

CASE NO.

7690

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of C & K Petroleum,  
Inc., for compulsory pooling, Lea  
County, New Mexico.

CASE  
7690

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: We'll call next Case 7690.

MR. PEARCE: That is on the application of C & K Petroleum, Inc., for compulsory pooling, Lea County, New Mexico.

MR. Examiner, we've received a request from the applicant in that matter that that case be dismissed.

MR. STAMETS: Case 7690 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 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 CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7690, heard by me on 9-29 1982

Richard L. Stamm, Examiner  
Oil Conservation Division

SALL. BOYD, C.S.R.

Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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. 7690  
Order No. R-7098

APPLICATION OF C & K PETROLEUM,  
INC. FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 29, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of October, 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. 7690 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



S E A L

Dockets Nos. 31-82 and 31-81 are tentatively set for October 13 and October 27, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 29, 1982

9 A.M. - MORGAN HALL, 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 7686: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Energetics Corporation, United States Fidelity and Guaranty Company, and all other interested parties to appear and show cause why the Hanes Corporation Well No. 1, located in Unit F of Section 9, Township 24 South, Range 2 East, Don Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7687: Application of Amoco Production Company for salt water disposal, Union County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Glorieta formation in the perforated interval from 1718 feet to 1780 feet in its former State FI Well No. 2 (2034 362P) located 660 feet from the South line and 1320 feet from the East line of Section 36, Township 20 North, Range 34 East.
- CASE 7688: Application of Mountain States Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 990 feet from the North and East lines of Section 19, Township 15 South, Range 28 East, Buffalo Valley-Penn Gas Pool, the N/2 of said Section 19 to be dedicated to the well.
- CASE 7689: Application of Tesoro Petroleum Corporation for a tertiary oil recovery project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its Hoshan Sand Unit Waterflood Project to a polymer-augmented waterflood and, pursuant to Section 212.78 of the U. S. Department of Energy Regulations and Section 4993 of the Internal Revenue Code, seeks certification of said project as a qualified tertiary oil recovery project.
- CASE 7690: Application of C & K Petroleum, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the E/2 SW/4 of Section 27, Township 16 South, Range 37 East, Casey-Strawn Pool, 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 7679: (Continued from September 15, 1982, Examiner Hearing)
- Application of C & K Petroleum, Inc. for the amendment of Order No. R-4857-A and for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-4857-A to provide that the lands pooled by said order shall be the W/2 SE/4 of Section 27, Township 16 South, Range 37 East, dedicated to its Shipp 27 Well No. 2 located in Unit O in said Section 27. Applicant, further seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 SE/4 of the aforesaid Section 27, to be dedicated to a well to be drilled in Unit P of said Section 27. 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 7680: (Continued and Readvertised)
- Application of Unichem International, Inc. for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit the commercial disposal of produced brine into several unlined surface pits located in Section 2, Township 23 South, Range 29 East.
- CASE 7691: Application of Dugan Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Pool underlying the W/2 of Section 5, Township 24 North, Range 9 West, 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 7692: Application of Forister & Stewart for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 990 feet from the North line and 1650 feet from the East line of Section 5, Township 13 South, Range 31 East, Southeast Chaves Queen Gas Area, the E/2 of said Section 5 to be dedicated to the well.

CASE 7693: Application of Forister & Stewart for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Southeast Chaves Queen Gas Area underlying the E/2 of Section 5, Township 13 South, Range 31 East, to be dedicated to a well to be drilled at an unorthodox 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 7681: (Continued from September 15, 1982, Examiner Hearing)

Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Ordovician gas well to be drilled 330 feet from the North line and 990 feet from the East line of Section 13, Township 9 South, Range 27 East, the E/2 of said Section 13 to be dedicated to the well.

CASE 7682: (Continued from September 15, 1982, Examiner Hearing)

Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Mississippian gas well drilled 330 feet from the North line and 330 feet from the West line of Section 34, Township 11 South, Range 28 East, the W/2 of said Section 34 to be dedicated to the well.

CASES 7694 and 7695: Application of Depco, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following two cases, seeks an order pooling all mineral interests from the surface down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7694: NW/4 Section 21; and

CASE 7695: NE/4 Section 21

Both in Township 5 South, Range 25 East.

CASE 7696: Application of Arco Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian through Ellenburger formations underlying the E/2 of Section 31, Township 20 South, Range 36 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.

CASES 7528 and 7529: (Continued and Readvertised)

Application of JJ-CC, Limited for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following two cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7528: NW/4 Section 4, Township 5 South, Range 24 East

CASE 7529: NE/4 Section 4, Township 5 South, Range 24 East

CASE 7697: Application of Oxoco Production Corp. for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Mesaverde formation underlying Sections 7, 8, 17, 18, 19 and 20, Township 32 North, Range 8 West, containing 3160 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.



KELLAHIN AND KELLAHIN

*Attorneys at Law*

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Santa Fe, New Mexico 87501

September 8, 1982

Telephone 982-4285  
Area Code 505

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey  
James B. Grant

Mr. Joe D. Ramey  
OIL CONSERVATION DIVISION  
P. O. Box 2088  
Santa Fe, New Mexico 87501

SEP 9 1982

Re: Forced Pooling  
T16S, R37E  
Sec. 27: E/2SW/4

Case 7690

Dear Mr. Ramey:

On behalf of C & K Petroleum Inc., please set the enclosed pooling application for the examiner hearing set for September 29, 1982.

Very truly yours,

  
W. Thomas Kellahin

WTK:rb  
Enclosure  
cc: Mrs. Danie Lebow - C&K

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

IN THE MATTER OF THE APPLICATION OF  
C & K PETROLEUM, INC., FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO

CASE 1690

A P P L I C A T I O N

Comes now, C & K PETROLEUM INC., by and through its attorneys, KELLAHIN & KELLAHIN, and applies to the New Mexico Oil Conservation Division for an order pooling all of the mineral interests in the Pennsylvanian formations underlying the E/2SW/4 of Section 27, T16S, R37E, NMPM, Lea County, New Mexico and in support thereof would show:

1. Applicant proposes to drill a well in the E/2SW/4 of said Section 27 to test the Casey-Strawn Pool.
2. That Applicant has obtained the consent of Yates Petroleum to join in the drilling of this well provided however that the subject well can be commenced prior to October 20, 1982, the Yates lease expiration date.
3. That Applicant must file this Application now in order to protect Yates' interest.
4. The Applicant has sought to obtain the cooperation of all parties as shown on Exhibit "A" attached hereto.
5. In order to obtain their just and equitable share of the production underlying the above lands, Applicant needs an order pooling the mineral interest involved.
6. The only interest who will not consent to join in the drilling of the well, to the best of the Applicant's information and belief are the J. V. Ringold interest.

WHEREFORE, Applicant prays that this Application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling all of the mineral interests in the Pennsylvanian formation underlying the E/2SW/4 of Section 27, Township 16 South, Range 37 East, NMPM. Applicant further prays that it be named operator of the well, and that the order make provision for Applicant to recover out of production its costs of drilling the subject well, completing and equipping it, costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling of the well, and for such other and further relief as may be proper.

Respectfully submitted,

KELLAHIN & KELLAHIN  
P. O. Box 2255  
Santa Fe, New Mexico 87501  
(505) 982-4285

By 

W. Thomas Kellahin

Attorneys for Applicant

EXHIBIT "A"

Enserch Exploration Inc. Box 4815 Midland, Texas 79704	44.06904%
C & K Petroleum Inc. 600 C & K Petroleum Building Midland, Texas 79701	2.67578%
Texaco Inc. Box 3109 Midland, Texas 79701	28.80209%
Ann W. Morris 2855 Macvivar Avenue Topeka, Kansas 66611	0.49479% Leasehold 0.02604% Unleased
Roy Barton P. O. Box 978 Hobbs, New Mexico 88240	0.13020% Leasehold 0.06510% Unleased
E. L. Latham Jr. P. O. Box 1392 Hobbs, New Mexico 88240	0.06510% Unleased
Yates Petroleum Corporation 207 South Fourth Street Artesia, New Mexico 88210	13.33333% Leasehold
Clifford Cone, et al Box 126 Lubbock, Texas 79413	1.04166% Unleased
Sun Production Company Box 1861 Midland, Texas 79702	4.16667% Unleased
Heritage Resources Box 777 Davis, Oklahoma 73030	1.56250% Unleased
Petroleum Corporation of Texas Box 911 Breckenridge, Texas 76024	2.08333% Unleased
J. V. Ringold, et al. Address Unknown	1.48437% Unleased

ORDERS

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. 7690 <sup>7698</sup>  
Order No. R- ~~7697~~

APPLICATION OF C & K PETROLEUM,  
INC. FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 29, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of October, 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. 7690 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

S E A L

FOR COMPULSORY FLOODING, SAN JUAN COUNTY,  
NEW MEXICO