

CASE 3821: Appli. of MARATHON OIL
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Revised

Case Number

3821

Application
Transcripts.

Small Exhibits

ETC.

State of New Mexico
Oil Conservation Commission



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

August 1, 1968

3820
3821
Case No. _____
Order No. R-3466 & R-3467
Applicant:
El Paso & Marathon

A. L. Porter, Jr.

Hobbs OCC x
 Artesia OCC
 Aztec OCC x (R-3466)
 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. 3821
Order No. R-3467

APPLICATION OF MARATHON OIL COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 24, 1968,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 1st day of August, 1968, the Commission, a
quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

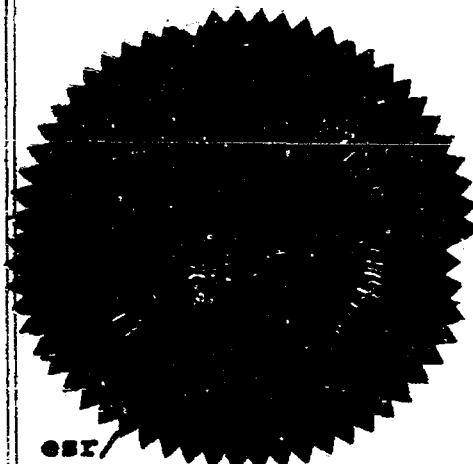
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 3821 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

David F. Cargo
DAVID F. CARGO, Chairman

Gordon B. Hays
GORDON B. HAYS, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

Docket No. 22-68

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 24, 1968

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
A. L. Porter, Jr., Alternate Examiner:

CASE 3809: Application of Solar Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Travis Well No. 2 located in Unit J of Section 21, Township 23 South, Range 37 East, Lea County, New Mexico, to produce oil from the Teague-Blinebry and undesignated Tubb-Drinkard pools through parallel strings of tubing.

CASE 3810: Application of Bronco Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Saltmount Well No. 2 located in Unit O of Section 21, Township 23 South, Range 37 East, Lea County, New Mexico, to produce oil from the Teague-Blinebry and undesignated Tubb-Drinkard pools through parallel strings of tubing.

CASE 3811: Application of Charles B. Read for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill his Marathon State Well No. 1 at a location 1980 feet from the South line and 660 feet from the West line of Section 7, Township 19 South, Range 35 East, Scharb-Bone Springs Pool, Lea County, New Mexico, in exception to the pool rules which require the first well drilled on a unit to be located in the NE/4 or the SW/4 of the quarter section.

CASE 3812: Application of Tenneco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Southwest Henshaw (Premier) Unit Area comprising 1720 acres, more or less, of Federal lands in Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico.

CASE 3813: Application of Tenneco Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Southwest Henshaw (Premier) Unit Area by the injection of water into the Premier sand through nine injection wells in Sections 7, 8, 17, 18 and 19, Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico.

CASE 3814: Application of Humble Oil & Refining Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Penrose zone of the Queen formation in the perforated interval from 3818 feet to 3838 feet in its New Mexico "G" State Well No. 17 located 330 feet from the South line and 1850 feet from the West line of Section 23, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico. If said Penrose zone does not prove satisfactory, then the applicant proposes to deepen said well and dispose into the San Andres formation.

CASE 3815: Application of Humble Oil & Refining Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the interval from 5670 feet to 6030 feet in its Chalk Bluff Draw Unit (A) Well No. 19 located 990 feet from the South line and 1650 feet from the West line of Section 16, Township 18 South, Range 27 East, Empire Abo Pool, Eddy County, New Mexico.

CASE 3816: Application of Humble Oil & Refining Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp formation in the interval from 10,199 feet to 10,530 feet in its H. A. Townsend Well No. 6 located 1980 feet from the North and East lines of Section 9, Township 16 South, Range 35 East, Townsend Wolfcamp Pool, Lea County, New Mexico.

CASE 3817: Application of Continental Oil Company for reinstatement of cancelled underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the general rules and regulations for prorated gas pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, to permit the reinstatement of underproduction accumulated by its Stevens A-35 Well No. 2 located in Unit J of Section 35, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, cancelled December 31, 1967. Applicant requests that its Stevens A-35 Well No. 1 located in Unit L and its Stevens A-35 Well No. 2 located in Unit J, both in the aforesaid Section 35 and dedicated to the same non-standard gas proration unit, be permitted to produce the aforesaid cancelled underproduction.

CASE 3818: Application of Continental Oil Company for an exception to Rule 506, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the statewide limiting gas-oil ratio of 2,000 feet of gas per barrel of oil as promulgated by Commission Rule 506 for its Warren Unit Well No. 11, located in Unit A of Section 35, Township 20 South, Range 38 East, Warren-Drinkard Pool, Lea County, New Mexico.

CASE 3819: Application of Cities Service Oil Company for the institution of gas prorationing in the Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the limitation of gas production from the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to reasonable market demand and to the capacity of gas transportation facilities, and that the subject pool be governed by the general rules and regulations for the prorated gas pools of Southeastern New Mexico insofar as said general rules and regulations are not inconsistent with the special rules and regulations governing the subject pool. Further, the applicant proposes that the allowable production from the pool be allocated among the wells in the pool on a 100% surface acreage basis.

CASE 3820: Application of El Paso Natural Gas Company for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Harvey "A" Well No. 3 at a point 890 feet from the South line and 1650 feet from the East line of Section 32, Township 27 North, Range 7 West, Blanco-Mesaverde Pool, Rio Arriba County, New Mexico, in exception to the pool rules which require locations to be in either the Northeast or Southwest quarter of the section.

CASE 3821: Application of Marathon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the SE/4 of Section 22, Township 20 South, Range 35 East, Lea County, New Mexico. Said acreage to be dedicated to a well to be drilled 660 feet from the South and East lines of said Section 22, and within one mile of the Southeast Lea-Wolfcamp Gas Pool.

Case 3822: Application of Aztec Oil & Gas Company for commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle San Andres production from its State "AJ" lease comprising the SW/4 and the W/2 NE/4 of Section 1 and its Amerada State lease comprising the N/2 NW/4 of Section 12, all in Township 18 South, Range 36 East, Arkansas Junction-San Andres Pool, Lea County, New Mexico, allocating production to each lease on the basis of periodic well tests.

CASE 3805: CONTINUED FROM THE JULY 10, 1968, EXAMINER HEARING

Application of Benson-Montin-Greer Drilling Corporation and Lloyd B. Taylor for Pressure Interference Tests and Back Allowable, San Juan County, New Mexico. Applicants, in the above-styled cause, seek authority to extend for an additional 60-day period from July 8, 1968, the shut-in test period authorized for one well in the La Plata Gallup Oil Pool, San Juan County, New Mexico, by Commission Order No. R-3399 and to also extend the back allowable make-up period for said well. Applicants further seek authority to drill three additional La Plata oil wells in Section 6 of Township 31 North, Range 13 West, and Sections 31 and 32, Township 32 North, Range 13 West, and to shut said wells in immediately after recovery of load oil and the establishment of initial potentials, for a period of up to 180 days for the purpose of conducting pressure interference tests, and to make-up the production lost during said test period at a later date. Applicants further seek a provision for administrative extension of the shut-in test period and the make-up period.



MARATHON OIL COMPANY

PRODUCTION - UNITED STATES AND CANADA

HOUSTON DIVISION

WARREN B. LEACH, JR.
DIVISION ATTORNEY

July 2, 1968

SOUTHERN NATIONAL BANK BUILDING
P. O. BOX 3128
HOUSTON, TEXAS 77001

WBS file

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

Att. Mr. A. L. Porter, Jr.
Executive-Director

Gentlemen:

68 JUL 8 AM 8 25

Re: Application of Marathon Oil Company for
Pooling of all Mineral and Royalty Interests
in the Wolfcamp Formation in the SE/4 of
Sec. 22, T20S, R35E, N. M. P. M., Lea
County, New Mexico

Marathon Oil Company respectfully requests that following notice and hearing hereon, the New Mexico Oil Conservation Commission enter its order pooling, in accordance with Art. 65-3-14, New Mexico Statutes, the mineral, royalty and other interests payable out of production from the Wolfcamp formation in and under the SE/4 of Section 22, Township 20 South, Range 35 East, N. M. P. M., Lea County, New Mexico, in order to establish a standard 160-acre spacing and proration unit for the proposed well herein mentioned.

Marathon proposes to cause a well to be drilled on the SE/4 of such Section 22 at a location 660 feet from the south line and 660 feet from the east line of said section to test the Wolfcamp formation, which location is less than one mile from a well in Section 26, Township 20 South, Range 35 East, N. M. P. M., Lea County, New Mexico, which is producing gas from an undesignated Wolfcamp gas pool.

Marathon is the owner of oil, gas and mineral leases covering all mineral interests in the SE/4 of said Section 22, and Marathon has the right to drill thereon the well above described. However, the mineral, royalty and other interests payable out of production from the SE/4 of such Section 22 are separately owned as to the different portions of the SE/4 of Section 22, and these mineral, royalty and other interests payable out of production have not been pooled or unitized.

DOCKET MARKED

Date 7-11-68

#2

The pooling of the mineral, royalty and other interests payable out of production from the SE/4 of said Section 22 in accordance with this application will prevent waste and will not infringe upon the correlative rights of the parties owning interests therein.

Marathon requests that this application be set for a hearing before an Examiner; that due notice of this application and hearing thereon be issued and published as required by law; and that following such hearing, this application for pooling of interests in the SE/4 of said Section 22 be granted.

The names and addresses of all interested parties known to Marathon are set forth in a list attached to this application.

Respectfully submitted,

MARATHON OIL COMPANY

By

Warren B. Leach, Jr.

Warren B. Leach, Jr.

Division Attorney

Names and Addresses of all Parties interested in Marathon Oil
Company's Application for Pooling of Mineral, Royalty and Other
Interests Payable out of Production from the Wolfcamp Formation
in the SE/4 of Section 22, Township 20 South, Range 35 East,
N. M. P. M. , Lea County, New Mexico

| <u>Name</u> | <u>Address</u> |
|---|---|
| W. H. Watkins | 304 N. Dixie, Eastland, Texas 76448 |
| Blanche Watkins | 304 N. Dixie, Eastland, Texas 76448 |
| C. E. Watkins | Lake Colorado City, Colorado City, Texas 79512 |
| Martha Watkins | Lake Colorado City, Colorado City, Texas 79512 |
| Edgar C. Watkins | Lake Colorado City, Colorado City, Texas 79512 |
| E. T. Watkins | Watkins Apt. West Hwy. 80, Monahans, Texas 79756 |
| Elsie Watkins | Watkins Apt. West Hwy. 80, Monahans, Texas 79756 |
| M. M. Watkins | Seagraves, Texas 79358 |
| Francis Watkins | Seagraves, Texas 79358 |
| Lucy Lankford | 1500 Fargo, Odessa, Texas 79760 |
| Thelma H. Baldwin and Rae Ann Shands, Trustees for Lucy Lankford, a widow | 1500 Fargo, Odessa, Texas 79760 |
| H. B. Usry | Lake Colorado City, Colorado City, Texas 79512 |
| Mary Usry | Lake Colorado City, Colorado City, Texas 79512 |
| Hyle C. Doss | P. O. Box 215, Seminole, Texas |
| Gordon Cone | 218 E. Central Ave. , Lovington, N. M. |
| Joe Dennis | 207 S. Main St. , Seminole, Texas |
| J. C. Barnes | Chancellor Bldg. , Midland, Texas 79701 |
| R. J. Ramsland | Chancellor Bldg. , Midland, Texas 79701 |

CLASS OF SERVICE
This is a fast message
unless its deferred char-
acter is indicated by the
proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL
CHAIRMAN OF THE BOARD

R. W. McFALL
PRESIDENT

| SYMBOLS | |
|---------|-----------------|
| DL | Day Letter |
| NL | Night Letter |
| LT | Letter Telegram |

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination.

LA154 NSB559

See 3821

Date *7-11-68*

NS HSA562 PDC=HOUSTON TEX 555P CDT=
NEW MEXICO OIL CONSERVATION COMMISSION ATTN A L PORTER JR=
STATE LAND OFFICE BLDG SANTA FE NMEX=

MARATHON RESPECTFULLY REQUESTS THAT YOU PLACE ON THE
DOCKET OF THE COMMISSIONS EXAMINER HEARING SCHEDULED
FOR JULY 24TH MARATHONS APPLICATION FOR THE POOLING IN
ACCORDANCE WITH SECTION 65-3-14 NEW MEXICO STATUTES, OF
ALL MINERAL AND ROYALTY INTERESTS IN THE WOLFCAMP
FORMATION IN AND UNDER THE SOUTHEAST QUARTER OF SECTION
22, TOWNSHIP 20 SOUTH, RANGE 35 EAST, N M P M LEA COUNTY
NEW MEXICO. MARATHON IS THE OWNER OF OIL AND GAS LEASES

CLASS OF SERVICE
This is a fast message unless its deferred character is indicated by the proper symbol.

W. P. MARSHALL
CHAIRMAN OF THE BOARD

WESTERN UNION TELEGRAM

R. W. McFALL
PRESIDENT

SYMBOLS
DL = Day Letter
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COVERING THE SOUTHEAST QUARTER OF SAID SECTION 22 AND PROPOSES TO CAUSE A WELL TO BE DRILLED THEREON AT THE LOCATION 660 FEET FROM THE SOUTH LINE AND 660 FEET FROM THE EAST LINE OF SAID SECTION TO TEST THE WOLFCAMP FORMATION. THIS WELL WILL BE LOCATED LESS THAN ONE MILE FROM A WELL IN SECTION 26 TOWNSHIP 20 SOUTH RANGE 35 EAST N M P M LEA COUNTY NEW MEXICO WHICH HAS PRODUCED GAS FROM AN UNDESIGNATED WOLFCAMP GAS POOL. MARATHONS LETTER APPLICATION FOR SUCH HEARING WILL FOLLOW PROMPTLY RESPECTFULLY=

MARATHON OIL CO BY WARREN B LEACH JR DIVISION
ATTORNEY=

WU1201 (R2-66)

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Newspaper

Case 3821

Application of Marathon Oil Company
for compulsory pooling, Lea County,
New Mexico.

Applicant, in the above-styled case,
seeks an order pooling all mineral
interests in the Wolfcamp formation
underlying the ~~SE~~ SE 1/4 of Section 22,
Township 20 South, Range 35 East,
~~undesignated~~ Lea County, New
Mexico. Said acreage to be
dedicated to a well to be drilled
660 feet from the South and East lines
of said Section 22.

Order set this for July 24th

George

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6491 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 24, 1968

EXAMINER HEARING

IN THE MATTER OF:

Application of Marathon Oil Company
for compulsory pooling, Lea County,
New Mexico.

Case No. 3821

BEFORE: Daniel S. Mutter
Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We'll call Case 3821

MR. HATCH: Case 3821. Application of Marathon Oil Company for compulsory pooling, Lea County, New Mexico.

MR. NORRIS: Mr. Examiner, I'm Dick Morris of Montgomery, Federici, Andrews, Hannahs and Morris, Santa Fe, appearing for the Applicant, Marathon Oil Company, and I move that the Commission enter an Order dismissing this application.

MR. NUTTER: Case Number 3821 will be dismissed.

STATE OF NEW MEXICO)
) ss.
 COUNTY OF BERNALILLO)

I, CHARLOTTE MACIAS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 20th day of September, 1968.

Charlotte Macias
 Notary Public

My Commission Expires:

February 10, 1971.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3821, heard by me on 7/24, 1968.
James, Examiner
 New Mexico Oil Conservation Commission