

CASE 7015: TENNECO OIL COMPANY FOR
COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO

Disputed

CASE NO.

70/5

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



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

September 12, 1980

Mr. Thomas Kellahin
Kellahin and Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 7015
ORDER NO. R-6472

Applicant:

~~Tenneco Oil Company~~

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

| | |
|-------------|-----------------------------------|
| Hobbs OCD | <u> x </u> |
| Artesia OCD | <u> x </u> |
| Aztec OCD | <u> </u> |

Other

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. 7015
Order No. R-6472

APPLICATION OF TENNECO OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 3,
1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of September, 1980, the Division
Director, having considered the record and the recommendations
of the Examiner, and being fully advised in the premises,

FINDS:

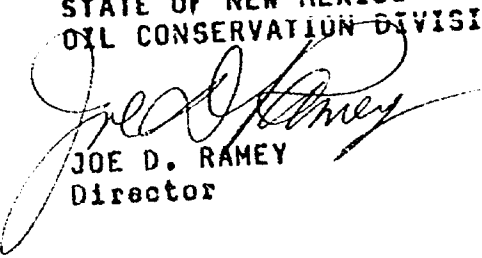
That the applicant's request for dismissal should be
granted.

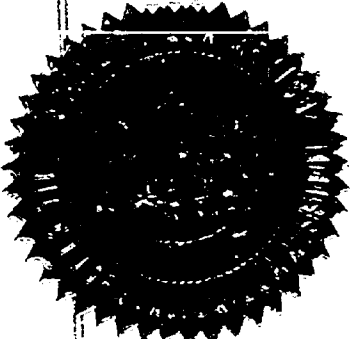
IT IS THEREFORE ORDERED:

That Case No. 7015 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
fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 September 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company
for compulsory pooling, Eddy County,
New Mexico.

CASE
7015

BEFORE: Daniel S. Nutter

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

*Hearing
Registered
in this
Transcript*

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

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MR. NUTTER: The hearing will come to
order, please.

We'll call first Case Number 7015.

MR. PADILLA: Application of Tenneco Oil
Company for compulsory pooling, Eddy County, New Mexico.

MR. NUTTER: Applicant in this case has
requested dismissal.

Case Number 7015 will be dismissed.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a correct and true transcript of the proceedings in
the Examiner hearing of Case No. 7015
heard by me on 9/3 1980.
[Signature], Examiner
Oil Conservation Division

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date SEPTEMBER 3, 1980 Time: 9:00 A.M.

| NAME | REPRESENTING | LOCATION |
|------------------|-----------------------|-------------|
| William L. Lee | Campbell & Black P.A. | Santa Fe |
| Bob Hahn | Byram | Santa Fe |
| Robert H. Strand | Harvey E. Yates Co. | Roswell |
| Bandy Smith | Heyco | Midland TX |
| George Yates | HEYCO | Roswell |
| Owen Hoppe | Wentzinger & Andrews | Santa Fe |
| Don Steinnerd | USGS | Albuquerque |
| LARRY SEXTON | OCB | Hobbs |

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

3 September 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company
for compulsory pooling, Eddy County,
New Mexico.

CASE
7015

BEFORE: Daniel S. Nutter

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

MR. NUTTER: The hearing will come to

order, please.

We'll call first Case Number 7015.

MR. PADILLA: Application of Tenneco Oil

Company for compulsory pooling, Eddy County, New Mexico.

MR. NUTTER: Applicant in this case has

requested dismissal.

Case Number 7015 will be dismissed.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

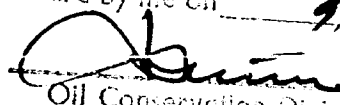
C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7015,
heard by me on 9/3 19 80.

 Examiner
Oil Conservation Division

Dockets Nos. 29-80 and 30-80 are tentatively set for September 17 and October 1, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 3, 1980

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 7015: Application of Tenneco Oil Company 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 36, Township 18 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7016: Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Mississippian formations underlying the E/2 of Section 18, Township 15 South, Range 27 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7006: (Continued from August 20, 1980, Examiner Hearing)
Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Northwest Gladiola Unit Area, comprising 1,280 acres, more or less, of State and fee lands in Townships 11 and 12 South, Range 37 East.
- CASE 7007: (Continued from August 20, 1980, Examiner Hearing)
Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Morrow and Atoka production in the wellbore of its North Travis 12 Deep Well No. 1 located in Unit O of Section 12, Township 18 South, Range 28 East.
- CASE 7017: Application of Bass Enterprises Production Company for pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Bone Spring gas pool for its Big Eddy Unit Well No. 60 located in Unit J of Section 20, Township 21 South, Range 28 East, with classification of wells with a GOR of 20,000 or more as gas wells.
- CASE 7018: Application of Shell Oil Company for an exception to Division Rule No. 202(B), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a one year extension to the exception to Rule 202(E) previously approved by Order No. R-5655 for certain of its Carson Unit wells in the Bisti Pool. Applicant further requests an administrative procedure for any future extensions.
- CASE 7019: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 30, Township 23 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6991: (Continued from August 6, 1980, Examiner Hearing)
Application of Amoco Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in a 100 foot perforated interval between 4400 feet and 4800 feet in its South Hobbs Unit Well No. 103 in Unit B of Section 15, Township 19 South, Range 38 East, Hobbs Grayburg-San Andres Pool.
- CASE 7000: (Continued from August 20, 1980, Examiner Hearing)
Application of Cavalcade Oil Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McClay Well No. 11 2385 feet from the South line and 1834 feet from the West line of Section 33, Township 18 South, Range 30 East, the NE/4 SW/4 of said Section 33 to be dedicated to the well.

CASE 7020: Application of Mesa Petroleum Co. for pool creation, special pool rules and an oil discovery allowable, Rio Arriba and San Juan Counties, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Gallup oil pool for its South Blanco Federal Well No. 1-6 located in Unit A of Section 6, Township 23 North, Range 7 West, and special rules therefor, including a provision for 80-acre spacing units. Applicant further seeks a discovery allowable for the aforesaid well.

CASE 6822: (Reopened and Readvertised)

In the matter of Case 6822 being reopened pursuant to the provisions of Order No. R-6293 which order created the West Double X-Wolfcamp Gas Pool as a retrograde gas condensate pool and set special production limitations therein. Operator(s) may appear and present evidence to establish the true nature of the reservoir and proper rates of withdrawal therefrom.

CASE 6996: (Continued from August 20, 1980, Examiner Hearing)

Application of John E. Schalk for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blanco Mesaverde Pool underlying the NE $\frac{1}{4}$ of Section 8, Township 25 North, Range 3 West, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

Docket No. 28-80

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 4, 1980

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

CASE 6889: (DE NOVO)

Application of Belco Petroleum Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 1980 feet from the North line and 920 feet from the West line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom it at an unorthodox location within 100 feet of a point 1320 feet from the North line and 2640 feet from the West line of said Section 36 in the Morrow formation, the N/2 of said Section 36 to be dedicated to the well.

Upon application of Duval Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

Evidence and testimony or arguments in this hearing shall be limited to the issue of whether Duval Corporation has standing to object to the application of Belco Petroleum Corporation.

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
500 Don Gaspar Avenue
Post Office Box 1769
Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

August 4, 1980

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

Case 7015

Re: Tenneco Oil Company
Compulsory Pooling
S/2 Sec. 36, T18S, R29E,
Eddy County, New Mexico

Dear Joe:

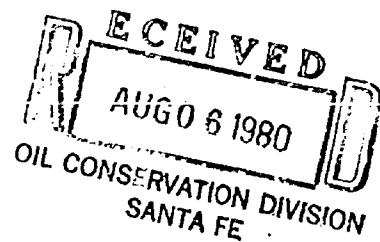
Please set the enclosed application for hearing on
September 3, 1980.

Very truly yours,

W. Thomas Kellahin
W. Thomas Kellahin

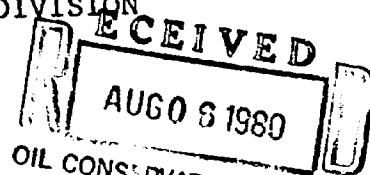
WTK:jm
encl.

cc: Mr. David Motloch
Bassett & Burney Oil Corp.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF TENNECO OIL COMPANY FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO



Case 7015

A P P L I C A T I O N

Comes now Tenneco Oil Company and applies to the Oil Conservation Division of New Mexico for an order pooling all mineral interests from surface to the base of Morrow Formation, underlying the S/2 of Section 36, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, for a Atoka-Morrow Test, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill and develop the N/2 of Section 36, Township 18 South, Range 29 East at standard location within said Section 36.

2. Applicant seeks to be operator of a unit consisting of the S/2 of said Section 36.

3. In order to obtain their just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.

4. Those who have not consented to join in the drilling of the well, with their addresses, to the best of applicant's information and belief, are as follows:

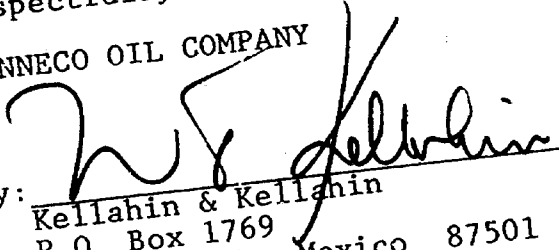
| <u>NAME</u> | <u>ADDRESS</u> | <u>INTEREST</u> |
|------------------|------------------------------------|---------------------------|
| Bassett & Burney | 207 South 4th Artesia, NM 88210 | SE/4SE/4 of Section 36 |

WHEREFORE applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law the Commission enter its order pooling all of the mineral interests surface to base of Morrow Formation underlying the S/2 of Section 36, Township 18 South, Range 29 East, NMPM. Applicant further prays that it be named operator of the well, and that the order make provision for applicant to recover out of production its costs of drilling the subject well, completing and equipping it, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling or recompletion of the well, and for such other and further relief as may be proper.

Respectfully submitted,

TENNECO OIL COMPANY

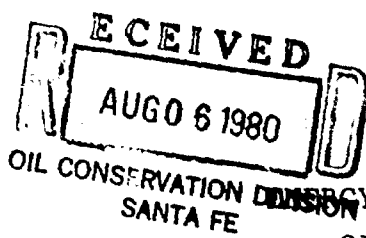
By:


Kellahin & Kellahin

P.O. Box 1769

Santa Fe, New Mexico 87501

Attorneys for Applicant



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

Case 7015

IN THE MATTER OF THE APPLICATION
OF TENNECO OIL COMPANY FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

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| <u>NAME</u> | <u>ADDRESS</u> | <u>INTEREST</u> |
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Respectfully submitted,

TENNECO OIL COMPANY

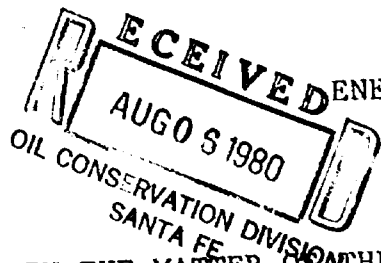
By:


Kellahin & Kellahin

P.O. Box 1769

Santa Fe, New Mexico 87501

Attorneys for Applicant



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF TENNECO OIL COMPANY FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

Case 7015

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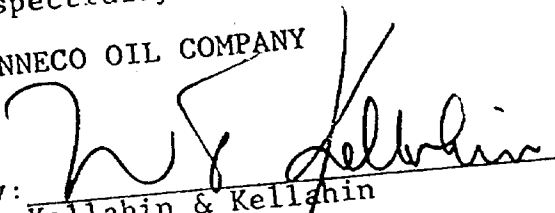
| <u>NAME</u> | <u>ADDRESS</u> | <u>INTEREST</u> |
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Respectfully submitted,

TENNECO OIL COMPANY

By:


Kellahin & Kellahin

P.O. Box 1769

Santa Fe, New Mexico 87501

Attorneys for Applicant

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

CASE NO. 7015

Order No. R- 6422

APPLICATION OF TENNECO OIL COMPANY
FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 3,
19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of September, 19 80, 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. 7015 is hereby dismissed.

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