

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

W. Thomas Kellahin
Karen Aubrey

Jason Kellahin
Of Counsel

December 15, 1987

RECEIVED

DEC 15 1987

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Foran Oil Company
for Compulsory Pooling
Lea County, New Mexico

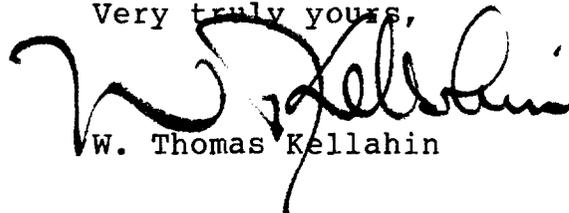
Case 9290

Dear Mr. LeMay:

On behalf of Foran Oil Company, we would appreciate you setting the enclosed application for a public hearing on the Division's Examiner docket now scheduled for January 6, 1988.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to contact the Division or the applicant's attorney to determine what additional rights they may have. In addition, they are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: Mr. Joe Foran
Foran Oil Company
8340 Meadow Road
Dallas, Texas 75231

"Certified Return-Receipt Requested"
All parties listed in Application

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

RECEIVED

DEC 15 1987

OIL CONSERVATION DIVISION

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

CASE: 9290

A P P L I C A T I O N

COMES NOW FORAN OIL COMPANY, by and through its attorneys, Kellahin, Kellahin & Aubrey and in accordance with Section 7-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests underlying the following described acreage in Section 8, T16S, R37E, Lea County, New Mexico, in the following described manner:

W/2SW/4 to form an 80 acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing; and

NW/4SW/4 to form a 40 acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 40-acre spacing.

All of the above described units are to be dedicated to a single well to be drilled to a depth of approximately 12,800 feet at standard well location 1980 feet from the South line and 660 feet from the West line of said Section 8.

1. Applicant has obtained the voluntary consent of a majority of the various working interests underlying the various proposed spacing units in Section 8, T16S, R37E, Lea County, New Mexico authorizing applicant to drill the subject well.

2. Applicant has sought either voluntary agreement for pooling or farmout from the remaining mineral or working interest owners in the applicable spacing and proration units but has been unable to obtain a voluntary agreement from the parties shown on Exhibit "A".

3. Pursuant to Division notice requirements, applicant has notified all the parties listed in paragraph 2 above of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on January 6, 1988.

4. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interests involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described herein. Applicant further prays that

it be named operator of the well, and that the order make provisions 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 and completing of the well, for such other and further relief as may be proper.

Respectfully submitted,



By
W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
P. O. Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

EXHIBIT "A"

Estate of William Gibbs McAdoo, Jr.
c/o Marquerite de H. McAdoo
480 Park Avenue
New York, New York 1002

Roy G. Barton, Jr., Trustee
of the Roy G. Barton, Sr. and
Opal Barton Revocable Trust
P. O. Box 978
Hobbs, New Mexico 88240

Barton Bros. Land & Royalty Co.
c/o Roy G. Barton
P. O. Box 978
Hobbs, New Mexico 88240

Roy G. Barton, Jr.
P. O. Box 978
Hobbs, New Mexico 88240

Doris Cross McAdoo
2048 Amherst Drive
S. Pasadena, CA 91030

Lynn R. Brown
5702 Woodland Avenue
N. Seattle, WA 98103

Estate of Eleanor Wilson McAdoo
c/o Mary Faith McAdoo Thackwell Bush
13 Pulnes Avenue
Goleta, CA 93117

Estate of Harriet McAdoo Platt
c/o Cynthia McAdoo Wheatland III
33 Branch Street
Boston, Mass. 02108

J. H. Zan Vant II
1730 Commerce Bldg.
307 W. 7th Street
Fort Worth, Texas 76102-5173

Jeanne Van Zant Sanders
Suite 508, Sinclair Bldg.
106 W. 5th Street
Fort Worth, Texas 76102

Exhibit "A" Continued:

E. B. White, Jr.
P. O. Box 2052
Midland, Texas 79720

Harry A. Miller, Jr.
Margaret Ann Miller Carrico
Harry A. Miller, III
Suite 600, 303 W. Wall St.
Midland, Texas 79701

Nitrom, Inc.
2504 Auburn Place
Midland, Texas 79705

Standard Oil Production Company
5151 San Felipe
P. O. Box 4587
Houston, Texas 77210

HEYCO
Harvey E. Yates Company
P. O. Box 1933
One Sunwest Center
Roswell, New Mexico 88201

Spiral Inc.
Explorers Petroleum Corp.
P. O. Box 1933
One Sunwest Center
Roswell, New Mexico 88201

Fred G. Yates Inc.
Yates Energy Corp.
1010 Sunwest Center
Roswell, New Mexico 88201

Home-Stake Royalty Corporation
2800 First National Tower
Tulsa, Oklahoma 74103

CASE 9290: (Continued from January 6, 1988, Examiner Hearing)

Application of Foran Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the following described acreage in Section 8, Township 16 South, Range 37 East, in the following described manner:

W/2 SW/4 to form an 80-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing; and

NW/4 SW/4 to form a 40-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 40-acre spacing.

All of the above-described units are to be dedicated to a well to be drilled at a standard 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 approximately 3 miles East of Lovington, New Mexico.

CASE 9288: (Continued from January 20, 1988, Examiner Hearing)

Application of Primary Fuels, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the top of the Wolfcamp formation underlying the N/2 of Section 19, Township 22 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within this vertical extent, to be dedicated to a well to be drilled at a standard gas 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 approximately 5 miles Southwest of Carlsbad, New Mexico.

CASE 9305: Application of New Mexico and Arizona Land Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the NW/4 of Section 25, Township 25 North, Range 3 West, forming a standard 160-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 approximately 5 miles northwest of Lindrith, New Mexico.

CASE 9306: Application of New Mexico and Arizona Land Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the SW/4 of Section 25, Township 25 North, Range 3 West, forming a standard 160-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 approximately 5 miles northwest of Lindrith, New Mexico.

CASE 9285: (Continued from January 20, 1988, Examiner Hearing)

Application of Bettis Brothers, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North line and 860 feet from the East line (Unit A) of Section 8, Township 25 South, Range 29 East, to test the Delaware, Wolfcamp, Strawn, Atoka and Morrow formations, the N/2 of said Section 8 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately 8 miles southeast of Malaga, New Mexico.

CASE 9293: (Continued from January 20, 1988, Examiner Hearing)

Application of Nearburg Producing Company for an unorthodox oil well location and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1150 feet from the South line and 1400 feet from the West line of Section 19, Township 16 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool, Lot 4 and the SE/4 SW/4 of said Section 19 to be dedicated to said well forming a non-standard 90.35-acre oil spacing and proration unit for said pool which is developed on 80-acre spacing. Said location is approximately 4.25 miles southeast of Lovington, New Mexico.

Dockets Nos. 2-88 and 3-88 are tentatively set for January 20 and February 3, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 6, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner or David R. Catanach, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for February, 1988, from fourteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for February, 1988, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9281:

Application of H. L. Brown, Jr. for an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 28, Township 7 South, Range 37 East, Undesignated North Blutt Siluro-Devonian Pool, the S/2 NE/4 of said Section 28 to be dedicated to the well forming a standard 80-acre spacing and proration unit for said pool. Said location is approximately 3 miles North of the Perkins Memorial Cemetery.

CASE 9282:

Application of Mobil Producing Texas and New Mexico Inc. for the expansion of the West Lindrith Gallup-Dakota Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the West Lindrith Gallup-Dakota Oil Pool to include all of Sections 6, 7, 8, and 9, Township 24 North, Range 2 West. Said area is approximately one-half mile north of Lindrith, New Mexico.

CASE 8874: (Reopened) (Continued from November 18, 1987, Examiner Hearing)

In the matter of Case 8874 being reopened pursuant to the provisions of Division Order No. R-639-C, which order reclassified the Crosby-Devonian Gas Pool in Lea County as an associated pool. Interested parties may appear and show cause why the Crosby-Devonian Associated Pool should not be reclassified as a gas pool to be governed by the rules set forth by Division Orders Nos. R-639, as amended, and R-8170, as amended.

CASE 9283:

Application of Nearburg Producing Company for compulsory pooling and unorthodox gas well 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 Mississippian formation underlying the E/2 of Section 15, Township 20 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at an unorthodox gas well location 1755 feet from the North line and 660 feet from the East line (Unit H) of said Section 15. 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 proposed well is approximately 3 miles southeast of the townsite of Seven Rivers.

CASE 9277: (Continued from December 16, 1987, Examiner Hearing)

Application of Reading and Bates Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying all of Section 10, Township 25 North, Range 2 West, forming a standard 640-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 approximately 7 miles north of Lindrith, New Mexico.

CASE 9284:

Application of Enron 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 Atoka formation underlying the N/2 of Section 17, Township 24 South, Range 35 East, forming a standard 320-acre gas spacing and proration unit for said formation, or pooling all mineral interests in the Morrow formation underlying all of said Section 17 forming a standard 640-acre gas spacing and proration unit in the Cinta Roja-Morrow Gas Pool for said formation, both units to be dedicated to a single 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. Said well is located approximately 26 miles west of Jal, New Mexico.

CASE 9285: (This case will be continued to the January 20, 1987, Examiner Hearing.)

Application of Bettis Brothers, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North line and 860 feet from the East line (Unit A) of Section 8, Township 25 South, Range 29 East, to test the Delaware, Wolfcamp, Strawn, Atoka and Morrow formations, the N/2 of said Section 8 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately 8 miles southeast of Malaga, New Mexico.

CASE 9286:

Application of Curtis J. Little for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard oil spacing and proration unit comprising the S/2 NE/4 and N/2 SE/4 of Section 2, Township 25 North, Range 3 West, West Lindrith Gallup-Dakota Oil Pool, to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 1 mile west of the Ojito Post Office.

CASE 9276: (Continued from December 16, 1987, Examiner Hearing)

Application of Marathon Oil Company for an unorthodox gas well location and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 560 feet from the South line and 1550 feet from the West line (Unit N) of Section 20, Township 21 South, Range 24 East, Indian Basin-Morrow Gas Pool, all of said Section 20 to be dedicated to said well forming a non-standard 631.58-acre gas spacing and proration unit for said pool which is developed on 640-acre spacing. Said location is approximately 2.5 miles east of the Marathon Oil Company's Indian Basin Gas Plant.

CASE 9279: (Continued from December 16, 1987, Examiner Hearing)

Application of Texaco Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard gas spacing and proration unit comprising the E/2 SE/4 of Section 15, Township 17 South, Range 32 East, Undesignated Maljamar-Queen Gas Pool, to be dedicated to its Federal U.S.A. "C" Well No. 2 located at a standard gas well location 650 feet from the South line and 660 feet from the East line (Unit I) of said Section 15. Said well is located approximately 2 miles South-Southeast of Maljamar, New Mexico.

CASE 9287:

Application of Penroc Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Vacuum Grayburg-San Andres Pool in the perforated interval from approximately 4790 feet to 5086 feet in its George McGonagill Well No. 1 located 330 feet from the North line and 990 feet from the East line (Unit A) of Section 2, Township 18 South, Range 35 East. Said well is approximately 6 miles southeast of Buckeye, New Mexico.

CASE 9288:

Application of Primary Fuels, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the top of the Wolfcamp formation underlying the N/2 of Section 19, Township 22 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within this vertical extent, to be dedicated to a well to be drilled at a standard gas 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 approximately 5 miles Southwest of Carlsbad, New Mexico.

CASE 9289:

Application of Foran Oil Company for compulsory pooling and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the following described acreage in Section 5, Township 16 South, Range 36 East, in the following described manner:

Lots 11 through 14 and SW/4 of Section 5 to form a 320-acre, more or less, gas spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 320-acre spacing; and

Lots 11 and 14 to form an 80-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing; and

Lot 14 to form a 40-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 40-acre spacing.

All of the above described units are to be dedicated to a well to be drilled at an unorthodox well location 3950 feet from the North line and 1550 feet from the West line (Unit K) of said Section 5. 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 approximately one-half mile West of Lovington, New Mexico.

CASE 9290:

Application of Foran Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the following described acreage in Section 8, Township 16 South, Range 37 East, in the following described manner:

W/2 SW/4 to form an 80-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing; and

NW/4 SW/4 to form a 40-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 40-acre spacing.