

CASE 4951: Appli. of ATLANTIC
RICHFIELD CO. FOR COMPULSORY
POOLING, EDDY COUNTY, N. MEX.

CASE No.

4951

Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & associates

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

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

May 23, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield
Company for compulsory pooling,
Eddy County, New Mexico.

Case No. 4951

BEFORE: Elvis A. Utz,
Examiner.

TRANSCRIPT OF HEARING

dearnley, meier & associates

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1 MR. UTZ: Case 4951, which is continued from
2 the April 25th, 1973 Examiner Hearing.

3 MR. CARR: Case 4951: Application of Atlantic
4 Richfield Company for compulsory pooling, Eddy County, New
5 Mexico.

6 MR. HINKLE: Clarence Hinkle, of Hinkle, Bondurant,
7 Cox and Eaton, Roswell, appearing on behalf of Atlantic
8 Richfield Company. This case involves a controversy
9 involving Atlantic Richfield with respect to the North half
10 of Section 15, Township 21 South, Range 36 East, Eddy
11 County, New Mexico. This has been settled mutually by the
12 parties, so it longer is necessary to go ahead with forced
13 pooling. I therefore move that this case be dismissed.

14 MR. UTZ: Without objection, Case 4951 will be
15 dismissed.

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dearnley, meier & associates

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1 STATE OF NEW MEXICO)
2 COUNTY OF BERNALILLO) SS
3

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

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12 

13 CERTIFIED SHORTHAND REPORTER
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22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No.,
25 heard by me on, 19.....

....., Examiner
New Mexico Oil Conservation Commission

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
Wednesday, April 25, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield
Company for compulsory pooling,
Eddy County, New Mexico.

Case No. 4951

BEFORE: Richard L. Stamets
Examiner

TRANSCRIPT OF HEARING

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MR. STAMMIS: Call next Case Number 4951.

MR. CAMP: Case 4951, application of Atlantic
Richfield Company for compulsory pooling, Eddy County,
New Mexico.

MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant,
Cox & Eaton. This involves an agreement, and I anticipate
that this will probably occur within the next 2 or 3
weeks. For that reason, I'd like to move that this case
be continued till May 23rd.

MR. STAMMIS: Case Number 4951 will be continued
until May the 23rd.

* * * * *

1 STATE OF NEW MEXICO)
2) SS
3 COUNTY OF BERNALILLO)

4 I, JANET RUSSELL, a Notary Public, in and for the
5 County of Bernalillo, State of New Mexico do hereby certify
6 that the foregoing and attached Transcript of Hearing before
7 the New Mexico Oil Conservation Commission was reported by
8 me; and that the same is a true and correct record of the
9 said proceedings to the best of my knowledge, skill and
10 ability.

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Janet Russell
NOTARY PUBLIC

I do hereby certify that the foregoing is
complete record of the proceedings in
the hearing of Case No. 4951,
by me on April 25, 1923.
Richard L. Stamm, 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

June 4, 1973

Mr. Clarence Hinkle
Hinkle, Bondurant, Cox & Eaton
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Re: Case No. 4951
Order No. R-4541
Applicant:

Atlantic Richfield Co.

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

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u>x</u>
Artesia OCC	<u>x</u>
Aztec OCC	

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. 4951
Order No. R-4541

APPLICATION OF ATLANTIC RICHFIELD
COMPANY 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 May 23, 1973,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of June, 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:

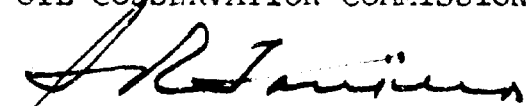
That the applicant's request for dismissal should be granted.


IT IS THEREFORE ORDERED:

That Case No. 4951 is hereby dismissed.

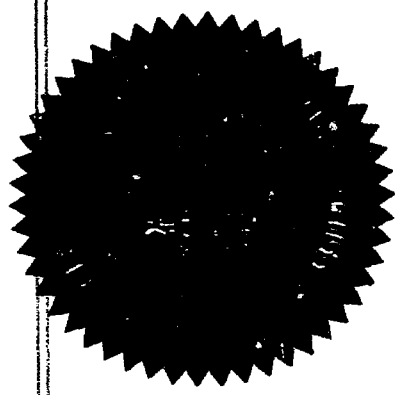
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman


ALEX J. ARMIOJO, Member


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


S E A L

dr/

CASE 4951: (Continued from the April 25, 1973 Examiner Hearing)

Application of Atlantic Richfield Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 15, Township 21 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled by the applicant at a standard location to test the Morrow formation. 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. Also to be considered is the designation of applicant as operator and the risk involved in drilling said well.

CASE 4976: Application of The Petroleum Corporation for a dual completion, creation of two gas pools and special rules therefor, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Parkway West Unit Well No. 1 located in Unit C of Section 28, Township 19 South, Range 29 East, Eddy County, New Mexico, to produce gas and associated liquid hydrocarbons from the Strawn and Atoka formations through parallel strings of tubing. Applicant further seeks the designation of a Strawn pool and an Atoka pool for said well and the promulgation of special pool rules for each, including classification of oil wells and gas wells and special gas-oil ratio limitations.

CASE 4977: Application of Michael P. Grace II for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 12, Township 22 South, Range 26 East, South Carlsbad Gas Field, Eddy County, New Mexico, to be dedicated to a well to be drilled to the Morrow formation at an unorthodox location 1440 feet from the North line and 1880 feet from the East line of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as operator of the well, and the establishment of a 200 percent risk factor for the well.

CASE 4978: Application of Adobe Oil Company for a dual completion and non-standard gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Smith Federal Well No. 2 in such a manner as to produce gas from an undesignated Atoka gas pool and from the Rock Tank-Upper Morrow gas pool through parallel strings of tubing. Applicant further seeks approval for the non-standard location of said well for the Atoka formation at a point 660 feet from the South line and 330 feet from the East line of Section 11, Township 23 South, Range 24 East, Rock Tank Gas Field, Eddy County, New Mexico, said location having previously been approved for the Upper Morrow formation by Order No. R-4456.

- CASE 4950: Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Burton Flat Deep Unit Well No. 3 located in Unit V of Section 3, Township 21 South, Range 27 East, Eddy County, New Mexico, to produce gas from the Burton Flat-Morrow Gas Pool Extension and from an undesignated Strawn pool through parallel strings of tubing.
- CASE 4951: Application of Atlantic Richfield Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 15, Township 21 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled by the applicant at a standard location to test the Morrow formation. 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. Also to be considered is the designation of applicant as operator and the risk involved in drilling said well.
- CASE 4952: Application of Atlantic Richfield Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Empire Abo Unit Area comprising 11,339 acres, more or less of State and Federal lands in Townships 17 and 18 South, Ranges 27, 28, and 29 East, Eddy County, New Mexico.
- CASE 4953: Application of Atlantic Richfield Company for a pressure maintenance project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in its Empire Abo Unit Area, Empire-Abo Pool, Eddy County, New Mexico, by the injection of gas into the Abo formation through eight wells in Section 36, Township 17 South, Range 27 East, Sections 3, 4, and 9, Township 18 South, Range 27 East, and Sections 26, 31, 32, and 33, Township 17 South, Range 28 East. Applicant further seeks the promulgation of special rules for the operation of said project, including provision for the assignment of special allowables to wells in the project area based on reservoir voidage factors, the shutting-in of less efficient wells, and volumes of gas injected.
- CASE 4954: Application of Chace Oil Company for pool creation and down-hole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Gallup Oil Pool and Dakota Oil Pool for its Jicarilla 70 Well No. 3 located in Unit C of Section 33, Township 24 North, Range 4 West, Rio Arriba County, New Mexico. Applicant further seeks authority to commingle production from each of said pools in the well-bore of said well and the establishment of an administrative procedure for down-hole commingling of additional wells to be drilled in the area.
- CASE 4955: Application of Pierce & Dehlinger for a non-standard oil proration unit, or in the alternative, compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for

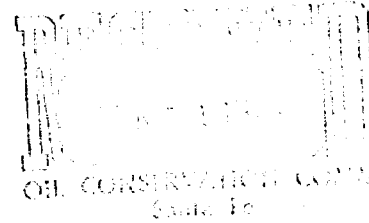
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.

LAW OFFICES
HINKLE, BONDURANT, COX & EATON
600 HINKLE BUILDING
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 86201

TELEPHONE 505.622-6510

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) 683-4691

April 3, 1973



Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We enclose in triplicate application of Atlantic Richfield Company for compulsory pooling of the N $\frac{1}{2}$ of Section 15, Township 21 South, Range 26 East, Eddy County.

This matter was discussed by the writer and the Commission last week and is to be placed on the docket for the examiner's hearing on April 25.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By Clarence E. Hinkle
Ced

CEH:cs
Enc.

DOCKET MAILED

Date 4-12-73

+ To Inyo Oil Co.

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

Case 4951

APPLICATION OF ATLANTIC RICHFIELD COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO. APPLICANT SEEKS AN ORDER POOLING ALL MINERAL INTERESTS UNDERLYING THE N $\frac{1}{2}$ SECTION 15, TOWNSHIP 21 SOUTH, RANGE 26 EAST, N.M.P.M. TO BE DEDICATED TO A WELL TO BE DRILLED AT A STANDARD LOCATION PROJECTED TO TEST THE MORROW FORMATION. 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. ALSO TO BE CONSIDERED IS THE DESIGNATION OF APPLICANT AS OPERATOR AND THE RISK INVOLVED IN DRILLING SAID WELL.

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Atlantic Richfield Company, acting by and through the undersigned attorneys, and hereby makes application for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests underlying the N $\frac{1}{2}$ Section 15, Township 21 South, Range 26 East, N.M.P.M. to be dedicated to a well to be drilled at a standard location projected to test the Morrow formation. 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. Also to be considered is the designation of applicant as operator and the risk involved in drilling said well, and in support thereof respectfully shows:

1. Applicant is the owner of oil and gas leases embracing federal and state lands covering all of the N $\frac{1}{2}$ Section 15, Township 21 South, Range 26 East except the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said section. The oil and gas lease covering the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said section is owned by Inexco Oil Company. Atlantic Richfield Company is desirous of drilling a well at a standard location in the N $\frac{1}{2}$ of Section 15 projected to test

the Morrow formation and if said well is completed as a well capable of producing gas in paying quantities, all of the N½ of said section will be dedicated to said well. There is attached hereto as Exhibit "A" a plat covering the N½ of said Section 15 showing the ownership of the leasehold interests.

2. Inexco has not agreed to pool its interest in connection with the drilling of the well and applicant is desirous of having the Commission approve compulsory pooling of the Morrow formation for the drilling and completion of said well, if it is completed as a gas well. It is proposed that the production be allocated on a pro rata acreage basis and in the event Inexco or any other working interest owner does not elect to pay its proportionate part of the cost of drilling and completing said well, that such proportionate part be paid out of production, and in addition that such working interest owners pay the maximum risk factor permitted by law. Applicant requests that the order approving compulsory pooling also provide for the payment of usual and customary operating costs, as well as for supervision and that applicant be designated as operator.

3. That compulsory pooling of the N½ of Section 15 will constitute a regular well spacing and proration unit and will avoid the drilling of unnecessary wells and will be in the interest of conservation and the prevention of waste and will tend to protect correlative rights.

4. Applicant requests that this matter be set down for hearing at the regular examiner's hearing to be held on April 25, 1973.

Respectfully submitted,

ATLANTIC RICHFIELD COMPANY

By 

Member of the Firm of
HINKLE, BONDURANT, COX & EATON
Box 10
Roswell, New Mexico 88201
Attorneys for Applicant

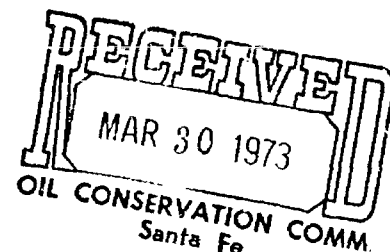
ATLANTIC		ATLANTIC	
State	State	State	State
ATLANTIC	INEXCO	ATLANTIC	
Federal	Federal	State	State

T. 21 S. R. 26 E.

Eddy County, New Mexico, in the above styled cause,
Application of Atlantic Richfield Company for compulsory pooling,
Eddy County, New Mexico. Applicant seeks an order pooling all
mineral interests underlying the N $\frac{1}{4}$ Section 15, Township 21 South,
Range 26 East, ~~N.M.P.M.~~ to be dedicated to a well to be drilled
by applicant at a standard location projected to test the Morrow
formation. 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. Also to be
considered is the designation of applicant as operator and the risk
involved in drilling said well.

*Op. = 5/12/73 - Eddy County
Commissioner*

Case 4951



DOCKET MAILED

Date 5-11-73
for 5/23/73

DOCKET MAILED

Date 4-12-73



DRAFT


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. 4951

Order No. R- 4541

APPLICATION OF ATLANTIC
RICHFIELD COMPANY 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 MAY 23, 1973
at Santa Fe, New Mexico, before Examiner ELVIS A. UTZ.

NOW, on this _____ day of JUNE, 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. 4951 is hereby dismissed.

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