CASE 5820: TEXAS OIL & GAS CORP.
FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO

CASE NO.

5820

APPlication,
Transcripts,
Small Exhibits,

ETC.

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NEW	BEFORE THE MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico March 9, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Oil & Gas Corpora-) tion for compulsory pooling, Eddy County, New Mexico.

CASE 5820 (Cont'd.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

APPEARANCES

For the New Mexico Oil Conservation Commission:

Lynn Teschendorf, Esq. Legal Counsel for the Commission State Land Office Building & Santa Fe, New Mexico

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MR. NUTTER: We will call next Case Number 5820.

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MS. TESCHENDORF: Case 5820, application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County,

New Mexico.

We have also been contacted by the applicant in this case and they request that we continue this case until the March 23rd Examiner Hearing.

MR. NUTTER: Case Number 5820 will be continued to the Examiner Hearing scheduled to be held at this same place at nine o'clock A.M., March 23rd, 1977.

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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the N 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.

the record of the foregoing is heard by me on Case Case Case Examiner

Mew Me Ico Oil Conservation Commission

sid morrish reporting service
General Court Reporting Service
Calle Mejia, No. 122, Santa Fe, New Mexico 8750.
Phone (505) 982-9212

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	3	March 23, 1977	
•	4	EXAMINER HEARING	
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	5	IN THE MATTER OF:	
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	7	Application of Texas Oil & Gas Corpora-) tion for compulsory pooling, Eddy)	CASE 5820
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MR. STAMETS: At this time we will call Case 5820.

MS. TESCHENDORF: Case 5820, application of Texas
Oil & Gas Corporation for compulsory pooling, Eddy County,
New Mexico.

MR. STAMETS: There being no appearances in Case 5820 it will be dismissed.

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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.

So dhey F. Morrish, C.S.R.

sid m€.∴ish reporting service General Court Reporting Service 5 Calle Meju, No. 122, Santa Fe, New Mexi∞ 8 Flone (505) 982-9212

I do hereby certify that the foregoing in a complete record of the proceedings in the Examiner hearing of Case No. 19

New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501

LAND COMMISSIONER PHIL R. LUCERO March 30, 1977

Re:



STATE GEOLOGIST EMERY C. ARNOLD

DIRECTOR . JOE D. RAMEY

> Mr. Joel Carson Losee & Carson Attorneys at Law Post Office Box 239 Artesia, New Mexico 88210

∜820 CASE NO. ORDER NO. R-5404

Applicant:

Texas Oil & Gas Corporation

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 Director

JDR/fd

Copy of order also sent to:

Hobbs OCC Artesia UCC Aztec OCC

Other

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1	BEFORE THE	
	NEW MEXICO OIL CONSERVATION COMMISSI	ON
2	Santa Fe, New Mexico	
	February 16, 1977	
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	EXAMINER HEARING	
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	IN THE MATTER OF:	
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8	County, New Mexico.	
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We will call at this time Case 5820. MR. STAMETS: MS. TESCHENDORF: Case 5320, application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico.

This case has also been continued to the March 9th hearing at the request of the applicant.

MR. STAMETS: Case 5820 will be so continued.

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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Cortified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico 0.1 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.

do nereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 19 New Mexico Oil Conservation Commission

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		EXAMINER HEARING		•
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	5	IN THE MATTER OF:)	
Ty	7	Application of Texas Oil & Gas Corp for compulsory pooling, Eddy County New Mexico.	·) ·)	CASE 5820
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MR. NUTTER: The hearing will come to order, please. The first case this morning will be Case Number 5820.

MS. TESCHENDORF: Case 5820, application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico.

The Commissioner has heard from the applicant in this case and they request that we continue it until the February 16th hearing.

MR. NUTTER: Case 5820 will be continued to the Examiner Hearing scheduled to be held at this same place at nine o'clock A.M., February 16, 1977.

sid morrish reporting service

General Court Reporting Service
325 Calle Mejiz, No. 122, Santal Fe, New Mexico 87
Phone (505) 982-9212

General Court Report 825 Calle Mejra, No. 122, Santai F Phone (505) 982

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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.

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New Mexico Oil Conservation Commission

CASE 5891: Application of Sam H. Snoddy for directional drilling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of two 13,500 foot Morrow test wells from a single drilling site in the extreme Northwest five across of the NW/4 SE/4 of Section 25, Township 20 South, Range 32 East, Potash-Oil Area, Lea County, New Mexico. Applicant proposes to vertically drill each of said wells to a depth of approximately 3000 feet and to then directionally drill one well in a Northeasterly direction bottoming said well in the approximate center of the NE/4 of said Section 25, and to then directionally drill the other well in a Southwesterly direction, bottoming said well in the approximate center of the SW/4 of said Section 25. Applicant would dedicate the N/2 to the first of the aforesaid wells, and would dedicate a non-standard 160-acre unit comprising the SW/4 of said Section 25 to the second.

CASE 5820:

(Continued from March 9, 1977, Examiner Hearing)

Application of Texas Oil & Gas Corporation 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 4, Township 22 South, Range 26 East, Eddy County, New Mexico, 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. 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 5892:

Southeastern New Mexico nomenclature case calling for the creation and extension of certain pools in Eddy and Lea Counties, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the East Burton Flat-Atoka Cas Pool. The discovery well is the J. C. Williamson & D. W. Underwood et al Williamson Federal Well No. 1 located in Unit J of Section 9, Township 20 South, Range 29 East, NMPM. Said tool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM Section 9: E/2

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Eidson-Morrow Gas Pool. The discovery well is the Sabine Production Company North Eidson Fee Well No. 1 located in Unit M of Section 34, Township 15 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM Section 34: W/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Forehand Ranch Delaware Pool. The discovery well is the Husky Oil Company of Delaware Forehand Well No. 2 located in Unit K of Section 15, Township 23 South, Range 27 East, NAPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NAPIA Section 15: SW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Grayourg-Strawn Gas Pool. The discovery well is the Amoco Production Company Empire South Deep Unit Gas Com Well No. 8 located in Unit L of Section 33, Township 17 South, Pange 29 East, NAPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM Section 33: S/2

(e) CREATE a new pool in Eddy County, New Mexico, classified as a ges pool for Morrow production and designated as the Indian Flats-Morrow Gas Pool. The discovery well is the Perry R. Base Big Eddy Unit Well No. 41 located in Unit J of Section 35, Township 21 South, Range 28 East, NATM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NAPM Section 35: E/2

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the South Marcon Cliffs-Morrow Gas Pool. The discovery well is the Perry R. Bass Big Eddy Unit Well No. 44 located in Unit H of Section 16, Township 21 South, Range 30 East, NAPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 30 EAST, NAPM Section 16: E/2

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. 5820 Order No. R-5404

> > 135

APPLICATION OF TEXAS OIL & GAS CORPORATION 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 March 23, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of March, 1977, 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 failed to appear at said hearing, and its application should therefore be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 5820 is hereby dismissed.

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

STATE OF NEW MEXICO

PHIL R. LUCERO, Chairman

OIL CONSERVATION COMMISSION

Eccus Clant

JOE D. RAMEY, Member & Secretary

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CY STATE OF

Application of Atlantic Richfield Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 320-acre non-standard Jalmat gas proration unit comprising the W/2 c. Section 29, Township 24 South, Range 37 East, Lea County, New Mexico, to its William II. Harrison "A" WN Well No. 2 located in Unit D and William H. Harrison "D" Wells Nos. 1 and 6 in Units L and N, respectively, of said Section 29. Applicant further seeks approval of an unorthodox location for its William H. Harrison "D" WN Well No. 6 at a location 660 feet from the South line and 1980 feet from the West line of said Section.

CASE 5876:

Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Gavilan-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of his June Well No. 1 located in Unit B of Section 28, Township 28 North, Range 3 West, Rio Arriba County, New Mexico.

CASE 5820:

(Continued from February 16, 1977, Examine. Hearing)

Application of Texas Oil & Gas Corporation 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 4, Township 22 South, Range 26 East, Eddy County, New Mexico, 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. 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 5867:

(Continued from February 16, 1977, Examiner Hearing)

Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks in order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 19, Township 21 South, Range 27 East, Burton Flat Field, Eddy County, New Mexico, to be dedicated to its Forrest Well No. 1 to be located in Unit N of said Section 19. Also to be considered will be the cost of 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 completion of said

CASE 5877:

Application of Great Lakes Chemical Corporation for two non-standard gas provation units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Blanco Mesaverde gas provation units comprising the SE/4 of Section 3, and the NW/4 of Section 35, respectively, Township 27 North, Range 8 West, San Juan County, New Mexico.

CASE 5878:

Application of Michael T. Gottlieb for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Blanco Mesaverde gas proration units comprising the NE/4 of Section 3, and the SW/4 of Section 35, respectively, Township 27 North, Range 8 West, San Juan County, New Mexico.

CASE 5879:

Application of Morris R. An weil 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 12, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, 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. 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 5880:

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 Pennsylvanian formation underlying the S/2 of Section 20. Township 18 South, Range 25 East, Eddy County, New Mexico, 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. 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.

OSEE & CARSON, P.A. 300 AMERICAN HOME BUILDING P. O. DRAWER 239 CHAD DICKERSON B 1 C 197?

ARTESIA, NEW MEXICO 88210

AREA CODE BOB 746-3503

February 15, 1977

Miss Lynn Teschendorf. New Mexico Oil Conservation Commission Legal Division P. O. Box 2088 Santa Fe, New Mexico 87501

Dear Miss Teschendorf:

JOEL M. CARSON

We would like to request a continuation for the application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico, Case No. 5820, and for the application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico, Case No. 5867. We ask if you could please set these two cases up for hearing on the March docket, and that we be furnished with the docket of said hearing. Thank you for your assistance in this matter.

Yours truly,

LOSEE & CARSON, P.A.

M. Carson Hel M. Carson

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Mr. Darrell Smith

- CASE 5861: Application of Hanson Oil Corporation for a salt water disposal well, Eddy County, New Mexico.
 Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the
 Delaware formation in the open hole interval from 1926 to 1978 feet in its Sulphate Sister Well
 No. 1, located in Unit E of Section 13, Township 25 South, Range 26 East, Eddy County, New Mexico.
- CASE 5862: Application of Palmer 011 and Gas Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 1 Well No. 1 located 1525 feet from the South line and 820 feet from the East line of Section 1, Township 31 North, Range 13 West, Blanco Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.
- CASE 5863: Application of Amerada Hess Corporation for an unorthodox oil well location, Rio Arriba County, New Hexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla Apache "B" Well No. 16, completed as an oil well in the Dalota formation at a point 1850 feet from the South line and 1500 feet from the West line of Section 29, Township 25 North, Range 5 West, Rio Arriba County, New Mexico, said well having been projected as a Basin-Dakota gas well at a standard gas well location for said pool.
- CASE 5864: Application of Agua, Inc. for the amendment of Order No. R-5137, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the further amendment of Order No. R-5137, which authorized the disposal of produced salt water into the San Andres formation through the open-hole interval from approximately 4000 feet to 5000 feet in applicant's Blinebry-Drinkard SWD System Well No. A-22, located in Unit A of Section 22, Township 22 South, Range 37 East, Blinebry-Drinkard-Langlie Mattix Area, Lea County, New Mexico. Said order, as amended, limited surface injection pressures to 800 psi, and applicant seeks its amendment to permit surface injection pressures.
- CASE 5865: Application of Inexco 0il Co. for 320-acre spacing, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of 320-acre spacing and provation units for the West Tonto-Pennsylvanian Gas Pool, Lea County, New Mexico. In the absence of objection, the Commission will adopt such 320-acre spacing.
- CASE 5866: Application of Union Texas Petrolcum for an exception to casing and cementing requirements of Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing and cementing requirements of Order No. R-111-A to eliminate the salt protection string in a well it proposes to drill in Unit D of Section 33, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool. Lea County, New Mexico.
- CASE 3867: Application of Texas Oil & Gas Corporation 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 S/2 of Section 19, Township 21 South, Range 27 East, Burton Flat Field, Eddy County, New Mexico, to be dedicated to its Forrest Well No. 1 to be located in Unit N of said Section 19. Also to be considered will be the cost of 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 completion of said well.

CASE 5820: (Continued from the February 2, 1977, Examiner Hearing.)

Application of Texas Oil & Gas Corporation 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 4, Township 22 South, Range 26 East, Eddy County, New Mexico, 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. 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 5868: 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 location of its Travis Deep
Unit Well No. 1 to be drilled 1980 feet from the South line and 1684 feet from the West line of
Section 18, Township 18 South, Range 29 East, Eddy County, New Mexico, the S/2 of said Section 18 to
be dedicated to the well.

CASE 5846: (Continued and Readvertised)

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 location of its Empire South Deep Unit Well No. 13 to be drilled 660 feet from the South line and 1432 feet from the West line of Section 30, Township 17 South, Range 29 East, South Empire Field, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.

Dockets Nos. 6-77 and 7-77 are tentatively set for hearing on February 16 and March 9, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - NEDNESDAY - FEBRUARY 2, 1977

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

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

CASE 5820: (Continued & Readvertised)

Application of Texas 0il & Gas Corporation 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 4, Township 22 South, Range 26 East, Eddy County, New Mexico, 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. 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 5834: (Continued & Readvertised)

Application of Sun Oll Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its Dessie Sawyer Well No. 2, the surface location of which is 2310 feet from the South and West lines of Section 27, Township 9 South, Range 36 East, Crossroads Siluro-Devonian Pool, Lea County, New Mexico, and to directionally drill said well in such a manner as to bottom it in the Siluro-Devonian formation within 50 feet of a point 2310 feet from the South line and 2540 feet from the West line of said Section 27.

CASE 5835: (Continued & Readvertised)

Application of Palmer Oil Company for non-standard proration units and unorthodox locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following non-standard proration units in Township 31 North, Range 7 West, San Juan County, New Mexico: (a 310.48-acre Basin-Dakota unit comprising Lots 5, 6, 7, and 8 and the E/2 SK/4 and SE/4 of Section 2; the following Blanco Mesaverde and Basin-Dakota Units: 323.39 acres comprising Lots 5, 6, 7, and 8 and W/2 SW/4 of Section 3 and Lot 5 and the E/2 SE/4 and SW/4 SE/4 of Section 4; 320 acres comprising the E/2 SW/4 and S/2 SE/4 of Section 3 and NW/4 of Section 10; and 320 acres comprising the W/2 SW/4 of Section 2, N/2 SE/4 of Section 3, and NE/4 of Section 10; the following Fruitland and Pictured Cliffs Units: 150.48 acres comprising Lots 5, 6, 7, and 8 and W/2 SW/4 of Section 2; 175.76 acres comprising Lots 5, 6, 7, and 8 and W/2 SW/4 of Section 3; 160 acres comprising the W/2 SW/4 of Section 2 and N/2 SE/4 of Section 3; 160 acres comprising the E/2 SW/4 and S/2 SE/4 of Section 3; and 147.63 acres comprising Lot 5 and the SW/4 SE/4 and E/2 SE/4 of Section 4.

Applicant proposes to dedicate the above lands to various wells to be drilled at orthodox and unorthodox locations as follows: Section 2: 2200 feet from South and 800 feet from East lines, and 800 feet from South and 1675 feet from West lines; Section 3: 800 feet from North and West lines, 800 feet from South and 1850 feet from West lines, and 1400 feet from South and 1110 feet from East lines; Section 4: 800 feet from South and East lines; Section 10: 1800 feet from North and 850 feet from West lines, and 1525 feet from North and 1850 feet from East lines.

CASE 5840: (Continued from January 19, 1977, Examiner Hearing)

Application of Dome Petroleum Corporation for pool creation and assignment of a discovery allowable, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Entrada production and the assignment of approximately 25,800 barrels of oil discovery allowable to the discovery well, being applicant's Federal 15 Well No. 1 located in Unit F of Section 15, Township 19 North, Range 5 West, McKinley County, New Mexico.

CASE 5843: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the creation of a new pool for the production of gas from the Cakota and Morrison formations, said pool to be designated the Wagon Mound Dakota-Morrison Gas Pool and located in Township 21 North, Range 21 East, Mora County, New Mexico.

Application of Skelly Cii Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Pictured Cliffs and Chacra production in the wellbores of the Jicarilla "C" Wells Nos. 9 and 17 located in Units K and D, Section 28; Nos. 11 and 19 in Units L and I, Section 27; Nos. 12 and 13, Units C and B, Section 33; No. 10 in Unit M, Section 22; and No. 15 in Unit G, Section 34, all in Township 25 North, Range 5 West, Rio Arriba County, New Mexico, and to provide for administrative approval of the commingling downhole of additional wells in Sections 5 and 6, Township 24 North, Range 5 West, and Sections 21 and 34, Township 25 North, Range 5 West.

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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico January 5, 1977

EXAMINER HEARING

IN THE MATTER OF:	
Application of Texas Oil & Ction for compulsory pooling County, New Mexico.	CASE 5820
BEFORE: Daniel S. Nutter, Examing	

TRANSCRIPT OF HEARING

APPEARANCES

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq. Legal Counsel for the Commission State Land Office Building Santa Fe, New Mexico

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MR. NUTTER: We will call the hearing to order, The first case this morning will be Case Number 5820. MS. TESCHENDORF: Case 5820, application of Texas Oil & Cas Corporation for compulsory pooling, Eddy County, New Mexico.

We have heard from the applicant in this case and they have requested that we continue it until the February 2nd hearing.

MR. NUTTER: Case Number 5820 will be continued to the Examiner Hearing scheduled to be held at this same place at nine o'clock A.M., February 2, 1977.

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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 Ff Morrish, C.S.R.

sid morrish reporting servie General Court Reporting Service 825 Calle Mejia, No. 122, Santa Fe, New Mecico Phone (505) 982-9212 < 18

New Mexico Oil Conservation Commission

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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico December 15, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Oil & Gas Corpora-) tion for compulsory pooling, Eddy County, New Mexico.

CASÉ 5820

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

APPEARANCES

For the New Mexico Oil Conservation Commission:

Lynn Teschendorf, Esq. Legal Coursel for the Commission State Land Office Building Santa Fe, New Mexico

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MR. STAMETS: The hearing will please come to order. We will call first Case 5820.

MS. TESCHENDORF: Case 5820, application of Texas Oil and Gas Corporation for compulsory pooling, Eddy County, New Mexico.

If the Examiner please, we have heard from the applicant in this case, there was a mistake in the ad so we would like to continue it to January 5th and readvertise it.

MR. STAMETS: Case 5820 will be readvertised and continued to the January 5th Examiner Hearing.

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Sante Fe, New Mexico 87501
Phone (505) 982-9212

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REPORTER'S CERTIFICATE

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idney F. Morrish, C.S.R.

sid morrish reporting service General Court Reporting Service 25 Calle Mejia, No. 122, Santa Fe, New Mexico 87 Phone (505) 982-9212

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a complete record of the proceedings in the Examiner hearing of Case No 5820 heard by Te on 2 1926

New Mexico Oil Conservation Commission

Dockets Nos. 3-77 and 5-77 are tentatively set for hearing on January 19 and February 2, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - JANUARY 4, 1977

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

Application of Raymond Faves for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to construct and operate an earthen evaporation pit in the NE/4 SW/4 of Section 2, Township 20 South, Range 30 East, Eddy County, New Mexico, for the disposal of produced water from oil and gas wells in Eddy and Lea Counties, New Mexico.

Docket No. 2-77

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 5, 1977

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

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

CASE 5820: (Continued & Readvertised)

Application of Texas Oil & Cas Corporation for compulsory peoling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvarian formations underlying the W/2 of Section 4, Township 22 South, Range 26 East, Eddy County, New Mexico, 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. 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 5825: Application of Harvey E. Yates 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 S/2 of Section 36, Township 17 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Fady County, New Mexico, to be dedicated to a well to be drilled at a standard location. 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 5826: Application of Atlantic Richfield Company for three unorthodox locations and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 185-acre Eumont gas proration unit comprising the SW/4 and SW/4 NW/4 of Section 19, Township 21 South, Range 36 East, Eumont Cas Pool, Lea County, New Mexico, to its State "F" DE Wells Nos. 1, 3, and 4 located at unorthodox location, in Units E, K, and M, respectively, of said Section 19.
- Application of Atlantic Richfield Company for four unorthodox locations and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 275-acre Eumont gas proration unit comprising the W/2 E/2, N/2 NW/4, and SE/4 NW/4 of Section 19, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its State 176 Wells Nos. 2, 3, 4, and 6 located at unorthodox locations in Units 0, J, G, and C, respectively, of said Section 19.
- Application of Atlantic Richfield Company for an unorthodox gas well location, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its
 Robinson Gas Com Well No. 1 to be drilled 1850 feet from the North line and 660 feet from the West
 line of Section 27, Township 17 South, Range 29 East, Grayburg-Morrow Gas Pool, Eddy County, New Mexico,
 the N/2 of said Section 27 to be dedicated to the well.

Send copy of docket to:

Mr. Lever Reeves Union Texas Petroleum 1500 Wilco Bldg Midlaud, Tex. 79701 mailed 12/21/76 Dockets Nos. 1-27 and 2-77 are tentatively set for hearing on January 5 and 19, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINÉR HEARING - WEDNESDAY - DECEMBER 15, 1976

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING - SANTA & HEW 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 January, 1977, from seventeen provated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for January, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5796: (Continued from November 10, 1976, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Mixon Development Company, National Surety Corporation, and all other interested parties to appear and show cause why the Central Bisti Unit Wells Nos. 41, 46, 47, 49 and 50 located in Units D, I, K, M, and O, respectively, of Section 16, Township 25 North, Range 12 West, Bisti-Lower Gallup Pool, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

- CASE 5815: Application of Mark Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NW/4 SE/4 of Section 1, Township 18 South, Range 26 East, Red Lake-San Andres Pool, Eddy County, New Mexico, 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. 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 5816: Application of Texas Oil & Gas Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Huber Federal Well No. 1 to be drilled 1,087 feet from the North line and 2280 feet from the East line of Section 27, Township 23 South, Range 22 East, Eddy County, New Mexico, the N/2 of said Section 27 to be dedicated to the well.
- CASE 5820: Application of Texas Oil & Gas Corporation 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 4, Township 22 South, Range 22 East, Eddy County, New Mexico, 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. 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 5817: Application of Read & Stevens, Inc., for an unorthodox gas well location, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its

 W. R. State Comm. Well No. 1 to be drilled 660 feet from the Couth line and 990 feet from the

 East line of Section 6, Township 21 South, Range 27 Fast, Burton Flat-Morrow Gas Pool, Eddy

 County, New Mexico, Lots 9, 10, 15, and 16, and the SE/4 of said Section 6 to be dedicated to
 the well.
- CASE 5818: Application of Union Oil Company of California for the reinstatement of allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks reinstatement of oil allowable for its Tracy Well No. 1 located in Unit C of Section 10, Township 22 South, Range 27 East, Esperanza-Delaware Pool, Eddy County, New Mexico.
- CASE 5819: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Scurlock Oil Company to appear and show cause why it should not be found in violation of Rule 801, Commission Rules and Regulations, for purchasing, acquiring, transporting or handling of crude petroleum oil produced in excess of the allowable by Union Oil Company from its California Tracy Lease, Esperanza-Delaware Pool, Eddy County, New Mexico.
- CASE 5823: Application of Thornton Hopper for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation through the open-hole interval from 1937 feet to 2000 feet of his Bradley Federal Well No. 6, located in Unit D of Section 11, Township 24 South, Mange 26 East, Black River-Delaware Pool, Eddy County, New Mexico.

R. L. STAMETS

11-21-76

Report

1-29-19

Report

1-21-76

LAW OFFICES

LOSEE & CARSON, P.A.

300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

AREA CODE 80

NOV 24 1976

November 23, 1976

CONSENSATION COMM Santo Fo

Miss Lynn Teschendorf
New Mexico Oil Conservation Commission
Legal Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Miss Teschendorf:

A.J. LOSEE

JOEL M. CARSON

CHAD DICKERSON

Enclosed for filing, please find three copies of an application for Texas Oil & Gas Corp. for compulsory pooling in Eddy County, New Mexico.

We ask that you please set this case for hearing on your December 15 schedule, if at all possible, and that you furnish us with a docket of the hearing.

Yours truly,

LOSEE & CARSON, P.A.

Joel M. Carson

JMC:bjm Enclosures

cc w/enclosure: Mr. Darrell F. Smith

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NOV 24 1976

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF TEXAS OIL & GAS CORP. FOR COMPULSORY POOLING IN EDDY COUNTY, NEW MEXICO

CASE NO. 5820

APPLICATION

COMES NOW TEXAS OIL & GAS CORP., by its attorneys, and in support hereof, respectfully states:

- 1. That, except as hereinafter noted, applicant is the owner or operator of the entire working interest from the surface through the Pennsylvanian formation underlying the W/2 of Section 4, Township 22 South, Range 26 East, N.M.P.M., to be dedicated to a well located 2,310 feet from the North line and 1,980 feet from the West line of said Section 4, Eddy County, New Mexico.
- 2. That Texas Oil & Gas Corp., Superior Oil Company, and Allied Chemical Company are the owners of the Uil and gas leasehold estate comprising the W/2 of said Section 4, and a portion of said owners have not agreed to pool their interest with applicants.
- 3. To avoid the drilling of unnecessary wells, to protect correlative rights, and to afford the owner of each interest in the W/2 of said Section 4 the opportunity to recover or receive without unnecessary expense a just and fair share of the gas in said pool, all mineral interests, whatever

they may be, from the surface through the Pennsylvanian formation underlying the W/2 of said Section 4, should be pooled.

- 4. That any non-consenting working interest owner that does not pay his share of the estimated well cost should have withheld from production his share of the reasonable well cost, plus an additional 200% thereof, as the reasonable charge for the risk involved in the drilling of the well.
- 5. That applicant should be authorized to withhold from production the proportionate share of a reasonable supervision charge attributable to each non-consenting working interest.

WHEREFORE, applicant prays:

- A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- B. That upon hearing the Commission enter its order pooling all mineral interests, whatever they may be, from the surface through the Pennsylvanian formation underlying the W/2 of Section 4, Township 22 South, Range 26 East, N.M.P.M., to form a 320-acre gas spacing unit to be dedicated to applicant's well.
- C. And for such other and further relief as may be just in the premises.

TEXAS OIL & GAS CORP.

LOSEE & CARSON, P.A.

P. O. Drawer 239 Artesia. New Mexic

New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF TEXAS OIL & GAS CORP. FOR COMPULSORY POOLING IN EDDY COUNTY, NEW MEXICO

CASE NO. 5820

APPLICATION

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- 2. That Texas Oil & Gas Corp., Superior Oil Company, and Allied Chemical Company are the owners of the oil and gas leasehold estate comprising the W/2 of said Section 4, and a portion of said owners have not agreed to pool their interest with applicants.
- 3. To avoid the drilling of unnecessary wells, to protect correlative rights, and to afford the owner of each interest in the W/2 of said Section 4 the opportunity to recover or receive without unnecessary expense a just and fair share of the gas in said pool, all mineral interests, whatever

they may be, from the surface through the Pennsylvanian formation underlying the W/2 of said Section 4, should be pooled.

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C. And for such other and further relief as may be just in the premises.

TEXAS OIL & GAS CORP.

LOSEE CARSON, P.A. P. O. Prawer 239

Artesia, New Mexico 8821

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF TEXAS OIL & GAS CORP. FOR COMPULSORY POOLING IN EDDY COUNTY, NEW MEXICO

CASE NO. 5820

APPLICATION

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- 1. That, except as hereinafter noted, applicant is the owner or operator of the entire working interest from the surface through the Pennsylvanian formation underlying the W/2 of Section 4, Township 22 South, Range 26 East, N.M.P.M.. to be dedicated to a well located 2,310 feet from the North line and 1,980 feet from the West line of said Section 4, Eddy County, New Mexico.
- 2. That Texas Oil & Gas Corp., Superior Oil Company, and Allied Chemical Company are the owners of the oil and gas leasehold estate comprising the W/2 of said Section 4, and a portion of said owners have not agreed to pool their interest with applicants.
- 3. To avoid the drilling of unnecessary wells, to protect correlative rights, and to afford the owner of each interest in the W/2 of said Section 4 the opportunity to recover or receive without unnecessary expense a just and fair share of the gas in said pool, all mineral interests, whatever

they may be, from the surface through the Pennsylvanian formation underlying the W/2 of said Section 4, should be pooled.

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WHEREFORE, applicant prays:

- A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- B. That upon hearing the Commission enter its order pooling all mineral interests, whatever they may be, from the surface through the Pennsylvanian formation underlying the W/2 of Section 4, Yownship 22 South, Range 26 East, N.M.P.M., to form a 320-acre gas spacing unit to be dedicated to applicant's well.
- C. And for such other and further relief as may be just in the premises.

TEXAS OIL & GAS CORP.

LOSEE & CARSON, P.A.

P. O. Prawer 239

Artesia, New Mexico 88210

Attorneys for Applicant

dr/

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

CASE NO.

5820

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

APPLICATION OF TEXAS OIL & GAS CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.	d^{j}	Order No.	R- 5404	
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BY THE COMMISSION:			A 11 CHES 1 TO 10 THE 1801 CHES CONTROL OF C	
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