

CASE 6698: STEVENS OIL COMPANY FOR COM-
PULSORY POOLING, CHAVES COUNTY, NEW
MEXICO

James P.

CASE NO.

6698

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
17 October, 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Stevens Oil Company for
compulsory pooling, Chaves County, New
Mexico.

CASE
6698

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Applicant:

No Attorney for the Applicant

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2026 Plaza Blanca (SOS) 471-3462
Santa Fe, New Mexico 87501

MR. NUTTER: Call next Case Number 6698.

MR. PADILLA: Appliotion of Stevens Oil

Company for compulsory pooling, Chaves County, New Mexico.

MR. NUTTER: The applicant in this case
has requested dismissal, so Case Number 6698 will be dis-
missed.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3028 Palm Blasen (SOS) 471-2482
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

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

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S.E.) 471-2462
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
a complete record of the proceeding in
the Examiner hearing of Case No. 6698
heard by me on 10/17 1979.
[Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
17 October, 1979

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TRANSCRIPT OF HEARING

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No Attorney for the Applicant

For the Oil Conservation
Division:

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Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87503

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CERTIFIED SHORTHAND REPORTER
2024 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

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MR. PADILLA: Appliction of Stevens Oil
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(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S.E.), 471-2463
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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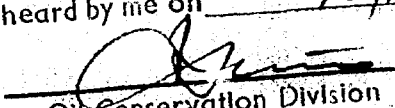
Page 3

REPORTER'S CERTIFICATE

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

Sally W. 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. 6698, heard by me on 10/17/1979.

 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. 6698
Order No. R-6164

APPLICATION OF STEVENS OIL COMPANY
FOR COMPULSORY POOLING, CHAVES
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 17,
1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of November, 1979, 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. 6698 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


S E A L
Ed/

Docket No. 40-79

Dockets Nos. 41-79 and 42-79 are tentatively set for October 31 and November 14, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 17, 1979

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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for November, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for November, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 6693: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian test well to be located 1130 feet from the South line and 1300 feet from the East line of Section 30, Township 17 South, Range 26 East, the S/2 of said Section 30 to be dedicated to the well.
- CASE 6694: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the S/2 of Section 35, Township 18 South, Range 25 East, 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 6695: Application of Millard Deck Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6696: Application of R. Q. Silverthorne for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Yates test well to be drilled 1310 feet from the South and West lines of Section 30, Township 18 South, Range 31 East, Shugart Pool.
- CASE 6697: Application of Conoco Inc. for an unorthodox location and dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Wells B-1 Well No. 5 at an unorthodox Devonian location 1650 feet from the North line and 660 feet from the East line of Section 1, Township 25 South, Range 36 East, to produce gas from the Devonian and Ellenburger formations, Custer Field, thru parallel strings of tubing, the E/2 of said Section 1 to be dedicated to the well.
- CASE 6697: (Continued from October 2, 1979, Examiner Hearing)
- Application of Chapman and Schneider for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Seven Rivers Reef formation in the open-hole interval from 3422 feet to 3504 feet in its I. B. Ogg "A" Well No. 3 located in Unit E of Section 35, Township 24 South, Range 36 East, Jalmat Pool.
- CASE 6698: Application of Stevens Oil Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 SW/4 of Section 30, Township 8 South, Range 29 East, 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 6699: Application of Robert C. Anderson for two unorthodox gas well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Ute Mountain Ute Well No. 1 located in the center of Unit L, and Well No. 3, located 2310 feet from the North and West lines, both in Section 14, Township 31 North, Range 16 West, the SW/4 of said Section 14 to be dedicated to Well No. 1 and the NW/4 to be dedicated to Well No. 3.

CASE 6680: (Continued from October 2, 1979, Examiner Hearing)

Application of Robert C. Anderson for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling of all production from his Ute Mountain Ute Lease, Wells Nos. 1, 3 and 4, located in Section 14, Township 31 North, Range 16 West.

CASE 6631: (Continued from August 22, 1979, Examiner Hearing)

Application of Reserve Oil, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat gas and Langlie Mattix oil production in the wellbore of its Cooper Jal Unit Well No. 149-306 located in Unit J of Section 18, Township 24 South, Range 37 East.

CASE 6700: Application of Doyle Hartman for an unorthodox well location, a non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the NW/4 NW/4 and S/2 NW/4 of Section 29, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the North line and 330 feet from the West line of said Section 29; applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

CASE 6701: Application of Doyle Hartman for compulsory pooling, non-standard gas proration unit, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Seven Rivers-Queen formations underlying the SE/4 of Section 30, Township 21 South, Range 36 East, Eumont Gas Pool, to form a 160-acre non-standard gas proration unit to be dedicated to his J. K. Rector Well No. 1 at an unorthodox location 2310 feet from the South line and 330 feet from the East line of said Section 30. 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. Applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

CASE 6676: (Continued from October 2, 1979, Examiner Hearing)

Application of Doyle Hartman for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the SW/4 NE/4 and SE/4 NW/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the North line and 1650 feet from the East line of said Section 36.

CASE 6664: (Continued from September 19, 1979, Examiner Hearing)

Application of Doyle Hartman for an unorthodox well location, two non-standard proration units and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 SW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 1, and also a 120-acre unit comprising the E/2 SW/4 and SW/4 SW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 330 feet from the South and West lines of the section; applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6662: (Continued from September 19, 1979, Examiner Hearing)

Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla "A" Well No. 22Y located in Unit K of Section 24, Township 26 North, Range 4 West, to produce gas from the Blanco Mesaverde Pool through tubing and to commingle and produce the Wildhorse Gallup and Basin-Dakota zones through a parallel tubing string.

CASE 6702: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Blanco-Pictured Cliffs and Blanco Mesaverde production in the wellbore of its San Juan 27-5 Unit Well No. 67 located in Unit B of Section 31, Township 27 North, Range 5 West.

CASE 6487: (Continued from July 25, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6679: (Continued from October 2, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for a gas storage unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Washington Ranch Morrow Unit Area comprising the Morrow formation and the first 100 feet immediately above and below said formation underlying all or parts of Sections 21 thru 23, 26 thru 29, and 32 thru 36, Township 25 South, Range 24 East; Sections 1 thru 5 and 9 thru 14, Township 26 South, Range 24 East; and Sections 6, 7, and 18, Township 26 South, Range 25 East, Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico. Said unit area would be for the purpose of conducting a gas storage project and would comprise 12,158 acres, more or less, of State, federal and fee lands.

CASE 6703: Application of El Paso Natural Gas Company for underground gas storage, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas storage project in the Morrow formation underlying its Washington Ranch Morrow Unit Area in Townships 25 and 26 South, Ranges 24 and 25 East, Washington Ranch-Morrow Gas Pool. Applicant further seeks the promulgation of rules governing the drilling and completion of wells going thru the Morrow formation and the first 100 feet immediately above and below said formation underlying the unit area into deeper formations, and the establishment of an administrative procedure for the consideration of exceptions to the Division's well spacing and casing and tubing requirements for its injection and withdrawal wells.

CASE 6704: Application of ARCO Oil and Gas Company for the amendment of Order No. R-6044, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6044 which authorized the drilling of a horizontal drainhole in the Empire-Abo Pool. Applicant proposes to amend the target area prescribed by said order for the drainhole.

CASE 6705: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Southwest Indian Flats-Morrow Gas Pool. The discovery well is Perry R. Bass Big Eddy Unit Well No. 68 located in Unit K of Section 10, Township 22 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 10: W/2

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka-Morrow production and designated as the South Kemnitz Atoka-Morrow Gas Pool. The discovery well is Tenneco Oil Company Kemnitz Deep Well No. 1 located in Unit G of Section 29, Township 16 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 29: E/2

(c) EXTEND the Anderson Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 3: S/2

(d) EXTEND the Angell Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 30: S/2

(e) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 23: S/2

- (f) EXTEND the East Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 22: S/2
Section 23: S/2
Section 28: E/2

- (g) EXTEND the Box Canyon-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 7: S/2
Section 18: N/2

- (h) EXTEND the Bluit-San Andres Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 22: NE/4

- (i) EXTEND the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 12: W/2

- (j) EXTEND the South Brunson-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 30: NE/4

- (k) EXTEND the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
Section 4: NW/4

- (l) EXTEND the North Cemetery-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 18: All

- (m) EXTEND the Chaveroo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 3: NW/4

- (n) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 34: E/2

- (o) EXTEND the Diamond Mound-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 11: All

- (p) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 18: SW/4

- (q) EXTEND the Eagle Creek-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 36: N/2

- (r) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 19: N/2

- (a) EXTEND the South Eunice-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 12: SW/4

- (c) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 35: N/2
Section 36: N/2

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 2: SW/4

- (u) EXTEND the Imperial Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 22: SW/4

- (v) EXTEND the West Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 14: W/2

- (w) EXTEND the Kemnitz-Cisco Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 8: SE/4
Section 9: SW/4

- (x) EXTEND the Langlie-Elisenburger Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 20: E/2

- (y) EXTEND the Langlie Mattix Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 32: SW/4

- (z) EXTEND the North Loving-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 8: S/2
Section 16: E/2

- (aa) EXTEND the Penasco Draw-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 21: W/2

- (bb) EXTEND the Penasco Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 25: S/2
Section 36: All

- (cc) EXTEND the Penasco Draw San Andres-Yaso Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 31: SE/4

- (dd) EXTEND the South Peterson-Fusselman Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 30: SE/4

- (ee) EXTEND the South Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 31: N/2 SE/4 and S/2 NE/4

(ff) EXTEND the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 31: W/2

(gg) EXTEND the Shugart-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 27: W/2
Section 33: E/2
Section 34: W/2 and SE/4
Section 35: All

(hh) EXTEND the North Teague-Devonian Pool in Lea County, New Mexico, to include therein:

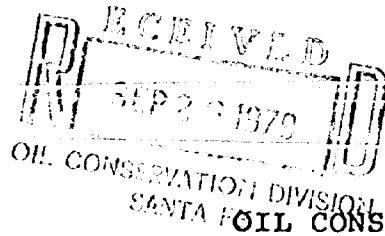
TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 21: NE/4

(ii) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 31: SW/4

(jj) EXTEND the Travis-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 13: N/2 S/2



BEFORE THE

OIL CONSERVATION DIVISION
SANTA FE OIL CONSERVATION DIVISION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF STEVENS OIL COMPANY FOR COM-
PULSORY POOLING OF ITS WELL TO
BE DRILLED IN NE/4 SW/4 SECTION
30, TOWNSHIP 8 SOUTH, RANGE 29
EAST, CHAVES COUNTY, NEW MEXICO

Case 6698

A P P L I C A T I O N

COMES NOW Stevens Oil Company, as provided by Section 65-3-14, New Mexico Statutes, 1953, as amended, applies to the Oil Conservation Division of New Mexico for an order pooling all the mineral interests in and under the NE/4 SW/4 of Section 30, Township 8 South, Range 29 East, N.M.P.M., Chaves County, New Mexico, from the surface to the base of the San Andres formation, and in support thereof Applicant would show:

1. Applicant is the owner of a portion of the rights to drill and develop the following described acreage: NE/4 SW/4 of Section 30, Township 8 South, Range 29 East, N.M.P.M., Chaves County, New Mexico.
2. Applicant owns or has the right to earn lease rights to 81.25% of the working interest and Texas Oil and Gas Corp. owns 18.75% of the working interest under the subject proration unit. Texas Oil and Gas Corp. has so far refused to pool its ownership with Applicant for the purpose of drilling a well to the Slaughter zone on and under the subject proration unit.
3. Applicant requests that it be designated operator of the pooled unit, NE/4 SW/4 of Section 30, Township 8 South, Range 29 East, Chaves County, New Mexico.
4. For reasons stated in Paragraph 2 above, Applicant has been unable to obtain agreement for the pooling of unpooled interests indicated in said Paragraph 2 and in order to protect correlative rights, and to prevent waste, the Division should pool all interests in the spacing or proration unit as a unit.

5. The risk and expense of drilling and completing the well is great and if said above described owner in the above proration unit does not choose to pay its share of the cost of drilling and completion, Applicant should be allowed a reasonable charge for the supervision and a charge for the risk involved in addition to recovery of the actual cost of drilling and completing the well.

WHEREFORE, Applicant respectfully requests that the Division set this matter for hearing before the Division's duly appointed examiner and that after notice and hearing as required by law the Division enter its order pooling all interests from the surface to the base of the San Andres formation underlying the NE/4 SW/4 of Section 30, Township 8 South, Range 29 East, N.M.P.M., Chaves County, New Mexico, and designating Applicant operator of the pooled unit, together with provision for Applicant to recover his costs out of production including a risk factor to be determined by the Division and with provisions for the payment of operating costs and costs of supervision out of production to be allocated among the owners as their interests may be determined and for further orders as may be proper in the premises.

Respectfully submitted,

STEVENS OIL COMPANY

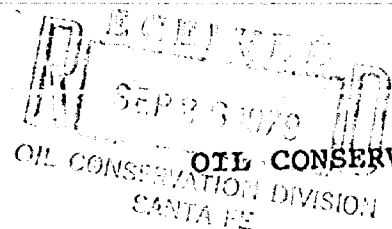
By


DONALD G. STEVENS

P. O. Box 2203

Roswell, New Mexico 88201

ATTORNEY FOR APPLICANT



BEFORE THE

OIL CONSERVATION DIVISION OF NEW MEXICO
SANTA FE

IN THE MATTER OF THE APPLICATION
OF STEVENS OIL COMPANY FOR COM-
PULSORY POOLING OF ITS WELL TO
BE DRILLED IN NE/4 SW/4 SECTION
30, TOWNSHIP 8 SOUTH, RANGE 29
EAST, CHAVES COUNTY, NEW MEXICO

Case. 6698

A P P L I C A T I O N

COMES NOW Stevens Oil Company, as provided by Section 65-3-14, New Mexico Statutes, 1953, as amended, applies to the Oil Conservation Division of New Mexico for an order pooling all the mineral interests in and under the NE/4 SW/4 of Section 30, Township 8 South, Range 29 East, N.M.P.M., Chaves County, New Mexico, from the surface to the base of the San Andres formation, and in support thereof Applicant would show:

1. Applicant is the owner of a portion of the rights to drill and develop the following described acreage: NE/4 SW/4 of Section 30, Township 8 South, Range 29 East, N.M.P.M., Chaves County, New Mexico.

2. Applicant owns or has the right to earn lease rights to 81.25% of the working interest and Texas Oil and Gas Corp. owns 18.75% of the working interest under the subject proration unit. Texas Oil and Gas Corp. has so far refused to pool its ownership with Applicant for the purpose of drilling a well to the Slaughter zone on and under the subject proration unit.

3. Applicant requests that it be designated operator of the pooled unit, NE/4 SW/4 of Section 30, Township 8 South, Range 29 East, Chaves County, New Mexico.

4. For reasons stated in Paragraph 2 above, Applicant has been unable to obtain agreement for the pooling of unpooled interests indicated in said Paragraph 2 and in order to protect correlative rights, and to prevent waste, the Division should pool all interests in the spacing or proration unit as a unit.

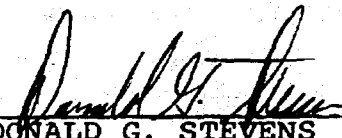
5. The risk and expense of drilling and completing the well is great and if said above described owner in the above proration unit does not choose to pay its share of the cost of drilling and completion, Applicant should be allowed a reasonable charge for the supervision and a charge for the risk involved in addition to recovery of the actual cost of drilling and completing the well.

WHEREFORE, Applicant respectfully requests that the Division set this matter for hearing before the Division's duly appointed examiner and that after notice and hearing as required by law the Division enter its order pooling all interests from the surface to the base of the San Andres formation underlying the NE/4 SW/4 of Section 30, Township 8 South, Range 29 East, N.M.P.M., Chaves County, New Mexico, and designating Applicant operator of the pooled unit, together with provision for Applicant to recover his costs out of production including a risk factor to be determined by the Division and with provisions for the payment of operating costs and costs of supervision out of production to be allocated among the owners as their interests may be determined and for further orders as may be proper in the premises.

Respectfully submitted,

STEVENS OIL COMPANY

By


DONALD G. STEVENS

P. O. Box 2203
Roswell, New Mexico 88201

ATTORNEY FOR APPLICANT

ROUGH

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. 6698

Order No. R-6164

JOR
*Application of Stevens Oil Company
for compulsory pooling, Chaves
County, New Mexico*

ORDER OF THE DIVISION

ALL
BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 17
19 79, at Santa Fe, New Mexico, before Examiner DSN

NOW, on this _____ day of October, 19 79, the
Division Director, having considered the ~~testimony~~, the records
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

That the applicant's request for dismissal should
~~(1) that due public notice having been given as required
be granted.
by law, the Division has jurisdiction of this cause and the
subject matter thereof.~~

~~(2) That at the request of the applicant,
Case No 6698 should be dismissed.~~

IT IS THEREFORE ORDERED:

*That Case No. 6698 is hereby dismissed.
DONE at*