

CASE 7239: TROY STRICKLAND AND E. V.
ISBELL FOR A NON-STANDARD PRORATION
UNIT, SAN JUAN COUNTY, NEW MEXICO

Isbell

Case No.

7239

Application

Transcripts

Small Exhibits

ETC



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 22, 1981

POST OFFICE BOX 2083
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Damon Weems
Attorney at Law
2901 East 20th
Farmington, New Mexico 87401

Re: CASE NO. 7239
ORDER NO. R-6687

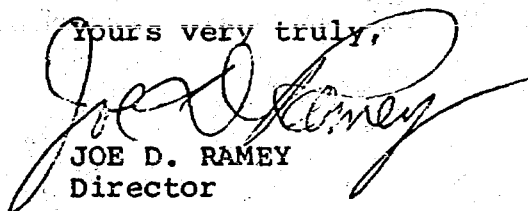
Applicant:

~~Troy Strickland and E. V. Isbell~~

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7239
Order No. R-6687

APPLICATION OF TROY STRICKLAND AND
E. V. ISBELL FOR A NON-STANDARD
PRORATION UNIT, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 6, 1981,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of May, 1981, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicants, Troy Strickland and E. V. Isbell,
seek approval of a 76.4-acre non-standard Gallup oil proration
unit comprising Lot 3 and that portion of Lot 4 North of the
San Juan River mid-channel, all in Section 14, Township 29 North,
Range 15 West, NMPM, to be dedicated to a well to be drilled at
a standard location thereon.

(3) That the entire non-standard proration unit may reason-
ably be presumed productive of oil from the Cha Cha-Gallup Oil
Pool and that the entire non-standard proration unit can be
efficiently and economically drained and developed by the afore-
said well.

(4) That approval of the subject application will afford
the applicant the opportunity to produce his just and equitable
share of the oil in the Cha Cha-Gallup Oil Pool, will prevent

-2-

Case No. 7239

Order No. R-6687

the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

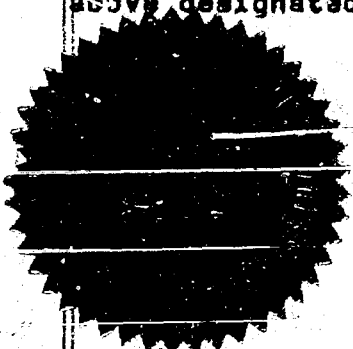
(1) That Troy Strickland and E. V. Isbell are hereby authorized a 76.4-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool comprising Lot 3 and that portion of Lot 4 North of the San Juan River mid-channel, all in Section 14, Township 29 North, Range 15 West, NMPM, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

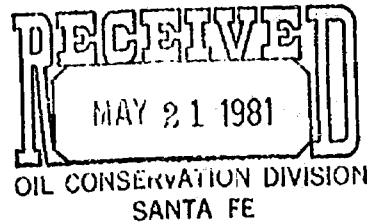

JOE D. RAMEY
Director


S E A L

fd/

Damon L. Weems
Randy Holmes
Kevin J. Bliss

DAMON L. WEEMS P.A.
ATTORNEYS AT LAW
2901 East 20th
Farmington, New Mexico 87401
(505) 327-4469 - 327-4989



May 18, 1981

Bl
Case 7239

State of New Mexico
Department of Energy & Minerals
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Troy Strickland and E. V. Isbell
for the creation of a Non-Standard Proration Unit
Section 14, Township 29 North, Range 15 West,
N.M.P.M., San Juan County, New Mexico

Dear Mr. Staments:

Enclosed find the letter from this office to Conoco advising them
of the above referenced application. The letter is submitted for
your information only.

Thank you in advance for your consideration in this matter.

Sincerely,

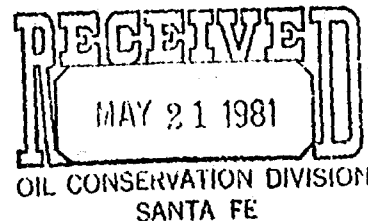

Damon L. Weems

DLW:lb

enclosure

Damon L. Weems
Randy Holmes
Kevin J. Bliss

DAMON L. WEEMS P.A.
ATTORNEYS AT LAW
2901 East 20th
Farmington, New Mexico 87401
(505) 327-4469 - 327-4989



April 10, 1981

Mr. David Goodfellow
Conoco, Inc.
P. O. Box 1959
Midland, TX 79702

Re: West Half of the Northwest Quarter of Section 14,
Township 29 North, Range 15 West, N.M.P.M.,
San Juan County, New Mexico

Dear Dave:

As per our telephone conversation of April 9, 1981, I represent Mr. Troy Strickland and Mr. E.V. Isbell, who propose to drill a well in the Cha Cha-Gallup field, in the above-referenced Section, Township and Range in San Juan County, New Mexico.

Approximately 4½ acres in the West Half of the Northwest Quarter of said Section, Township and Range lies south of the mid channel of the San Juan River and apparently is leased by Conoco from the Navajo Tribe of Indians. As you are aware, a proration unit for gas wells in this area should contain 80 acres and my clients have obtained all lands lying north of the mid channel of the San Juan River, with the exception of a 7-acre tract which will be communitized with MTS Limited Partnership, where they propose to drill a gas well.

Due to the smallness of the size of Conoco's interest lying south of the river, my clients are looking at the possibility of obtaining a non-standard proration unit for this area. I would appreciate it very much if you could let me have some indication of whether or not Conoco would object to such a procedure in this instance. My clients hope to begin drilling as soon as possible and therefore we would be grateful for a quick response. If you do not wish to join in this endeavor, please sign in the space provided below and return the original of this letter to my office in the envelope provided.

Thank you in advance for your prompt attention to this matter.

Yours,

Randy Holmes

EXHIBIT "B"

Mr. David Goodfellow
April 10, 1981
Page Two

Conoco, Inc. does not wish to participate in the drilling of a gas well in the Cha Cha-Gallup oil pool in the West Half of the Northwest Quarter of Section 14, Township 29 North, Range 15 West, N.M.P.M., San Juan County, New Mexico. Conoco, Inc. has no objection to the creation of a non-standard proration unit which would exclude approximately 4½ acres which lies south of the mid channel of the San Juan River in the land aforementioned.

CONOCO, INC.

By _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
6 May 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Troy Strickland and
E. V. Isbell for a non-standard
proration unit, San Juan County, New
Mexico.

CASE
7239

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Damon Weems, Esq.
2901 East 20th Street
Farmington, New Mexico

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I N D E X

E. V. ISBELL

Direct Examination by Mr. Weems

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Cross Examination by Mr. Stamets

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STATEMENT BY MR. HIGGINS

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E X H I B I T S

Applicant Exhibit A, Map

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MR. STAMETS: We'll call next Case 7239.

MR. PADILLA: Application of Troy Strickland and E. V. Isbell for a non-standard proration unit, San Juan County, New Mexico.

MR. WEEMS: Mr. Examiner, I'm Damon Weems from Farmington, New Mexico, appearing on behalf of the applicant.

I will have one witness.

(Witness sworn.)

E. V. ISBELL

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. WEEMS:

Q Please state your name for the record.

A I'm E. V. Isbell, Farmington, New Mexico.

Q What relation do you have to the west half of the northwest quarter of Section 14, Township 29 North, Range 15 West, San Juan County, New Mexico?

A We're proposing to drill a Gallup well out there.

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We're proposing to drill a Gallup well on that 80 acres.

Q Is that also known as Lots 3 and 4 of said section, township, and range?

A Yes, it is.

Q And to the best of your knowledge is it known as Lots 3 and 4 because it is a variation and a legal subdivision of the United States Public Land Survey?

A Yes, it is.

Q And what is the reason for that variation?

A Are you referring to the river?

Q Yes.

A The San Juan River runs across the southwest corner of it.

Q To the best of your knowledge how many acres are included north of the mid-channel of the San Juan River?

A Well, we had it surveyed by Fred Kerr of Farmington and he came up with 3.6 acres on the south side of the river.

Q That would leave approximately 76.4?

A 76.4 north of it.

Q Are you the lessee of record of the land north of the mid-channel?

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A. Yes, we are.

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Q Do you have a rig available to drill immediately?

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A. About three weeks.

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Q What was the primary term of your lease?

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A. One year.

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Q Should this application not be granted would you have a rig available or do you know what rig availability would be?

11

A. Rig availability up there is really tight right now. We don't know when we could get another one.

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Q In your opinion would the granting of this application be in the interest of conservation, prevention of waste, and the protection of correlative rights?

16

A. Yes, it would.

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Q Was Exhibit A prepared by you or under your direction?

19

A. Yes, it was.

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MR. WEEMS: I have no further questions and move the admission of Exhibit A.

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MR. STAMETS: Exhibit A will be admitted.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Isbell, is the acreage south of the river under lease?

A Yes, it is. Conoco has that lease.

Q And that would be, well, to your knowledge do they have the entire south half of that section under lease?

A I don't know. I think they probably do.

Q Have you approached Conoco on communication?

A Yes, we have.

Q And what was their reaction?

A We didn't get any reaction.

Q And they have been notified of this application?

A Yes, they have.

Q Conoco is not here today, I guess, objecting to this.

MR. STAMETS: Are there any other questions of this witness?

MR. HIGGINS: Yes, sir. My name is Robert Higgins and I'm with the USGS in Albuquerque.

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2 I don't have any questions of this wit-
3 ness but the USGS objects to the application as presented in
4 the docket, because it is not in the best interest of the
5 Navajo Tribe.

6 MR. STAMETS: Let's go off the record
7 a minute, Sally.

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9 (Thereupon a discussion was
10 had off the record.)

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12 MR. STAMETS: Let's go back on the
13 record.

14 Mr. Isbell, if subsequent to this
15 hearing the lessor of the acreage south and west of the river
16 requested to pool their interest with you to form a standard
17 proration unit, would you be agreeable to that?

18 A. Sure.

19 Q And if subsequent to this hearing the
20 applicant -- or the lessor of the Indian acreage south and
21 west of the river requested authority to form a non-standard
22 proration unit which would include this 3.6 acres, would you
23 have any objection to that?

24 A. No, we wouldn't.

25 Q It would appear, then, that whoever

1
2 has the rights to the acreage south of the river would have
3 a reasonable opportunity to protect those rights in some sub-
4 sequent action on their part.

5 Any other questions of the witness? He
6 may be excused.

7 Anything further in this case?

8 The case will be taken under advisement.
9

10 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7739
heard by me on 5-6 1981.

Richard L. Stamm, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

6 May 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Troy Strickland and
E. V. Isbell for a non-standard
proration unit, San Juan County, New
Mexico.

CASE
7239

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Damon Weems, Esq.
2901 East 20th Street
Farmington, New Mexico

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I N D E X

E. V. ISBELL

Direct Examination by Mr. Weems

Cross Examination by Mr. Stamets

STATEMENT BY MR. HIGGINS

E X H I B I T S

Applicant Exhibit A, Map

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MR. STAMETS: We'll call next Case 7239.

MR. PADILLA: Application of Troy Strickland and E. V. Isbell for a non-standard proration unit San Juan County, New Mexico.

MR. WEEMS: Mr. Examiner, I'm Damon Weems from Farmington, New Mexico, appearing on behalf of the applicant.

I will have one witness.

(Witness sworn.)

E. V. ISBELL
being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. WEEMS:

Q Please state your name for the record.

A I'm E. V. Isbell, Farmington, New Mexico.

Q What relation do you have to the west half of the northwest quarter of Section 14, Township 29 North, Range 15 West, San Juan County, New Mexico?

A We're proposing to drill a Gallup well out there.

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2 We're proposing to drill a Gallup well
3 on that 80 acres.

4 Q Is that also known as Lots 3 and 4 of
5 said section, township, and range?

6 A Yes, it is.

7 Q And to the best of your knowledge is it
8 known as Lots 3 and 4 because it is a variation and a legal
9 subdivision of the United States Public Land Survey?

10 A Yes, it is.

11 Q And what is the reason for that variation?

12 A Are you referring to the river?

13 Q Yes.

14 A The San Juan River runs across the
15 southwest corner of it.

16 Q To the best of your knowledge how many
17 acres are included north of the mid-channel of the San Juan
18 River?

19 A Well, we had it surveyed by Fred Kerr
20 of Farmington and he came up with 3.6 acres on the south side
21 of the river.

22 Q That would leave approximately 76.4?

23 A 76.4 north of it.

24 Q Are you the lessee of record of the land
25 north of the mid-channel?

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A. Yes, we are.

Q. Do you have a rig available to drill immediately?

A. About three weeks.

Q. What was the primary term of your lease?

A. One year.

Q. Should this application not be granted would you have a rig available or do you know what rig availability would be?

A. Rig availability up there is really tight right now. We don't know when we could get another one.

Q. In your opinion would the granting of this application be in the interest of conservation, prevention of waste, and the protection of correlative rights?

A. Yes, it would.

Q. Was Exhibit A prepared by you or under your direction?

A. Yes, it was.

MR. WEEMS: I have no further questions and move the admission of Exhibit A.

MR. STAMETS: Exhibit A will be admitted.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Isbell, is the acreage south of the river under lease?

A Yes, it is. Conoco has that lease.

Q And that would be, well, to your knowledge do they have the entire south half of that section under lease?

A I don't know. I think they probably do.

Q Have you approached Conoco on communitization?

A Yes, we have.

Q And what was their reaction?

A We didn't get any reaction.

Q And they have been notified of this application?

A Yes, they have.

Q Conoco is not here today. I guess, objecting to this.

MR. STAMETS: Are there any other questions of this witness?

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6 MR. STAMETS: Let's go off the record
7 a minute, Sally.

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9 (Thereupon a discussion was
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12 MR. STAMETS: Let's go back on the
13 record.

14 Mr. Isbell, if subsequent to this
15 hearing the lessor of the acreage south and west of the river
16 requested to pool their interest with you to form a standard
17 proration unit, would you be agreeable to that?

18 A. Sure.

19 Q. And if subsequent to this hearing the
20 applicant -- or the lessor of the Indian acreage south and
21 west of the river requested authority to form a non-standard
22 proration unit which would include this 3.6 acres, would you
23 have any objection to that?

24 A. No, we wouldn't.

25 Q. It would appear, then, that whoever

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2 has the rights to the acreage south of the river would have
3 a reasonable opportunity to protect those rights in some sub-
4 sequent action on their part.

5 Any other questions of the witness? He
6 may be excused.

7 Anything further in this case?

8 The case will be taken under advisement.

9
10 (Hearing concluded.)
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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSE

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____ 19____

Oil Conservation Division, Examiner

SALLY W. BCYD, C.S.FI.

Re. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 155-7409


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

APPLICATION OF
TROY STRICKLAND AND E. V. ISBELL
FOR THE CREATION OF A
NON-STANDARD PRORATION UNIT IN
SECTION 14, TOWNSHIP 29 NORTH,
RANGE 15 WEST, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO

Case No. 7239

ADDENDUM TO EXHIBIT A


I, Fred Kerr, duly authorized and licensed land surveyor state that I have examined the West Half of the Northwest Quarter of Section 14, Township 29 North, Range 15 West, N.M.P.M. that being generally the West Half of the Northwest Quarter of said Section Township and Range and find that there lies within the West Half of the Northwest Quarter of said Section and Township and Range, 76.5 acres North of the Mid-channel of the San Juan River.


Fred Kerr,
Land Surveyor # 3950

SUBSCRIBED AND SWORN To Before me this 5th day of
May, 1981.

My Commission Expires:

10/21/81




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

APPLICATION OF
TROY STRICKLAND AND E. V. ISBELL
FOR THE CREATION OF A
NON-STANDARD PRORATION UNIT IN
SECTION 14, TOWNSHIP 29 NORTH,
RANGE 15 WEST, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO

Case No. 7239

ADDENDUM TO EXHIBIT A

I, Fred Kerr, duly authorized and licensed land surveyor state that I have examined the West Half of the Northwest Quarter of Section 14, Township 29 North, Range 15 West, N.M.P.M. that being generally the West Half of the Northwest Quarter of said Section Township and Range and find that there lies within the West Half of the Northwest Quarter of said Section and Township and Range, 76.5 acres North of the Mid-channel of the San Juan River.


Fred Kerr,
Land Surveyor # 3950

SUBSCRIBED AND SWORN To Before me this 5th day of
May, 1981.

My Commission Expires:

10/21/81



Docket No. 15-81

Dockets Nos. 16-81 and 17-81 are tentatively set for May 20 and June 3, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 6, 1981

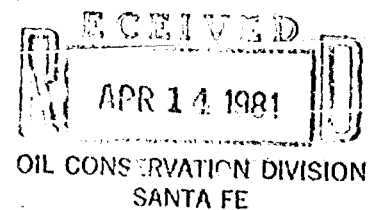
9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 7235: Application of Public Lands Exploration Inc. for a unit agreement, Guadalupe County, New Mexico. Applicant, in the above-styled cause, seeks approval for the O'Connell Ranch Unit Area, comprising 640 acres, more or less, of State and fee lands in Township 11 North, Range 25 East, said unit being for the purpose of conducting an enhanced oil recovery project by the injection of steam.
- CASE 7236: Application of Belco Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its James Ranch Well No. 11 located in Unit E of Section 36, Township 22 South, Range 30 East, to produce gas from the Atoka and Morrow formations thru parallel strings of tubing.
- CASE 7237: Application of Conoco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State F-1 Well No. 10 located in Unit V of Section 1, Township 21 South, Range 36 East, to produce oil from the Hardy-Brinkard Pool and an undesignated Tubb pool thru parallel strings of tubing.
- CASE 7238: Application of Holly Energy, Inc. for directional drilling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Salt Lake South Deep Well No. 1, the surface location of which is 2189 feet from the North line and 500 feet from the East line of Section 6, Township 21 South, Range 32 East, South Salt Lake-Morrow Gas Pool, in a northerly direction to bottom it within 150 feet of the center of Unit A (Lot 1) of said Section 6, Lots 1 thru 8 to be dedicated to the well.
- CASE 7239: Application of Troy Strickland and E. V. Isbell for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 75.5-acre non-standard proration unit comprising Lot 3 and that portion of Lot 4 North of the San Juan River mid-channel, all in Section 14, Township 29 North, Range 15 West, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 7240: Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Blanco-Pictured Cliffs production in the wellbore of its Sunray B Well No. 6 located in Unit C of Section 1, Township 30 North, Range 10 West.
- CASE 7241: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Mississippian location of its Austin State 18 Well No. 1 to be drilled 1980 feet from the South line and 1650 feet from the East line of Section 18, Township 14 South, Range 36 East, the S/2 of said Section 18 to be dedicated to the well.
- CASE 7242: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Pennsylvanian location of its McDonald Well No. 1 to be drilled 660 feet from the South line and 990 feet from the East line of Section 33, Township 13 South, Range 36 East, the S/2 of said Section 33 to be dedicated to the well.
- CASE 7243: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian and Mississippian formations underlying the S/2 of Section 33, Township 13 South, Range 36 East, for a gas completion and/or all mineral interests in the Devonian formation underlying the SE/4 SE/4 of said Section 33 for an oil completion. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7217: (Continued from April 8, 1981, Examiner Hearing)
- Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Morrow location of its Travis Ohio State Co. Well No. 1 to be drilled 660 feet from the South and East lines of Section 13, Township 18 South, Range 28 East, the S/2 of said Section 13 to be dedicated to the well.

- CASE 7244: Application of Crescent Energy Corp. for an unorthodox oil well location and non-standard oil production unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Bough "C" location of a well to be drilled 2630 feet from the North line and 1980 feet from the East line of Section 32, Township 8 South, Range 37 East, Allison-Pennsylvanian Field, the SW/4 NE/4 and NW/4 SE/4 of said Section 32 to be dedicated to the well.
- CASE 7245: Application of The Superior Oil Company for compulsory pooling, Lea 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 21, Township 20 South, Range 35 East, to be dedicated to a well to be drilled at a standard location thereon. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. (This case will be dismissed.)
- CASE 7246: Application of Getty Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Getty 32 State Com. Well No. 1 located in Unit G of Section 32, Township 21 South, Range 32 East, to produce gas from the Atoka and Morrow formations.
- CASE 7247: Application of Getty Oil Company for a gas well classification, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of its State 29-J Well No. 1, an oil well located in Unit J of Section 29, Township 24 South, Range 33 East, as a retrograde gas condensate well with the S/2 of said Section 29 to be dedicated to the well.
- CASE 7248: Application of Inexco Oil Company for pool creation, special pool rules, and an oil discovery allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Federal 10 State Com. Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, and the promulgation of special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of approximately 42,290 barrels of discovery allowable to the aforesaid well.
- CASE 7249: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 21, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7250: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 22, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7251: Application of Southern Union Exploration Company of Texas for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 36, Township 24 North, Range 1 West, to be dedicated to its Mobil Federal Well No. 1 drilled at a standard location thereon. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7252: Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying portions of Townships 24 and 25 North, Ranges 7, 8, 9, and 10 West, containing 135,040 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

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



APPLICATION OF
TROY STRICKLAND AND E. V. ISBELL
FOR THE CREATION OF A
NON-STANDARD PRORATION UNIT IN
SECTION 14, TOWNSHIP 29 NORTH,
RANGE 15 WEST, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO

Case No. 7239

APPLICATION OF NON-STANDARD PRORATION UNIT

Applicants, Troy Strickland and E. V. Isbell, respectfully request that the Oil Conservation Division grant an exception to Rule 2 of the Special Pool Rules for the Cha Cha-Gallup Oil Pool in creation of a non-standard proration unit containing less than 80 acres, stating as grounds therefore:

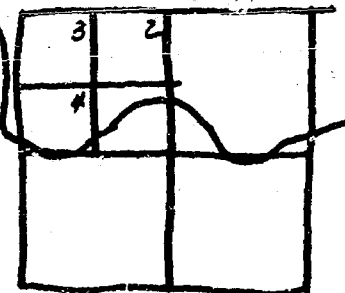
1. Applicant proposes to dedicate 75.5 acres consisting of the Lots 3 and 4 in the West Half of the Northwest Quarter of Section 14, Township 29 North, Range 15 West, which lies north of the mid channel of the San Juan River.
2. The entire non-standard proration unit may be reasonably presumed to be productive of oil and gas from the Cha Cha-Gallup Oil Pool.
3. There are several owners of plats of fee land adjoining the acreage to be dedicated. The 4½ acres in the Southwest Quarter of the Northwest Quarter of said Section, Township and Range is under lease to Conoco, Inc., Midland, Texas by the Navajo Tribe of Indians.
4. Conoco, Inc., has been notified by certified mail that applicants are seeking this Application.
5. Applicants request a hearing in this matter.

*Lot 3 and that
portion of Lot 4
north of
mid channel*

Respectfully submitted,

DAMON L. WEEMS, P.A.
Attorneys at Law
2901 E. 20th Street
Farmington, NM 87401
505-327-4469

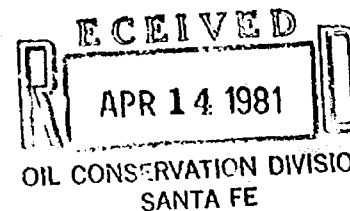
By *Randy Holmes*
Randy Holmes
Attorney for Applicants



Damon L. Weems
Randy Holmes
Kevin J. Bliss

DAMON L. WEEMS P.A.
ATTORNEYS AT LAW
2901 East 20th
Farmington, New Mexico 87401
(505) 327-4469 - 327-4989

April 13, 1981



Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Case 7239

Dear Sirs:

Enclosed please find an original and two copies of Application of Non-Standard Proration Unit for filing. Please return one copy to us, file marked, in the enclosed envelope.

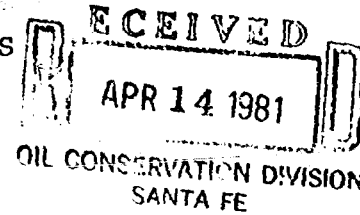
Thank you.

Sincerely,

Beth Lane
Beth Lane, Secretary

Enc.

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



APPLICATION OF
TROY STRICKLAND AND E. V. ISBELL
FOR THE CREATION OF A
NON-STANDARD PRORATION UNIT IN
SECTION 14, TOWNSHIP 29 NORTH,
RANGE 15 WEST, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO

Case No. 7239

APPLICATION OF NON-STANDARD PRORATION UNIT

Applicants, Troy Strickland and E. V. Isbell, respectfully request that the Oil Conservation Division grant an exception to Rule 2 of the Special Pool Rules for the Cha Cha-Gallup Oil Pool in creation of a non-standard proration unit containing less than 80 acres, stating as grounds therefore:

1. Applicant proposes to dedicate 75.5 acres consisting of the Lots 3 and 4 in the West Half of the Northwest Quarter of Section 14, Township 29 North, Range 15 West, which lies north of the mid channel of the San Juan River.

2. The entire non-standard proration unit may be reasonably presumed to be productive of oil and gas from the Cha Cha-Gallup Oil Pool.

3. There are several owners of plats of fee land adjoining the acreage to be dedicated. The 4½ acres in the Southwest Quarter of the Northwest Quarter of said Section, Township and Range is under lease to Conoco, Inc., Midland, Texas by the Navajo Tribe of Indians.

4. Conoco, Inc., has been notified by certified mail that applicants are seeking this Application.

5. Applicants request a hearing in this matter.

Respectfully submitted,

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Attorneys at Law
2901 E. 20th Street
Farmington, NM 87401
505-327-4469

By Randy Holmes
Randy Holmes
Attorney for Applicants

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7239

Order No. R- 6687

APPLICATION OF TROY STRICKLAND AND E. V. ISBELL

FOR A NON-STANDARD PRORATION UNIT,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 6
1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets
NOW, on this _____ day of May, 19 81, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required by
law, the Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicants, Troy Strickland and E. V. Isbell
seek approval of a 76.4 -acre non-standard oil proration unit
Lot 3 and that portion of Lot 4 North of the San Juan River
comprising ~~the~~ mid-channel, all in ~~of~~ Section 14, Town-
ship 29 North, Range 15 West, NMPM, to be dedicated to
~~its~~ a well to be drilled at a standard location ~~located in~~ thereon,
~~Unit~~ Cha Cha - Gallup Oil ~~of said Section~~

(3) That the entire non-standard proration unit may reasonably
be presumed productive of oil from the Cha Cha - Gallup Oil
Pool and that the entire non-standard proration unit can
be efficiently and economically drained and developed by the
aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the ^{oil} gas in the Che Che - Gallup Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED: ^{Troy Strickland and E.V. Isbell}
^{are hereby authorized}

(1) That a ^{76.4} ~~6.6~~ -acre non-standard ^{oil} gas proration unit in the Che Che Gallup ^{oil} ~~gas~~ Pool comprising ~~xxx~~ Lot 3 and that portion of Lot 4 North of the San Juan River mid-channel, all in ~~xxx~~ Section 14, Township 29 North, Range 15 West, NMPM, San Juan County, New Mexico, ^{to be} ~~is hereby established and~~ dedicated to ~~xxx~~ a well to be drilled at a standard location thereon. ~~located in Unit~~ ~~of said~~
~~Section~~

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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