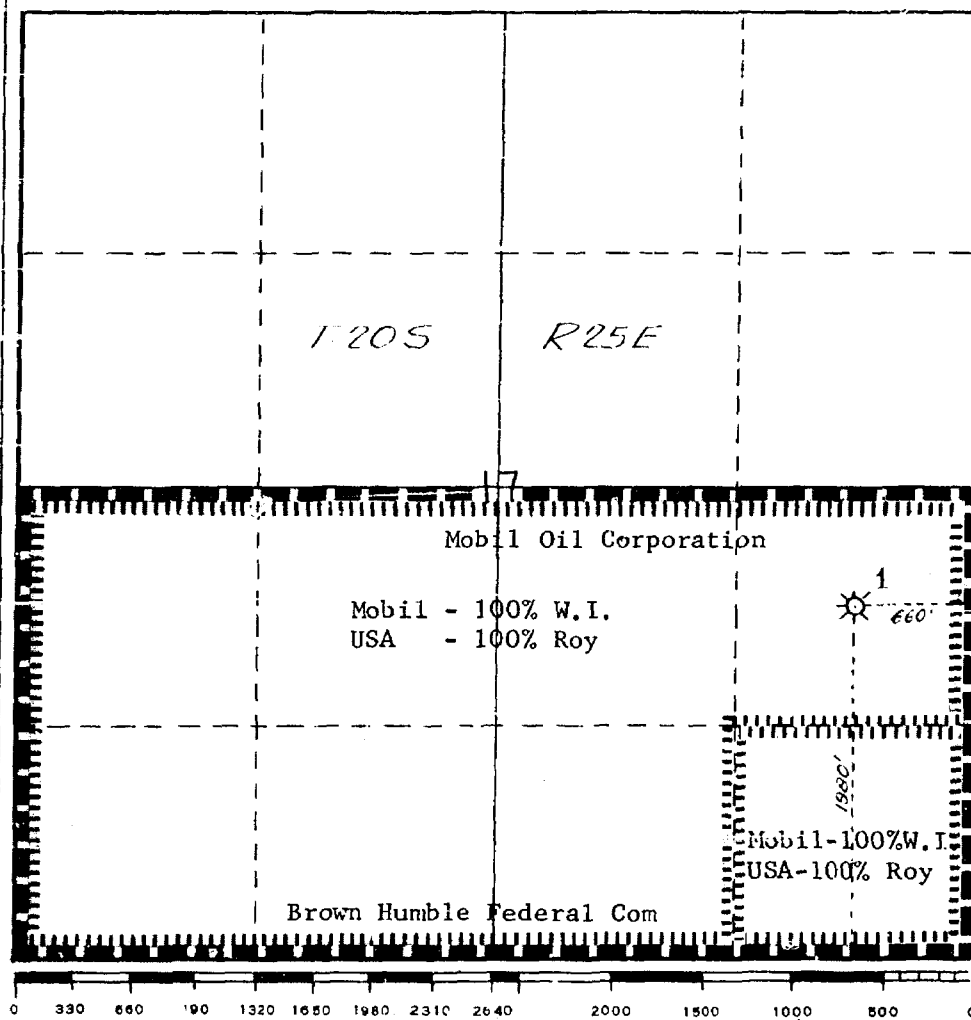
Operator Mobil Oil Corporation			Lease Brown Humble Federal Com		Well No. 1
Unit Letter I	Section 17	Township 20S	Range 25E	County Eddy	
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the East line					
Ground Level Elev. Unknown	Producing Formation Morrow		Pool Cemetery	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization **RECEIVED FEB 24 1967**

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Ira B. Stitt, Jr.

Name
Ira B. Stitt, Jr.
Position
Division Operations Engr.
Company
Mobil Oil Corporation
Date
February 21, 1967

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
November 12, 1960
Registered Professional Engineer and/or Land Surveyor
See Form C-102 (C-128) dated November 25, 1960

Certificate No.

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. 3526
Order No. R-3194

APPLICATION OF MOBIL OIL COMPANY
FOR 320-ACRE SPACING, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 8, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of February, 1967, 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, Mobil Oil Company, seeks 320-acre spacing for the Cemetary-Morrow Gas Pool, Eddy County, New Mexico.

(3) That by Order No. R-2679, dated March 31, 1964, as amended by Order No. R-3139, dated October 26, 1966, the Cemetary-Morrow Gas Pool, Eddy County, New Mexico, was created and classified as a gas pool for Morrow production.

(4) That by Order No. R-2707, dated May 25, 1964, Rule 104 of the New Mexico Oil Conservation Commission Rules and Regulations was amended in order to provide for 320-acre spacing for gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older and created and defined after June 1, 1964.

(5) That said Order No. R-2707 found that in Lea, Chaves, Eddy, and Roosevelt Counties, New Mexico, a gas well completed

-2-

CASE No. 3526

Order No. R-3194

in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract.

(6) That the Morrow formation is a part of the Pennsylvanian formation.

(7) That, in the absence of evidence to the contrary, as prescribed by the notice of this case, the Commission finds that one well can efficiently and economically drain and develop 320 acres in the said Cemetery-Morrow Gas Pool.

IT IS THEREFORE ORDERED:

(1) That effective immediately, the Cemetery-Morrow Gas Pool, Eddy County, New Mexico, shall be governed by all Commission Rules and Regulations applicable to gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older the same as if the subject pool had been created and defined by the Commission after June 1, 1964.

(2) That any well presently drilling to or completed in the Morrow formation within the Cemetery-Morrow Gas Pool or within one mile of the Cemetery-Morrow Gas Pool that will not comply with the well location requirements governing gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older created and defined after June 1, 1964, is hereby granted an exception to such location requirement. The operator shall notify the Artesia District Office of the Commission in writing of the name and location of the well on or before March 1, 1967.

(3) That any operator desiring to dedicate 320 acres to a well presently drilling to or completed in the Cemetery-Morrow Gas Pool shall file a new Form C-102 with the Commission on or before March 1, 1967.

(4) 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

David F. Cargo
DAVID F. CARGO, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

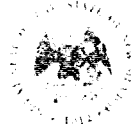
A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

February 15, 1967

MR. Pat Kelly
Mobil Oil Company
Post Office Box 633
Midland, Texas

Re: Case No. 3526
Order No. R-3194
Applicant:
Mobil Oil Company

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.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC _____
Other _____

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 8, 1967

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
Elvis A. Utz, Alternate Examiner:

CASE 3523: Application of Aztec Oil & Gas Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Fed."M" Well No. 1 located in Unit L of Section 27, Township 18 South, Range 33 East, Lea County, New Mexico, to produce oil from the South Corbin-Strawn Pool and to produce gas from the South Corbin-Morrow Gas Pool through parallel strings of tubing.

CASE 3524: Application of Standard Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation through its H. R. Stroup Well No. 6 located in Unit C of Section 11, Township 18 South, Range 26 East, Atoka-San Andres Pool, Eddy County, New Mexico.

CASE 3261 (Reopened)

In the matter of Case No. 3261 being reopened pursuant to the provisions of Order No. R-2931-B, which order assigned a 160-acre proportional factor of 4.77 to the Jenkins-Cisco Pool, Lea County, New Mexico, for a period of six months, rather than the usual factor of 6.77 for a 160-acre pool of this depth. All interested parties may appear and show cause why the 160-acre proportional factor of 4.77 assigned to said pool should not be retained.

CASE 2750 (Reopened)

In the matter of Case No. 2750 being reopened pursuant to the provisions of Order No. R-2441, which order established 640-acre spacing units for the Indian Basin-Morrow Gas Pool, Eddy County, New Mexico, for a period of one year after first pipeline connection in the pool. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

CASE 2749 (Reopened)

In the matter of Case No. 2749 being reopened pursuant to the provisions of Order No. R-2440, which order established 640-acre spacing units for the Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, for a period of one year after first pipeline connection in the pool. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

Docket No. 4-67

-2-

CASE 3525: Application of Robert A. Dean for a non-standard gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the non-standard gas well location of his Southern Union 13 State Well No. 1, 2310 feet from the South and East lines of Section 13, Township 16 South, Range 31 East, West Mesa-Upper Queen Gas Pool, Eddy County, New Mexico.

CASE 3526: Application of Mobil Oil Company for 320-acre spacing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks 320-acre spacing for the Cemetery-Morrow Gas Pool in Sections 16 and 17, Township 20 South, Range 25 East, Eddy County, New Mexico. Said pool was created prior to Order No. R-2707 and therefore is not automatically eligible for 320-acre spacing. In the absence of evidence to the contrary, 320-acre spacing will be established for the subject pool.

J. R. MODRALL
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
DANIEL A. SISK
LELAND S. SEOBERRY, JR.
ALLEN C. DEWEY, JR.
FRANK H. ALLEN, JR.
JAMES P. SAUNDERS, JR.

JAMES A. PARKER
HENRY G. COORS
JOHN R. COONEY
KENNETH L. HARRIGAN

LAW OFFICES OF
MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

SIMMS BUILDING

P. O. BOX 466

ALBUQUERQUE, NEW MEXICO 87103

JOHN F. SIMMS (1885-1954)
AUGUSTUS T. SEYMOUR
(1907-1965)

TELEPHONE 243-4511
AREA CODE 505

January 19, 1967

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico
ATTN: Mr. Dan Nutter

RE: Application of Mobil Oil
Corporation to Establish
Well Spacing on the basis of
320 acres for the Cemetery-
Morrow Pool, Eddy County, New
Mexico.

Gentlemen:

Mobil Oil Corporation hereby makes application for the establishment by the Commission of Well spacing on the basis of 320 acres for the Cemetery-Morrow Pool, Eddy County, New Mexico.

Gas production was first established in this Pool in the Humble Federal Well, No. 1, in March of 1964. The Commission effective April 1, 1964, in Order No. R-2679 established the Pool as consisting as all of Section 17, Township 20 South, Range 25 East, N.M.P.M. The Commission by its Order No. R-3139, issued effective November 1, 1966, extended the limits of the Cemetery-Morrow Pool to include the W/2 of Section 16 in Township 20 South, Range 25 East, N.M.P.M.

Mobil is the operator of all of the acreage in the S/2 of Section 17.

The Commission's Rule 104 CII (a) provides that gas wells in Eddy County completed in Pennsylvanian or older formations may be spaced on 320 acres if the pool was established on or after June 1, 1964, and 160 acres if the pool was previously established. It therefore appears that 160 acre

Oil Conservation Commission
January 19, 1967
Page -2-

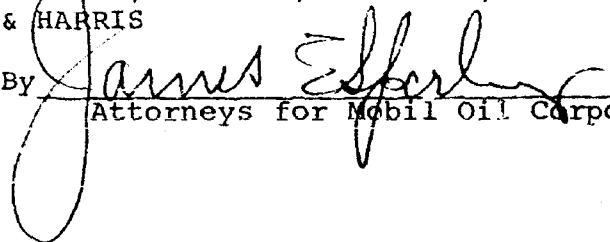
spacing applies to gas wells in the Cemetery-Morrow Pool since the Pool was established April 1, 1964.

In order that the rules of the commission may be consistent with reference to the Application of 320 acre spacing to Pennsylvanian or older formations and in order to eliminate the technical exclusion resulting from the Application of Rule 104, it is respectfully requested that Commission enter its Order establishing 320 acre spacing for gas wells in the Cemetery-Morrow Pool of Eddy County, New Mexico.

Respectfully submitted,

MODRALL, SEYMOUR, SPERLING, ROEHL
& HARRIS

By

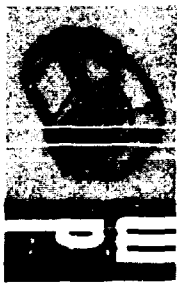

Attorneys for Mobil Oil Corporation

JES: ng
cc: Pat Kelly
Mobil Oil Corp.

CASE 3526: Application of MOBIL
OIL COMPANY for 320-acre spacing
for Cemetary Morrow Gas Pool.

CASE No.
3526

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.



dearnley-meier reporting & consulting

SPECIALIZING IN DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 109 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 3, 1957

IN THE MATTER OF:

Application of Mobil Oil Company for
320 acre spacing, Eddy County, New
Mexico.

Case No. 3526

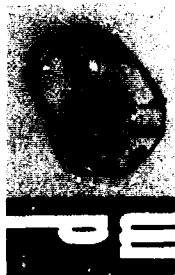
Before Daniel S. Nutter

TRANSCRIPT OF HEARING

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATE & ITS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87101
1205 FIRST NATIONAL BANK EAST • PHONE 256-1294 • A.B. QUERQUE, NEW MEXICO 87108



PAGE 3

MR. NUTTER: We will call Case 3526.

MR. HATCH: Case 3526, Application of Mobile Oil Company for 320 acre spacing, Eddy County, New Mexico.

George Hatch, appearing on behalf of the Commission and its staff. If there are no other appearances --

MR. NUTTER: There apparently are none in the Case 3526, other than yourself.

MR. HATCH: Mr. Examiner, Order Number R-2707, dated May 25, 1964, revised Rule 104 to provide for 320 acre spacing for gas pools of Pennsylvanian Age or older in Lea, Chavez, Eddy, and Roosevelt Counties, being created and defined, after June 1, 1964, the subject Pool, the Cemetery Morrow Pool, Eddy County, New Mexico, was created April 1, 1964, by Order R-2671 and where such order classifies a Gas Pool for Morrow production as well as in the subject Pool are completed in a formation of the Pennsylvania Age or older, being the Morrow in the northeast for this case, stated that in the absence of evidence to the contrary, 320 acre spacing will be established for the subject Pool. I would like to move at this time that 320 acre spacing be adopted by the subject Pool.

MR. NUTTER: There apparently is no evidence to the contrary.

MR. HATCH: I find no evidence to the contrary.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P.O. BOX 1092 • PHON 243-6691 • ALBUQUERQUE, NEW MEXICO 87101
1205 FIRST NATIONAL BANK EAST • PHONE 56-1234 • ALBUQUERQUE, NEW MEXICO 87108

PAGE 4

MR. NUTTER: The Examiner will recommend to the Commission that 320 acre spacing be adopted for said Pool. Is there anything further to be offered in Case 3526? If not, we will take the case under advisement and the hearing is adjourned.

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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1205 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87108

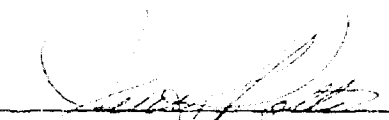


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STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO)

I, Jerry Potts, Notary Public 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.

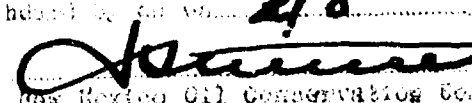
Witness my Hand and Seal this _____ day of March, 1967



Notary Public

My Commission expires:

July 10, 1970

I do hereby certify that the foregoing is
a correct record of the proceedings in
the case of 2/8 3526
dated at 2/8 1967

New Mexico Oil Conservation Commission

Mobil Oil Corporation

Don Nutter

P.O. BOX 633
MIDLAND, TEXAS 79701

RECEIVED

February 21, 1967

FEB 24 1967

D. C. C.
ARTESIA, OFFICE

New Mexico Oil Conservation Commission
Artesia, New Mexico

HUMBLE FEDERAL WELL NO. 1
CEMETERY-MORROW GAS POOL
EDDY COUNTY, NEW MEXICO

Gentlemen:

In compliance with Sub-sections 2 and 3 of the decretal paragraph of Commission Order No. R-3194 entered in Case No. 3526, you are furnished herewith Form C-102 showing the acreage dedicated to the subject well and showing such well at the approved irregular location 1980' FSL and 660' FEL of Sec. 17, T20S, R25E, Eddy County, New Mexico.

Yours very truly,

Ira B. Stitt, Jr.

Ira B. Stitt, Jr.
Division Operations Engineer

PWK/vp
Attachment

cc: USGS - Roswell
Attn: Billy Shoger

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

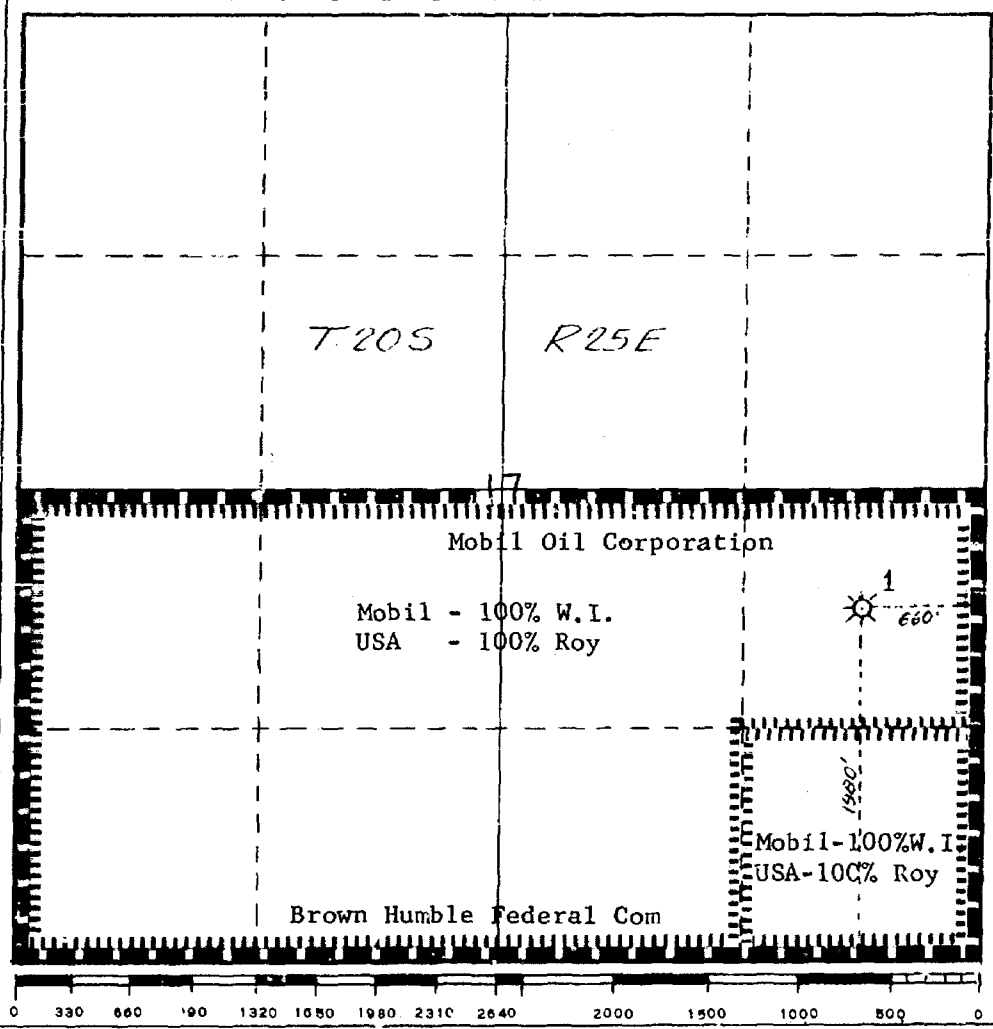
Operator Mobil Oil Corporation			Lease Brown Humble Federal Com		Well No. 1
Unit Letter I	Section 17	Township 20S	Range 25E	County Eddy	
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the East line					
Ground Level Elev: Unknown	Producing Formation Morrow		Pool Cemetery	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization **FEB 24 1967**

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>Ira B. Stitt, Jr.</i>	
Name	Ira B. Stitt, Jr.
Position	Division Operations Engr.
Company	Mobil Oil Corporation
Date	February 21, 1967
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed	November 12, 1960
Registered Professional Engineer and/or Land Surveyor See Form C-102 (C-128) dated November 25, 1960	
Certificate No.	

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. 3526
Order No. R-3194

APPLICATION OF MOBIL OIL COMPANY
FOR 320-ACRE SPACING, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 8, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of February, 1967, 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, Mobil Oil Company, seeks 320-acre spacing for the Cemetery-Morrow Gas Pool, Eddy County, New Mexico.
- (3) That by Order No. R-2679, dated March 31, 1964, as amended by Order No. R-3139, dated October 26, 1966, the Cemetery-Morrow Gas Pool, Eddy County, New Mexico, was created and classified as a gas pool for Morrow production.
- (4) That by Order No. R-2707, dated May 25, 1964, Rule 104 of the New Mexico Oil Conservation Commission Rules and Regulations was amended in order to provide for 320-acre spacing for gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older and created and defined after June 1, 1964.
- (5) That said Order No. R-2707 found that in Lea, Chaves, Eddy, and Roosevelt Counties, New Mexico, a gas well completed

-2-

CASE No. 3526

Order No. R-3194

in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract.

(6) That the Morrow formation is a part of the Pennsylvanian formation.

(7) That, in the absence of evidence to the contrary, as prescribed by the notice of this case, the Commission finds that one well can efficiently and economically drain and develop 320 acres in the said Cemetary-Morrow Gas Pool.

IT IS THEREFORE ORDERED:

(1) That effective immediately, the Cemetary-Morrow Gas Pool, Eddy County, New Mexico, shall be governed by all Commission Rules and Regulations applicable to gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older the same as if the subject pool had been created and defined by the Commission after June 1, 1964.

(2) That any well presently drilling to or completed in the Morrow formation within the Cemetary-Morrow Gas Pool or within one mile of the Cemetary-Morrow Gas Pool that will not comply with the well location requirements governing gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older created and defined after June 1, 1964, is hereby granted an exception to such location requirement. The operator shall notify the Artesia District Office of the Commission in writing of the name and location of the well on or before March 1, 1967.

(3) That any operator desiring to dedicate 320 acres to a well presently drilling to or completed in the Cemetary-Morrow Gas Pool shall file a new Form C-102 with the Commission on or before March 1, 1967.

(4) 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

DAVID F. CARGO, Chairman

CLYTON B. HAYS, Member

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

S E A L

esr/

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

February 15, 1967

Mr. Pat Kelly
Mobil Oil Company
Post Office Box 633
Midland, Texas

Re: Case No. 3526
Order No. R-3194
Applicant:
Mobil Oil Company

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.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC _____
Other _____

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 8, 1967

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
Elvis A. Utz, Alternate Examiner:

CASE 3523: Application of Aztec Oil & Gas Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Fed."M" Well No. 1 located in Unit L of Section 27, Township 18 South, Range 33 East, Lea County, New Mexico, to produce oil from the South Corbin-Strawn Pool and to produce gas from the South Corbin-Morrow Gas Pool through parallel strings of tubing.

CASE 3524: Application of Standard Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation through its H. R. Stroup Well No. 6 located in Unit C of Section 11, Township 18 South, Range 26 East, Atoka-San Andres Pool, Eddy County, New Mexico.

CASE 3261 (Reopened)

In the matter of Case No. 3261 being reopened pursuant to the provisions of Order No. R-2931-B, which order assigned a 160-acre proportional factor of 4.77 to the Jenkins-Cisco Pool, Lea County, New Mexico, for a period of six months, rather than the usual factor of 6.77 for a 160-acre pool of this depth. All interested parties may appear and show cause why the 160-acre proportional factor of 4.77 assigned to said pool should not be retained.

CASE 2750 (Reopened)

In the matter of Case No. 2750 being reopened pursuant to the provisions of Order No. R-2441, which order established 640-acre spacing units for the Indian Basin-Morrow Gas Pool, Eddy County, New Mexico, for a period of one year after first pipeline connection in the pool. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

CASE 2749 (Reopened)

In the matter of Case No. 2749 being reopened pursuant to the provisions of Order No. R-2440, which order established 640-acre spacing units for the Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, for a period of one year after first pipeline connection in the pool. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

CASE 3525: Application of Robert A. Dean for a non-standard gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the non-standard gas well location of his Southern Union 13 State Well No. 1, 2310 feet from the South and East lines of Section 13, Township 16 South, Range 31 East, West Mesa-Upper Queen Gas Pool, Eddy County, New Mexico.

CASE 3526: Application of Mobil Oil Company for 320-acre spacing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks 320-acre spacing for the Cemetery-Morrow Gas Pool in Sections 16 and 17, Township 20 South, Range 25 East, Eddy County, New Mexico. Said pool was created prior to Order No. R-2707 and therefore is not automatically eligible for 320-acre spacing. In the absence of evidence to the contrary, 320-acre spacing will be established for the subject pool.

J. R. MODRALL
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
DANIEL A. SISK
LELAND S. SEDBERRY, JR.
ALLEN C. DEWEY, JR.
FRANK H. ALLEN, JR.
JAMES P. SAUNDERS, JR.

JAMES A. PARKER
HENRY G. COORS
JOHN R. COONEY
KENNETH L. HARRIGAN

LAW OFFICES OF
MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS
SIMMS BUILDING
P. O. BOX 466
ALBUQUERQUE, NEW MEXICO 87103

JOHN F. SIMMS (1885-1954)
AUGUSTUS T. SEYMOUR
(1907-1965)

TELEPHONE 243-4511
AREA CODE 505

January 19, 1967

*file
Car 3526*

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico
ATTN: Mr. Dan Nutter

RE: Application of Mobil Oil
Corporation to Establish
Well Spacing on the basis of
320 acres for the Cemetery-
Morrow Pool, Eddy County, New
Mexico.

Gentlemen:

Mobil Oil Corporation hereby makes application for the establishment by the Commission of Well spacing on the basis of 320 acres for the Cemetery-Morrow Pool, Eddy County, New Mexico.

Gas production was first established in this Pool in the Humble Federal Well, No. 1, in March of 1964. The Commission effective April 1, 1964, in Order No. R-2679 established the Pool as consisting as all of Section 17, Township 20 South, Range 25 East, N.M.P.M. The Commission by its Order No. R-3139, issued effective November 1, 1966, extended the limits of the Cemetery-Morrow Pool to include the W/2 of Section 16 in Township 20 South, Range 25 East, N.M.P.M.

Mobil is the operator of all of the acreage in the S/2 of Section 17.

The Commission's Rule 104 CII (a) provides that gas wells in Eddy County completed in Pennsylvanian or older formations may be spaced on 320 acres if the pool was established on or after June 1, 1964, and 160 acres if the pool was previously established. It therefore appears that 160 acre

Oil Conservation Commission
January 19, 1967
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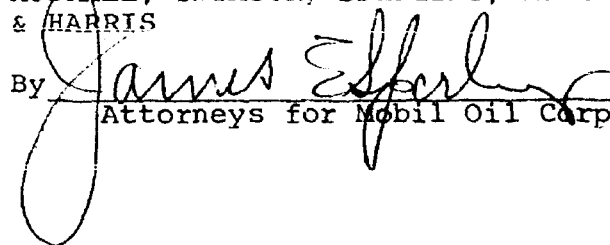
spacing applies to gas wells in the Cemetery-Morrow Pool since the Pool was established April 1, 1964.

In order that the rules of the commission may be consistent with reference to the Application of 320 acre spacing to Pennsylvanian or older formations and in order to eliminate the technical exclusion resulting from the Application of Rule 104, it is respectfully requested that Commission enter its Order establishing 320 acre spacing for gas wells in the Cemetery-Morrow Pool of Eddy County, New Mexico.

Respectfully submitted,

MODRALL, SEYMOUR, SPERLING, ROEHL
& HARRIS

By


Attorneys for Mobil Oil Corporation

JES: ng
cc: Pat Kelly
Mobil Oil Corp.