

CASE 6744: TEXAS OIL & GAS CORPORATION
FOR SPECIAL POOL RULES, EDDY COUNTY, NEW
MEXICO

Case No.

6744

Application

Transcripts.

Small Exhibits

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
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. 6744
Order No. R-6207

APPLICATION OF TEXAS OIL AND GAS
CORPORATION FOR SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 28, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of December, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Texas Oil and Gas Corporation, is an owner in the Riverside-Morrow Gas Pool, Eddy County, New Mexico.

(3) That said Riverside-Morrow Gas Pool was created and designated by the Division by Order No. R-2679, effective April 1, 1964.

(4) That by Division Order No. R-2707, dated May 25, 1964, Rule 104 of the Division Rules and Regulations was amended to provide that all gas pools of Pennsylvanian age or older in Southeast New Mexico which were created and defined June 1, 1964, or later shall have 320-acre spacing and proration units, inasmuch as it was found that in Southeast New Mexico, "...a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract."

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Case No. 6744
Order No. R-6207

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the Riverside-Morrow Gas Pool in Eddy County, New Mexico, inasmuch as that pool was excluded from the provisions of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That no appearances were made at the hearing of the instant case, and no objection was received to the inclusion of the Riverside-Morrow Gas Pool under the provisions of Rule 104 of the Division Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the Riverside-Morrow Gas Pool in Eddy County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That effective January 1, 1980, each well completed or recompleted in the Riverside-Morrow Gas Pool or in the Morrow formation within one mile thereof shall be subject to the provisions of Rule 104 of the Division Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Riverside-Morrow Gas Pool or in the Morrow formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Division in writing of the name and location of the well by March 1, 1980.

(2) That pursuant to Paragraph A. of Section 70-2-18 NMSA 1978, existing wells in the Riverside-Morrow Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Division Rules and Regulations; or pursuant to Paragraph C. of said Section 70-2-18 existing wells may have non-standard units dedicated thereto.

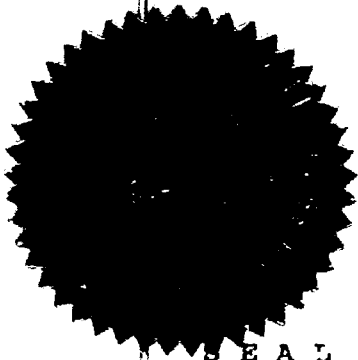
Failure to file new Forms C-102 with the Division dedicating 320 acres to a well or to obtain a non-standard unit

-3-
Case No. 6744
Order No. R-6207

approved by the Division within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
28 November 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Oil and Gas Cor-
poration for special pool rules, Eddy
County, New Mexico.

CASE
6744

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SSE) 471-3462
Santa Fe, New Mexico 87501

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MR. STAMETS: Call Case 6744.

MR. PADILLA: Application of Texas Oil and Gas Corporation for special pool rules, Eddy County, New Mexico.

MR. STAMETS: As advertised, the case was that in the absence of objection the pool will be placed on standard 320-acre spacing for Pennsylvanian gas pools, rather than 160-acre spacing.

Is there any testimony in this case?

Being none, the case will be taken under advisement.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (666) 471-2462
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand 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 from my notes taken at the time of the hearing.

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

I do hereby certify that the foregoing is
a complete and true transcript of the proceedings in
the Exoneration Hearing of Case No. 6744
heard by me on 11-28 1979.
Richard R. Plummer, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
28 November 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Oil and Gas Cor-) CASE
poration for special pool rules, Eddy) 6744
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: Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3939 Plaza Blanca (SOS) 471-2463
Santa Fe, New Mexico 87501

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Is there any testimony in this case?

Being none, the case will be taken under advisement.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3010 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand 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 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 correct and true copy of the lines in
the transcript of Case No. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2030 Plaza Blanca (665) 471-2462
Santa Fe, New Mexico 87501

LAW OFFICES

LOSEE, CARSON & DICKERSON, P. A.

A. J. LOSEE

JOEL M. CARSON

CHAD DICKERSON

DAVID R. VAN DIVER

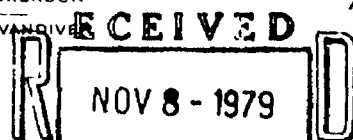
300 AMERICAN HOME BUILDING

P. O. DRAWER 239

ARTESIA, NEW MEXICO 88210

AREA CODE 505

746-3508



7 November 1979

OIL CONSERVATION DIVISION
SANTA FE

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

Case 6744

Dear Mr. Ramey:

Enclosed for filing, please find three copies of Application of Texas Oil & Gas Corp. for relief from the well location requirements of the Riverside Morrow Gas Pool in Eddy 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.

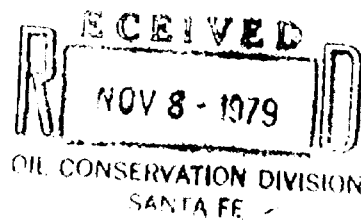
Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.

Chad Dickerson

CD:pv
Enclosures

cc w/enclosure: Texas Oil & Gas Corp.



BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
TEXAS OIL & GAS CORP. FOR RELIEF FROM :
THE WELL LOCATION REQUIREMENTS OF THE : CASE NO. 6744
RIVERSIDE MORROW GAS POOL :
:

APPLICATION

COMES NOW Texas Oil & Gas Corp., by its attorneys,
and states:

1. Applicant is the operator of the Wolfcamp through
the Morrow formations, underlying:

Township 16 South, Range 27 East, N.M.P.M.

Section 32: N/2

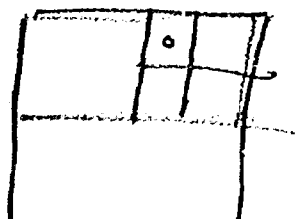
containing 320 acres, more or less,
in Eddy County, New Mexico.

2. Applicant proposes to drill its Duffield State
Com. No. 1 Well, to be located 660 feet from the north line and
1,980 feet from the east line of Section 32, and to dedicate
the N/2 of said Section 32 to the well.

3. Applicant seeks the promulgation of special pool
rules, or a spacing exception, or the deletion of said N/2 Sec-
tion 32 from the Pool Rules promulgated by the New Mexico Oil
Conservation Commission for the Riverside Morrow Gas Pool, to
permit applicant to drill its well as aforesaid on 320-acre
spacing rather than 160-acre spacing.

WHEREFORE, applicant prays:

A. That this application be set for hearing before
an examiner and that notice of said hearing be given as required
by law.



B. That the Division grant a spacing exception, or promulgate special pool rules, or delete said N/2 Section 32 from the spacing requirements of the Riverside Morrow Gas Pool, and that applicant be authorized to dedicate the N/2 of said Section 32 as the spacing and proration unit dedicated to applicant's Duffield State Com. No. 1 Well.

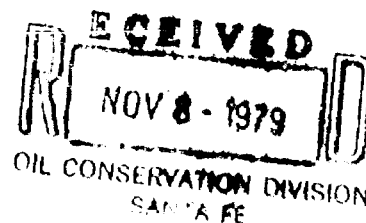
C. And for such other and further relief as may be just in the premises.

TEXAS OIL & GAS CORP.

By: 
Chad Dickerson

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 CORP. FOR RELIEF FROM :
THE WELL LOCATION REQUIREMENTS OF THE : CASE NO. 6744
RIVERSIDE MORROW GAS POOL :
:

APPLICATION

COMES NOW Texas Oil & Gas Corp., by its attorneys,
and states:

1. Applicant is the operator of the Wolfcamp through
the Morrow formations, underlying:

Township 16 South, Range 27 East, N.M.P.M.

Section 32: N/2

containing 320 acres, more or less,
in Eddy County, New Mexico.

2. Applicant proposes to drill its Duffield State
Com. No. 1 Well, to be located 660 feet from the north line and
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Conservation Commission for the Riverside Morrow Gas Pool, to
permit applicant to drill its well as aforesaid on 320-acre
spacing rather than 160-acre spacing.

WHEREFORE, applicant prays:

A. That this application be set for hearing before
an examiner and that notice of said hearing be given as required
by law.

B. That the Division grant a spacing exception, or promulgate special pool rules, or delete said N/2 Section 32 from the spacing requirements of the Riverside Morrow Gas Pool, and that applicant be authorized to dedicate the N/2 of said Section 32 as the spacing and proration unit dedicated to applicant's Duffield State Com. No. 1 Well.

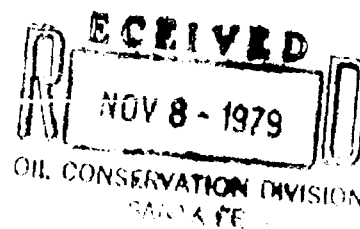
C. And for such other and further relief as may be just in the premises.

TEXAS OIL & GAS CORP.

By: Chad Dickerson
Chad Dickerson

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 CORP. FOR RELIEF FROM :
THE WELL LOCATION REQUIREMENTS OF THE : CASE NO. 6744
RIVERSIDE MORROW GAS POOL :
:

APPLICATION

COMES NOW Texas Oil & Gas Corp., by its attorneys,
and states:

1. Applicant is the operator of the Wolfcamp through
the Morrow formations, underlying:

Township 16 South, Range 27 East, N.M.P.M.

Section 32: N/2

containing 320 acres, more or less,
in Eddy County, New Mexico.

2. Applicant proposes to drill its Duffield State
Com. No. 1 Well, to be located 660 feet from the north line and
1,960 feet from the east line of Section 32, and to dedicate
the N/2 of said Section 32 to the well.

3. Applicant seeks the promulgation of special pool
rules, or a spacing exception, or the deletion of said N/2 Sec-
tion 32 from the Pool Rules promulgated by the New Mexico Oil
Conservation Commission for the Riverside Morrow Gas Pool, to
permit applicant to drill its well as aforesaid on 320-acre
spacing rather than 160-acre spacing.

WHEREFORE, applicant prays:

A. That this application be set for hearing before
an examiner and that notice of said hearing be given as required
by law.

B. That the Division grant a spacing exception, or promulgate special pool rules, or delete said N/2 Section 32 from the spacing requirements of the Riverside Morrow Gas Pool, and that applicant be authorized to dedicate the N/2 of said Section 32 as the spacing and proration unit dedicated to applicant's Duffield State Com. No. 1 Well.

C. And for such other and further relief as may be just in the premises.

TEXAS OIL & GAS CORP.

By: *Chad Dickerson*
Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

11-5-79

from Chas L Dickerson

Application of Texas Oil & Gas Corp

Same as in Case 6634 for the
Riverside-Morrow Gas Pool, Eddy
County without the alternative.

RPL

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. 6361 6744
Order No. R-5850 R-6207

APPLICATION OF ~~CONTINENTAL OIL~~ *Texas Oil and Gas Corporation*
COMPANY FOR SPECIAL POOL RULES,
~~LEA~~ COUNTY, NEW MEXICO.

Eddy

ORDER OF THE DIVISION

BY THE DIVISION:

1979 This cause came on for hearing at 9 a.m. on ~~October 25,~~ *November 28,*
1978, at Santa Fe, New Mexico, before Examiner ~~Daniel S.~~
Nutter. RLS

NOW, on this 14th day of ~~November, 1978,~~ the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, ~~Continental Oil Company,~~ *Texas Oil and Gas Corporation* is an
owner in the ~~in the Riverside-Morrow~~
Gas Pool, Eddy County, New Mexico.

(3) That said ~~Riverside-Morrow~~ Gas Pool was created
and designated by the Division by Order No. R-2679, effective
~~April 1, 1964,~~

(4) That by Division Order No. R-2707, dated May 25, 1964,
Rule 104 of the Division Rules and Regulations was amended to
provide that all gas pools of Pennsylvanian age or older in
Southeast New Mexico which were created and defined June 1,
1964, or later shall have 320-acre spacing and proration units,
inasmuch as it was found that in Southeast New Mexico, "...a
gas well completed in the Pennsylvanian formation or a deeper
formation will efficiently and economically drain and develop
a 320-acre tract."

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the *Riverside-Morrow* Gas Pool in *Eddy* County, New Mexico, inasmuch as that pool was excluded from the provisions of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That no appearances were made at the hearing of the instant case, and no objection was received to the inclusion of the *Riverside-Morrow* Gas Pool under the provisions of Rule 104 of the Division Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the *Riverside-Morrow* Gas Pool in *Eddy* County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That effective *January 1, 1980*, each well completed or recompleted in the *Riverside-Morrow* Gas Pool or in the *Morrow* formation within one mile thereof shall be subject to the provisions of Rule 104 of the Division Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the *Riverside-Morrow* Gas Pool or in the *Morrow* formation within one mile thereof are hereby approved; that the operator of any well having an *unorthodox* location shall notify the *Hobbs* District Office of the Division in writing of the name and location of the well by ~~December 1, 1978~~ *March 1, 1980*.

1978 → (2) That pursuant to Paragraph A. of Section *70-2-18* NMSA ~~1953~~, existing wells in the *Riverside-Morrow* Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Division Rules and Regulations; or pursuant to Paragraph C. of said Section *70-2-18* existing wells may have non-standard units dedicated thereto.

-3-

Case No. 6361

Order No. R-5850

Failure to file new Forms C-102 with the Division dedicating 320 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E A L

dr/