

**CASE 4889: Appli. of UNIVERSAL
RESOURCES FOR NON-STANDARD UNIT
OR FOR COMPULSORY POOLING.**

-ase Number

4889

Application
Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
January 3, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Universal Resources
Corporation for a non-standard proration
unit or in the alternative for compulsory
pooling, San Juan County, New Mexico.

Case No. 4889

BEFORE: Daniel S. Nutter,
Examiner

TRANSCRIPT OF HEARING

1 MR. CARR: Case Number 4889, application of
2 Universal Resources Corporation for a non-standard proration
3 unit or in the alternative for a compulsory pooling, San Juan
4 County, New Mexico. In this case, the applicant has requested
5 that it be dismissed.

6 MR. NUTTER: Case Number 4889 will be dismissed. We
7 will call next 4890.
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14 STATE OF NEW MEXICO)
15) ss
16 COUNTY OF BERNALILLO)

17 I, JANET RUSSELL, a Court Reporter, in and for the
18 County of Bernalillo, State of New Mexico, do hereby certify
19 that the foregoing and attached Transcript of Hearing before
20 the New Mexico Oil Conservation Commission was reported by me;
21 and that the same is a true and correct record of the said
22 proceedings to the best of my knowledge, skill and ability.
23
24
25

Janet Russell
COURT REPORTER
I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 4889
heard by me on Jan 3, 1973.

[Signature], Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

January 9, 1973

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 4889

Order No. R-4469

Applicant:

Universal Resources Corp.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Нодня 000 * 1

Artesia OCC

Aztec OCC **x**

Other _____

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. 4889
Order No. R-4469

APPLICATION OF UNIVERSAL RESOURCES
CORPORATION FOR A NON-STANDARD
PRORATION UNIT OR IN THE ALTERNATIVE
FOR COMPULSORY POOLING, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 3, 1973,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 5th day of January, 1973, 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. 4889 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
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMILLO, Member

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

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 3, 1973

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 4723: (Continued from May 17, 1972 and July 12, 1972 Examiner Hearings)

Application of Black River Corporation for pool abolishment, creation of two new gas pools, and a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the abolishment of the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, and the creation of the Washington Ranch-Upper Morrow and Washington Ranch-Lower Morrow Gas Pools for the production of gas from the upper and lower Morrow formations. Applicant further seeks approval of the dual completion (conventional) of its Cities 3 Federal Well No. 1 located in Unit F of Section 3, Township 26 South, Range 24 East, to produce the lower Morrow through tubing and the upper Morrow through the casing-tubing annulus.

CASE 4876: (Continued from the December 19, 1972 Examiner Hearing)

Application of Gulf Oil Corporation for an unorthodox oil well location and amendment of Order No. R-2248, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its West Dollarhide Devonian Unit Well No. 118 at an unorthodox location 2540 feet from the South line and 1420 feet from the West line of Section 33, Township 24 South, Range 38 East, West Dollarhide-Devonian Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2248 to provide for administrative approval of additional production and injection wells in the aforesaid unit at unorthodox locations.

CASE 4886: Application of Gulf Oil Corporation for two non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard 80-acre oil proration units comprising the SW/4 NE/4 and NW/4 SE/4, and the SW/4 SE/4 and SE/4 SW/4, of Section 16, Township 24 South, Range 37 East, Fowler-Upper Yeso Pool, Lea County, New Mexico, to be dedicated to applicant's J. R. Holt (NCT-A) Well No. 4 located in Unit J and proposed Well No. 5, to be located in Unit O, respectively, of said Section 16.

CASE 4482: (Reopened)

In the matter of Case 4482 being reopened pursuant to the provisions of Order No. R-4093-A, which order continued the special rules and regulations for the Parkway-Strawn Pool, Eddy County, New Mexico, for a period of one year. All interested parties may appear and show cause why said special pool rules should be further extended.

CASE 4887: Application of GeoElectric, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of gas production from the Aztec-Fruitland and Aztec-Pictured Cliffs Gas Pools in the wellbore of its Ransom Well No. 1 located in Unit I of Section 13, Township 29 North, Range 11 West, San Juan County, New Mexico.

CASE 4888: Application of Getty Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 303 of the Commission Rules and Regulations, authority to commingle production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools in the wellbore of its State "BA" Well No. 6 located in Unit D of Section 36, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4889: Application of Universal Resources Corporation for a non-standard proration unit or in the alternative for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard gas proration unit comprising the SW/4 and S/2 SE/4 of Section 16, Township 32 North, Range 12 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled approximately 1190 feet from the South line and 1850 feet from the West line of said Section 16, or, in the alternative, applicant seeks an order pooling all mineral interests in the Blanco-Mesaverde Pool underlying the entire S/2 of said Section 16 to be dedicated to the aforesaid proposed well. 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 4890: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 303 of the Commission Rules and Regulations, authority to commingle production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools in the wellbore of its Mobil State Well No. 1 located in Unit H of Section 25, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4891: Southeastern New Mexico nomenclature case calling for an order for the abolishment, contraction and extension of certain pools in Lea, Chaves, and Eddy Counties, New Mexico.

(a) Abolish the Teague-Grayburg Pool in Lea County, New Mexico, described as:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPL
 Section 20: SE/4
 Section 21: SW/4

(b) Contract the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

(Case 4891, paragraph (b), continued from page 2)

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 35: S/2 NW/4

(c) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4
Section 35: S/2 NW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 10: S/2 NW/4

(d) Extend the Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 9: SE/4
Section 10: S/2

(e) Extend the Bell Lake-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 31: SW/4

(f) Extend the East Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 13: SW/4
Section 24: NW/4

(g) Extend the South Carlsbad-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 1: W/2
Section 2: All
Section 3: E/2

(h) Extend the Cerca-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 8: SW/4

(Case 4891 continued from page 3)

- (i) Extend the Double L-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 5: NW/4

- (j) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 8: NW/4
Section 32: S/2
Section 33: SW/4

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 5: NW/4
Section 6: NE/4

- (k) Extend the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

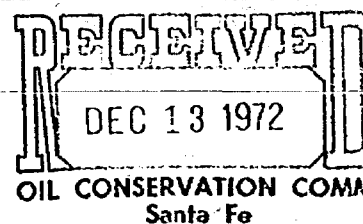
TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 14: SW/4
Section 15: S/2

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

December 12, 1972



Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 4889

Gentlemen:

Enclosed in triplicate is the application of Universal Resources Corporation for approval of a non-standard proration unit in the South Blanco Mesa Verde Pool, or in the alternative for compulsory pooling.

It will be appreciated if this matter will be set for hearing at the earliest available examiner hearing.

Very truly yours,

Jason W. Kellahin
Jason W. Kellahin

JWK/ks

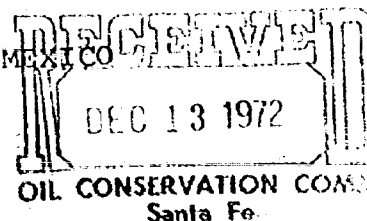
Enclosure

cc: Mr. Curtis Little

DOCKET MAILED

Date *12-20-72*

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO



IN THE MATTER OF THE APPLICATION
OF UNIVERSAL RESOURCES CORPORATION
FOR A NON STANDARD PRORATION UNIT,
OR IN THE ALTERNATIVE, FOR COMPULSORY
POOLING, SAN JUAN COUNTY, NEW MEXICO

Case 4889

A P P L I C A T I O N

COMES now Universal Resources Corporation, and applies to the Oil Conservation Commission of New Mexico for approval of a non-standard gas proration unit composed of the SW/4 and the S/2 SE/4 of Section 16, Township 32 North, Range 12 West, N.M.P.M., San Juan County, New Mexico, or in the alternative, for compulsory pooling of the S/2 of said Section 16, Township 32 North, Range 12 West, N.M.P.M., and in support thereof would show the Commission:

1. Applicant holds the right to drill and develop the SW/4 and the S/2 SE/4 of said Section 16, and proposes to drill a well of sufficient depth to test the Mesaverde formation, in the Blanco Mesaverde Pool, said well to be located approximately 1190 feet from the South line and 1850 feet from the West line of said section.

2. Applicant has been unable to obtain the right to drill as to the N/2 SE/4 of said section, proposes to drill without such acreage, and is willing to accept a curtailed allowable on account of the reduced acreage to be dedicated to the well.

3. In the alternative, applicant seeks an order pooling the entire S/2 of Section 16, Township 32 North, Range 12 West, N.M.P.M., and in support thereof would show the Commission:

DOCKET MAILED

Date _____

(a) Applicant is the owner of the right to drill on the S/2 of said section 16, insofar as the SW/4 and S/2 SE/4 is concerned, and proposes to drill on the unit.

(b) Applicant has been unable to obtain voluntary agreement with Southern Union Production Company, whom Applicant is informed and believes is the owner of the working interest underlying the N/2 SE/4 of said section 16.

4. Unless the Commission approves a non-standard proration unit as prayed for, or in the alternative, grants compulsory pooling of the acreage, applicant will be deprived of its right to obtain its just and equitable share of the gas underlying its lands within the Blanco Mesaverde Pool,

WHEREFORE applicant prays that this matter be set for hearing before the Commission or the Commission's duly appointed examiner and that after notice and hearing as required by law, the Commission enter its order approving the non-standard unit as prayed for, or in the alternative, that the Commission enter its order pooling a standard unit as prayed for, that applicant be designated as operator, and that suitable provision be made for recovery by the operator of its reasonable well costs, a risk factor for the risk involved in drilling the well, and for recovery of the reasonable costs for operation and supervision of the well, and for such other relief as may be proper in the premises.

Respectfully submitted,

UNIVERSAL RESOURCES CORPORATION

BY Jason W. Kellahin
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501
Attorneys for applicant.

DRAFT

dr/

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. 4889

Order No. R-4469

APPLICATION OF UNIVERSAL RESOURCES
CORPORATION FOR A NON-STANDARD
PRORATION UNIT OR IN THE ALTERNATIVE
FOR COMPULSORY POOLING, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 3, 1973,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of January, 1973, the Commission,
a quorum being present, having considered the record and the recom-
mendations 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. 4889 is hereby dismissed.

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