

CASE 6273: GULF OIL CORPORATION FOR
CREATION OF A NEW GAS POOL AND SPECIAL
RULES, INCLUDING GAS PRORATIONING, EDDY
COUNTY, NEW MEXICO

Donna J. [unclear]

CASE NO.

6273

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
6 July 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Cor-
poration for creation of a
new gas pool and special
rules including gas proration-
ing, Eddy County, New Mexico.

CASE
6273

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 988-3104
Santa Fe, New Mexico 87501

1 MR. NUTTER: Call Case Number 6273.

2 MS. TESCHENDORF: Case 6273. Application of
3 Gulf Oil Corporation for creation of a new gas pool and
4 special rules including gas prorationing, Eddy County, New
5 Mexico.

6 The applicant in this case has requested that
7 it be dismissed.

8 MR. NUTTER: Case Number 6273 will be dismissed
9 without prejudice. And the hearing is adjourned.

10 (Hearing concluded.)
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SALLY WALTON BOYD

CERTIFIED SHORTHAND REPORTER

730 Bishop's Lodge Road • Phone (505) 983-3404
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY
 CERTIFY that the foregoing and attached 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, knowledge, and skill from my notes taken at the
 time of the hearing.

Sally Walton Boyd CSR
 Sally Walton Boyd, C.S.R.

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 6273
 heard by me on 7/6, 1978
[Signature] Examiner
 New Mexico Oil Conservation Commission

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 730 Bishop's Lodge Road • Phone (505) 988-3404
 Santa Fe, New Mexico 87501



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

July 18, 1978

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Jack M. Campbell
Campbell, Bingaman and Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 6273
ORDER NO. R-5764

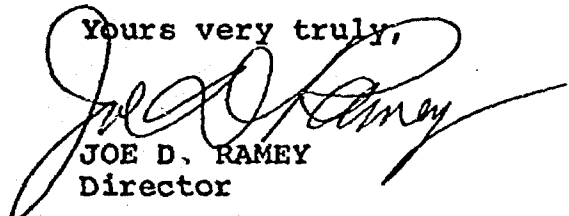
Applicant:

Gulf 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 OCC x
Artesia OCC x
Aztec OCC

Other J. M. Thacker

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. 6273
Order No. R-5764

APPLICATION OF GULF OIL CORPORATION
FOR CREATION OF A NEW GAS POOL AND
SPECIAL RULES, INCLUDING GAS PRORATIONING,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 6, 1978,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of July, 1978, the Division
Director, 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 without pre-
judice should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6273 is hereby dismissed without prejudice.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

fd/

Gulf Oil Exploration and Production Company

R. E. Galvin
GENERAL MANAGER PRODUCTION
SOUTHWEST DISTRICT

June 27, 1978

P. O. Drawer 1150
Midland, TX 79702

New Mexico Department of Energy & Minerals
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

ATTENTION: Mr. Joe D. Ramey

RE: Case 6273
Adoption of Special Pool Rules
Undesignated Morrow Pool
Eddy County, New Mexico

Gentlemen:

It is respectfully requested that the subject hearing scheduled on your July 6, 1978 examiner docket be dismissed without prejudice.

Very truly yours,

J. M. Thacker
J. M. THACKER
MANAGER - OPERATIONS

CFK:lj1

cc: W. A. Gressett - Artesia, New Mexico
Jack M. Campbell - Santa Fe, New Mexico
Yates Petroleum Corporation - Artesia, New Mexico
Morris R. Antweil - Hobbs, New Mexico
Amoco Production Company - Houston, Texas
Mesa Petroleum Corporation - Midland, Texas
Northern Natural Gas Company - Midland, Texas
R. C. Bennett & J. C. Ryan - Midland, Texas
El Paso Natural Gas Company - El Paso, Texas

*Dismiss
Case 6273
without
prejudice
JSC*



A DIVISION OF GULF OIL CORPORATION

CASE 6263: (Continued from June 21, 1978, Examiner Hearing)

Application of Adobe Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the NE/4 of Section 17, Township 14 South, Range 36 East, Austin Field, Lea County, New Mexico, 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. 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 6264: (Continued from June 21, 1978, Examiner Hearing)

Application of Doyle Hartman for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the W/2 NE/4 of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico, to form a non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 330 feet from the North line and 2310 feet from the East line of said Section 36. 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 6271: Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Queen formation underlying the S/2 SW/4 of Section 20 as a non-standard gas proration unit for a Jalmat gas well, or in the alternative, the SE/4 SW/4 of Section 20 for a Langlie Mattix oil well, all in Township 24 South, Range 37 East, Lea County, New Mexico, 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. 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 6272: Application of Doyle Hartman for an exception to Rule 15 of Order No. R-1670, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 15 of Order No. R-1670, as amended, which will allow him to produce his overproduced Etz Well No. 1, located in Unit D of Section 7, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, at 60% of its allowable until such time as the overproduction has been made up.

CASE 6273: Application of Gulf Oil Corporation for creation of a new gas pool and special rules, including gas prorationing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow gas pool in Eddy County comprising all, or portions of, Sections 24 and 25, Township 18 South, Range 24 East, and Sections 18 thru 20, 28 thru 30, and 32 and 33, Township 18 South, Range 25 East; applicant further seeks the promulgation of special rules for said pool, including the prorationing of gas production on a straight acreage basis and the prohibition of more than one well to each 320-acre proration unit.

CAMPBELL, BINGAMAN AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
JEFF BINGAMAN
BRUCE D. BLACK
MICHAEL B. CAMPBELL

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 988-4421

June 12, 1978

Case 6273

New Mexico Department of Energy & Minerals
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

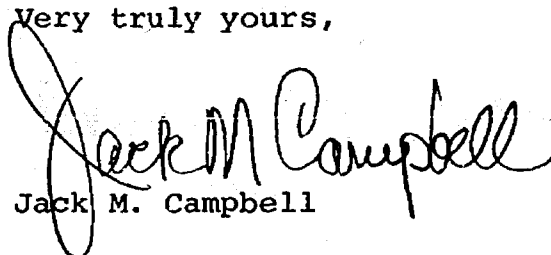
Attention: Mr. Joe D. Ramey

Gentlemen:

You have now received from Gulf Oil Exploration and Production Company a request that a hearing be scheduled for the Examiners Docket for the purpose of considering Gulf Oil Corporation's application for the creation of a new pool in Eddy County, New Mexico to be classified as a gas pool together with Special Pool Rules.

By this letter we enter an appearance on behalf of Gulf in this matter and request that copies of notices and other appropriate documents in connection with this matter be sent to us at Post Office Box 2208, Santa Fe, New Mexico 87501.

Very truly yours,


Jack M. Campbell

JMC:pgm

cc: Mr. Terry I. Cross

Gulf Oil Exploration and Production Company

June 8, 1978

R. E. Galvin
GENERAL MANAGER PRODUCTION
SOUTHWEST DISTRICT

P. O. Drawer 1150
Midland, TX 79702

Case 6273

New Mexico Department of Energy & Minerals
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

It is respectfully requested that a hearing be scheduled on your July 6, 1978, Examiners Docket for the purpose of considering Gulf Oil Corporation's application for the adoption of Special Pool Rules and the creation of a new pool in Eddy County, New Mexico, to be classified as a gas pool for Morrow production and to be designated as the Rio Penasco Pool. The said pool would consist of the following land in Eddy County, New Mexico:

Township 18 South, Range 24 East

Section 24	-	E/2
Section 25	-	All

Township 18 South, Range 25 East

Section 18	-	S/2
Section 19	-	All
Section 20	-	S/2
Section 28	-	W/2
Section 29	-	All
Section 30	-	All
Section 32	-	N/2
Section 33	-	N/2

Gulf Oil Corporation asks that such Special Pool Rules provide for 320 acre proration units with one well per unit and that such well be located not closer than 660 feet to the nearest side boundary nor closer than 1980 feet to the nearest end boundary nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary. In addition, Gulf Oil Corporation asks that such Special Pool Rules provide for a gas allowable allocation



A DIVISION OF GULF OIL CORPORATION

New Mexico Dept. of Energy & Minerals
Page 2

June 8, 1978

formula based upon surface acres.

Such Special Rules are necessary to protect correlative rights by preventing drainage between tracts that is not equalized by counter drainage.

Very truly yours,



J. M. Thacker
Manager - Operations

JMT:bg

cc: W. A. Gressett - Artesia, New Mexico

Application of Shell Oil Corporation
for creation of a new gas pool
and special rules, including gas
proportioning.

Applicant in the above-styled cause, seeks
the creation of a new Morrow gas pool in Eddy County,
comprising all or portions of Sections 24
and 25, Township 18 South, Range 24 East,
and Sections 18 thru 20, 28 thru 30, and 32
and 33, Township 18 South, Range 25 East;
applicant further seeks the promulgation of
special rules for said pool, including the
proportioning on gas production on a
straight acreage basis.

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

dr/

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

CASE NO. 6273

Order No. R- 5764

APPLICATION OF GULF OIL CORPORATION
FOR CREATION OF A NEW GAS POOL AND
SPECIAL RULES, INCLUDING GAS PRORATIONING,
EDDY COUNTY, NEW MEXICO.


ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 6
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of July, 19 78, the Division
Director, 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 ^{without prejudice} should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6273 is hereby dismissed ^{without prejudice}.

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