

CASE 6266: DORCHESTER EXPLORATION, INC.
FOR POOL CREATION AND SPECIAL POOL RULES
LEA COUNTY, NEW MEXICO

CASE NO.

6288

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Dorchester Exploration) CASE
Inc. for pool creation and special) 6288
pool rules, Lea 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 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. STAMETS: Call next Case 6288.

2 MS. TESCHENDORF: Case 6288. Application of
3 Dorchester Exploration, Inc., for pool creation and special
4 pool rules, Lea County, New Mexico.

5 The Applicant in this case has requested that
6 it be dismissed.

7 MR. STAMETS: Case 6288 will be dismissed.

8 (Hearing concluded.)
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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 the transcript herein 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. 6788 heard by me on 8-16, 1978.

Richard L. Stambaugh, 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

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

CASE NO. 6288
Order No. R-5786

APPLICATION OF DORCHESTER EXPLORATION,
INC. FOR POOL CREATION AND SPECIAL POOL
RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 16,
1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of August, 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. 6288 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,
Director

dr/

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 Dorchester Exploration,
Inc., for pool creation and special pool
rules, Lea County, New Mexico.) CASE 6288

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 now Case Number 6238.

2 MS. TESCHENDORF: Case 6288. Application of
3 Dorchester Exploration, Inc., for pool creation and special
4 pool rules, Lea County, New Mexico.

5 MR. NUTTER: Are there any appearances on be-
6 half of Dorchester Exploration, Inc., in Case Number 6288?

7 We'll continue the case then to the Examiner
8 Hearing scheduled to be held at this same place at 9:00
9 o'clock a.m., August 16th, 1978.

10 The hearing is adjourned.

11 (Hearing concluded.)
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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 at the
time of the hearing.

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

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

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6288
heard by me on Aug 22, 1978.
[Signature], Examiner
New Mexico Oil Conservation Commission

Dockets Nos. 28-78 and 29-78 are tentatively set for hearing on August 30 and September 13, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 16, 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 September, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for September, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6290: 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 6291: Application of Mesa Petroleum Co. for a triple completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion (conventional) of its State Com S Well No. 15A located in Unit D of Section 36, Township 32 North, Range 12 West, San Juan County, New Mexico, to produce gas from an undesignated Fruitland pool, the Blanco-Pictured Cliffs Pool, and the Blanco Mesaverde Pool thru two strings of tubing and the casing-tubing annulus.

CASE 6292: Application of Amoco Production 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 Teledyne Federal Gas Com. Well No. 1 to be drilled 660 feet from the South line and 330 feet from the East line of Section 4, Township 23 South, Range 29 East, Eddy County, New Mexico, the E/2 of said Section 4 to be dedicated to the well.

CASE 6293: Application of Cities Service Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Polk "A" Well No. 1 located in Unit B of Section 17, Township 23 South, Range 28 East, Eddy County, New Mexico, to produce gas from the Strawn and Morrow formations thru parallel strings of tubing.

CASE 6279: (Continued from August 2, 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 6288: (Continued from August 2, 1978, Examiner Hearing)

Application of Dorchester Exploration, Inc., for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Strawn formation for its Wilson State Com Well No. 1 located in Unit I of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing;

in the alternative, applicant seeks approval of 80-acre spacing for said pool. (This case will be dismissed.)

CASE 6294: Application of El Paso Natural Gas Company for an exception to Rule 2(A) of Order No. R-1670, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(A) of Order No. R-1670, as amended, for the Blanco Mesaverde Pool to approve the unorthodox location of its EPNG "B" Well No. 1, located in Unit O of Section 26, Township 32 North, Range 6 West, San Juan County, New Mexico, as an off-pattern well in said pool.

CASE 6286: (Continued from August 2, 1978, Examiner Hearing)

Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Blanco Mesaverde and Basin-Dakota gas production in the wellbore of its EPNG "B" Well No. 1 located in Unit O of Section 28, Township 32 North, Range 6 West, San Juan County, New Mexico.

- CASE 6266: Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Blanco Mesaverde and Basin-Dakota gas production in the wellbore of its EPNG "B" Well No. 1 located in Unit O of Section 28, Township 32 North, Range 6 West, San Juan County, New Mexico.
- CASE 6287: Application of Jack A. Cole for an unorthodox gas well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Apache Flats Well No. 11, located 1712 feet from the South line and 1223 feet from the East line of Section 28, Township 23 North, Range 4 West, Ballard-Pictured Cliffs Pool, Sandoval County, New Mexico.
- CASE 6288: Application of Dorchester Exploration, Inc., for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Strawn formation for its Wilson State Com Well No. 1 located in Unit I of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing;
- in the alternative, applicant seeks approval of 80-acre spacing for said pool.

JACON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN
KAREN AUBREY

KELLAHIN and FOX
ATTORNEYS AT LAW
P. O. BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4310
AREA CODE 505

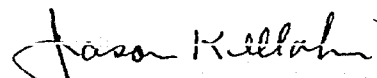
July 11, 1978

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

Dear Mr. Ramey:

Enclosed please find the application of Dorchester
Exploration, Inc. for adoption of pool rules in Lea County.
We would appreciate this being set for the next available
hearing.

Sincerely,


Jason W. Kellahin

CC: Mr. Joe Bates

JWK:kfm

Enclosure

BEFORE THE
OIL CONSERVATION DIVISION - STATE OF NEW MEXICO

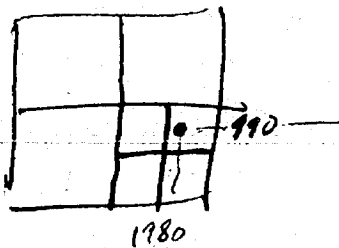
IN THE MATTER OF THE APPLICATION
OF DORCHESTER EXPLORATION, INC.,
FOR ADOPTION OF POOL RULES, LEA
COUNTY, NEW MEXICO

Case 6288

A P P L I C A T I O N

Comes now Dorchester Exploration, Inc., and applies to the Oil Conservation Division for adoption of pool rules, with provision for 160 acre spacing for oil production, and in support thereof would show the Commission:

1. Applicant had completed its Wilson State Com Well No. 1, located 1980 feet from the South line, and 990 feet from the East line of Section 13, Township 21 South, Range 34 East, N.M.P.M., Lea County, New Mexico, for production of gas from the Morrow formation.
2. The Morrow formation was depleted, and applicant plugged the well back and re-completed in the Strawn formation in an undesignated Strawn Oil Pool. The well was recompleted for production of approximately 100 barrels of oil per day with a gas-oil ratio of 1200 to 1.
3. The information presently available indicated that the subject well is capable of, and is draining approximately 160 acres, and far in excess of the normal 40 acre spacing and proration unit dedicated to the well.
4. Applicant proposes to dedicate the SE/4 of Section 13 to the well. In the alternative, applicant seeks approval of an 80 acre spacing and proration unit, dedicating the N/2 SE/4 of Section 13 to the well.



WHEREFORE Applicant prays that this application be set for hearing before the Division or the Division's duly appointed examiner, and that after notice and hearing the Division adopt pool rules for the undesignated Strawn pool for a temporary period of one year, with provision for 160 acre spacing and proration units, or in the alternative, for adoption of temporary pool rules with provision for 80 acre spacing and proration units, and for such other and further provisions as may be proper.

Respectfully submitted,
DORCHESTER EXPLORATION, INC.

By Jason Kellah
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501
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. 6288

Order No. R- 5786

APPLICATION OF DORCHESTER EXPLORATION,
INC. FOR POOL CREATION AND SPECIAL POOL
RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 16,
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of August, 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. 6288 is hereby dismissed.

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