

CASE 5685: C&K PET. INC. FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

CASE NO.

5685

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 26, 1976

EXAMINER HEARING

IN THE MATTER OF:

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

CASE
5685

BEFORE: Richard L. Stamets, 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 Building Santa Fe, New Mexico
For the Applicant:	Donald G. Stevens, Esq. Attorney at Law 214 Old Santa Fe Trail Santa Fe, New Mexico

sid morrison reporting service
General Court Reporting Service
825 Calle Mijia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 MR. STAMETS: We will call at this time Case 5685.

2 MR. CARR: Case 5685, application of C & K
3 Petroleum, Inc. for compulsory pooling, Eddy County, New
4 Mexico.

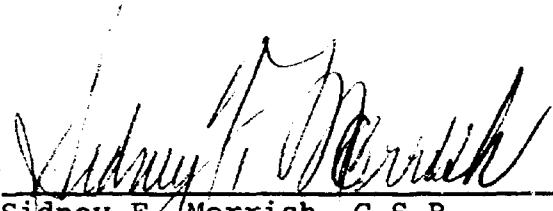
5 Mr. Examiner, we have received a request from the
6 Applicant that this case be dismissed.

7 MR. STAMETS: Case 5685 will be dismissed.
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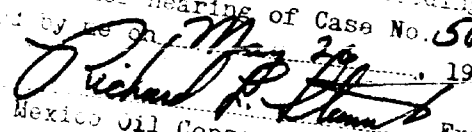
sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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.


Sidney F. Morrish, C.S.R.

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I do hereby certify that the foregoing is
a true and correct record of the proceedings in
the examiner hearing of Case No. 5685
held by me on May 29, 1976.

Richard P. Stamm, Examiner
New Mexico Oil Conservation Commission

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. 5685
Order No. R-5223

APPLICATION OF C & K PETROLEUM,
INC. 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 May 26, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of June, 1976, the Commission, a quorum being present, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

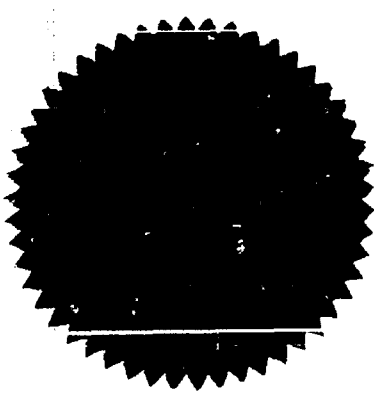
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 5685 is hereby dismissed.

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



S E A L

jr/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

Dockets Nos. 16-76 and 17-76 are tentatively set for hearing on June 9 and June 23, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 26, 1976

9 A.M. - OIL CONSERVATION COMMISSION 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 5473: (Reopened) (Continued from May 12, 1976 Examiner Hearing)

In the matter of Case 5473 being reopened pursuant to the provisions of Order No. R-5029, which order established special rules and regulations for the West Knowles-Drinkard Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 5684: Application of Morris R. Antweil 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 W/2 of Section 11, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to applicant's Mesa Grande Well No. 1 to be drilled 1980 feet from the North and West lines of said Section 11. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5685: Application of C & K Petroleum, Inc. 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 all of Section 15, Township 24 South, Range 26 East, White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location in Unit K of said Section 15. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5686: Application of Anadarko Production Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Loco Hills Pool by the injection of water into the Premier Sand formation through its Federal "L" Well No. 2, located in Unit E of Section 31, Township 17 South, Range 30 East, Eddy County, New Mexico. Applicant further seeks an administrative procedure for expansion of the project by approval of additional injection and production wells at standard and non-standard locations.

CASE 5687: Application of Atlantic Richfield Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 160-acre non-standard gas proration unit comprising the SW/4 of Section 25, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its J. M. Brownlee Well No. 4, located in Unit N of said Section 25 and to its Brownlee Well No. 1, at an unorthodox gas well location 2310 feet from the South and West lines of said Section 25.

no

From

~~SECRETARY OF THE DIRECTOR~~

To

First page
replaced due
to error.
OK by WFC

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF C & K PETROLEUM, INC. FOR
COMPULSORY POOLING IN FORMATIONS
OF PENNSYLVANIAN AGE, WHITE CITY
PENNSYLVANIAN GAS POOL, EDDY
COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES NOW, C & K Petroleum, Inc., as provided by Section 65-31-4, New Mexico Statutes, 1953, as amended, applies to the Oil Conservation Commission of New Mexico for an order pooling all the mineral interests in and under Section 15, Township 24 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, in formations of Pennsylvanian age. Applicant proposes to drill a well to be located at an orthodox location in Unit K of Section 15 and in support thereof Applicant would show:

1. Applicant is the owner of the right to drill and develop the following described acreage: All of Section 15, Township 24 South, Range 26 East, N.M.P.M.

2. Applicant has obtained voluntary agreement for pooling in formations of Pennsylvanian age from all but the party named below, whose address, and the interest owned according to Applicant's information and belief is as follows:

Pennzoil Company	30.47% interest in	85.313 acres
Drawer 1828, Midland, Tex.	NW/4, N/2 SW/4, SE/4 SW/4	more or less

J.M. Huber Corp.	4.375% interest in	12.25 acres
Wilco Bldg., Midland, Tex.	NW/4, N/2 SW/4, SE/4 SW/4	more or less

3. Applicant requests that it be designated operator of the pooled unit requested above.

4. Applicant has been unable to obtain voluntary agreement for the pooling of the unpooled interest indicated in paragraph 2 above, and in order to avoid the drilling of unnecessary wells to protect correlative rights, and to prevent waste, the Commission should pool all interests in Section 15 as a unit.


5. The risk and expense of drilling and completing the well is great and if the owner of the other interest in Section 15 does not choose to pay its share of the cost of drilling and completion, Applicant should be allowed a reasonable charge for the supervision and a charge for the risk involved in addition to recovery of the actual cost of drilling and completing the well.

WHEREFORE, Applicant respectfully requests that the Commission set this matter for hearing before the Commission's duly appointed examiner, and that after notice and hearing as required by law the Commission enter its order pooling all interests in formations of Pennsylvanian age underlying Section 15, Township 24 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, designating Applicant operator of the pooled unit, together with provision for Applicant to recover its costs out of production including a risk factor to be determined by the Commission and with provisions for the payment of operating costs and costs of supervision out of production to be allocated among the owners as their interest may appear and for further orders as may be proper in the premises.

Respectfully submitted,

C & K PETROLEUM, INC.

By


DONALD C. STEVENS

P.O. Box 1797

Santa Fe, New Mexico 87501

ATTORNEY FOR APPLICANT

Case 5685

Application of C & K Petroleum, Inc. for
compulsory pooling, Eddy County, New Mexico,
Applicant, in the above-styled cause,
asks an order pooling all mineral
interests in the Pennsylvanian formation
underlying Section 15, Township 24 South,
Range 26 East, Eddy County, New Mexico,
to be dedicated to a well to be drilled
at an orthodox location in the SW/4
of said Section 15. Also in

received by phone from Tom Kellahan
5/4/74

Within one mile of the
White City Penn. Pool

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. 5685

Order No. R- 5223

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INC. 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 May 26, 1976,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of June, 1976, 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. 5685 is hereby dismissed.

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