

CASE NO.

1/1/1

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
20 January 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Inexco Oil Com-
pany for pool creation, special
pool rules, and a discovery al-
lowable, Lea County, New Mexico.

CASE
7457

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

MR. STAMETS: Call next Case 7467.

MR. PEARCE: Application of Inexco Oil
Company for pool creation, special pool rules, and a dis-
covery allowable, Lea County, New Mexico.

MR. STAMETS: At the request of the
applicant this case will be dismissed.

(Hearing concluded.)

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

FILED
OIL CONSERVATION DIVISION
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JAN 20 1982
Richard L. Stewart Examiner
Oil Conservation Division



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

February 15, 1962

Mr. William F. Carr
Campbell, Byrd & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 7467
ORDER NO. R-6895

Applicant:

~~Inexco Oil Company~~

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	

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. 7467
Order No. R-6895

APPLICATION OF INEVCO OIL COMPANY
FOR POOL CREATION, SPECIAL POOL RULES,
AND A DISCOVERY ALLOWABLE, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 20, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of February, 1982, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

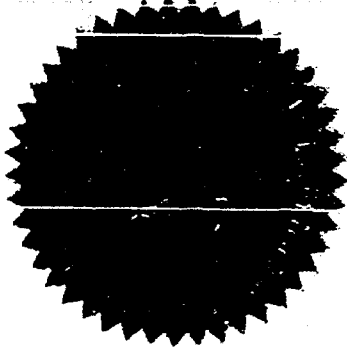
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 7467 is hereby dismissed.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

Dockets Nos. 4-82 and 5-82 are tentatively set for February 3 and February 17, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 20, 1982

**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:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for February, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for February, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7462: Application of American Gas Company for unorthodox commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinbry production in the wellbore of its C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East.

CASE 7463: Application of Texaco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its C. H. Weir "A" Well No. 12 located in Unit G of Section 12, Township 20 South, Range 37 East, to produce oil from the Skaggs-Drinkard and an undesignated Abo pool.

CASE 7464: Application of Exxon Corporation for two unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two unorthodox oil well locations in Section 4, Township 19 South, Range 35 East, Scharf-Song Spring Pool, as follows: State DD Well No. 1 to be drilled in the center of the SE/4 SW/4 and State DD Well No. 3 to be drilled in the center of the NW/4 NE/4. Pool rules require wells to be drilled in the NE/4 or SW/4 of a quarter section.

CASE 7465: Application of Superior Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1980 feet from the South line and 660 feet from the East line of Section 26, Township 24 South, Range 29 East. Wolfcamp-Pennsylvanian formations, the S/2 of said Section 26 to be dedicated to the well.

CASE 7466: Application of Conoco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for it and Southland Royalty Company to each institute a cooperative waterflood project in the Blinbry Oil and Gas Pool by the injection of water into the Blinbry formation through nine injection wells located on Conoco's Warren Unit and Hawk B-3 Leases and Southland's State Lease in Sections 33 and 34 of Township 20 South, Range 38 East, and Sections 2 and 3 of Township 21 South, Range 37 East.

CASE 7072: In the matter of Case No. 7072 being reopened on the motion of the Oil Conservation Division and pursuant to the provisions of Order No. R-6554 which order promulgated temporary special rules and regulations for the North Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 7460: (Continued from January 6, 1982, Examiner Hearing)

Application of Northwest Pipeline Corporation for 13 non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for 13 non-standard Pictured Cliffs gas proration units ranging in size from 142.39 acres to 176.77 acres and each comprised of various contiguous lots or tracts in Sections 4, 5, 6, 7, and 18 of Township 31 North, Range 7 West. Said proration units result from corrections in the survey lines on the North and West sides of Township 31 North, Range 7 West and overlap seven non-standard Mesaverde proration units previously approved by Order No. R-1066.

EXAMINER HEARING - WEDNESDAY - JANUARY 20, 1982

CASE 7467: Application of Inexco Oil Company for pool creation, special pool rules, and a discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks creation of a new Strawn oil pool for its Lottie York Well No. 1 located in Unit P of Section 14, Township 17 South, Range 37 East, and the promulgation of special rules therefor, including a provision for 80-acre spacing. Applicant further seeks the assignment of 57,150 barrels of oil discovery allowable to said well.

CASE 7459: (Continued from January 6, 1982, Examiner Hearing)

Application of Red Mountain Associates for the Amendment of Order No. R-6538, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6538, which authorized applicant to conduct waterflood operations in the Chaco Wash-Mesa Verde Oil Pool. Applicant seeks approval for the injection of water through various other wells than those originally approved, seeks deletion of the requirement for packers in injection wells, and seeks an increase in the previously authorized 68-pound limitation on injection pressure.

CASE 7410: (Continued from January 6, 1982, Examiner Hearing)

Application of B.O.A. Oil & Gas Company for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2035 feet from the South line and 2455 feet from the East line and one to be drilled 2455 feet from the North line and 1944 feet from the East line, both in Section 31, Township 31 North, Range 15 West, Verde-Gallup Oil Pool, the NW/4 SE/4 and SW/4 NE/4, respectively, of said Section 31 to be dedicated to said wells.

CASE 7451: (Continued from January 6, 1982, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Abo formation underlying the SE/4 of Section 11, Township 6 South, Range 25 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 7453: (Continued from January 6, 1982, Examiner Hearing)

Application of T. D. Skelton for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Mississippian formations underlying the NE/4 NW/4 of Section 7, Township 12 South, Range 38 East, to be dedicated to the re-entry of an old well at a standard location thereon. Also to be considered will be the cost of re-entering 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 re-entry of said well.

CASE 7457: (Continued from January 6, 1982, Examiner Hearing)

Application of E. T. Ross for nine non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for nine 40-acre non-standard gas proration units in the Bravo Dome Carbon Dioxide Area. In Township 19 North, Range 30 East: Section 12, the NW/4 NW/4 and NE/4 NW/4; Section 14, the NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4. In Township 20 North, Range 30 East: Section 11, the NE/4 SW/4, SW/4 SE/4, SE/4 SW/4, and NW/4 SE/4.

CASE 7468: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves, Eddy, and Lea Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Paddock production and designated as the East Monument-Paddock Pool. The discovery well is Morris R. Antweil State SX Well No. 1 located in Unit J of Section 36, Township 19 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
Section 36: SE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Ross Draw-Morrow Gas Pool. The discovery well is Florida Exploration Company Ross Draw Unit Well No. 10 located in Unit E of Section 27, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 27: N/2

EXAMINER HEARING - WEDNESDAY - JANUARY 20, 1982

(c) CREATE a new Pool in Lea County, New Mexico, classified as an oil pool for Morrow production and designated as the Sowell-Morrow Pool. The discovery well is Santa Fe Energy Company State NM2 Well No. 1 located in Unit M of Section 2, Township 15 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 2: SW/4

(d) EXTEND the Angell Ranch-Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 12: All
Section 13: N/2

(e) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 27: N/2
Section 28: E/2

(f) EXTEND the Atoka-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 23: S/2 S/2
Section 26: W/2 NW/4

(g) EXTEND the Sunker Hill-Panrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 14: SW/4 SE/4

(h) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 25: W/2
Section 26: S/2

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 17: E/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 14: S/2
Section 23: W/2

(i) EXTEND the Cinta Roja-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM
Section 8: All

(j) EXTEND the South Culebra Bluff-Atoka Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 36: W/2

(k) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 7: S/2

(l) EXTEND the Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 30: E/2
Section 32: S/2

PAGE 4

EXAMINER HEARING - WEDNESDAY - JANUARY 20, 1982

- (m) EXTEND the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 12: E/2

TOWNSHIP 21 SOUTH, RANGE 33 EAST, NMPM
Section 7: W/2

- (n) EXTEND the Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 29: E/2 SE/4

- (o) EXTEND the Southwest Indian Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 10: E/2

- (p) EXTEND the Lec-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 23: N/2 NE/4

- (q) EXTEND the West Lynch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 32: N/2
Section 33: NW/4

- (r) EXTEND the North San Simon-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 33: E/2 NW/4

- (s) EXTEND the South Saunders-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 25: N/2

- (t) EXTEND the Scharb-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 9: NW/4

- (u) EXTEND the Tom-Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

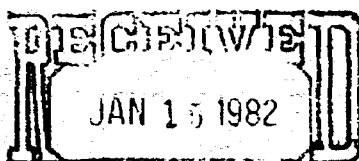
TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 8: S/2 NW/4 and SW/4

- (v) EXTEND the Winchester-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 3: W/2

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
ERADFORD C. BERGE
WILLIAM G. WARDLE
KEMP W. GORTHEY



OIL CONSERVATION DIVISION
SANTA FE

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

January 12, 1982

Mr. Joe D. Ramey
Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

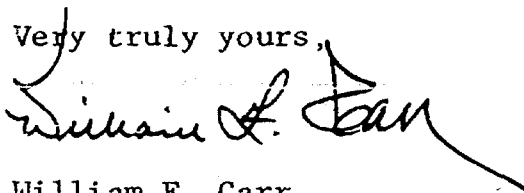
Re: Case 7467: Application of Inexco Oil Company for
Pool Creation, Special Rules, and a Discovery
Allowable, Lea County, New Mexico

Dear Mr. Ramey:

Inexco Oil Company hereby requests that the above-referenced case scheduled for hearing on January 20, 1982 be dismissed. Inexco has filed an application seeking 160-acre spacing for the same well and has requested that that matter be scheduled for hearing on February 3, 1982.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC:lr

HEX
ORD

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. 7467
Order No. R-6875

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 20, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of January, 1982, the Division Director, 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. 7467 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

APPLICATION OF INXCO OIL COMPANY FOR
POOL CREATION, SPECIAL POOL RULES, AND
A DISCOVERY ALLOWABLE, TEA COUNTY, NEW
MEXICO.

1-20-82
R.1

RECEIVED JANUARY 20 1982
FOR JANUARY, 1982

1-20-82
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