

CASE NO.

7057

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

POST OFFICE BOX 2068  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

November 10, 1980

Mr. R. H. Peacock  
Technical Manager  
Gulf Oil Company  
P. O. Drawer 1150  
Midland, Texas 79702

Re: CASE NO. 7052  
ORDER NO. R-6507

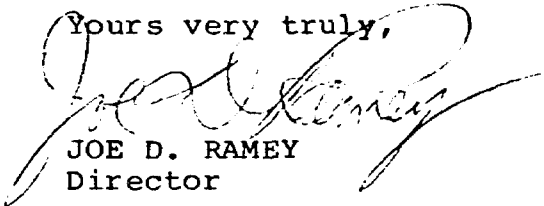
Applicant:

Gulf Oil Corporation

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 \_\_\_\_\_  
Artesia OCD   x    
Aztec OCD   x  

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. 7052  
Order No. R-6507

APPLICATION OF GULF OIL CORPORATION  
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 15, 1980,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

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.

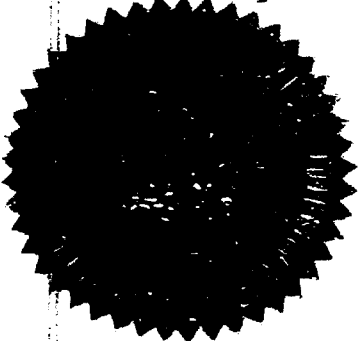
IT IS THEREFORE ORDERED:

That Case No. 7052 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  
15 October 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation  
for compulsory pooling, Eddy County,  
New Mexico.

CASE  
7052

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: We'll call next Case 7052.

2 MR. PADILLA: Application of Gulf Oil  
3 Corporation for compulsory pooling, Eddy County, New Mexico.

4 MR. STAMETS: At the request of the  
5 applicant this case will be dismissed.

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7 (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

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) 435-7409

I do hereby certify that the foregoing is  
a correct and true transcript of the hearing in  
the case of 10-55-7052  
held on 10-15-80.  
Richard L. Thomas 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 Gulf Oil Corporation  
for compulsory pooling, Eddy County,  
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CASE  
7052

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

MR. STAMETS: We'll call next Case 7052.

MR. PADILLA: Application of Gulf Oil Corporation for compulsory pooling, Eddy County, New Mexico.

MR. STAMETS: At the request of the applicant this case 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 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 correct and true transcript of the hearing in  
the case of \_\_\_\_\_  
heard by \_\_\_\_\_

\_\_\_\_\_, Examiner  
Oil Conservation Division

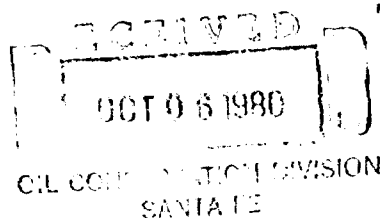
# Gulf Oil Exploration and Production Company

October 2, 1980

J. M. Thacker  
GENERAL MANAGER PRODUCTION  
SOUTHWEST DISTRICT

P. O. Drawer 1150  
Midland, TX 79702

New Mexico Energy & Minerals Department  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501



Attention: Mr. Joe D. Ramey

Gentlemen:

Re: Compulsory Pooling  
Hearing, Eddy County,  
New Mexico.

Case 7052

This is to confirm telephone conversations with your staff on September 26 and 29, 1980, setting and subsequently cancelling a hearing for October 15, 1980. The hearing was to be for the purpose of considering compulsory pooling of all the mineral interests underlying the south half of Section 36, T-18-S, R-31-E, Eddy County, in the Pennsylvanian formation. The acreage is to be assigned to Gulf's proposed Eddy "JP" State Com Well No. 1.

The hearing is cancelled subsequent to agreement among all of the working interest owners involved.

Yours very truly,

*for*   
R. H. Peacock  
Technical Manager

BSS/sh

cc: NMOCC - Hobbs  
Texaco, Inc.



A DIVISION OF GULF OIL CORPORATION

Dockets Nos. 34-80 and 35-80 are tentatively set for October 29 and November 12, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 15, 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 November, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for November, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7044:** Application of Harvey E. Yates Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Travis Penn Unit Area, comprising 400 acres, more or less, of State and Federal lands in Township 18 South, Range 28 East.
- CASE 7045:** 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 7046:** Application of Cotton Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Pictured Cliffs production in the wellbores of wells in the South Blanco-Pictured Cliffs Pool located in Sections 1, 2, 3, 4, 9, 10, 11, 13, 23, and 24, Township 24 North, Range 4 West.
- CASE 7047:** Application of Nucorp Energy Inc. for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 10,000 to one, retro-active to April 18, 1980, for the East Caprock-Pennsylvanian Pool.
- CASE 7033:** (Continued from October 1, 1980, Examiner Hearing)
- Application of Adams Exploration Inc. for three non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of three 80-acre non-standard proration units in the Vada-Pennsylvanian Pool, comprising the following acreage: SE/4 NE/4 and NE/4 SE/4 of Section 12, N/2 NE/4 of Section 12, and S/2 SE/4 of Section 2, all in Township 9 South, Range 34 East.
- CASE 7048:** Application of Public Lands Exploration, Inc. for a pilot steam enhanced oil recovery project, Guadalupe County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot steam enhanced oil recovery project in the Santa Rosa formation by re-entering 2 wells and drilling 3 wells, all located in Unit A of Section 15, Township 11 North, Range 25 East.
- CASE 7036:** (Continued from October 1, 1980, Examiner Hearing)
- Application of J. Gregory Merrion for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SE/4 of Section 34, Township 25 North, Range 6 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.
- CASE 7049:** Application of J. Gregory Merrion for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SW/4 of Section 35, Township 25 North, Range 6 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.
- CASE 7050:** Application of Maddox Energy 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 N/2 of Section 23, Township 24 South, Range 28 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 7051:** Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.

**CASE 7052:** Application of Gulf Oil Corporation 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 S/2 of Section 36, Township 18 South, Range 31 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 7024:** (Continued from September 17, 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 1, 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.

**CASE 7053:** Application of Amax Chemical Corporation for the amendment of Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to extend the boundaries of the Potash-Oil Area to include the SE/4 NE/4 and NE/4 SE/4 of Section 24, Township 19 South, Range 29 East, and the S/2 NW/4 of Section 19, Township 19 South, Range 30 East.

**CASE 7054:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending the vertical and horizontal limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Abo production and designated as the East Bitter Lakes-Abo Gas Pool. The discovery well is Boyd Operating Company Blakemore Federal Well No. 1 located in Unit D of Section 20, Township 9 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM  
Section 20: NW/4

(b) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the East Bitter Lakes-Wolfcamp Gas Pool. The discovery well is Boyd Operating Company Blakemore Federal Well No. 1 located in Unit D of Section 20, Township 9 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM  
Section 20: W/2

(c) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Fusselman production and designated as the South Elkins-Fusselman Pool. The discovery well is Enserch Exploration, Inc. J. G. O'Brien Well No. 1 located in Unit E of Section 31, Township 7 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 29 EAST, NMPM  
Section 31: NW/4

(d) ABOLISH the Cary-San Andres Pool in Lea County, New Mexico, described as:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 17: NW/4

- (e) EXTEND the Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM  
Section 3: Lots 9, 10, 15 and 16

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

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 13: S/2

- (g) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 29: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 13: N/2

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 1: W/2  
Section 14: N/2

- (i) EXTEND the Brown Queen-Grayburg Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM  
Section 25: SE/4 SW/4 and S/2 SE/4

- (j) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM  
Section 25: N/2

- (k) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 17: S/2  
Section 20: N/2

- (l) EXTEND the vertical limits of the Comanche Stateline Tansill-Yates Pool in Lea County, New Mexico, to include the Seven Rivers formation and redesignate said pool as the Comanche Stateline Tansill-Yates-Seven Rivers Pool, and extend the horizontal limits of said pool to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 27: W/2 NW/4

- (m) EXTEND the Indian Flats-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 2: S/2 NE/4

- (n) EXTEND the Jenkins-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM  
Section 32: NW/4

- (o) EXTEND the L E Ranch-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM  
Section 29: N/2 NW/4  
Section 30: N/2 NE/4

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

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 15: N/2

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 8: All

- (r) EXTEND the West Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM  
Section 14: W/2  
Section 23: All

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 6: W/2

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 1: W/2 NW/4 and NW/4 SW/4  
Section 13: NW/4 NW/4  
Section 14: NE/4 NE/4

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

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM  
Section 2: Lots 1 and 2

- (v) EXTEND the Rabbit Flats-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM  
Section 30: SE/4 SE/4

- (w) EXTEND the Railroad Mountain-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 11: W/2 SW/4  
Section 14: NW/4 NW/4

- (x) EXTEND the Richard Knob Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM  
Section 36: E/2

- (y) EXTEND the Shugart Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 2: S/2 S/2

- (z) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 26: SE/4 SE/4  
Section 35: E/2 NE/4 and NE/4 SE/4

- (aa) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 3: SE/4

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. 7052

Order No. R- 6507

APPLICATION OF GULF OIL CORPORATION  
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 15,  
19<sup>80</sup>, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of October, 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. 7052 is hereby dismissed.

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



application of  
Isulf Oil Corp  
for  
Camp pooling

Pennsylvanian form  
underlying

S/2 36-T185-R31E  
Eddy Co

Standard location

pooler: Texaco

Called in by  
Bethel Strasser  
9:35 am 9/24/80  
written appl to Jacean.

915 ~~682-7301~~  
685-4400

Dismiss