

CASE 7024: SOUTHLAND ROYALTY COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO

Continued
October 15

De

CASE NO.

7024

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

November 10, 1980

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

Mr. William F. Carr
Campbell and Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 7024
ORDER NO. R-6508

Applicant:

Southland Royalty 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	

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. 7024
Order No. R-6508

APPLICATION OF SOUTHLAND ROYALTY
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 October 29,
1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of November, 1980, the Division
Director, having considered the record and the recommendations
of the Examiner, and being fully advised in the premises,

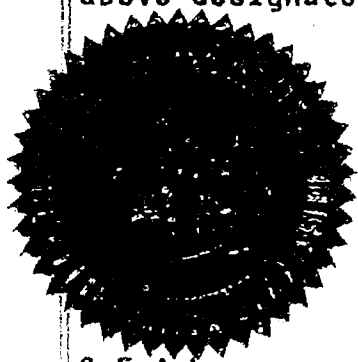
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 7024 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

SEAL
fd/

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Southland Royalty Com-)
pany for compulsory pooling, Eddy)
County, New Mexico.)

CASE
7024

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

MR. NUTTER: Call Case Number 7024.

MR. PEARCE: Application of Southland
Royalty Company for compulsory pooling, Eddy County, New
Mexico.

We have correspondence on this matter
from Campbell and Black, P. A., requesting that this matter
be dismissed.

MR. NUTTER: Case Number 7024 will be
dismissed.

(Hearing concluded.)

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.

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 hearing held at Santa Fe, N.M. on 7/20/80
heard by me on 10/29/80

[Signature], Examiner
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Southland Royalty Com-
pany for compulsory pooling, Eddy
County, New Mexico.

CASE
7024

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Ferry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

1 MR. NUTTER: Call Case Number 7024.

2
3 MR. PEARCE: Application of Southland
4 Royalty Company for compulsory pooling, Eddy County, New
5 Mexico.

6 We have correspondence on this matter
7 from Campbell and Black, P. A., requesting that this matter
8 be dismissed.

9 MR. NUTTER: Case Number 7024 will be
10 dismissed.

11
12
13 (Hearing concluded.)
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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 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.


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 of
the Examination hearing of Case No. 7024,
heard by me on 10/29/80.

 Examiner
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Southland Royalty Com-
pany for compulsory pooling, Eddy
County, New Mexico.

CASE
7024

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 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) 455-7409

1 MR. STAMETS: Call next Case 7024.

2 MR. PADILLA: Application of Southland
3 Royalty Company for compulsory pooling, Eddy County, New
4 Mexico.

5 MR. STAMETS: At the request of the appli-
6 cant this case will be continued to the October 29th Examiner
7 Hearing.

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9 (Hearing concluded.)
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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

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Sally W. Boyd C.S.R.

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 Ex. Div. hearing of Case No. 7024,
heard by me on 10-15 1980.

Richard P. Hunter Examiner
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Southland Royalty Com-
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CASE
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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.
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Santa Fe, New Mexico 87501
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MR. STAMETS: Call next Case 7024.

MR. PADILLA: Application of Southland
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Mexico.

MR. STAMETS: At the request of the appli-
cant this case will be continued to the October 29th Examiner
Hearing.

(Hearing concluded.)

C E R T I F I C A T E

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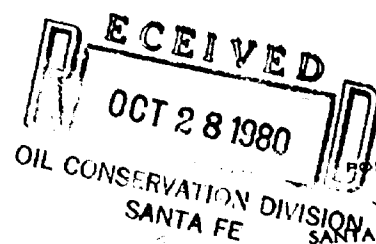
SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a correct and true transcript of the
hearing held on _____
heard by _____

_____, Examiner
Oil Conservation Division

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR



POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 988-4421

October 27, 1980

Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of
Energy & Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Case 7024: Application of Southland Royalty
Company for Compulsory Pooling, Eddy County,
New Mexico

Dear Mr. Ramey:

Southland Royalty Company hereby requests that the above-referenced case scheduled for hearing on October 29, 1980, be dismissed.

Your attention to this request is appreciated.

Very truly yours,

William F. Carr

William F. Carr

WFC:lr

cc: Mr. Richard Petrie
Mr. Don Davis
Mr. Chad D. Dickerson

Dockets Nos. 36-80 and 37-80 are tentatively set for November 12 and 25, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 29, 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 7055: (This case will be continued to the November 25 hearing.)

Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Eaves-Lea Unit Area, comprising 2209 acres, more or less, of State and Federal lands in Township 21 South, Ranges 32 and 33 East.

CASE 7056: Application of Getty Oil Company for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3540 feet, subsurface, under the NW/4 SW/4 of Section 3, Township 24 South, Range 36 East.

CASE 7057: Application of Doyle Hartman for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to the following depths underlying the following 40-acre tracts in Township 24 South, Range 37 East: SE/4 SE/4 of Section 30: 3364 feet; NE/4 SE/4 of Section 30: 3389 feet; and SE/4 SW/4 of Section 20: 3390 feet.

CASE 7058: Application of Tahoe Oil & Cattle Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbores of its Harrison Wells Nos. 1 and 2 located in Units A and H, respectively, and its Judy Well No. 1 located in Unit C, all in Section 7, Township 25 South, Range 37 East.

CASE 7059: Application of Gulf Oil Corporation for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3406 feet under the W/2 SW/4 of Section 30, Township 24 South, Range 37 East.

CASE 7060: Application of Mobil Producing Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbores of its Humphrey Queen Unit Wells Nos. 13 in Unit I of Section 4 and 16 in Unit K of Section 3 and its Langlie Mattix Queen Unit Well No. 10 in Unit C of Section 15, all in Township 25 South, Range 37 East.

CASE 7061: Application of Bettis, Boyle & Stovall for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbore of its Justis B Well No. 8 located in Unit G of Section 20, Township 25 South, Range 37 East.

CASE 7062: Application of El Paso Natural Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbore of its Carlson Federal Well No. 2 located in Unit N of Section 23, Township 25 South, Range 37 East.

CASE 7063: Application of Lewis Burleson for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3150 feet under the SE/4 NW/4 of Section 22, Township 25 South, Range 37 East.

CASE 7041: (Continued from October 8, 1980, Commission Hearing)

Application of John Yuronka for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3,408 feet, subsurface, under the NW/4 SW/4 of Section 17, Township 24 South, Range 37 East.

CASE 7064: Application of El Paso Natural Gas Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a previously approved 440-acre proration unit comprising the S/2, S/2 NW/4, and NW/4 NW/4 of Section 33, Township 25 South, Range 37 East, Jalmat Gas Pool, to its Gregory Fed. Well No. 1 located in Unit J and its Gregory Fed. A Well No. 2, at an unorthodox location in the center of Unit L of said Section 33.

- CASE 7065:** Application of El Paso Natural Gas Company for twelve non-standard proration units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the establishment of eight non-standard proration units for Pictured Cliffs wells to be drilled in the W/2 of partial Sections 6, 7, 18, 19, 30 and 31 of Township 30 North, Range 4 West, and four non-standard proration units for Pictured Cliffs wells in partial Sections 7, 8, and 9 of Township 28 North, Range 4 West.
- CASE 7066:** Application of Conoco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Britt "B" Well No. 27 located in Unit G of Section 15, Township 20 South, Range 37 East, to produce oil from the Weir-Drinkard or an undesignated Blinebry pool and an undesignated Abo pool.
- CASE 7067:** Application of Conoco Inc. for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Dagger Draw Com. Well No. 4 located in Unit J of Section 25, Township 19 South, Range 24 East, to produce oil from the North Dagger Draw-Upper Penn Pool and gas from an undesignated Morrow pool.
- CASE 7068:** Application of Conoco Inc. for a dual completion and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Penny Federal Com. Well No. 2 at an unorthodox location 1650 feet from the North line and 1980 feet from the East line of Section 23, Township 20 South, Range 24 East, to produce oil from the South Dagger Draw-Upper Penn Pool and gas from an undesignated Morrow pool.
- CASE 7069:** Application of Anadarko 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 a Morrow test well to be drilled 660 feet from the South and East lines of Section 4, Township 19 South, Range 25 East, the S/2 of said Section 4 to be dedicated to the well.
- CASE 7070:** Application of Tesoro Petroleum Corporation for a pilot caustic flood project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a one-acre pilot caustic flood project in the Hospah Field by the injection of caustic fluid into the Seven Lakes Sand of the Upper Hospah Field at an approximate depth of 300-500 feet through four injection wells in Unit K of Section 1, Township 17 North, Range 9 West.
- CASE 7071:** Application of Jake L. Hamon for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a 640-acre proration unit comprising all of Section 17, Township 20 South, Range 36 East, North Osodo-Morrow Pool, to its Amerada Federal Well No. 2 located in Unit F and its Amerada Federal Well No. 3, to be drilled at an unorthodox location 1650 feet from the South line and 660 feet from the East line of said Section 17.
- CASE 6668:** (Reopened and Readvertised)
- In the matter of Case 6668 being reopened pursuant to the provisions of Order No. R-6139 which order promulgated temporary special rules and regulations for the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing units.
- CASE 7005:** (Continued from September 17, 1980, Examiner Hearing)
- Application of Sol West III for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for his Turkey Track-Morrow Sand Well No. 1 in Unit I of Section 26, Township 18 South, Range 28 East.
- CASE 7072:** Application of Enserch Exploration, Inc. for pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian oil pool for its Enserch Amoco State Well No. 1 located in Unit L of Section 16, Township 4 South, Range 33 East, and the promulgation of special pool rules therefor, including a provision for 80-acre spacing.
- CASE 7073:** Application of Enserch Exploration, Inc. for pool creation, temporary special pool rules, and assignment of a discovery allowable, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Fusselman oil pool for its J. G. O'Brien Well No. 1 located 1980 feet from the North line and 660 feet from the West line of Section 31, Township 7 South, Range 29 East, with special rules therefor, including provisions for 80-acre spacing, a limiting gas-oil ratio of 3000 to one and special well location requirements providing for the drilling of wells within 150 feet of the center of a quarter-quarter section. Applicant further seeks approval of a 74.24-acre proration and spacing unit and a discovery allowable for said J. G. O'Brien Well No. 1.

CASE 7074: Application of Enserch Exploration, Inc. for pool creation, an unorthodox gas well location, and non-standard proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Fusselman gas pool for its J. G. O'Brien Well No. 2 located at an unorthodox location 660 feet from the South and West lines of Section 30, Township 7 South, Range 29 East, to be dedicated to a 308.96-acre non-standard unit comprising the W/2 of said Section 30.

CASE 6822: (Continued from October 1, 1980, Examiner Hearing)

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 6648: (Continued from October 1, 1980, Examiner Hearing)

In the matter of Case 6648 being reopened pursuant to the provisions of Order No. R-6124 which order promulgated temporary special rules and regulations for the North Caprock-Mississippian Pool in Lea County, New Mexico, including a provision for 160-acre spacing and a 4000 to one gas-oil ratio limitation. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing with a 2000 to one GOR.

CASE 7045: (Continued from October 15, 1980, Examiner Hearing)

Application of Texas Oil & Gas Corp. for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Upper Morrow production in the wellbore of its Superior Federal Com. Well No. 1 located in Unit G of Section 8, Township 20 South, Range 29 East.

CASE 7024: (Continued from October 15, 1980, Examiner Hearing)

Application of Southland Royalty 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 E/2 of Section 35, 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 7038: (Continued from October 15, 1980, Examiner Hearing)

Application of Natura Energy Corporation for compulsory pooling, Lea 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 NE/4 of Section 6, Township 19 South, Range 39 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.

DOCKET: COMMISSION HEARING - FRIDAY - OCTOBER 31, 1980

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

CASE 7075: Application of Benson-Montin-Greer Drilling Corporation for the amendment of pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool as promulgated by Order No. R-2565-B and amended by Order No. R-6469, to require that the locations of wells in said pool be at least 1650 feet from the outer boundary of the spacing and proration unit, and that the drilling of wells be controlled so as to allow no more than a 330-foot horizontal deviation from the surface location. Further, that the location of wells on certain specified non-standard proration units approved by Order No. R-6469 should be no closer than 660 feet to the outer boundary of the non-standard unit nor closer than 330 feet to a quarter section line or 10 feet to a quarter-quarter section line. Said specified non-standard units are the two 640-acre units in Township 24 North, Range 1 West; the two 480-acre units in Township 24 North, Range 1 East; the four 640-acre units in Township 26 North, Range 1 West; the 640-acre unit in Township 26 North, Range 1 East; and the two 640-acre units, the three 600-acre units, and the 400-acre unit, all in Township 27 North, Range 1 West. Applicant further seeks an administrative procedure whereby unorthodox locations could be approved upon receipt of written waivers from all offsetting operators being "crowded" by the unorthodox location.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Southland Royalty
Company for compulsory pooling,
Eddy County, New Mexico.

CASE
7024

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

For the Applicant:

William F. Carr, Esq.
CAMPBELL & BLACK P. A.
Jefferson Place
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.

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

1 MR. STAMETS: We will call now Case 7024.

2 MR. PADILLA: Application of Southland
3 Royalty Company for compulsory pooling, Eddy County, New
4 Mexico.

5 MR. STAMETS: Call for appearances in this
6 case.

7 MR. CARR: Mr. Examiner, I'm William F.
8 Carr, Campbell and Black, P. A., appearing on behalf of the
9 applicant.

10 We would request that this case be con-
11 tinued to the Examiner Hearing scheduled to be held October
12 15, 1980.

13 MR. STAMETS: October what?

14 MR. CARR: 15.

15 MR. STAMETS: Okay, Case 7024 will be
16 continued to the October 15th Examiner Hearing.

17
18 (Hearing concluded.)

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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

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Sally W. Boyd C.S.R.

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. 7024 heard by me on 9-17 19.80.

Richard H. Stamt, Examiner
Oil Conservation Division

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

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Application of Southland Royalty
Company for compulsory pooling,
Eddy County, New Mexico.

CASE
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BEFORE: Richard L. Stamets

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Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr, Esq.
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Santa Fe, New Mexico 87501

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3 MR. PADILLA: Application of Southland
4 Royalty Company for compulsory pooling, Eddy County, New
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6 MR. STAMETS: Call for appearances in this
7 case.

8 MR. CARR: Mr. Examiner, I'm William F.
9 Carr, Campbell and Black, P. A., appearing on behalf of the
10 applicant.

11 We would request that this case be con-
12 tinued to the Examiner Hearing scheduled to be held October
13 15, 1930.

MR. STAMETS: October what?

MR. CARR: 15.

14 MR. STAMETS: Okay, Case 7024 will be
15 continued to the October 15th Examiner Hearing.
16

17 (Hearing concluded.)
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25

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. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

30-80 and 31-80 are tentatively set for October 1 and 15, 1980. Applications for hearing at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 17, 1980

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, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for October, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7021: Application of Gulf Oil Corporation for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a previously approved 477-acre non-standard gas proration unit comprising the N/2 and SE/4 of Section 19, Township 19 South, Range 37 East, Eumont Gas Pool, to its B. V. Culp (NCT-A) Wells Nos. 3 and 9 located in Units F and J, respectively, of said Section 19.

CASE 6961: (Continued from August 20, 1980, Examiner Hearing)

Application of Conoco Inc. for a dual completion and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Meyer A-29 Well No. 11 to be drilled at an unorthodox location 990 feet from the North line and 660 feet from the East line of Section 29, Township 22 South, Range 36 East, to produce gas from the Langley-Devonian and -Ellenburger pools thru parallel strings of tubing, the E/2 of said Section 29 to be dedicated to the well.

CASE 7022: Application of Texas Pacific Oil Company, Inc. for a non-standard proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a 320-acre non-standard proration unit comprising the N/2 of Section 9, Township 22 South, Range 36 East, Jalmat Gas Pool, to its Wells Nos. 40 and 63 located in Units A and C, respectively, of said Section 9. Applicant further seeks approval to simultaneously dedicate its Wells Nos. 14, 36, 42, and 62 located in Units B, M, E, and K, respectively, of Section 11, Township 22 South, Range 36 East, to a standard proration unit to be comprised of all of said Section 11.

CASE 7008: (Continued from August 20, 1980, Examiner Hearing)

Application of Coronado Exploration Corp. for eight compulsory poolings, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying eight 40-acre proration units, being the NE/4 NE/4 of Section 4 and the NW/4 NE/4 of Section 5, both in Township 12 South, Range 28 East, and the NW/4 SE/4 of Section 6, the NE/4 NW/4 of Section 23, the NE/4 SE/4 of Section 28, the SE/4 SE/4 of Section 29, the NE/4 NW/4 of Section 32, and the SE/4 NW/4 of Section 33, all in Township 11 South, Range 28 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 7004: (Continued from August 20, 1980, Examiner Hearing)

Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Morrow formations underlying the N/2 of Section 12, Township 19 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 7023: Application of Shell Oil Company for pool creation and temporary special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian oil pool for its Askew Well No. 1 located in Unit L of Section 2, Township 5 South, Range 33 East, and the promulgation of special pool rules therefor, including a provision for 80-acre spacing.

CASE 7011: (Continued from August 20, 1980, Examiner Hearing)

Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Blanco-Pictured Cliffs production in the wellbores of the following six wells: Elliott "C" No. 1, SE/4 of Section 9, Township 30 North, Range 9 West; Elliott "B" No. 8, NE/4 of Section 10; "A" Nos. 3 and 2, NE/4 and NW/4, Section 11; "D" No. 7, SW/4 of Section 11; and "E" No. 1, NW/4 of Section 14, all in Township 29 North, Range 9 West.

CASE 7019: (Continued from September 3, 1980, Examiner Hearing)

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 September 3, 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 7024: Application of Southland Royalty 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 E/2 of Section 35, 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 7025: Application of Southland Royalty 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 35, 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 7005: (Continued from August 20, 1980, Examiner Hearing)

Application of Sol West III for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for his Turkey Track-Morrow Sand Well No. 1 in Unit I of Section 26, Township 18 South, Range 28 East.

CASE 6822: (Continued from September 3, 1980, Examiner Hearing)

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.

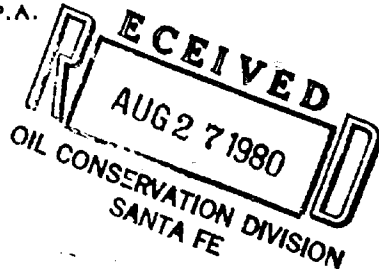
CASE 7026: Application of Bass Enterprises Production Company for pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Bone Spring oil pool for its Big Eddy Unit Well No. 60 located in Unit J of Section 20, Township 21 South, Range 28 East, and the promulgation of special rules therefor including a gas-oil ratio limitation of 10,000 to one.

CASE 7027: Application of W. A. Moncrief, Jr. for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for his Marathon State Com. Well No. 1 in Unit J of Section 11, Township 24 South, Range 24 East.

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR



POST OFFICE BOX 2208

JEFFERSON PLACE

SANTA FE, NEW MEXICO 87501

TELEPHONE (505) 688-4421

August 25, 1980

Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 7024

RE: Application of Southland Royalty Company for
Compulsory Pooling, Eddy County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Southland Royalty Company in the above-referenced matter.

The applicant requests that this matter be included on the docket for the examiner hearing scheduled to be held on September 17, 1980.

Very truly yours,

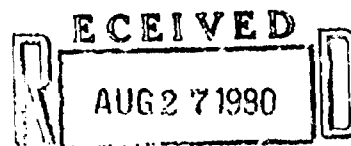
A handwritten signature in dark ink, appearing to read "William F. Carr". The signature is written in a cursive style with a long, sweeping underline.

William F. Carr

WFC:tn

Enclosures

cc: Mr. Don Davis, Landman
Southland Royalty Company
1100 Wall Towers West
Midland, Texas 79701



BEFORE THE OIL CONSERVATION DIVISION
SANTA FE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF SOUTHLAND ROYALTY COMPANY
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

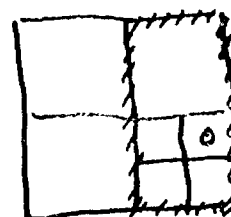
CASE 7024

APPLICATION

Comes now, SOUTHLAND ROYALTY COMPANY, by and through its undersigned attorneys and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby makes application for an order pooling all of the mineral interest in the Pennsylvanian formation in and under the E/½ of Section 35, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant is the owner of 56.3% of the working interest in and under the E/½ of said Section 35, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its Empire Federal 35-A Com. No. 1 Well to be drilled at an orthodox location 1930 feet from the South line and 660 feet from the East line of said Section 35.
3. Applicant has sought and obtained either voluntary agreement for pooling or farm-out from all other working interest owners in the E/½ of said Section 35 except the following:

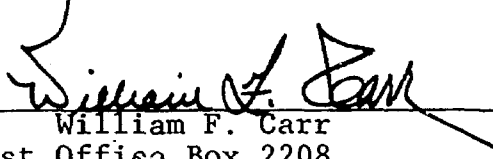
Tenneco Oil Exploration and Production Company	12.1% WI
Bassett-Birney Oil Corporation	6.3% WI
Flag-Kedfern Oil Company	25.3% WI
4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.



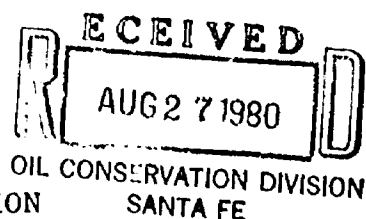
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

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 Division enter its order pooling the lands, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling, and after completion, including overhead charges, and a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and such other and further provisions as may be proper in the premises.

Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By 
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

BEFORE THE
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF SOUTHLAND ROYALTY COMPANY
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

CASE 7024

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2. Applicant proposes to dedicate the above-referenced pooled unit to its Empire Federal 35-A Com. No. 1 Well to be drilled at an orthodox location 1980 feet from the South line and 660 feet from the East line of said Section 35.
3. Applicant has sought and obtained either voluntary agreement for pooling or farm-out from all other working interest owners in the E/½ of said Section 35 except the following:

Tenneco Oil Exploration and Production Company	12.1% WI
Bassett-Birney Oil Corporation	6.3% WI
Flag-Redfern Oil Company	25.3% WI
4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

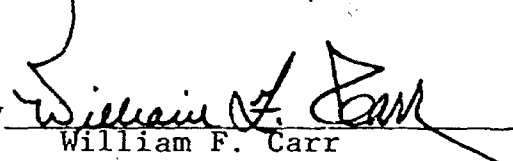
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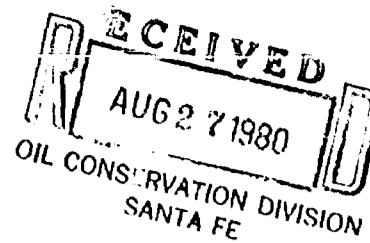
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Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant



BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF SOUTHLAND ROYALTY COMPANY
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

CASE 7024

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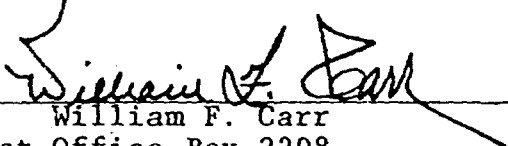
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Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By 
William F. Carr
Post Office Box 2208
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. 7024

Order No. R- 6508

APPLICATION OF SOUTHLAND ROYALTY
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 October 29,
19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of _____, 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. 7024 is hereby dismissed.

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