

CASE NO.

7153

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
11 March 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of C&E Operators, Inc.,  
for compulsory pooling and a non-  
standard proration unit, San Juan  
County, New Mexico.

CASE  
7153

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:

MR. STAMETS: We'll call next Case 7153.

MR. PADILLA: Application of C&E Operators, Inc., for compulsory pooling and a non-standard pro-ration unit, San Juan County, New Mexico.

MR. STAMETS: It's my understanding this case has previously been heard and it's on this docket because of readvertisement.

Is there any additional testimony in Case 7153?

There being none, the case will be taken under advisement.

(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 and correct transcript of the hearing in  
the case of No. 9153,  
dated 3-11-81.  
Richard L. Stum Examiner  
Oil and Natural Gas Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
11 March 1981

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BEFORE: Richard L. Stamets

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For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
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State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

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13  
14 (Hearing concluded.)  
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Sassy 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 copy of the original  
filed in the office of the \_\_\_\_\_  
at \_\_\_\_\_, \_\_\_\_\_  
this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.  
\_\_\_\_\_, Examiner

Oil Conservation Division, Examiner



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

March 13, 1981

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

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

Re: CASE NO. 7153  
ORDER NO. R 6601

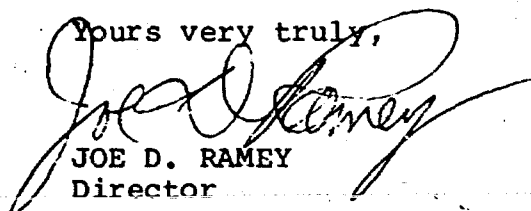
Applicant:

C & E Operators, Inc.

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 x  
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. 7153  
Order No. R-6601

APPLICATION OF C & E OPERATORS,  
INC. FOR COMPULSORY POOLING AND  
A NON-STANDARD PRORATION UNIT,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 11, 1981,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of March, 1981, 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, C & E Operators, Inc., seeks an  
order pooling all mineral interests in the Mesaverde formation  
underlying a 158.54-acre non-standard gas proration unit com-  
prising the SW/4 of Section 8, Township 30 North, Range 11  
West, NMPM, San Juan County, New Mexico.
- (3) That the applicant has the right to drill and proposee  
to drill a well at a standard location thereon.
- (4) That at the time of the hearing all interest owners  
in the proposed proration unit had agreed to pool their interests.
- (5) That that portion of the subject case seeking compul-  
sory pooling of said non-standard proration unit should be  
dismissed.

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Case No. 7153  
Order No. R-6601

(6) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Blanco Mesaverde Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(7) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Blanco Mesaverde Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That C & E Operators, Inc. is hereby granted a 158.54-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool comprising the SW/4 of Section 8, Township 30 North, Range 11 West, NMPH, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

(2) That the application for compulsory pooling of said non-standard proration unit is hereby dismissed.

(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

fd/

Dockets Nos. 12-81 and 13-81 are tentatively set for March 25 and April 8, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 11, 1981

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 April, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for April, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7176: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Marjory M. Grier, U. S. Casualty Company of New York, and all other interested parties to appear and show cause why the Red Mountain Wells Nos. 6, 7, and 10, all located in Unit B of Section 29, Township 20 North, Range 9 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7177: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Henry S. Birdseye and all other interested parties to appear and show cause why the State Well No. 10-2 in Unit C of Section 10, Township 19 North, Range 10 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7178: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Noland and Wells and all other interested parties to appear and show cause why the Reinhardt Well No. 1 in Unit A of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7179: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit "26" Oil Company and all other interested parties to appear and show cause why the Jackson Well No. 1 in Unit A of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7180: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Vincent and Goodrum and all other interested parties to appear and show cause why the Refinery Hare Well No. 1 in Unit A of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7181: Application of Read & Stevens, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Hernandez Draw Unit Area, comprising 2,560 acres, more or less, of Federal, State, and Fee lands in Townships 4 and 5 South, Ranges 26 and 27 East.

CASE 7182: Application of Wiser Oil Company for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Downes A Well No. 5 to be drilled in the approximate center of the SW/4 of Section 32, Township 21 South, Range 37 East, Penrose Skelly Pool.

CASE 7183: Application of Flag-Redfern Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Osudo Sr. Com Well No. 2 at an unorthodox location 990 feet from the North and East lines of Section 18, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool.

CASE 7147: (Readvertised)

Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to test all Pennsylvanian formations to be drilled 1650 feet from the South line and 660 feet from the East line of Section 35, Township 18 South, Range 25 East, the S/2 of said Section 35 to be dedicated to said well and to applicant's "JX" Well No. 2 located in Unit N.

CASE 7184: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 13, Township 17 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 7185: Application of El Paso Exploration Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco Mesaverde and Basin-Dakota production in the wellbore of its Turner Hughes Well No. 17 located in Unit H of Section 10, Township 27 North, Range 9 West.

CASE 7161: (Continued from February 25, 1981, Examiner Hearing)

Application of John Yuronka for four compulsory poolings, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the four 40-acre proration units comprising the SW/4 of Section 31, Township 22 South, Range 37 East, to be dedicated to wells to be drilled at standard locations 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 7164: (Continued from February 25, 1981, Examiner Hearing)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Ellenburger formations, Custer Field, underlying the N/2 of Section 6, Township 25 South, Range 37 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 7165: (Continued from February 25, 1981, Examiner Hearing)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langley-Allenburger Pool underlying the N/2 of Section 33, Township 22 South, Range 36 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 7175: (Continued from February 25, 1981, Examiner Hearing)

Application of Conoco Inc. for compulsory pooling and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Allenburger formations underlying the S/2 of Section 19, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location and dually completed in the Devonian and Allenburger formations. 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 7186: Application of Sun Texas 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 Devonian formation in the interval from 10,856 feet to 11,370 feet in its State C Account 1 Well No. 3 in Unit L of Section 2, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool.

CASE 7187: Application of Blackwood & Nichols Co., Ltd. for four non-standard proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the following four Fruitland and Pictured Cliffs non-standard gas proration units: a 185.68-acre unit comprising the SW/4 of Section 1, Township 31 North, Range 7 West; a 181.4-acre unit comprising the SE/4 of said Section 1; a 176.68-acre unit comprising the SW/4 of Section 6, Township 31 North, Range 6 West; and a 175.21-acre unit comprising the SE/4 of said Section 6. All units are to be dedicated to wells drilled at standard locations thereon.

CASE 7188: Application of Blackwood & Nichols Co., Ltd. for directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Northeast Blanco Unit Well No. 26-A, the surface location of which is 1160 feet from the North line and 60 feet from the West line of Section 8, Township 30 North, Range 7 West, and directionally drill said well in such a manner as to bottom it in the Mesaverde formation within 100 feet of a point 1190 feet from the North line and 790 feet from the West line of said Section 8, the W/2 of the section to be dedicated to the well; applicant further seeks authority to drill its Northeast Blanco Unit Well No. 32-A, the surface location of which is 1450 feet from the North line and 990 feet from the East line of Section 7, Township 30 North, Range 7 West, and directionally drill said well in such a manner as to bottom it in the Mesaverde formation within 100 feet of a point 1850 feet from the South line and 990 feet from the East line of said Section 7, the E/2 of the section to be dedicated to the well.

CASE 7170: (Continued from February 25, 1981, Examiner Hearing)

Application of Threshold Development Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its Conoco 10A State Well No. 1Y in Unit F of Section 10, Township 19 South, Range 29 East.

CASE 7189: Application of Threshold Development Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Conoco 7 State Well No. 1 in Unit N of Section 7, Township 19 South, Range 29 East.

CASE 7190: Application of Threshold Development Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka formation for its Conoco 10 State Com. Well No. 1 in Unit I of Section 10, Township 19 South, Range 29 East.

CASE 7191: Application of Southland Royalty Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location in the Potash-Oil Area of its State "14-A" Com. Well No. 1 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, Turkey Track Field.

CASE 7192: Application of Southland Royalty Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Parkway A State Com. Well No. 1 in Unit H of Section 15, Township 19 South, Range 29 East.

CASE 7193: Application of Southland Royalty Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its State 14 Com. Well No. 1 in Unit E of Section 14, Township 19 South, Range 29 East.

CASE 7194: Application of Southland Royalty Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Parkway State Well No. 1 located in Unit K of Section 15, Township 19 South, Range 29 East.

CASE 7195: Application of Southland Royalty Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its State 14 Well No. 1-A in Unit B of Section 14, Township 19 South, Range 29 East.

CASE 7196: Application of Dinero Operating Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 1980 feet from the North line and 660 feet from the West line of Section 15, Township 22 South, Range 28 East, Pennsylvanian formation, the N/2 of said Section 15 to be dedicated to the well.

CASE 7153: (Readvertised)

Application of C & E Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 8, Township 30 North, Range 11 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 7197: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Billbrey-Morrow Gas Pool. The discovery well is Getty Oil Company Getty 32 State Com Well No. 1 located in Unit C of Section 32, Township 21 South, Range 32 East, NNPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NNPM  
Section 32: E/2

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn production and designated as the East Grama Ridge-Strawn Gas Pool. The discovery well is Minerals, Inc. Llano "3" State Com Well No. 1 located in Unit H of Section 3, Township 22 South, Range 34 East, NNPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NNPM  
Section 3: E/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Lera-Morrow Gas Pool. The discovery well is John L. Cox Proctor Well No. 1 located in Unit D of Section 7, Township 11 South, Range 32 East, NNPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 32 EAST, NNPM  
Section 7: W/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the East Triste Draw-Wolfcamp Pool. The discovery well is Getty Oil Company State 29 J Well No. 1 located in Unit J of Section 29, Township 24 South, Range 33 East, NNPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NNPM  
Section 29: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NNPM  
Section 36: NW/4

(f) EXTEND the Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NNPM  
Section 30: NW/4

(g) EXTEND the Bull's Eye-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NNPM  
Section 1: SE/4 SW/4

(h) EXTEND the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NNPM  
Section 13: SW/4 SW/4

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

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NNPM  
Section 10: NE/4

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

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NNPM  
Section 27: SW/4

(k) EXTEND the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NNPM  
Section 26: NW/4  
Section 27: S/2 NE/4

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

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NNPM  
Section 22: W/2 SW/4 and SW/4 NW/4  
Section 27: NW/4 NW/4

- (m) EXTEND the Diamond Mound-Atoka Gas Pool in Eddy and Chaves Counties, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 34: S/2

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM  
Section 15: N/2  
Section 16: N/2

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

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 6: Lots 1, 2, 7, 8, 9, 10,  
15 and 16

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

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 21: E/2  
Section 28: All

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM  
Section 8: E/2  
Section 9: W/2  
Section 16: W/2  
Section 17: All

- (q) EXTEND the Kemnitz-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 23: W/2

- (r) 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: S/2 NW/4  
Section 30: S/2 NE/4

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

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM  
Section 30: NW/4 SE/4 and SW/4 NE/4

- (t) EXTEND the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 24: S/2

- (u) EXTEND the East Millman-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 22: W/2 SE/4  
Section 27: NW/4 NE/4 and NE/4 NW/4

- (v) EXTEND the Ojo Chiso-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM  
Section 14: All

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

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM  
Section 30: S/2  
Section 31: All

- (x) EXTEND the Penasco Draw Perno-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

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

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

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM  
Section 35: SW/4 SW/4

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

(z) EXTEND the East Siete-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM  
Section 10: SE/4  
Section 11: SW/4

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

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM  
Section 32: W/2 SW/4

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NMPM  
Section 12: N/2 NE/4

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM  
Section 6: N/2 N/2

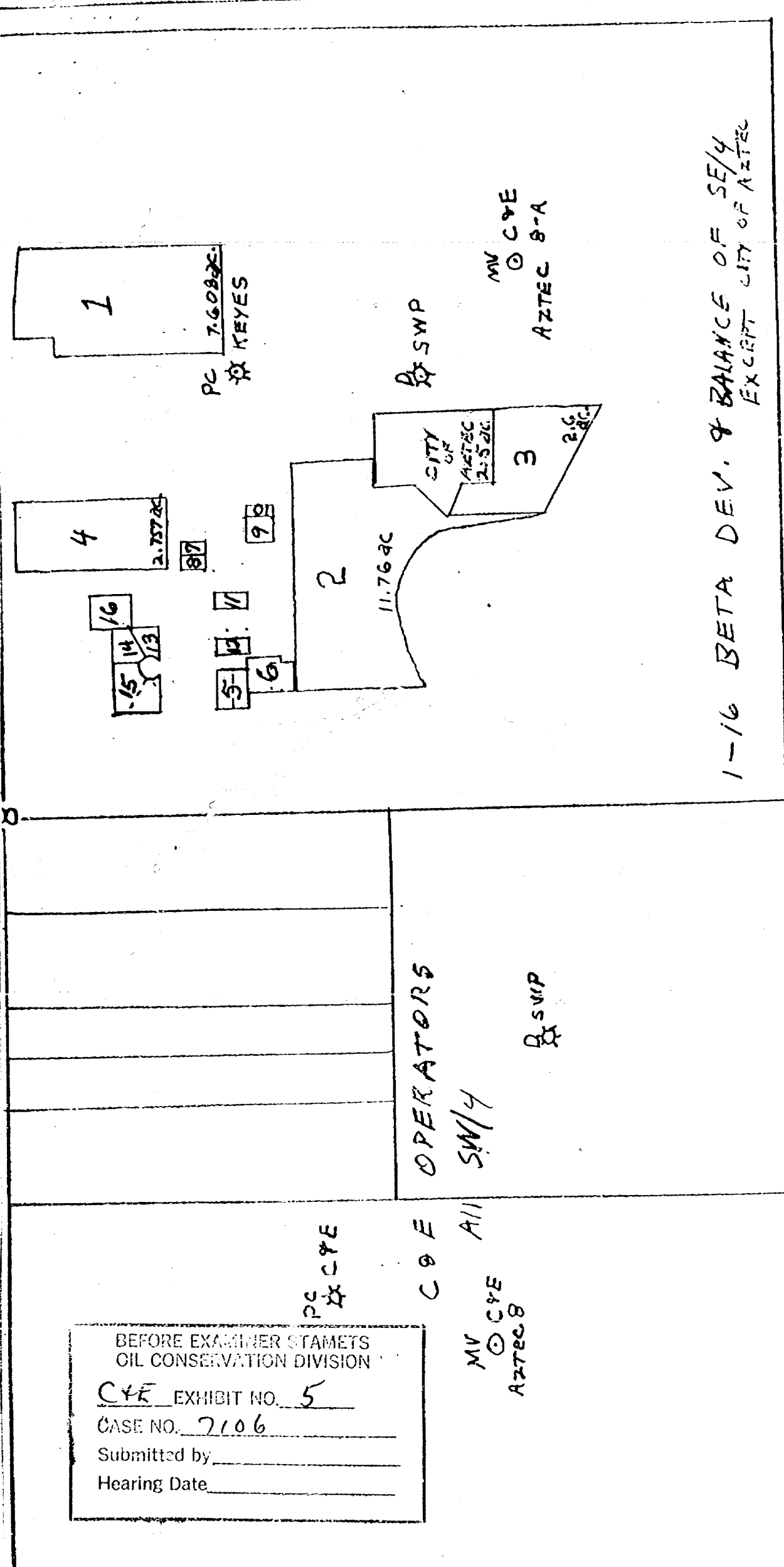
(bb) EXTEND the Warren-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 29: SE/4  
Section 32: E/2

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 15: NE/4





N ↑

5/2 SEC 8-30N-11W  
SAN JUAN CO.

SCALE: 1" = 400'

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

C&E EXHIBIT NO. 5

CASE NO. 7106

Submitted by \_\_\_\_\_

Hearing Date \_\_\_\_\_

Dockets Nos. 7-81 and 8-81 are tentatively set for February 25 and March 11, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 11, 1981

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 March, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for March, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

(3) Consideration of purchaser's nominations for the one year period beginning April 1, 1981, for both of the above areas.

CASE 7146: Application of Amoco Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Perro Grande Unit Area, comprising 3524 acres, more or less, of State and Federal lands in Townships 25 and 26 South, Range 35 East.

CASE 7135: (Continued and Readvertised)

Application of Celeste C. Grynberg for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the South Cottonwood Draw Unit Area, comprising 3,195 acres, more or less, of State lands in Township 16 South, Range 24 East.

CASE 7147: Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1650 feet from the South line and 660 feet from the East line of Section 35, Township 18 South, Range 25 East, the S/2 of said Section 35 to be dedicated to said well and to applicant's "JX" Well No. 2 located in Unit N.

CASE 7140: (Continued from January 28, 1981, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. 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 4063: (Reopened and Readvertised)

In the matter of Case No. 4063 being reopened on the motion of the Oil Conservation Division to consider the abolishment of the special rules and regulations for the Four Mile Draw-Morrow Gas Pool, Eddy County, New Mexico, as promulgated by Order No. R-3698. In the absence of objection said rules will be rescinded.

CASE 7148: Application of Twin Montana Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre Vada-Pennsylvanian oil proration unit comprising the S/2 NE/4 of Section 3, Township 9 South, Range 35 East, to be dedicated to its Webb Federal Well No. 1 located in Unit G of said Section 3.

CASE 7149: Application of John H. Hendrix Corporation for the extension of the 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 3362 feet, subsurface, underlying Unit O of Section 19, Township 23 South, Range 37 East.

CASE 7150: Application of Cavalcade Oil Corporation for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit K or L of Section 33, Township 18 South, Range 30 East.

CASE 7151: Application of C & E Operators, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying the N/2 of Section 9, Township 30 North, Range 11 West, to be dedicated to a well to be drilled at a standard location in the NE/4 and a well to be drilled at a previously approved unorthodox location in the NW/4 of said Section 9. 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 7152: Application of C & E Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 9, Township 30 North, Range 11 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 7153: Application of C & E Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 8, Township 30 North, Range 11 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 7129: (Continued from January 28, 1981, Examiner Hearing)

Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the N/2 of Section 28, Township 28 North, Range 8 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 6670: (Continued from January 14, 1981, Examiner Hearing)

In the matter of Case 6670 being reopened and pursuant to the provisions of Order No. R-6183 which order promulgated temporary special rules and regulations for the Red Hills-Devonian Gas Pool in Lea County, New Mexico, including a provision for 640-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 320-acre spacing units.

CASE 7154: Application of Mobil Producing Texas and New Mexico, Inc. for designation of a tight formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Mesaverde formation underlying portions of Townships 26 and 27 North, Ranges 2 and 3 West, containing 13,920 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

CASE 7134: (Continued and Readvertised)

Application of Read & Stevens, Inc. for an unorthodox gas well location and two non-standard gas proration units, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first being the NW/4 of Section 13, Township 15 South, Range 27 East, to be dedicated to its Langley "Com" Well No. 1 in Unit C, and the other being the NE/4 of said Section 13 to be dedicated to a well to be drilled at an unorthodox location 1315 feet from the North and East lines of the section.

DOCKET: COMMISSION HEARING - WEDNESDAY - FEBRUARY 18, 1981

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

**CASE 7155:** 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 7057:** (DE NOVO)

Application of Doyle Hartman for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction 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.

Upon application of ARCO Oil and Gas Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 7156:** Application of Parabo, Inc. for amendment of Order No. R-5516, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5516 which authorized the disposal of produced salt water in unlined surface pits in Section 29, Township 21 South, Range 38 East. Applicant proposes modification of the Commission's requirements for the number, location, and depths of monitor wells, casing and perforating monitor wells, and a change in maximum depths of water permitted in the pits.

KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gaspar Avenue

Post Office Box 1769

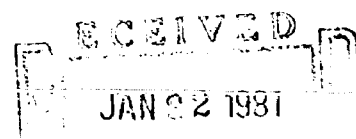
Santa Fe, New Mexico 87501

January 20, 1981

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

Telephone 982-4285  
Area Code 505

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



RE: C & E Operators

Dear Joe:

OIL CONSERVATION DIVISION  
SANTA FE

Cases 7151, 7152,  
7153

The enclosed application for the pooling of  
the N/2 of Section 9 is a refiling of Case 7105.

The enclosed application for the pooling and  
NSPU the SW/4 of Section 9 is a refiling of Case 7107.

The enclosed application for the pooling and  
a non-standard proration unit is not the same as  
the previous case 7105. That case involved the S/2  
of Section 8. We are now requesting only the SW/4  
of Section 8.

Please place these cases on the February 11,  
1981, docket.

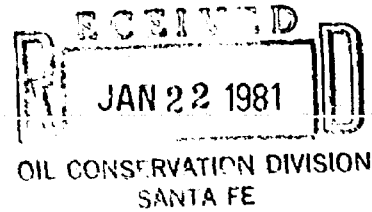
Very truly yours,

  
W. Thomas Kellahin

WTK:jm  
cc: W. P. Carr

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF C & E OPERATORS, INC., FOR  
COMPULSORY POOLING AND FOR  
APPROVAL OF A NON STANDARD PRORATION  
UNIT, SAN JUAN COUNTY, NEW MEXICO



Case No. 7153  
~~7106~~

APPLICATION

COMES NOW C & E OPERATORS, INC., by and through its attorneys, Kellahin & Kellahin, and pursuant to Section 70-2-17 NMSA-1978, applies to the Oil Conservation Division of New Mexico for compulsory pooling order pooling all mineral interest in the Mesa Verde formation in the SW/4 of Section 8, T30N, R11W, San Juan County, New Mexico and for approval of a non-standard proration unit consisting of 158.54 acres, more or less, and in support thereof would show:

1. Applicant has the rights to develop the Mesa Verde formation in the SW/4 of Section 8, T30N, R11W.
2. Applicant proposes to drill a Mesa Verde test at a standard location and to dedicate a non-standard proration unit consisting of the SW/4 of said section to the well. The unit shall consist of 158.54 acres more or less.
3. Applicant has sought to obtain the cooperation of all parties.

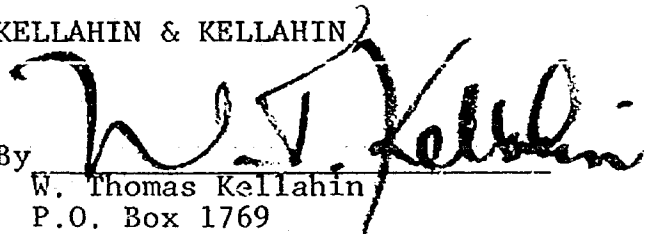
4. In order to obtain its just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.

5. 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 attached as Exhibit "A" hereto and incorporated by reference.

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 in the Mesa Verde formation underlying the SW/4 of Section 8, T30N, R11W, N.M.P.M. 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 of the well for approval of a non-standard proration unit, and for such other and further relief as may be proper.

KELLAHIN & KELLAHIN

By

  
W. Thomas Kellahin  
P.O. Box 1769  
Santa Fe, New Mexico 87501  
(505) 982-4285

ATTORNEYS FOR APPLICANT

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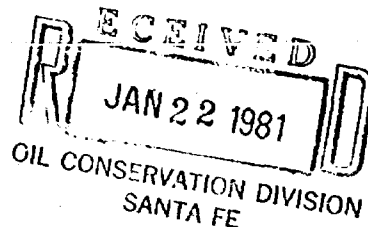
Church of Christ, Inc.,  
Aztec  
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STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF C & E OPERATORS, INC., FOR  
COMPULSORY POOLING AND FOR  
APPROVAL OF A NON STANDARD PRORATION  
UNIT, SAN JUAN COUNTY, NEW MEXICO



Case No. 7106  
7153

APPLICATION

COMES NOW C & E OPERATORS, INC., by and through its attorneys, Kellahin & Kellahin, and pursuant to Section 70-2-17 NMSA-1978, applies to the Oil Conservation Division of New Mexico for compulsory pooling order pooling all mineral interest in the Mesa Verde formation in the SW/4 of Section 8, T30N, R11W, San Juan County, New Mexico and for approval of a non-standard proration unit consisting of 158.54 acres, more or less, and in support thereof would show:

1. Applicant has the rights to develop the Mesa Verde formation in the SW/4 of Section 8, T30N, R11W.
2. Applicant proposes to drill a Mesa Verde test at a standard location and to dedicate a non-standard proration unit consisting of the SW/4 of said section to the well. The unit shall consist of 158.54 acres more or less.
3. Applicant has sought to obtain the cooperation of all parties.

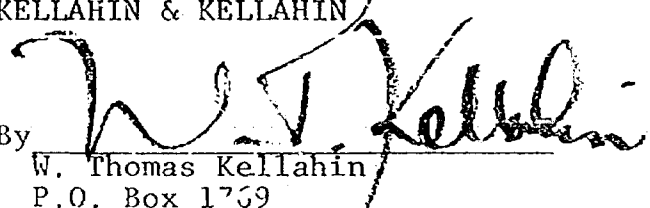
4. In order to obtain its just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.

5. 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 attached as Exhibit "A" hereto and incorporated by reference.

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 in the Mesa Verde formation underlying the SW/4 of Section 8, T30N, R11W, N.M.P.M. 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 of the well for approval of a non-standard proration unit, and for such other and further relief as may be proper.

KELLAHIN & KELLAHIN

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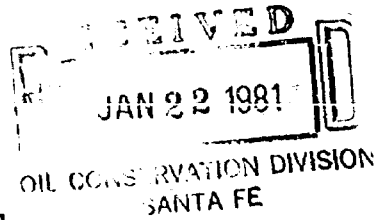
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c/o Aztec Boys Club

P.O. Box 488  
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STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF C & E OPERATORS, INC., FOR  
COMPULSORY POOLING AND FOR  
APPROVAL OF A NON STANDARD PRORATION  
UNIT, SAN JUAN COUNTY, NEW MEXICO



Case No. 7106  
7153

APPLICATION

COMES NOW C & E OPERATORS, INC., by and through its attorneys, Kellahin & Kellahin, and pursuant to Section 70-2-17 NMSA-1978, applies to the Oil Conservation Division of New Mexico for compulsory pooling order pooling all mineral interest in the Mesa Verde formation in the SW/4 of Section 3, T30N, R11W, San Juan County, New Mexico and for approval of a non-standard proration unit consisting of 158.54 acres, more or less, and in support thereof would show:

1. Applicant has the rights to develop the Mesa Verde formation in the SW/4 of Section 8, T30N, R11W.
2. Applicant proposes to drill a Mesa Verde test at a standard location and to dedicate a non-standard proration unit consisting of the SW/4 of said section to the well. The unit shall consist of 158.54 acres more or less.
3. Applicant has sought to obtain the cooperation of all parties.

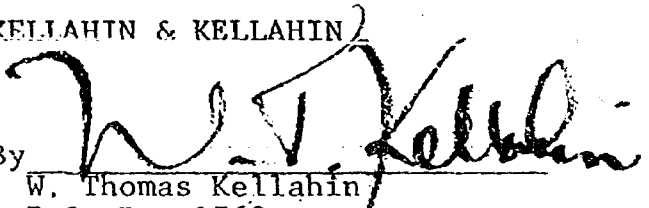
4. In order to obtain its just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.

5. 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 attached as Exhibit "A" hereto and incorporated by reference.

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 in the Mesa Verde formation undelrying the SW/4 of Section 8, T30N, R11W, N.M.P.M. 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 of the well for approval of a non-standard proration unit, and for such other and further relief as may be proper.

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P.O. Box 488  
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DRAFT

dr/

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. 7153

Order No. R-6601

APPLICATION OF C & E OPERATORS,  
INC. FOR COMPULSORY POOLING AND A  
NON-STANDARD PRORATION UNIT, SAN  
JUAN COUNTY, NEW MEXICO..

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on ~~February 11~~ <sup>March 11</sup>  
19 <sup>81</sup>, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this \_\_\_\_\_ day of February, 19 81, 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, C & E Operators, Inc.,  
seeks an order pooling all mineral interests in the Mesaverde  
formation underlying ~~the~~ a 158.54-acre non-  
standard gas proration unit comprising the SW/4  
of Section 8, Township 30 North, Range 11 West  
NMPM, San Juan County, New  
Mexico.

- (3) That the applicant has the right to drill and proposes to drill a well at a standard location thereon.
- (4) That <sup>at the time of the hearing all</sup> ~~there are~~ interest owners in the proposed proration unit <sup>had</sup> ~~who have not~~ agreed to pool their interests.

(5) That that portion of the subject case seeking compulsory pooling of ~~Said~~ said non standard proration unit should be dismissed.

(6) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Blanco-Mesaverde Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

7 That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Blanco-Mesaverde Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED: C&E Operators, Inc. is hereby granted a

(1) That a 158.54-acre non-standard gas proration unit in the Blanco-Mesaverde Gas Pool comprising the SW 1/4 of Section 8, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, <sup>to be</sup> ~~is hereby established and~~ dedicated to ~~be~~ a well to be drilled at a standard location thereon. ~~located in unit~~ ~~of said~~ ~~section~~

(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.