

CASE 6283: TEXAS OIL & GAS CORPORATION  
FOR A NON-STANDARD PRORATION UNIT, LEA  
COUNTY, NEW MEXICO

Oct 10  
Sup 12

CASE NO.

6283

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

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

EXAMINER HEARING

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IN THE MATTER OF:

Application of Texas Oil & Gas Corporation ) CASE  
for a non-standard proration unit, Lea ) 6283  
County, New Mexico. )  
-----

BEFORE: Richard L. Stamets

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 Bldg.  
Santa Fe, New Mexico 87501

MR. STAMETS: We'll call next Case 6283.

MS. TESCHENDORF: Case 6283. Application of Texas Oil & Gas Corporation for a non-standard proration unit, Lea County, New Mexico.

The Applicant has requested that the case be dismissed.

MR. STAMETS: Case 6283 will be dismissed.

(Hearing concluded.)

## 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 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  
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. 6283,  
heard by me on 9-13 1978.  
Richard L. Plummer, Examiner  
Oil Conservation Division



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. 6283  
Order No. R-5803

APPLICATION OF TEXAS OIL & GAS  
CORPORATION FOR A NON-STANDARD  
PRORATION UNIT, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 13,  
1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of September, 1978, the Division  
Director, having considered the record and the recommendations  
of the Examiner, and being fully advised in the premises,

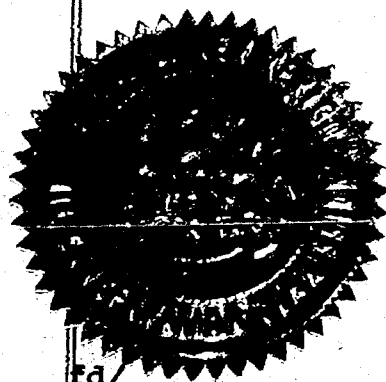
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 6283 is hereby dismissed.

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



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

Dockets Nos. 31-78 and 32-78 are tentatively set for hearing on September 27 and October 11, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - MONDAY - SEPTEMBER 11, 1978

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6289: (Continued from August 23, 1978, Commission Hearing)

Application of Bill Taylor for enforcement and amendment of Order No. R-5332, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination of well costs, an accounting of expenditures and costs withheld from production, and the amendment of Order No. R-5332 to remove the present operator of the pooled proration unit comprising the N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, and designate another operator for said unit.

CASE 6146: (DE NOVO)

Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tapacito-Callup and Basin-Dakota production within the wellbore of his Jicarilla Well No. 5 located in Unit D of Section 29, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

Upon application of Jerome P. McHugh this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6328: Application of Maralo, Inc., for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of secondary recovery, all mineral interests in the Jalmat Yates Unit underlying the following described lands in Township 25 South, Range 36 East:

Section 12: SE/4  
Section 13: NE/4

and the following described lands in Township 25 South, Range 37 East:

Section 18: NW/4 and N/2 SW/4

all in Lea County, New Mexico.

The unitized interval would be all formations or zones extending from the top of the Yates formation down to 100 feet below the base of the Queen formation in the Humble-Winters "A" Well No. 2 located in Unit C of Section 18, Township 25 South, Range 37 East.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 6313: Application of Maralo, Inc., for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Jalmat Yates Unit Area, Lea County, New Mexico, by the injection of water into various wells located in Township 25 South, Ranges 36 and 37 East.



DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 13, 1978

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

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

ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for October, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6314: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Overland Drilling & Exploration, Ltd., Ohio Casualty Insurance Company, and all other interested parties to appear and show cause why the Lowe State Well No. 1 located in Unit E of Section 15, Township 19 South, Range 29 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6315: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Hugh L. Johnston, Sr., General Insurance Co. of America, and all other interested parties to appear and show cause why the Continental State Well No. 5 located in Unit C of Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6316: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cortez Corporation, Aetna Casualty & Surety Company, and all other interested parties to appear and show cause why the Fair Well No. 1 located in Unit D of Section 24, Township 18 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6290: (Continued from August 16, 1978, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R. A. Crane, Jr., Great American Insurance Co., and all other interested parties to appear and show cause why the Donella Well No. 1 located in Unit P of Section 3, Township 29 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6307: (Continued from August 30, 1978, Examiner Hearing)

Application of Exxon Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Drinkard and Wantz-Abo production in the wellbore of its P. F. Hardison B Well No. 10, located in Unit A of Section 34, Township 21 South, Range 37 East, Lea County, New Mexico. (This case will be dismissed.)

CASE 6317: Application of Harvey E. Yates Company for an unorthodox gas well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 301.75-acre non-standard gas proration unit comprising the N/2 of Section 18, Township 18 South, Range 29 East, Eddy County, New Mexico, to be dedicated to a well to be drilled 1980 feet from the North line and 660 feet from the East line of said Section 18 to test the Morrow formation.

CASE 6318: Application of Coquina Oil Corporation for an increase in casinghead gas allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 303-C-4 to increase the casinghead gas allowable for its Vivian Well No. 1, located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico, the Drinkard and Granite Wash zones in said well being commingled pursuant to Order No. DMC-255 and subject to the GOR limit for the Wantz-Granite Wash Pool.

CASE 6319: Application of Belco Petroleum Corporation for an unorthodox well location and compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 31, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Mollie Com Well No. 1 located at an unorthodox location 1100 feet from the North line and 1575 feet from the East line of said section. Also to be considered will be the cost of recompleting 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 6320: Application of Texas Oil & Gas Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Coquina Federal Com. Well No. 1 to be drilled 660 feet from the North line and 1980 feet from the West line of Section 32, Township 18 South, Range 27 East, to test the Morrow formation, the W/2 of said Section 32 to be dedicated to the well.

CASE 6321: Application of Texas Oil & Gas Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Shugart State Com. Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the West line of Section 16, Township 18 South, Range 31 East, Eddy County, New Mexico, to test the Wolfcamp and Pennsylvanian formations, the W/2 of said Section 16 to be dedicated to the well.

CASE 6283: (Continued from August 2, 1978, Examiner Hearing)

Application of Texas Oil & Gas Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the W/2 of Section 16, Township 20 South, Range 36 East, North Osado-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6322: Application of Yates Petroleum Corporation for pool contraction, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-391 to contract the horizontal limits of the Empire-Pennsylvanian Gas Pool to the following:

All of Sections 28 and 29, Township 17 South, Range 28 East

In the alternative, applicant seeks to limit the special pool rules for said pool to the present horizontal limits of the pool.

CASE 6323: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 23, Township 17 South, Range 28 East, Empire-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to its Lucas Store JZ Well No. 1 located at an unorthodox location 1980 feet from the North line and 860 feet from the West line of said section. Also to be considered will be the cost of 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 6324: Application of Yates Petroleum Corporation for downhole commingling or pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wolfcamp and Upper Penn gas production in the wellbore of its Box Canyon GJ Fed. Well No. 1 located in Unit J of Section 13, Township 21 South, Range 21 East, Eddy County, New Mexico. In the alternative, applicant seeks the creation of a new Permo-Penn gas pool for said well.

CASE 6325: Application of Amoco Production Company for unorthodox locations and directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of the following South Hobbs Unit wells located in Township 19 South, Range 38 East, Hobbs Pool, Lea County, New Mexico:

Well No. 120 located 1272 feet from the North line and 1420 feet from the West line of Section 5;  
Well No. 121 located 1450 feet from the North line and 150 feet from the West line of Section 4;  
Well No. 123 located 2390 feet from the North line and 150 feet from the East line of Section 6;  
Well No. 124 located 1925 feet from the South line and 2380 feet from the East line of Section 4;  
Well No. 126 located 1295 feet from the South line and 1365 feet from the West line of Section 10;  
Well No. 122 located 1726 feet from the North line and 167 feet from the East line of Section 4;  
and Well No. 125 located 2016 feet from the North line and 763 feet from the West line of Section 3.

Applicant further seeks authority to directionally drill Wells Nos. 122 and 125 to bottomhole locations in the extreme southeast corners of Unit H of Section 4 and Unit E of Section 3, respectively.

CASE 6326: Application of Energy Reserves Group, Inc., for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictured Cliffs and Otero-Chacra production in the wellbore of its Jicarilla 35 Well No. 3, located in Unit B of Section 2, Township 24 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 6327: Application of O. H. Berry for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its J. L. Isabell Well No. 5-Y located 340 feet from the North line and 330 feet from the East line of Section 15, Township 24 South, Range 36 East, Santa Rosa formation, Lea County, New Mexico, the NE/4 of said Section 15 to be dedicated to the well.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Oil and Gas  
Corporation for a non-standard  
proration unit, Lea County, New Mexico.

CASE 6283

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) 988-3404  
Santa Fe, New Mexico 87501

1 MR. NUTTER: Call Case 6283.

2 MS. TESCHENDORF: Case 6283. Application of  
3 Texas Oil and Gas Corporation for a non-standard proration  
4 unit, Lea County, New Mexico.

5 The Applicant has requested that the case be  
6 continued to the September 13th Examiner Hearing.

7 MR. NUTTER: Case Number 6283 will be continued  
8 to the Examiner Hearing scheduled to be held at this same  
9 place at 9:00 o'clock a.m. September 13th, 1978.

10 (Hearing concluded.)  
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25

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
730 Bishop's Lodge Road • Phone (505) 988-3404  
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 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 during  
 the time of the hearing.

*Sally Walton Boyd* C.S.R.  
 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. 6283,  
 heard by me on Aug 2, 1978.

*[Signature]*, Examiner  
 New Mexico Oil Conservation Commission

SALLY WALTON BOYD  
 CERTIFIED SHORTHAND REPORTER  
 730 Bishop's Lodge Road • Phone (505) 968-3404  
 Santa Fe, New Mexico 87501

Dockets Nos. 25-78 and 26-78 are tentatively set for hearing on August 16 and 30, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 2, 1978

9 A.M. - OIL CONSERVATION DIVISION 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 6238: (Continued from June 21, 1978, Examiner Hearing)

Application of Barber Oil, Inc., for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Saladar Unit Area comprising 240 acres, more or less, of Federal and fee lands in Township 20 South, Range 28 East, Eddy County, New Mexico.

CASE 6226: (Continued from June 21, 1978, Examiner Hearing)

Application of Barber Oil, Inc., for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Saladar Unit, by the injection of water into the Yates formation through five wells located in Units K, L, N and O of Section 33, Township 20 South, Range 28 East, Saladar-Yates Pool, Eddy County, New Mexico.

CASE 6283: Application of Texas Oil & Gas Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the W/2 of Section 16, Township 20 South, Range 36 East, North Osuda-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6276: (Continued from July 19, 1978, Examiner Hearing)

Application of Jerome P. McHugh for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Chris Well No. 4 to be drilled 1902 feet from the South line and 1650 feet from the East line of Section 9, Township 27 North, Range 3 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, the S/2 of said Section 9 to be dedicated to the well.

Applicant further seeks authority to commingle Blanco Mesaverde and Gavilan-Pictured Cliffs production in the wellbore of said well.

CASE 6277: (Continued from July 19, 1978, Examiner Hearing)

Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gavilan Pictured Cliffs and Blanco Mesaverde production in the wellbores of his Chris Wells Nos. 3 and 3A, located in Units H and I of Section 21, Township 27 North, Range 3 West, Rio Arriba County, New Mexico.

CASE 6279: (Continued from July 19, 1978, Examiner Hearing)

Application of Hanagan Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 28, Township 21 South, Range 26 East, Avalon Hills-Morrow Pool, Eddy 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 6284: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Welch "A" Well No. 1 located 480 feet from the North line and 500 feet from the West line of Section 9, Township 18 South, Range 29 East, Eddy County, New Mexico, the W/2 of said Section 9 to be dedicated to the well.

CASE 6285: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Atoka and Permo-Penn gas production in the wellbore of its Federal "HQ" Well No. 1 located in Unit O of Section 5, Township 21 South, Range 22 East, Little Box Canyon Field, Eddy County, New Mexico.

CASE 6241: (Continued from July 19, 1978, Examiner Hearing)

Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Eagle Creek Permo-Penn and West Atoka-Morrow gas production in the wellbore of its Powell DG Well No. 1 located in Unit O of Section 35, Township 17 South, Range 25 East, Eddy County, New Mexico.

A. J. LOSEE  
JOEL M. CARSON  
CHAD DICKERSON

LAW OFFICES  
LOSEE & CARSON, P.A.  
300 AMERICAN HOME BUILDING  
P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88201

JUL 14 1978

AREA CODE 505  
746-3508

NEW MEXICO CONSERVATION COMM.  
Santa Fe

12 July 1978

Mr. Joe D. Ramey, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed for filing, please find three copies of an Application of Texas Oil & Gas Corporation for the creation of a non-standard proration unit, in Lea County, New Mexico.

We ask that this case be set for hearing before an examiner and that you furnish us with a docket of said hearing.

Yours truly,

LOSEE, CARSON & DICKERSON, P.A.

  
Joel M. Carson

JMC:bjm  
Enclosures

cc w/enclosure: Texas Oil & Gas Corporation

RECEIVED  
JUL 14 1978  
CONSERVATION COMM.  
SANTA FE

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :  
OF TEXAS OIL & GAS CORPORATION :  
FOR THE CREATION OF A NON- : CASE NO. 6283  
STANDARD PRORATION UNIT, LEA :  
COUNTY, NEW MEXICO. :  
\_\_\_\_\_ :

APPLICATION

COMES NOW Texas Oil & Gas Corporation, by its attorneys,  
and applies to the Division for the creation of a non-standard  
proration unit and, in support thereof, states:

1. Applicant is the operator of the W/2 of Section 16,  
Township 20 South, Range 36 East, N.M.P.M., Lea County, New  
Mexico, where it proposes to drill its Osudo State Com. A No. 1  
Well.

2. Applicant seeks the assignment of a 320 acre gas  
spacing and proration unit consisting of the W/2 of Section 16,  
Township 20 South, Range 36 East, N.M.P.M., Lea County, New  
Mexico, for a well to be drilled to the Pennsylvanian formation  
at a standard location thereon.

3. The release sought by applicant is necessary to  
prevent waste, conserve hydrocarbons, prevent the drilling of  
unnecessary wells, and to protect correlative rights.

WHEREFORE, applicant asks that this matter be set for  
hearing before the Division at such time as may be convenient.

TEXAS OIL & GAS CORPORATION

By: 

Joel M. Carson

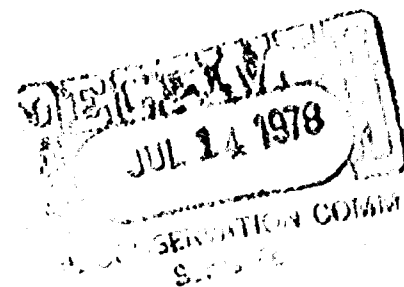
LOSEE, CARSON & DICKERSON, P.A.

P. O. Drawer 239

Artesia, New Mexico 88210

Attorneys for Applicant





BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :  
OF TEXAS OIL & GAS CORPORATION :  
FOR THE CREATION OF A NON- :  
STANDARD PRORATION UNIT, LEA :  
COUNTY, NEW MEXICO. :

CASE NO. 6283

APPLICATION

COMES NOW Texas Oil & Gas Corporation, by its attorneys,  
and applies to the Division for the creation of a non-standard  
proration unit and, in support thereof, states:

1. Applicant is the operator of the W/2 of Section 16,  
Township 20 South, Range 36 East, N.M.P.M., Lea County, New  
Mexico, where it proposes to drill its Osado State Com. A No. 1  
Well.

2. Applicant seeks the assignment of a 320 acre gas  
spacing and proration unit consisting of the W/2 of Section 16,  
Township 20 South, Range 36 East, N.M.P.M., Lea County, New  
Mexico, for a well to be drilled to the Pennsylvanian formation  
at a standard location thereon.

3. The release sought by applicant is necessary to  
prevent waste, conserve hydrocarbons, prevent the drilling of  
unnecessary wells, and to protect correlative rights.

WHEREFORE, applicant asks that this matter be set for  
hearing before the Division at such time as may be convenient.

TEXAS OIL & GAS CORPORATION

By: 

Joel M. Carson

LOSEE, CARSON & DICKERSON, P.A.

P. O. Drawer 239

Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :  
OF TEXAS OIL & GAS CORPORATION :  
FOR THE CREATION OF A NON- :  
STANDARD PRORATION UNIT, LEA :  
COUNTY, NEW MEXICO. :  
\_\_\_\_\_ :

CASE NO. 6283

APPLICATION

COMES NOW Texas Oil & Gas Corporation, by its attorneys,  
and applies to the Division for the creation of a non-standard  
proration unit and, in support thereof, states:

1. Applicant is the operator of the W/2 of Section 16,  
Township 20 South, Range 36 East, N.M.P.M., Lea County, New  
Mexico, where it proposes to drill its Osudo State Com. A No. 1  
Well.

2. Applicant seeks the assignment of a 320 acre gas  
spacing and proration unit consisting of the W/2 of Section 16,  
Township 20 South, Range 36 East, N.M.P.M., Lea County, New  
Mexico, for a well to be drilled to the Pennsylvanian formation  
at a standard location thereon.

3. The release sought by applicant is necessary to  
prevent waste, conserve hydrocarbons, prevent the drilling of  
unnecessary wells, and to protect correlative rights.

WHEREFORE, applicant asks that this matter be set for  
hearing before the Division at such time as may be convenient.

TEXAS OIL & GAS CORPORATION

By: 

Joel M. Carson

LOSEE, CARSON & DICKERSON, P.A.

P. O. Drawer 239

Artesia, New Mexico 88210

Attorneys for Applicant

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. 6283

Order No. R- 5803

APPLICATION OF TEXAS OIL & GAS  
CORPORATION FOR A NON-STANDARD  
PRORATION UNIT, LEA COUNTY,  
NEW MEXICO.



ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 13,  
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this \_\_\_\_\_ day of September, 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 should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6283 is hereby dismissed.

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