

RECEIVED

JUN 29 1968

OIL CONSERVATION DIVISION

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

IN THE MATTER OF THE APPLICATION  
OF MOBIL EXPLORATION AND PRODUCING  
U.S. AS AGENT FOR MOBIL PRODUCING  
TEXAS-NEW MEXICO, INC. FOR COMPULSORY  
POOLING AND THE DELETION OF ACREAGE  
FROM AN EXISTING NON-STANDARD PRORATION  
AND SPACING UNIT, OR IN THE ALTERNATIVE,  
FOR COMPULSORY POOLING, OR AS A FURTHER  
ALTERNATIVE FOR THE COMPULSORY POOLING  
OF A NON-STANDARD PRORATION UNIT AND  
APPROVAL OF THAT UNIT, LEA COUNTY,  
NEW MEXICO.

CASE: 9430

APPLICATION

Comes now Mobil Exploration and Producing U.S. as agent for Mobil Producing Texas-New Mexico, Inc., by and through its attorneys, Montgomery & Andrews, P.A., and applies to the New Mexico Oil Conservation Commission as follows:

Applicant seeks an order pooling all mineral interest from the top of the Wolfcamp to the base of the Pennsylvanian formations underlying the E/2 of Section 22, T17S, R35E, NMPM, forming a standard 320-acre spacing and proration unit to be dedicated to the T. H. McElvain New Mexico "AC" State Well No. 1 located 1980 feet FNL and 660 feet FEL (Unit H) of said section with the corresponding deletion of the E/2 NW/4 (80 acres) from the existing 240 acre non-standard spacing and proration unit now consisting of the NE/4 and the E/2NW/4 of Section 22 presently dedicated to that well.

In the alternative, Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation underlying the S/2 of Section 22.

As a further alternative, Applicant seeks the pooling of all mineral interests in the SE/4 and the S/2SW/4 to form a non-standard 240 acre non-standard spacing and proration unit for all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation underlying Section 22, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico.

In support thereof applicant alleges that:

1. On January 4, 1986 T. H. McElvain completed his New Mexico "AC" State Well #1 located 1980 feet FNL and 660 feet FEL of Section 22, T17S, R35E, NMPM, Lea County, New Mexico and dedicated a 240 acre non-standard proration and spacing unit for the subject T. H. McElvain well consisting of the E/2NW/4 and NE/4 of said Section 22.

2. Mobil is the owner of an interest in the SE/4 of Section 22 and has the right to drill and develop that acreage.

3. The acreage in which Mobil owns an interest is being drained by the "AC" State Well #1 and in order to prevent the waste caused by the drilling of unnecessary wells and in order to protect its correlative rights two standard 320 acre spacing and proration units should be formed in Section 22.

4. As its first alternative remedy Mobil seeks the compulsory pooling of the E/2 of said Section 22 to form a standard 320 acre spacing and proration unit for the T. H.

McElvain New Mexico "AC" State Well #1 and in accordance therewith applicant has:

(a) Sought voluntary agreements with the owners of said well;

(b) Is unable to obtain a voluntary agreement.

(c) 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 and for 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.

5. As its second alternative remedy, applicant seeks the pooling of all interests from the top of the Wolfcamp to the base of the Pennsylvanian formations underlying Section 22 and in accordance therewith applicant has:

(a) Sought a voluntary agreement with other interest owners in the S/2 for participation in a well but has been unable to obtain a voluntary agreement;

(b) 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 and for 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.

6. As a further alternative applicant seeks the pooling of all mineral interests from the top of the Wolfcamp to the base of

the Pennsylvanian formations underlying a non-standard 240 acre spacing and proration unit comprising the SE/4 and S/2SW/4 of Section 22 and for the approval of that non-standard unit and in accordance therewith applicant has:

(a) Sought a voluntary agreement with other interest owners for participation in a well but has been unable to obtain a voluntary agreement;

(b) 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 and for 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.

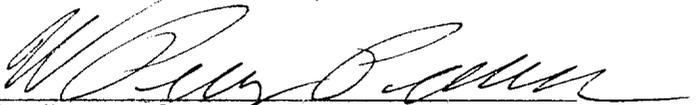
7. Pursuant to Division and Commission notice requirements applicant has notified all interested parties as shown on Exhibit A attached hereto and asks that this case be set for hearing before the Commission on July 14, 1988.

WHEREFORE, applicant requests that this application be set for hearing and that after notice and hearing its requested relief be granted.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By



W. Perry Pearce  
Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

EXHIBIT A

Amerada Hess Corporation  
Regional Office  
P.O. Box 840  
Seminole, Texas 79360

ARCO Oil and Gas Company  
P.O. Box 1610  
Midland, Texas 79702

McElvain, T. H., Jr.  
P.O. Box 2148  
Santa Fe, New Mexico 87504-2148

Trainer, C.W.  
P.O. Box 755  
Hobbs, New Mexico 88240

Phillips Petroleum Company  
4001 Penbrook  
Odessa, Texas 79762  
Attn: W. Frank Hulse

called on my very, sure  
June 21, 1988  
From  
**Memo** FLORENE DAVIDSON  
OC Staff Specialist

To July 14, 1988

Mobil Producing Texas &  
New Mexico Inc.

Compulsory Pooling  
South Shoe Bar Field  
Atoka and Morrow  
formations

S/2 Section 22, T17S, R35E  
Standard 320-acre spacing unit  
in the alternative —  
E/2 Section 22 to be  
dedicated to the existing  
McElvain well in the NE/4

# Memo

*From*  
**FLORENE DAVIDSON**  
*OC Staff Specialist*

*To*

Further alternative —  
Non-Standard 240-acre  
spacing unit

SE14 and S1/2 SW14  
Section 22

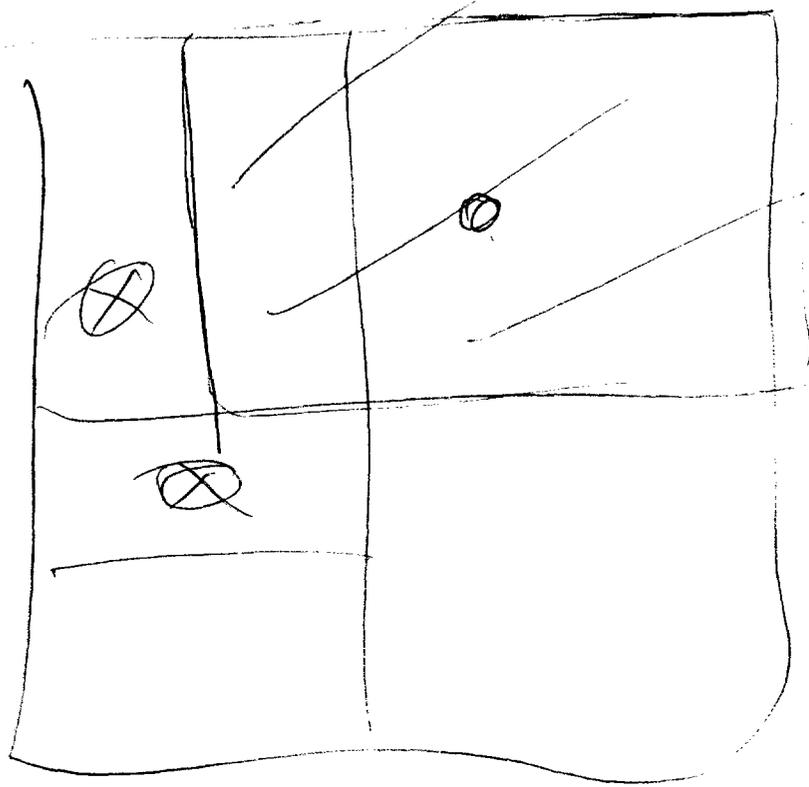
to be ~~not~~ dedicated to a  
well to be drilled in the  
SE14

# Memo

*From*  
**FLORENE DAVIDSON**  
*OC Staff Specialist*

*To*

EX-137-105  
2554



R. 864

**Oil Conservation Division Santa Fe, New Mexico 87504-2088**  
**827-5802**