

CASE 5530: CITIES SERVICE OIL COMPANY
FOR THE AMENDMENT OF ORDER NO. R-5052,
EDDY COUNTY, NEW MEXICO

CASE NO.

5530

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

BEFORE THE
CO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 16, 1975

EXAMINER HEARING

IN THE MATTER OF:

**Application of Cities Service Oil
Company for the amendment of Order
No. R-5052, Eddy County, New Mexico.**

Case No.
5530

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & FOX
500 Don Gaspar
Santa Fe, New Mexico

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

MR. NUTTER: Call Case 5530.

MR. CARR: Case 5530. Application of Cities Service Oil Company for the amendment of Order No. R-5052, Eddy County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Kellahin & Fox, Santa Fe, New Mexico, appearing on behalf of the Applicant, Cities Service Oil Company. We request that the testimony that was taken at the hearing before this Commission on June 10th, 1975 -- that was Case No. 5476 upon which Order No. R-5052 is based -- that the testimony presented in that case at that time be incorporated into the case here today, Case No. 5530, and that an order authorizing the unorthodox well location as requested be entered and approved.

MR. NUTTER: Mr. Kellahin, just to clarify the record; at the time that case was heard the testimony was directed toward an unorthodox location for the proposed well on this unit, is that correct?

MR. KELLAHIN: That's correct; it was presented by Mr. James Motter of Cities Service Oil Company and because the advertisement had only mentioned that orthodox location, it was necessary for us to readvertise as of today.

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MR. NUTTER: But the testimony was for the unorthodox location?

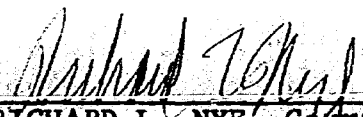
MR. KELLAHIN: That is correct.

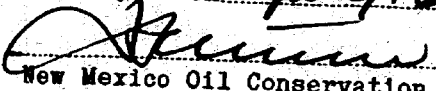
MR. NUTTER: Does anyone have anything they wish to offer in Case No. 5530? We will take the case under advisement.

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STATE OF NEW MEXICO)
COUNTY OF SANTA FE) SS.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5530 heard by me on July 16, 1975.
 Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
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87501
July 23, 1975

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

Re: CASE NO. 5530
ORDER NO. R-5052-A

Applicant:

Cities Service Oil Co.

Dear Sir:

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

Yours very truly

JOE D. RAMEY
Secretary-Director

JDR/fd

Copy of order also sent to:

Hobbs OCC	<u>X</u>
Artesia OCC	<u>X</u>
Aztec CCC	

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. 5530
Order No. R-5052-A

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR THE AMENDMENT OF ORDER
NO. R-5052, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 16, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of July, 1975, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Cities Service Oil Company, seeks the amendment of Order No. R-5052, dated June 17, 1975, which order pooled all mineral interests in the Wolfcamp formation underlying the SE/4 of Section 30, Township 21 South, Range 27 East, and in the Pennsylvanian formation underlying the E/2 of said Section 30, to be dedicated to a well drilled at an orthodox location for both formations.

(3) That applicant proposes the amendment of said order to provide for an unorthodox location for said well at a point 1980 feet from the South line and 2190 feet from the East line of said Section 30.

(4) That a well at said unorthodox location will better enable applicant to produce the oil and/or gas underlying the aforesaid proration units.

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil and/or gas in the subject pools, will prevent the economic loss caused by the drilling of unnecessary wells,

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Case No. 5530

Order No. R-5052-A

avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights, and said Order No. R-5052 should be so amended.

IT IS THEREFORE ORDERED:

(1) That Order (1) of Commission Order No. R-5052 is hereby amended to read in its entirety as follows:

"(1) That all mineral interests, whatever they may be, in the Wolfcamp formation underlying the SE/4 of Section 30, Township 21 South, Range 27 East, and in the Pennsylvanian formation underlying the E/2 of said Section 30, Eddy County, New Mexico, are hereby pooled to form a standard 160-acre Wolfcamp gas spacing and proration unit and a standard 320-acre Pennsylvanian gas spacing and proration unit to be dedicated to a well to be drilled at an unorthodox location for both formations hereby approved at a point 1980 feet from the South line and 2190 feet from the East line of said Section 30."

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Member


JOE D. RAMEY, Member & Secretary


S E A L

jr/

Case 5530

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1789
SANTA FE, NEW MEXICO 87501

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

TELEPHONE 982-4315
AREA CODE 505

June 26, 1975

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

Re: NMOCC Case No. 5476
Order No. R5052

Dear Dan:

I am writing to confirm our telephone conversation this morning concerning Cities Service Oil Company's request for an amended order in the above case.

Cities Service requests that the above referenced order be amended to provide for an unorthodox well location 2190 feet from the East line and 1980 feet from the South line of Section 30, T21S, R27E, Eddy County, New Mexico.

We would appreciate the matter being placed on your docket for hearing on July 16, 1975.

Very truly yours,


W. Thomas Kellahin

CC: Mr. Gene Motter

WTK:kjf

DOCKET MAILED

Date 7/7/75

- CASE 5526: Application of Austral Oil Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Blanco-Mesaverde and Basin-Dakota production in the wellbore of its Bunny Well No. 1, located in Unit P of Section 10, Township 27 North, Range 9 West, San Juan County, New Mexico.
- CASE 5527: Application of Plains Radio Broadcasting Company for an exception to the provisions of Order No. R-3221, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose into earthen pits produced salt water from its L. E. Ranch 9 Wells Nos. 1, 2, and 3, located, respectively, in Units O, N, and I of Section 9, and its L. E. Ranch 16 Wells Nos. 2 and 3, located, respectively, in Units B and A of Section 16, all in Township 11 South, Range 28 East, East Chisum-San Andres Pool, Chaves County, New Mexico.
- CASE 5528: Application of Reserve Oil and Gas Company for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its South Langlie-Jal Langlie Mattix Waterflood Project in the Langlie Mattix pool by the conversion to water injection of its Unit Wells Nos. 24 and 26 located, respectively, in Unit O of Section 18 and Unit M of Section 17, both in Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 5529: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the creation of a new gas pool for Morrow production, said to be designated Sheep Draw-Morrow Gas Pool to comprise the E/2 of Section 11 and the W/2 of Section 12, Township 23 South, Range 25 East, Eddy County, New Mexico.
- CASE 5530: Application of Cities Service Oil Company for the amendment of Order No. R-5052, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5052, which order pooled all mineral interests in the Wolfcamp formation underlying the SE/4 of Section 30, Township 21 South, Range 27 East, and in the Pennsylvanian formation underlying the E/2 of said Section 30, to be dedicated to a well drilled at an orthodox location for both formations. Applicant proposes the amendment of said order to provide for an unorthodox location for said well at a point 1980 feet from the South line and 2190 feet from the East line of said Section 30.
- CASE 5531: Application of Oil Development Company of Texas for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the open-hole interval from 5,000 to 5,150 feet in its SFPRR Well No. 6, located in Unit D of Section 33, Township 9 South, Range 37 East, West Sawyer-San Andres Pool, Lea County, New Mexico.

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

(W)
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

July 16
CASE No. 5530

Order No. R-5052-A

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR THE AMENDMENT OF ORDER
NO. R-5052, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 16, 1975,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of July, 1975, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Cities Service Oil Company, seeks the
amendment of Order No. R-5052, dated June 17, 1975, which order pooled
all mineral interests in the Wolfcamp formation underlying the SE/4 of
Section 30, Township 21 South, Range 27 East, and in the Pennsylvanian
formation underlying the E/2 of said Section 30, to be dedicated to a well
drilled at an orthodox location for both formations.

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-2-

Case No. 5530

Order No. R-5052-A

(3) That applicant proposes the amendment of said order to provide for an unorthodox location for said well at a point 1980 feet from the South line and 2190 feet from the East line of said Section 30.

~~(4) That the SE/4 of said Section 30 is to be dedicated to the well.~~

(4) That a well at said unorthodox location will better enable applicant to produce the ^{oil and/or} gas underlying the ^{aforesaid} proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the ^{oil and/or} gas in the subject pools, 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, and said Order No. R-5052 should be so amended.

IT IS THEREFORE ORDERED:

~~(1) That an unorthodox well location for the Wolfcamp and Pennsylvanian formations is hereby approved for a well located at a point 1980 feet from the South line and 2190 feet from the East line of said Section 30.~~
~~(2) That the SE/4 of said Section 30 shall be dedicated to the above-described well.~~

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

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

(1) That Order (1) of Commission Order No. R-5052 is hereby amended to read in its entirety as follows:

"(1) That all mineral interests, whatever they may be, in the Wolfcamp formation underlying the SE/4 of Section 30, Township 21 South, Range 27 East, and in the Pennsylvanian formation underlying the E/2 of said Section 30, Eddy County, New Mexico, are hereby pooled to form a standard 160-acre Wolfcamp gas spacing and proration unit and a standard 320-acre Pennsylvanian gas spacing and proration unit to be dedicated to a well to be drilled at an ^{un}orthodox location for both formations ^{hereby approved at a point 1980 feet from} the South line and 2190 feet from the East line of said Section 30."

CASE 5531: OIL DEVELOPMENT COMPANY OF
TEXAS FOR SALT WATER DISPOSAL, LEA
COUNTY, NEW MEXICO

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