

# HINKLE, COX, EATON, COFFIELD & HENSLEY

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October 26, 1993

\*NOT LICENSED IN NEW MEXICO

Florene Davidson  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87503

26 SEP

10890

Re: Application of Pogo Producing Company for Special Pool Rules for the Los Medanos-Delaware Pool and the West San Dunes-Delaware Pool, Eddy County, New Mexico.

Dear Florene:

Please find enclosed, on behalf of Pogo Producing Company, the original and two copies of an Application, and related proposed advertisement, concerning the above-referenced matter.

Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

*Fran Sowers*  
Fran Sowers, Secretary  
to James Bruce

Enclosures

**VIA HAND DELIVERY**

FRS5\93K44.c

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF POGO PRODUCING  
COMPANY FOR SPECIAL POOL RULES  
FOR THE LOS MEDANOS-DELAWARE  
POOL AND THE WEST SAND DUNES-  
DELAWARE POOL, EDDY COUNTY,  
NEW MEXICO.

No. 10870

261

APPLICATION

Pogo Producing Company hereby applies for the promulgation of Special Rules and Regulations for the Los Medanos-Delaware Pool and the West Sand Dunes-Delaware Pool, including a gas:oil ratio of 8,000 cubic feet of gas per barrel of oil produced, and in support thereof states:

1. The Los Medanos-Delaware Pool was created by Division Order No. R-9473, dated April 1, 1991, and currently includes the following described acreage:

Township 23 South, Range 31 East, N.M.P.M.

Section 9: W $\frac{1}{2}$   
Section 16: W $\frac{1}{2}$   
Section 17: NE $\frac{1}{4}$ , S $\frac{1}{2}$

A special depth bracket allowable of 187 barrels of oil per day has been assigned to said Pool by Division Order No. R-9568.

2. The West Sand Dunes-Delaware Pool was created by Division Order No. R-9709, dated September 1, 1992, and currently includes the following described acreage:

Township 23 South, Range 31 East, N.M.P.M.

Section 20: SE $\frac{1}{4}$   
Section 21: SW $\frac{1}{4}$   
Section 28: All  
Section 29: NE $\frac{1}{4}$ , S $\frac{1}{2}$

Section 32: All  
Section 33: N½

The depth bracket allowable for said Pool is 187 barrels of oil per day.

3. Applicant operates or owns interests in wells in both Pools, which are produced under statewide rules which limit production to 187 barrels of oil per day at a gas:oil ratio of 2,000 cubic feet of gas per barrel of oil produced. Both Pools produce or are capable of producing from the same stratigraphic intervals.

4. Applicant seeks the promulgation of Special Rules and Regulations for each Pool to increase the limiting gas:oil ratio to 8,000 cubic feet of gas per barrel of oil produced.

5. Approval of this application will protect the correlative rights of interest owners in each Pool by affording each interest owner the opportunity to produce its just and equitable share of gas and oil from each Pool, will prevent the waste of hydrocarbons, and is otherwise in the best interests of conservation.

WHEREFORE, Applicant requests that this application be set for hearing on November 18, 1993, and after notice and hearing as required by law, the Division enter its Order approving this application.

Dated: October 26, 1993.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above a horizontal line.

---

James Bruce  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

Attorneys for Pogo Producing Company

10870

**PROPOSED ADVERTISEMENT**

Application of Pogo Producing Company for Special Pool Rules for the Los Medanos-Delaware Pool and the West Sand Dunes-Delaware Pool, Eddy County, New Mexico. Applicant seeks an order providing for a gas:oil ratio of 8,000 cubic feet of gas per barrel of oil produced for each Pool. The Los Medanos-Delaware Pool covers all of parts of Sections 9, 16, and 17 in Township 23 South, Range 31 East, N.M.P.M., and is located \_\_\_\_\_.

The West Sand Dunes-Delaware Pool covers all or parts of Sections 20, 21, 28, 29, 32, and 33 of Township 23 south, Range 31 East, N.M.P.M., and is located \_\_\_\_\_.

2657

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285  
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W THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

*MS*

November 12, 1993

HAND DELIVERED

12

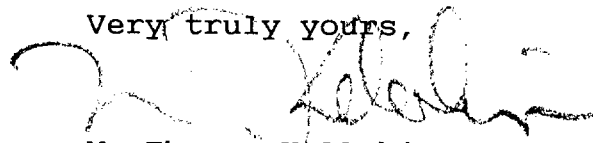
William J. LeMay  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87504

Re: NMOCD Case 10870  
Application of Pogo Producing Company  
for GOR Increase in Los Medanos and  
West Sand Dunes-Delaware Pools  
Eddy County, New Mexico

Dear Mr. LeMay:

On behalf of Kaiser-Francis Oil Company, please find enclosed our Entry of Appearance and Motion for a Continuance of the referenced case.

Very truly yours,



W. Thomas Kellahin

cc: James T. Wakefield  
Kaiser-Francis Oil Company

cc: James Bruce Esq.  
Attorney for Pogo Producing Company

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF POGO PRODUCING COMPANY FOR  
SPECIAL POOL RULES FOR THE LOS  
MEDANOS-DELAWARE AND WEST SAND  
DUNES-DELAWARE POOLS,  
EDDY COUNTY, NEW MEXICO

CASE NO. 10870

ENTRY OF APPEARANCE  
AND  
MOTION FOR CONTINUANCE

Comes now Kaiser-Francis Oil Company, by its attorneys, Kellahin and Kellahin, and enters its appearance in this case.

At the request of the Applicant this case is currently set on the Examiner's docket now scheduled for November 18, 1993. Counsel for Kaiser-Francis Oil Company is not available for this hearing date due to prior commitments.

Accordingly, Kaiser-Francis Oil Company requests that this case be continued to the Examiner's docket now scheduled for December 16, 1993.

Concurrence of opposing counsel has been requested and obtained.



W. Thomas Kellahin  
Kellahin & Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

APPLICATION OF POGO PRODUCING  
COMPANY FOR SPECIAL POOL RULES  
FOR THE LOS MEDANOS-DELAWARE  
AND WEST SAND DUNES-DELAWARE POOLS,  
EDDY COUNTY, NEW MEXICO.


No. 10870

ENTRY OF APPEARANCE

COMES NOW CAMPBELL, CARR, BERGE & SHERIDAN, P.A., and hereby  
enters its appearance in the above referenced case on behalf of Yates Petroleum  
Corporation.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.,

By:   
WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR YATES  
PETROLEUM CORPORATION



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 10870

APPLICATION OF POGO PRODUCING  
COMPANY FOR SPECIAL POOL RULES,  
EDDY COUNTY, NEW MEXICO.

DEC :

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Applicant as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

**APPLICANT**

Pogo Producing Company  
Post Office Box 10340  
Midland, Texas  
(915) 682-6822  
Attn: Scott McDaniel

**ATTORNEY**

James Bruce  
Hinkle, Cox, Eaton,  
Coffield & Hensley  
Post Office Box 2068  
Santa Fe, New Mexico 87504  
(505) 982-4554

**OPPOSITION OR OTHER PARTY**

Kaiser-Francis Oil Company

**ATTORNEY**

W. Thomas Kellahin  
Kellahin & Kellahin  
117 N. Guadalupe  
Santa Fe, New Mexico 87501  
(505) 982-4285

Yates Petroleum Corporation

William F. Carr  
Campbell, Carr, Berge  
Sheridan, P.A.  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

**STATEMENT OF CASE**

**APPLICANT**

Applicant seeks an increase in the GOR for both the Los Medanos-Delaware Pool and West Sand Dunes-Delaware Pool from 2000:1 to 8000:1. The two pools produce from the same zones. The reservoir is a solution gas drive, and thus ultimate recovery is independent of producing rate. Therefore, granting the GOR increase is proper.

**OPPOSITION**

**PROPOSED EVIDENCE**

**APPLICANT**

	<b>WITNESSES</b>	<b>EST. TIME</b>	<b>EXHIBITS</b>
1.	Scott McDaniel (Landman)	5 minutes	(a) Plat (b) Notice letters (c) Waiver letters
2.	Gary Hoose (Geologist)	20 minutes	(a) Cross sections (b) Structure maps (c) Isopachs (d) Type log
3.	Mark Stouffer (Engineer)	25 minutes	(a) Production data (b) PVT data (c) Plat and map of GOR v. structure (d) Plat and map of GOR v. cumulative production (e) Pressure data

# Pre-Hearing Statement

NMOCD Case No. 10870

Page 3

## OPPOSITION

**WITNESSES**

**EST. TIME**

**EXHIBITS**

## **PROCEDURAL MATTERS**

Respectfully submitted,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY



James Bruce  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

Attorneys for Santa Fe Energy  
Operating Partners, L.P.

## CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing Pre-Hearing Statement was hand-delivered this 13<sup>th</sup> day of December, 1993, to:

W. Thomas Kellahin  
117 N. Guadalupe  
Santa Fe, New Mexico 87501

William F. Carr  
Campbell, Carr, Berge  
& Sheridan, P.A.  
Post Office Box 2208  
Santa Fe, New Mexico 87504



James Bruce

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

DEC 1 1980

CASE NO. 10870

APPLICATION OF POGO PRODUCING COMPANY  
FOR AN INCREASE IN GOR FOR THE LOS MEDANOS-  
DELAWARE AND WEST SAND DUNES-DELAWARE POOLS,  
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by KAISER-  
FRANCIS OIL COMPANY as required by the Oil Conservation  
Division.

**APPEARANCE OF PARTIES**

APPLICATION

ATTORNEY

Pogo Producing Company

James Bruce, Esq.

OPPONENT

ATTORNEY

Kaiser-Francis Oil Company  
P. O. Box 21468  
Tulsa, Oklahoma 74121-1468  
Attn: James T. Wakefield  
(918) 494-0000

W. Thomas Kellahin  
KELLAHIN AND KELLAHIN  
P.O. Box 2265  
Santa Fe, NM 87504  
(505) 982-4285

**STATEMENT OF CASE**

OPPONENT:

Kaiser-Francis Oil Company is an operator of existing and proposed Delaware oil wells subject to the rules for both the Los Medanos and West Sand Dunes Pools, Eddy County, New Mexico.

Kaiser-Francis Oil Company contends that the existing statewide limiting 2000 to 1 GOR is still appropriate for these two pools and OPPOSES Pogo's request to increase to an 8,000 to 1 GOR because:

(1) It is premature to increase the current limiting GOR in these pools;

(2) Increasing the current limiting GOR will result in a reduction in ultimate oil recovery from the pool thereby causing waste;

(3) Increasing the current limiting GOR will accelerate the formation of secondary gas caps in the reservoir causing free gas-cap gas to be produced thereby wasting the reservoir energy need to maximize oil recovery.

(4) Increasing the current limiting GOR will cause excessive drainage of the Kaiser-Francis' spacing units and thereby will violate its correlative rights.

(5) Increasing the current limiting GOR will allow Pogo to recover more than its share of the recoverable hydrocarbons in the pools thereby violating Kaiser-Francis correlative rights.

**PROPOSED EVIDENCE**


APPLICANT

WITNESSES	EST. TIME	EXHIBITS
James T. Wakefield (PE)	40-50 min.	production plat BHP map GOR map PVT data production- graphs
Alan Benson (geologist)	20-30 Min.	isopach cross sections

**PROCEDURAL MATTERS**

None applicable at this time.

KELLAHIN AND KELLAHIN

By:   
W. Thomas Kellahin  
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(505) 982-4285

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF POGO PRODUCING  
COMPANY FOR SPECIAL POOL RULES  
FOR THE LOS MEDANOS-DELAWARE  
AND WEST SAND DUNES-DELAWARE  
POOLS, EDDY COUNTY, NEW MEXICO.

JAN 12 1994

No. 10870

ENTRY OF APPEARANCE

COMES NOW HINKLE, COX, EATON, COFFIELD & HENSLEY, and hereby  
enters its appearance in the above-referenced case on behalf of  
Santa Fe energy Operating Partners, L.P.

Respectfully submitted,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

By: 

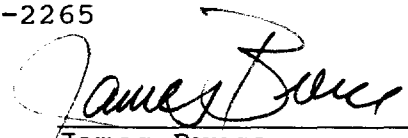
James Bruce  
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Santa Fe, New Mexico 87504-2068  
(505) 982-4554

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Entry of  
Appearance was mailed this 12<sup>th</sup> day of January, 1994, to:

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James Bruce