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April 10, 1990

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OIL CONSERVATION DIVISION

9983

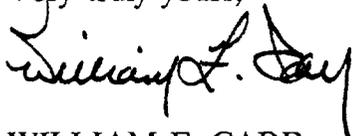
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Amerind Oil Company Limited
Partnership for Compulsory Pooling, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is an application of Amerind Oil Company Limited Partnership in the above-referenced case. Amerind Oil Company Limited Partnership respectfully requests that this matter be placed on the docket for the May 2, 1990 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosure:

Mr. Robert C. Liebrock
Amerind Oil Company Limited Partnership
415 W. Wall Street, Suite 500
Wilco Building
Midland, Texas 79701

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

IN THE MATTER OF THE APPLICATION
OF AMERIND OIL COMPANY LIMITED
PARTNERSHIP FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

RECEIVED
APR 10 1990
OIL CONSERVATION DIVISION
CASE NO. 9933

APPLICATION

AMERIND OIL COMPANY LIMITED PARTNERSHIP, through its undersigned attorneys, hereby makes application pursuant to § 70-2-17, N.M.S.A., (1978) for an order pooling all of the mineral interests in the Strawn formation in and under the W/2 SE/4 of Section 5, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 71.57% of the working interest in ad under the W/2 SE/4 of Section 5, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be located at a standard location in the W/2 SE/4 of said Section 5.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the W/2 SE/4 of Section 5 except for the following:

TEX/CON Oil & Gas Company
9401 Southwest Freeway
Suite 1200
Houston, Texas 77074
Attn: Land Department

Doris Sanders Estate
c/o Bill Sanders
Bill's Bottle Shop
2601 N. Midland Drive
Midland, Texas 79701

Mr. Charles B. Read
Post Office Box 1518
Roswell, New Mexico 88202

Margaret Fitzgerald
Anne Fitzgerald Dechant
John Fitzgerald Curry
c/o Keys A. Curry, Jr.
6123 Willers Way
Houston, Texas 77057

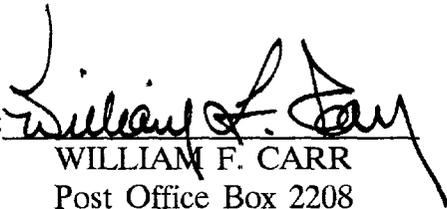
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

7. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests 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 a duly appointed Examiner of the Oil Conservation Division on May 2, 1990, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions 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 imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as may be proper.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR AMERIND OIL
COMPANY LIMITED PARTNERSHIP

County Lea Pool Shipp-Strawn

TOWNSHIP 16 South Range 37 East NMPM

	6	5	4	3	2	1
	7	8	9	10	11	12
	18	17	16	15	14	13
*	19	20	21	22	23	24
	30	29	28	27	26	25
	31	32	33	34	35	36

Description: $\frac{SE}{4}$ and $\frac{E}{2}SW\frac{1}{4}$ Sec. 33, $\frac{S}{2}$ Sec. 34 (R-8062, 10-31-85)
Amend horizontal limits to include $\frac{N}{2}$ and $\frac{SE}{4}$ Sec. 4 only, T12S,
R37E (R-8062-A, 1-21-86) EXT: $\frac{SE}{4}$ Sec. 33 (R-8513, 9-18-87)
EXT: $\frac{SE}{4}$ Sec 32, $\frac{SW}{4}$ Sec 33 (R-8603, 2/19/88) EXT: $\frac{SE}{4}$ Sec 35 (R-8668, 6/10/88)
EXT: $\frac{SE}{4}$ Sec 36 (R-9741, 9-1-89) EXT: $\frac{SE}{4}$ Sec 34 (R-9120, 3-1-90)

County LEA Pool SHIPP - STRAWN

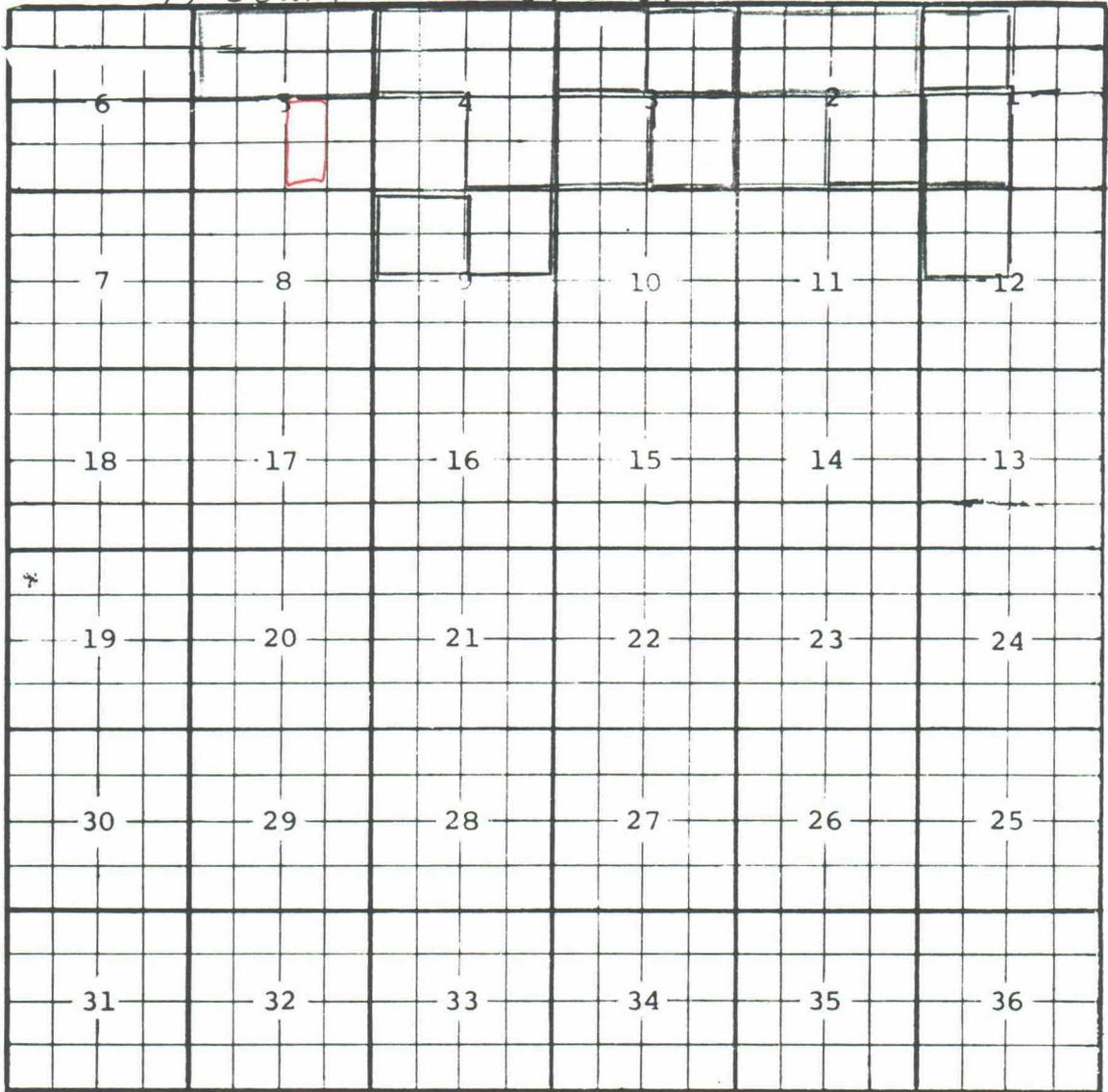
TOWNSHIP 16 South, RANGE 38 East, NEW MEXICO PRINCIPAL MERIDIAN

6	5	4	3	2	1
7	8	9	10	11	12
13	17	16	15	14	13
19	20	21	22	23	24
29	28	27	27	26	25
31	32	33	34	35	36

EXT: Sw/4 sec 31 (R-9741, 9-1-89)

County Lea Pool Shipp-Strawn

TOWNSHIP 17 South Range 37 East NMPM



Description: All Sec. 3, E/2 and E/2 W/2 Sec. 4, NE/4 and E/2 NW/4 Sec. 9, N/2 Sec. 10 (R-8062, 10-31-85)

Amend horizontal limits to be N/2 and SE/4 Sec. 4 (R-8062-A, 1-21-86)

Ext: NE/4 Sec. 9 (R-8214, 5-1-86) Ext: NW/4 Sec. 9 (R-8340, 11-3-86)

Ext: NW/4 Sec. 3 (R-8409, 3-7-87) Ext: NE/4 Sec. 3 (R-8451, 6-3-87)

Ext: SE/4 SEC 3 (R-8533, 10/28/87) Ext: N/2 SEC 5 (R-8603, 2/1/88)

Ext: N/2 SEC 2, SW/4 SEC 3 (R-8626, 4/1/88) Ext: SW/4 sec 2 (R-8856, 1-25-89)

Ext: SW/4 sec 1 (R-8901, 4-1-89) Ext: SE/4 sec 2, NW/4 sec 12 (R-9741, 9-1-89)

CASE 9931: Application of Arco Oil & Gas Company for pressure maintenance expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Empire-Abo Unit Pressure Maintenance Project, authorized by Division Order No. R-4549, as amended, by converting its Empire Abo Unit "J" Well No. 10, located 2310 feet from the North and West lines (Unit F) of Section 3 and Empire Abo Unit "J" Well No. 13, located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 2, both in Township 18 South, Range 27 East, Empire-Abo Pool, Empire Abo Unit Area, from producing oil wells to gas injection wells. Both wells are located in an area approximately 4.25 miles south-southeast of Riverside, New Mexico.

CASE 9932: Application of Anadarko Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn formation underlying the SE/4 NW/4 (Unit F) of Section 33, Township 16 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for said formation. Said unit is to be dedicated to a well to be drilled at a standard oil well 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. Said unit is located approximately 7 miles northeast by north of Humble City, New Mexico.

CASE 9918: (Continued from April 18, 1990, Examiner Hearing.)

Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, the S/2 NE/4 and the SE/4 (E/2 equivalent) of Section 2, Township 29 North, Range 9 West, forming a standard 320.60-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 2. 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. Said unit is located approximately 1.5 miles east of Turley, New Mexico.

CASE 9919: (Continued from April 18, 1990, Examiner Hearing.)

Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1, 2, 7, 8, 9, 10, 15 and 16 (E/2 equivalent) of Section 33, Township 30 North, Range 10 West, forming a standard 317.04-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 33. 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. Said unit is located approximately 4.5 miles northwest of Blanco, New Mexico.

Application of Amerind Oil Company Limited Partnership for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Shipp-Strawn Pool underlying the W/2 SE/4 of Section 5, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well 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. Said unit is located approximately 5.5 miles northwest of Humble City, New Mexico.

CASE 9934: Application of Amerind Oil Company Limited Partnership for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Shipp-Strawn Pool underlying the E/2 SW/4 of Section 35, Township 16 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at an unorthodox oil well location 1300 feet from the South line and 1750 feet from the West line (Unit N) of said Section 35. 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. Said unit is located approximately 5.5 miles north by west of Humble City, New Mexico.

CASE 9907: (Readvertised)

Application of Enron Oil & Gas Company for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the following described acreage in Section 1, Township 24 South, Range 28 East, and in the following described manner: Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) to form a 319.36-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to either the Undesignated South Culebra Bluff-Atoka Gas Pool or Undesignated Malaga-Atoka Gas Pool); Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) to form a 159.52-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within said vertical extent; Lot 3 and the SE/4 NW/4 (E/2 NW/4 equivalent) to form a 79.80-acre oil spacing and proration unit for the Undesignated South Culebra Bluff-Bone Spring Pool which is developed on 80-acre spacing; and Lot 3 (NE/4 NW/4 equivalent) to form a 39.80-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing (which presently includes but is not necessarily limited to either the Undesignated Malaga-Delaware Pool or Undesignated North Malaga-Delaware Pool). Said units are to be dedicated to a single well to be drilled 660 feet from the North line and 1680 feet from the West line (Unit L) of said Section 1, which is a standard location for zones spaced on 160 or 40

CASE 9935: Application of Harvey E. Yates Company for a horizontal directional drilling pilot project and special operating rules therefor, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in the S/2 of Section 26, Township 13 South, Range 35 East,, forming a standard 320-acre gas spacing and proration unit in the Northwest Austin-Mississippian Gas Pool. The applicant proposes to utilize its existing Duncan Unit Well No. 3 located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 26 by kicking-off from vertical in a northeasterly direction, build angle to approximately 90 degrees, and drill horizontally in the Northwest Austin-Mississippian Gas Pool for approximately 1000 to 1200 feet. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of the wellbore such that it can be no closer than 1980 feet from the end boundaries nor closer than 660 feet from the side boundaries of said spacing unit. Said project area is located approximately 4 miles west-northwest of McDonald, New Mexico.

CASE 9898: (Continued from April 4, 1990, Examiner Hearing.)

Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the SE/4 SW/4 and SE/4 of Section 5 and the NE/4 NE/4 and NE/4 NW/4 of Section 8, all in Township 20 South, Range 37 East, forming a non-standard 280-acre gas spacing and proration unit for said pool. The applicant proposes to dedicate all production from the Eumont Gas Pool to the existing Britt-Laughlin Com. Well No. 5 (formerly the Oxy USA, Inc. Laughlin "8" Well No. 5) located 330 feet from the South line and 2310 feet from the East line (Unit O) of said Section 5 and to the existing Britt-Laughlin Com. Well No. 1 (formerly the Britt "B-8" Well No. 1) located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 8 and to a third well to be drilled at an undetermined location in the SE/4 of said Section 5. Applicant further seeks to be designated operator of the non-standard gas proration unit so created and be entitled to recover out of the production therefrom his costs of drilling, completing and equipping a new infill well, plus a 200% risk factor for drilling, completing and equipping such new infill well, and an equitable and proper percentage of the value of the existing wellbores of applicant's Britt-Laughlin Com. Well Nos. 1 and 5, and all costs of supervision and operation of such non-standard gas proration unit, and that such order also provide for any other relief which may be deemed equitable and proper. The subject area is located approximately 2.25 miles south of Monument, New Mexico.

CASE 9936: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, contracting, and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Acme-San Andres Pool. The discovery well is the Yates Petroleum Corporation Cactus Flower State Unit Well No. 2 in Unit F of Section 19, Township 8 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM

Section 19: E/2
Section 30: NW/4

- (b) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production and designated as the Otterback Ranch-Atoka Gas Pool. The discovery well is the Foran Oil Company State ET Well No. 1 located in Unit C of Section 36, Township 15 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM

Section 36: W/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Pierce Crossing-Bone Spring Pool. The discovery well is the Quinoco Petroleum Inc. Queen Lake 20 Fed. Well No. 1 located in Unit E of Section 20, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 20: NW/4

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Russell-Wolfcamp Gas Pool. The discovery well is the Petroleum Corporation of Delaware Superior Fed. Well No. 5 located in Unit K of Section 5, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM

Section 5: W/2

- (e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the West Scanlon Draw-Wolfcamp Pool. The discovery well is the Pennzoil Exploration Winchester Fed. Well No. 1 located in Unit H of Section 4, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 4: NE/4

- (f) ABOLISH the Rabbit Flats-PrePermian Gas Pool in Chaves County, New Mexico, consisting of the following described acreage:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 36: W/2