CASE 4620: Application of CORINNE GRACE FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Contract of State of

Case Number 4620

Application
Trascripts

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

BEFORE THE

NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico December 1, 1971

EXAMINER HEARING

IN THE MATTER OF:

Application of Corinne Grace for special gas-oil ratio, Chavez County, New Mexico

Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico

Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico Case No. 4563

Case No. 4619

Case No. 4620

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING



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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DALY COPY, CONVENTIONS

REFORE THE NEW MEXICO OIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO March 1, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico.

Case No. 4620

BEFORE: Richard L. Stamets

Examiner

TRANSCRIPT OF HEARING

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IALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS SIMMS BLDG.* P.O. BOX 1092*PHONE 243-6691*ALBUQUERQUE, NEW MEXICO 87103 T NATIONAL BANK BLDG. EAST*ALBUQUERQUE, NEW MEXICO 87108

MR. STAMETS: The next case is Case Number 4620.

MR. HATCH: Application of Corrine Grace for

compulsory pooling, Eddy County, New Mexico.

MR. HINKLE: Clarence Hinkle representing Mrs. Grace. This case involved 80-acres that are owned by two different companies and who could not get together at first on an agreement for the development of the acreage. We were successful last week in making out an agreement which settles the whole thing and we will now be able to go ahead with 320-acre spacing.

So, therefore, we would like the case dismissed.

 $$\operatorname{MR.}$$ STAMETS: Are there any appearances in Case 4620?

(No response)

MR. STAMETS: Case Number 4620 will be dismissed.

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STATE OF NEW MEXICO នន COUNTY OF BERNALILLO)

I, RICHARD E. McCORMICK, a Certified Shorthand Reporter, in and for the County of Bernalillo, State of New Mexico do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

I do hershy cortify that the foresains has a complete receive of the propositions in the Russian bearing of these to 1620, heard by me on 2101401 10 12.

Res Moutes Oil Conservation Commission

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DA!LY COPY, CONVENTION:

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AMS BLDG. F.O. BOX 1093-PYONE AND ABSOLUTIONS ALTHOUGH WITHOUS NATIONAL BANK BLDG. EAST-ALBUDGEROUE, NEW MEXICO 87103

MR. UTZ: Case 4620 and Case 4563.

MR. HATCH: Case 4563: Application of Corinne Grace

for special gas-oil ratio limitation and pressure maintenance

project, Chaves County, New Mexico.

The applicant has requested each of these cases be continued until March 1st, 1972.

MR. UTZ: The cases just mentioned will be continued to March 6th--what is it?

MR. HATCH: March 1st.

MR. UTZ: March 1st, 1972 Examiner Hearing.

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1 STATE OF NEW MEXICO) 55. COUNTY OF BERNALILLO)

I, RICHARD STURGES, a Certified Shorthand Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

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MR. NUTTER: Case 4563.

MR. HATCH: Case 4563, Application of Corinne Grace for special gas-oil radio limitation and pressure maintenance project, Chaves County, New Mexico.

The applicant has requested the case be continued to February 2nd, 1972.

MR. NUTTER: In Case 4563, the Application of Corinne Grace, and Case 4620, in each of those cases, the Applicant has requested it be continued to February 2nd, and those cases will be continued to the Examined Hearing scheduled for 9 o'clock February 2nd.

The Hearing is adjourned.

SPECIALIZING IN: DEPOSTIONS, MEARINGS, STATSMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG.+ P.O. BOX 1092+PHONE 243-4651+ALBUQUERQUE, NEW MEXICO 87108 First national bank blog. East-Albuquerque, new mexico 8710s

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STATE OF NEW MEXICO) COUNTY OF BERNALILLO)

I, RICHARD STURGES, a Certified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

SHORTHAND REPORTER

i do berein mertify that the foregoing is the firestrap beauting of Cane to 4563- 4620

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MR. NUTTER: We would like to call Case No. 4563 which is the Application of Corinne Grace for special gas-oil ratio, Chavez, County, New Mexico; Case No. 4619, the Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico; and Case No. 4620, Application for Corinne Grace for compulsory pooling, Eddy County, New Mexico.

MR. HATCH: Mr. Commissioner, I have received a request from the Applicant that these three cases be continued to January 5th, 1972.

MR. NUTTER: Cases 4563, 4619 and 4620 will be continued to the Examiner Herring to be held at this same place at 9:00 o'clock A.M., January 5th, 1972.

The Hearing is adjourned.

STATE OF NEW MEXICO)

COUNTY OF SANTA FE)

I, RICHARD L. NYE. Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

COURT REPORTER TO

My commission expires March 25, 1975.

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DEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico

November 10, 1971 Examiner Hearing

Case No. 4619

Case No. 4563

Case No

IN THE MATTER OF:

Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico.

and

Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico.

and

Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico.

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING



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MR. NUTTER: Call Case No. 4619.

MR. HATCH: Case 4619. Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico.

It is my understanding that the Applicant would like this case to be continued to December 1, 1971.

MR. NUTTER: Well, we will call also Case No. 4620.

MR. HATCH: Case 4620. Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico.

MR. NUTTER: And we will call also Case No. 4563.

MR. HATCH: Case 4563. Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico.

And the Applicants desire that each of these cases be continued to December 1, 1971.

MR. NUTTER: Cases No. 4619, 4620, and Case No. 4563 will all be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock A.M., December 1, 1971.

STATE OF NEW MEXICO COUNTY OF BERNALILLO) I, LINDA MALONE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Cil Conservation Commission was reported by me; that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability. 8 10 11 12 13 14 15 16 17 18 19 20 21 22 Mar Remainer America as these \$0.4619,4629,4563 23 24 Brædner Nor World Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 4620 Order No. R-4267

APPLICATION OF CORINNE GRACE FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 1, 1972, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of March, 1972, the Commission, a quorum being present, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 4620 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

DE

L. PORTER, Jr., Member & Secretary

DOCKET: EXAMINER HEARING WEDNESDAY JAMUARY 5, 1972

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

- CASE 4621:

 (Continued from the November 10, 1971 Examiner Hearing)
 Application of Jack L. McClellan for a dual completion,
 Chaves County, New Mexico. Applicant, in the abovestyled cause, seeks approval for the dual completion
 (conventional) of his Bar-J Federal Well No. 1 located
 in Unit E of Section 15, Township 6 South, Range 27 East,
 Chaves County, New Mexico, in such a manner as to produce
 oil from an undesignated Siluro-Devonian pool through
 tubing and gas from the Haystack-Cisco Gas Pool through
 the casing-tubing annulus.
- CASE 4609: (Continued from the November 17, 1971 Examiner Hearing)
 Application of Jack L. McClellan for a unit agreement,
 Chaves County, New Mexico. Applicant, in the abovestyled cause, seeks approval of the Sulimar-Queen Unit
 Area comprising 1520 acres, more or less, of Federal lands
 in Sections 13, 23, 24, 25, and 26 of Township 15 South,
 Range 29 East, and Sections 18 and 19 of Township 15 South,
 Range 30 East, Chaves County, New Mexico.
- CASE 4482: (Reopened):

 In the matter of Case 4482 being reopened pursuant to the provisions of Order No. R-4093, which order established 160-acre spacing units and established a maximum gas-oil ratio limitation of 3,000 cubic feet of gas for each barrel of oil produced for the Parkway-Strawn Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre

CASE 3709 (Reopened):

to one.

In the matter of Case 3709 being reopened pursuant to the provisions of Order No. R-3366-B, which order continued 80-acre spacing for the Akah Nez-Devonian Oil Pool, San Juan County, New Mexico, for an additional one-year period. All interested persons may appear and show cause why said pool should not be developed on 40-acre spacing units.

or 80-acre spacing units and why the limiting gas-oil ratio should not revert to the statewide limit of 2,000

CASE 4638: Application of Holder Petroleum Corporation for downhole

(Case 4638 continued)

and surface commingling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Todd Lower-San Andres Pool and the Todd Upper-San Andres Gas Pool in the well-bores of its BA Wells Nos. 1 and 2, located respectively, in Units A and H of Section 34, Township 7 South, Range 35 East, Roosevelt County, New Mexico. Applicant further seeks authority to commingle, on the surface, production from said wells prior to measurement.

- CASE 4639: Application of Great Western Drilling Company to directionally drill, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill out its State Well No. 1, having a surface location 330 feet from the North and East lines of Section 17, Township 16 South, Range 35 East, Townsend-Morrow Gas Pool, Lea County, New Mexico, to a depth of approximately 8,000 feet and whipstock the well in a southwesterly direction to a bottom-hole location within the NE/4 of said Section 17 at a depth of approximately 11,800 feet.
- CASE 4640: Application of Amoco Production Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the East Gem-Yates Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.
- CASE 4641: Application of Reserve Oil and Gas Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its South Langlie Jal Unit Jalmat Waterflood Project, Jalmat Oil Pool, by the conversion of water injection of its Unit Well No. 23, located 2310 feet from the South and West lines of Section 17, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 4642: Application of Fluid Power Pump Company for special pool rules and a pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Media-Entrada Pool, including a provision for 160-acre spacing and proration units. Applicant further seeks authority to institute a pressure maintenance project in said pool by the injection of water into the Entrada formation through various wells located in Sections 10, 11, 22, and 23 of Township 19 North, Range 3 West, Sandoval County, New Mexico, and promulgation of rules for said project including a procedure wherey additional injection or production wells at orthodox or unorthodox locations may be approved administratively.

- CASE 4643: Application of Cities Service Oil 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 in the Morrow formation underlying the N/2 of Section 19, Township 22 South, Range 27 East, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico, to form a standard 320-acre proration unit for the production of gas from the Morrow formation with said unit to be dedicated to a well to be drilled at an unorthodox location 2173 feet from the North line and 1200 feet from the East line of said Section 19.
- CASE 4644: Application of Continental Oil Company for four non-standard gas proration units and rededication of acreage, Lea County New Mexico. Applicant, in the above-styled cause, seeks the rededication of acreage and the establishment of the following-described non-standard gas proration units for wells on its Meyer A-29 Lease in Section 29, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.
 - A 240-acre unit comprising the SE/4 and E/2 SW/4 to be dedicated to Well No. 3 in Unit N;
 - 2. An 80-acre unit comprising the W/2 SW/4 to be dedicated to Well No. 4 in Unit L;
 - 3. An 80-acre unit comprising the E/2 NE/4 to be dedicated to Well No. 5 in Unit A;
 - 4. A 240-acre unit comprising the NW/4 and W/2 NE/4 to be dedicated to Well No. 9 in Unit E.
- CASE 4563: (Continued from the December 1, 1971, Examiner Hearing)
 Application of Corrinne Grace for special gas-oil ratio
 limitation and pressure maintenance project, Chaves
 County, New Mexico. Applicant, in the above-styled cause,
 seeks authority to produce her State Well No. 1 located
 in Unit A of Section 1, Township 15 South, Range 29 East,
 Double L-Queen Pool, Chaves County, New Mexico, with no
 gas-oil ratio limitation, strip the liquids, and institute
 a pressure maintenance project by the injection of all
 said gas back into the producing formation through her
 State Well No. 2 located in Unit B of said Section 1,
 Applicant further seeks to transfer an oil allowable from
 said Well No. 2 to said Well No. 1.

CASE 4619: (Continued from the December 1, 1971, Examiner Hearing) Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the abovestyled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 25, Township 22 South, Range 26 East, which acreage is within one mile of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 25. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges of supervision of said well.

CASE 4620:

(Continued from the December 1, 1971, Examiner Hearing) Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the abovestyled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 24, Township 22 South, Range 26 East, which acreage is in the vicinity of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 24. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 2, 1972

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

CASE 4497 (Reopened):

In the matter of Case 4497 being reopened pursuant to the provisions of Order No. R-4102, which order established special rules and regulations for the Twin Lakes-San Andres Pool, Chaves County, New Mexico, including provisions for the classification of oil and gas wells and the establishment of a gas-oil ratio limitation of 4,000 cubic feet of gas for each barrel of oil. All interested persons may appear and show cause why the gas-oil ratio limitation should not be reduced and why the special rules and regulations should not be discontinued,

- CASE 4652: Application of Gulf Oil Corporation for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Central Drinkard Unit Area Waterflood Project, Drinkard Pool, by the injection of water through 15 additional wells in Sections 28, 29, 31, 32, and 33 of Township 21 South Range 37 East, Lea County, New Mexico.
- CASE 4653: Application of Odessa Natural Corporation for compulsory pooling, San Juan County, New Mexico. Applicant in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Dakota formation underlying the E/2 of Section 36, Township 26 North, Range 11 West. Basin-Dakota Pool. San Juan County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Dakota formation at a location 1600 feet from the North line and 1,000 feet from the East line of said Section 36. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for the supervision of said well.
- CASE 4654: Application of Midwest Oil Corporation for two-nonstandard gas spacing units and well locations, Eddy County New Mexico. Applicant, in the above-styled cause, seeks approval for two 299-acre gas spacing units comprising the N/2 and the S/2 of Section 6, Township 18 South, Range 29 East, undesignated Morrow gas pool, Eddy County, New Mexico. Said N/2 to be dedicated to a well located at an unorthodox location 1830 feet from the North line and 1639

feet from the West line. Said S/2 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the South and West lines.

- CASE 4655: Application of Western Oil Producers, Inc. for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 320-acre non-standard gas proration units in an undesignated Devonian gas pool, the first comprising the NE/4 of Section 31 and the NW/4 of Section 32, Township 20 South, Range 36 East, Lea County, New Mexico, to be dedicated to applicant's State M Well No. 1 located 1980 feet from the North line and 660 feet from the West line of said Section 32. The second unit would comprise the SE/4 of Section 31 and the SW/4 of Section 32 and would be dedicated to a well to be drilled 1650 feet from the South line and 660 feet from the West line of said Section 32.
- CASE 4656: Application of Western Oil Producers, Inc. for an unorthodox gas well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to drill an undesignated Devonian gas well at an unorthodox location 990 feet from the West line of Section 29, Township 20 South, Range 36 East, Lea County, New Mexico, and 660 feet from the side boundary of the proration unit, which would comprise the S/2 of said Section 29.
- CASE 4563: (Continued from the January 5, 1972 Examiner Hearing)

 Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.
- CASE 4619: (Continued from the January 5, 1972, Examiner Hearing)
 Application of Corinne Grace for compulsory pooling,
 Eddy County, New Mexico. Applicant, in the above-styled
 cause, seeks an order pooling all mineral interests
 from the surface of the ground down to and including the
 Morrow formation underlying the N/2 of Section 25, Township 22 South, Range 26 East, which acreage is within one
 mile of the South Carlsbad-Morrow Gas Pool, Eddy County,
 New Mexico. Said acreage to be dedicated to a well to

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(Case 4619 continued)

be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 25. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges of supervision of said well.

CASE 4620:

(Continued from the January 5, 1972, Examiner Hearing)
Application of Corinne Grace for compulsory pooling.
Eddy County, New Mexico. Applicant, in the abovestyled cause, seeks an order pooling all mineral interests
from the surface of the ground down to and including the
Morrow formation underlying the N/2 of Section 24. Township
22 South, Range 26 East, which acreage is in the vicinity
of the South Carlsbad-Morrow Gas Pool, Eddy County New
Mexico. Said acreage to be dedicated to a well to be
drilled to the Morrow formation at a location 1980 feet
from the North and East lines of said Section 24. Also
to be considered will be the costs of drilling said well,
a charge for the risk involved, a provision for the
allocation of actual operating costs, and the establishment
of charges for supervision of said well.

LAW OFFICES

HINKLE, BONDURANT, COX & EATON

TELEPHONE (505) 822-6510

CLARENCE E. HINKLE W. E. BOHDURANT, JR. LEWIS C. COX. JR. PAUL W. EATON, JR. CONRAD E. COFFIELD HAROLD L. HENSLEY, JR. STUART D. SHANOR C. D. MARTIN

PAUL J. KELLY, JR.

600 HINKLE BUILDING

POST OFFICE BOX 10

ROSWELL, NEW MEXICO 86201

December 30, 1971

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OIL CONSERVATION COMM.

Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

Mrs. Corinne Grace has notified us that she has requested the Commission to continue Cases 4619 and 4620 until the first examiner's hearing in February, which we understand will be February 2. We assume that this request will be granted and for that reason are not arranging to have our witness appear on January 5.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

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MIL CONSERVATION COMM.

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SOIL CONSERVATION COMMISSION SANTA FE NMEX=

WE REQUEST A CONTINUANCE OF ALL THREE CASES WE ARE INVOLVED IN BEFORE THE OIL CONSERVATION COMMISSION FROM

1-5-72 6.... 2-2-72= CORRINE GRACE=

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1-5-72 2-2-72

Cose 4620

Finds
That applicants request for dismissed
should be growted.

Therefore That Ease No 4620 is hereby dismissed.

K AYBORT SZ PDF CARLSBAD NMEX 25 214P MST GEORGE HATCH OIL CONSERVATION COM

SANTA FE NMEX

WE REQUEST A CONTINUANCE ON ALL THREE CASES WE ARE INVOLVED IN BEFORE THE OIL COMMISSION FROM FEB 2 TO

MAR 1 1972

CORINNE GRACE

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 1, 1971

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

- CASE 4629: Application of El Paso Natural Gas Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Rocky Arroyo Well No. 1 located in Unit J of Section 8, Township 22 South, Range 22 East, in such a manner as to permit the production of gas from an undesignated Morrow gas pool through tubing and an undesignated Wolfcamp gas pool through the casing-tubing annulus.
- CASE 4630: Application of C. W. Trainer for a non-standard gas unit, Lea County, New Mexico. Applicant, in the above-styled cause, seek approval of a 316.15-acre non-standard gas spacing unit comprising Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, Custer-Ellenburger Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled 660 feet from the South line and 1590 feet from the West line of said Section 31.
- CASE 4631: Application of Culf Oil Corporation for a dual completion. Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Learcy McBuffington Well No. 7 located in Unit M of Section 13, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Tubb-Drinkard Oil Pool and gas from the Justis-Glorieta Gas Pool through parallel strings of tubing.
- CASE 4632: Application of Mobil Oil Corporation for an unorthodox gas well location, Lea County, New Mexico, Applicant, in the above-styled cause, seeks authority to dedicate the W/2 of Section 14, Township 17 South, Range 34 East, to its Bridges State Well No. 133, situate at an unorthodox location for said unit in the North Vacuum-Morrow Gas Pool, Lea County, New Mexico.

CASE 4563: Continued from the November 10, 1971, Examinar Hearing

Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.

CASE 4619: Continued from the November 10, 1971, Examiner Hearing

Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 25, Township 22 South, Range 26 East, which acreage is within one mile of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow. formation at a location 1980 feet from the North and East lines of said Section 25, Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges of supervision of said well.

CASE 4620: Continued from the November 10, 1971, Examiner Hearing

Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 24, Township 22 South, Range 26 East, which

-3-

Examiner Hearing - December 1, 1971

Docket No. 27-71

(Case 4620 continued)

acreage is in the vicinity of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 24. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 10, 1971

2 A.M. - CIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

- CASE 4617: Application of Tenneco Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit area comprising 520 acres, more or less, of Federal lands in Section 3, Township 19 South, Range 32 East, Lusk-Seven Rivers Pool, Lea County, New Mexico.
- CASE 4618: Application of Tenneco Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Lusk-Seven Rivers Pool by the injection of water through one well located in the SE/4 NW/4 of Section 3, Township 19 South, Range 32 East, Lea County, New Mexico.
- CASE 4619: Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 25, Township 22 South, Range 26 East, which acreage is within one mile of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 25. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges of supervision of said well.

CASE 4620:

Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 24, Township 22 South, Range 26 East, which acreage is in the vicinity of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 24. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4563: Continued from the October 27, 1971, Examiner Hearing

Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.

- CASE 4621: Application of Jack L. McClellan for a dual completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of his Bar-J Federal Well No. 1 located in Unit E of Section 15, Township 6 South, Range 27 East, Chaves County, New Mexico, in such a manner as to produce oil from an undesignated Siluro-Devonian pool through tubing and gas from the Haystack-Cisco Gas Pool through the casing-tubing annulus.
- CASE 4622: Application of Jake L. Hamon for a non-standard unit,
 Lea County, New Mexico. Applicant, in the above-styled
 cause, seeks approval of an 80-acre non-standard oil
 proration unit comprising the NE/4 SE/4 and SE/4 NE/4
 of Section 30, Township 16 South, Range 36 East, East
 Shoe Bar-Devonian Pool, Lea County, New Mexico, to be
 dedicated to a well to be drilled 1830 feet from the
 South line and 660 feet from the East line of said Section
 30.
- CASE 4623: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the amendment of the definition of a gas well as it appears in its Rules and Regulations to read as follows:

"Gas well shall mean a well producing gas or natural gas from a gas pool or a well with a gas-oil ratio in excess of 100,000 cubic feet of gas per barrel of oil producing from an oil pool."



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE

8/501

January 28, 1972

GOVERNOR **BRUCE KING** CHAIF HAN

LAND COMMISSIONER ALEX J. ARMIJO MEMBER

STATE GEOLOGIST A. L. PORTER, JR. SECRETARY - DIRECTOR

Care 4620

Mrs. Corinne Grace P. O. Box 1418 Carlsbad, New Mexico

> Cases Nos. 4563, 4619, and 4620

Dear Mrs. Grace:

At the request of the applicant the above numbered cases will be continued to March 1, 1972. A copy of the docket will be mailed to you at a later date.

Very truly yours,

George m. Hatch GEORGE M. HATCH

Attorney

GMH/dr

cc: Mr. Clarence Hinkle Mr. James Sperling

LAW OFFICES

CLARENCE E. HINKLE W. E. BONDURANT, JR.

PAUL W. EATON, JR. CONRAD E. COFFIELD HAROLD L. HENBLEY, JR. STUART D. SHANOR

PAUL J. KELLY, JR. J.M.LITTLE

HINKLE, BONDURANT, COX & EATON

600 HINKLE BUILDING

POST OFFICE BOX IO

ROSWELL, NEW MEXICO 68201

October 8, 1971

521 MIDLAND TOWER (915) 683-4691

Care 4/620

RECEIVED

OCT 1 2 1971

OIL CONSERVATION COMM.

Oil Conservation Commission Box 2088 Santa Fe, New Mex ico 87501

Gentlemen:

We enclose in triplicate application of Corinne Grace for an order pooling all minerals, royalty and leasehold interests to form a spacing and proration unit for the drilling of a well for gas in the vicinity of the South Carlsbad Morrow Pool, said well to be located in the N's Section 24, Township 22 South, Range 26 East.

Please set this down for hearing at the first examiner's hearing in November.

Yours very truly,

HINKLEY BONDURANT, COX & EATON

CEH:cs

Enc.

DOCKEY MAHED

DOCKET MARKED DOCKET MARKED

Date 12-21-71

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF CORINNE GRACE FOR AN ORDER POOLING ALL MINERAL, ROYALTY AND LEASEHOLD INTERESTS PURSUANT TO SECTION 65-3-14 NEW MEXICO STATUTES 1953 ANNOTATED FOR THE PURPOSE OF DRILLING A WELL FOR GAS IN THE VICINITY OF THE SOUTH CARLSBAD MORROW POOL SITUATED IN EDDY COUNTY, NEW MEXICO, 1980 FEET FROM THE NORTH LINE AND 1980 FEET FROM THE EAST LINE IN THE N2 SECTION 24, TOWNSHIP 22 SOUTH, RANGE 26 EAST, N.M.P.M.

Care 11620 RECEIVED OCT 1 2 1971 OIL CONSERVATION COMM.

Comes Corinne Grace of Carlsbad, New Mexico, acting by and through the undersigned attorneys, and hereby makes application to the New Mexico Oil Conservation Commission for an order pooling all mineral, royalty and leasehold interests in and to the N1/2 Section 24, Township 22 South, Range 26 East, N.M.P.M. for the purpose of drilling a well to be located 1980 feet from the North line and 1980 feet from the East line of said section to the Morrow formation in the vicinity of the South Carlsbad Morrow Pool situated in Eddy County, New Mexico, and in support thereof respectfully shows:

1. That applicant is the owner or farmoutee of oil and gas leases covering 75% of all the oil, gas and other minerals in and nder and that may be produced from the NE% and WaNW% Section 24, rownship 22 South, Range 26 East, N.M.P.M., and is in the process of Brilling a well located 1980 feet from the North line and 1980 feet from the East line of said section to the gas producing horizon in the Morrow formation in the South Carlsbad Morrow Pool.

2 That Texas Oil & Gas Corporation, whose address is Wilco Building, Midland, Texas, is the record owner of an undivided 1/2 interest in and to a certain oil and gas lease covering the entire mineral interest in the ENNW of Section 24, and Nielson Enterprises, Inc., whose address is X Plo. Box 370-long Wyoming 82414 - W.B. Macy is the record title owner of the other 1/2 undivided interest in said oil and gas lease, and although applicant has requested a farmout from both parties or their consent to join in the drilling of said well, they have thus far refused to do so. The record title to the royalty appurtenant to said lease is owned 1/2 by Dorothy S. Carlson, $_{-}$, and 1/2 by Willie whose address is

L. Pierce, an incompetent, whose address is

. In addition, E. S. Grear whose address is

Roswell, New Mexico, and Max W. Coll II, whose address is Roswell, New
Mexico, equally own a production payment interest of \$750.00 per acre
payable out of 5% of 8/8 of the production from the minerals underlying
the ENNW of said Section 24.

3. In addition to the parties referred to in Paragraph 2 hereof, there are certain royalty owners under the Wanes and Seanes said Section 24 who have failed to agree to pool or communitize the Na said Section 24, namely: The First National Bank of Birmingham, Birmingham, Alabama, Trustee of J. M. Phillips Testamentary Trust;

Date 12-21-7/
Date 10-28-7/

DOCKET MARKED

Alton M. Blanton and Bohdan Hallas, Trustees of E. C. Phillips Testamentary Trust; Melton Winfield; Jerry Phillips Winfield and James Melton Winfield.

- In the event the well being drilled should encounter gas in paying quantities in the Morrow formation it is likely that it will constitute an extension of the South Carlsbad Morrow Pool and in that event the location of said well on a standard 320 acre spacing and proration unit will be in the interest of the orderly development of said pool and will avoid the drilling of unnecessary wells and will protect correlative rights and prevent waste.
- 5. Applicant desires that Texas Oil & Gas Corporation and Nielson Enterprises, Inc. be afforded a reasonable opportunity to participate in the cost of said well or to farm out to applicant the lease in question, failing in which the order pooling said 320 acre legal subdivision provide that the pro rata cost of drilling, completing and operating said well which would normally be borne by Texas Oil & Gas Corporation and Nielson Enterprises, Inc. be paid for solely out of production to the parties advancing the cost of development and operation out of 82% of the gross revenue from the unit allocated to the minerals underlying the EXNW% of Section 24, and that allowance be made for reasonable charges for supervision, as well as a charge for the risk involved in the drilling of said well as permitted by law.
- 6. Schedule "A" attached hereto is a description of the tracts included in the 320 acres showing ownership and interest leased. Schedule "B" is a brief summary of the leases within the pooled unit.
- 7. That this matter be heard at the earliest possible examiner's hearing.

Respectfully submitted,

CORINNE GRACE

Member of the Firm of

HINKLE, BONDURANT, COX & EATON

Attorneys for Applicant

Box 10

Roswell, New Mexico 88201

Olan 4620

SCHEDULE "A"

OWNERSHIP OF N' SECTION 24, TOWNSHIP 22 SOUTH, RANGE 26 EAST, N.M.P.M. EDDY COUNTY, NEW MEXICO

Interest shown for each tract is a fraction of total production. The type of interest is designated as follows:

WI - Working Interest RI - Royalty Interest ORI - Overriding Royalty Interest PPI - Production Payment Interest

Tract A: NE%NE% Section 24 (40 acres)			
H. G. Peveler, whose wife is Zella Peveler Lse Atlantic Richfield Company Lse Corinne Grace Lse	= #1	1/8 ORI	
Tract B: WhyNE4, SEHNEH Section 24 (120 acre	es)		
Leona Stagner Lse Dorothy S. Carlson Lse Pardue Farms, a partnership	#2 #2	1/16 of 1/8 1/3 of 1/8	RI RI
composed solely of Bruce D. Pardue and Maurice P. Pardue Lse The First National Bank of Birmingham, Birmingham, Alabama, Trustee of J. M. Phillips	e #2	1/3 of 1/8	RI
Testamentary Trust Lse Alton M. Blanton and Bohdan Hallas, Trustees of E. C. Phillips			RI
Testamentary Trust Lse Melton Winfield Lse	#2	1/15 of 1/8	
Melton Winfield Lse	#2	1/45 of 1/8	
Jerry Phillips Winfield Lse	#2	1/45 of 1/8	
James Melton Winfield Lse Atlantic Richfield Company Lse			ORI
Corinne Grace Lse		•	WI
Tract C: EXNW% Section 24 (80 acres)			
Dorothy S. Carlson Lse Willie L. Pierce, an incompetent Lse E. S. Grear and Max W. Coll II Lse Texas Oil & Gas Corporation Lse Nielson Enterprises, Inc Lse	#3 #3	1/2 of $1/8$	RI PPI WI

Tract D: WhyNWh Section 24 (80 acres)

John W. Moore, whose wife is			
Emily G. Moore	Lse	#4	 1/8 RI
Pennzoil United, Inc	Lse	#4	 1/8 ORI
Corinne Grace	Lse	#4	 3/4 WI

SCHEDULE "B"

TABULATION OF OIL AND GAS LEASES COVERING NY SECTION 24
TOWNSHIP 22 SOUTH, RANGE 26 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO
(Tract Numbers Refer to Description in Schedule "A"

Land Covered				
Land	Tract A	Tract	Tract C	Tract D
Royalty	1/8	1/8	1/8	1/8
Term	5 Yars	5 Years	8 Years	72-913 10 Years
Bk/Pg	169-540	171-524	154-492	72-913
Date	6/29/66	6/29/66	2/24/65	4/10/70
Lessee	Sinclair Oil & Gas Company	* Sinclair Oil & Gas Company	E. S. Grear	David J. Sorenson
Lessor	H. G. Peveler, et ux	Pardue Farms, a partner- * Sinclair Oil ship, and Dorothy Company Swigart Carlson and Leona Stagner	Willie L. Pierce, a widow, and Dorothy S. Carlson	John W. Moore, by Emily G. Moore, Attorney-in-Fact, and Emily G. Moore, Individually
Lse #	н	Ν	m	4

Lease ratified by royalty owners, Firs National Bank of Birmingham, Alton M. Blanton and Bohdan Hallas, Trustees of E. C. Phillips Trust, Melton Winfield, Jerry Phillips Winfield and James Melton Winfield.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 45 Order No. Re

APPLICATION OF V. F. VASICEK COMPULSORY POOLING, COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on 1 at Santa Fe, New Mexico, before Examiner

NOW, on this day of considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

SEAL

A. L. PORTER, Jr., Member & Secretary

dr/