

CASE 5019: Application of CITIES
SERVICE OIL COMPANY FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

Handwritten signature

CASE No.

5019

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
OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
Wednesday, July 11, 1973
EXAMINER HEARING

IN THE MATTER OF:

Application of Cities
Service Oil Company for
compulsory pooling, Eddy
County, New Mexico.

Case No. 5019

BEFORE: Daniel S. Nutter
Examiner

TRANSCRIPT OF HEARING

1 MR. NUTTER: We will call next Case Number 5019.

2 MR. CARR: Case 5019, application of Cities Service
3 Oil Company for compulsory pooling, Eddy County, New
4 Mexico.

5 MR. KELLAHIN: If the Examiner please, Jason Kellahin,
6 Santa Fe, appearing for Cities Service. We ask that the
7 case be dismissed.

8 MR. NUTTER: Case 5019 will be dismissed.

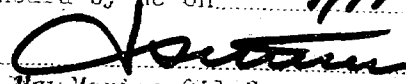
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10 STATE OF NEW MEXICO)
11) ss.
12 COUNTY OF BERNALILLO)

13 I, JANET RUSSELL, a Certified Shorthand Reporter, in
14 and for the County of Bernalillo, State of New Mexico, do
15 hereby certify that the foregoing and attached Transcript of
16 Hearing before the New Mexico Oil Conservation Commission
17 was reported by me; and that the same is a true and correct
18 record of the said proceeding to the best of my knowledge,
19 skill and ability.

20 
21 CERTIFIED SHORTHAND REPORTER

22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No. 5019,
25 heard by me on 7/11, 1973.

 Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

July 24, 1973

GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

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

Re: Case No. 5019
Order No. R-4595
Applicant:
Cities Service Oil 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, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	x
Artesia OCC	x
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. 5019
Order No. R-4595

APPLICATION OF CITIES SERVICE OIL
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 July 11, 1973,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 23rd day of July, 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. 5019 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
I. R. TRUJILLO, Chairman

A. J. Armiijo
ALEX J. ARMIJO, Member

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

S E A L

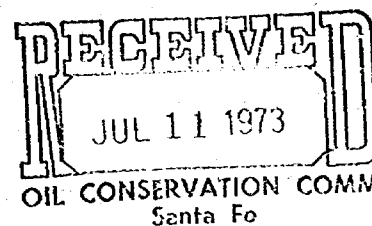
dr/

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

July 9, 1973



WJ

Mr. William Carr
Oil Conservation Commission
of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Carr:

Confirming our telephone conversation today, this is to request that Oil Conservation Commission Case No. 5019, the application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico, be dismissed. This case is presently scheduled to be heard before the Commission's examiner on July 11.

Yours very truly,

Jason W. Kellahin

Jason W. Kellahin

JWK:ks

cc: Mr. Robert F. LeBlanc
Mr. E. F. Motter

Docket No. 19-73

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 11, 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 Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for August, 1973, from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for August, 1973.

CASE 4749: (Reopened) (Continued from the June 6, 1973, Examiner Hearing)

In the matter of Case No. 4749 being reopened pursuant to the provisions of Order No. R-4338, which order established special rules and regulations for the Humble City-Strawn Pool, Lea County, New Mexico, including a provision for 80-acre proration units. All interested parties may appear and show cause why said pool should be developed on other than 40-acre units.

CASE 5019: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 14, Township 20 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled in an undesignated Morrow gas pool at a standard location in Unit K of said Section 14. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5020: Application of Belco Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the South Salt Lake-Morrow Gas Pool, including a provision for 320-acre drilling and proration units. In the absence of objection, this pool will be placed on 320-acre spacing rather than the present 160-acre spacing.

CASE 5021: Application of Mobil Oil Corporation for an unorthodox oil well location and special pool allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed New Mexico "B" Well No. 9 at an unorthodox location 940 feet from the North line and 1510 feet from the East line of Section 27, Township 10 South, Range 32 East, Mescalero-Devonian Pool,

(Case 5021 continued from page 1)

Lea County, New Mexico. Applicant further seeks the assignment of a special depth bracket allowable for said pool of 604 barrels of oil per day.

CASE 5022: Application of Skelly Oil Company for an exception to Rule 104, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Rule 104, authority to produce its Mexico "L" Wells Nos. 1 and 23 located less than 330 feet from each other in Unit A of Section 5, Township 25 South, Range 38 East, and its Mexico "J" Wells Nos. 2 and 23 located less than 330 feet from each other in Unit O in Section 32, Township 24 South, Range 38 East, and its Mexico "J" Wells Nos. 4 and 17 located less than 330 feet from each other in Unit N of said Section 32, all in the Dollarhide-Fusselman Pool, Lea County, New Mexico, each 40-acre unit being limited to one top unit allowable.

CASE 5023: Application of Skelly Oil Company for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Upper and Lower San Andres formations through perforations in the intervals from 4207 feet to 4418 feet and from 4676 to 4849 feet in its Hobbs "T" Well No. 11 located in Unit P of Section 33, Township 7 South, Range 33 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.

CASE 5024: Application of Midwest Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cottonwood Spring Unit Area comprising 3838 acres, more or less, of federal and fee lands in Township 25 South, Range 26 East, Eddy County, New Mexico.

CASE 5025: Application of The Superior Oil Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Upper Seven Rivers gas and Lower Seven Rivers oil in the wellbore of its State "12" Well No. 1 located in Unit L of Section 12, Township 21 South, Range 35 East, Eumont Pool, Lea County, New Mexico. Said well was authorized as a gas-oil dual completion in the Eumont Pool by Commission Order DC-142.

CASE 5026: Application of The Superior Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow, Atoka, Strawn and Canyon formations underlying the N/2 of Section 7, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a 150 percent charge for risk involved in drilling said well.

CASE 5027: Application of Dalport Oil Corporation for the amendment of Order No. R-4553, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4553 to provide that the well to be drilled on the proration unit pooled by said order shall be located in Unit G of Section 17, Township 12 South, Range 31 East, Chaves County, New Mexico, rather than Unit J of said Section 17. In the absence of objection, Order No. R-4553 will be amended as above.

CASE 5015: (Continued and Readvertised)

Application of Michael P. Grace II and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests down to and including the Pennsylvanian formation underlying Section 16, Township 24 South, Range 26 East, adjacent to the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to form a standard 640-acre unit for said pool, to be dedicated to a well to be drilled at an orthodox location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5010: (Continued from the June 27, 1973, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Pennsylvanian formation underlying the N/2 of Section 18, Township 18 South, Range 26 East adjacent to the West Atoka Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the North line and 660 feet from the West line of said Section 18, the unorthodox location of which was previously approved by Commission Order No. R-4508. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5012: (Continued from the June 27, 1973, Examiner Hearing)

Application of Gandy Construction for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 of Section 11, or the SW/4 of Section 12, Township 10 South, Range 35 East, Lea County, New Mexico.

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

KELLAHIN AND FOX
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SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

June 13, 1973

Case 5019

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

Gentlemen:

Enclosed, in triplicate, is the application
of Cities Service Oil Company, for compulsory
Pooling in Eddy County, New Mexico.

It is requested that this application be set
for hearing at the July 11, 1973 session of the
Commission.

Yours very truly,

KELLAHIN & FOX

BY

Layne Peright
Secretary

:ks

DOCKET MAILED

Date 6-28-73

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CITIES SERVICE OIL COMPANY
FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO

Case 5019

A P P L I C A T I O N

COMES NOW Cities Service Oil Company and applies to the Oil Conservation Commission of New Mexico for an order compulsory pooling the S/2 of Section 14, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico in an undesignated Morrow Gas Pool, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill and develop the SW/4 and the W/2 of the SE/4 of said Section 14 for production of gas from the Morrow formation.

2. A standard spacing or proration unit for the Morrow formation consists of 320 surface acres.

3. Applicant has obtained the participation of all owners of mineral interests underlying the S/2 of said Section 14 with the exception of the owner of the E/2 SE/4 of Section 14, which acreage is owned, to the best of applicant's information and belief, by Howard Jennings, whose address is 1117 Fort Worth National Bank Building, Fort Worth, Texas, 76102.

4. Applicant proposes to drill its Government R No. 1 well at a location 1830 feet from the South line, and 1980 feet from the West line of Section 14, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

5. Applicant has been unable to obtain voluntary agreement for the pooling of the entire tract, and unless said acreage

*Signed
Howard Jennings
Jan 6-28-73*

is pooled, applicant will be deprived of the opportunity to produce its just and equitable share of the gas underlying its land.

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 pooling the proration unit as requested, together with a provision for recovering its costs of drilling, completing and equipping said well, operation costs and costs of supervision, together with a provision for recovering a risk factor for the risks of drilling and completing the well, and for such other relief as may be proper.

Respectfully submitted,

CITIES SERVICE OIL COMPANY

By

Jason 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. 5019

Order No. R- 45-95

APPLICATION OF CITIES SERVICE OIL
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 July 11, 1973,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11 day of July, 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. 5019 is hereby dismissed.

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