

CASE 4079: Application of ROBERT
B. HOLT FOR NEW POOL, DISCOVERY
ALLOWABLE & SPECIAL POOL RULES.

11/23

- asc number

4079

Application
Transcripts.

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

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

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

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 23, 1966

EXAMINED HEARING

IN THE MATTER OF:

Application of Robert E. Holt
for the creation of a new pool,
assignment of a discovery allowable,
and the promulgation of special pool
rules, Lea County, New Mexico

) Case No. 4070

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date APRIL 23, 1969TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Em. Pangle	Atlantic Richfield	Houston, Texas
W. J. Pangle	Atlantic Richfield	Houston, Texas
B. K. Kewell	Humble Oil & Refining Co.	Houston, Texas
James E. Kewell	Humble Oil & Refining Co.	Houston, Texas
Mr. Kewell	State Dept. of	
Don Kewell	State Dept. of	
Dr. D. M. Kewell	Self	Houston, Texas
P. J. M. Kewell	U.S.G.S.	" "
Nina Dallmann	Riv. Bryan & Co.	Santa Fe, N.M.
Lewis W. Williams	Tenneco Oil Co.	Midland, Texas
Richard S. Morris	Montgomery & Co.	San Antonio, Texas
W. H. L. Lifester	Humble Oil & Refining Co.	Midland, Texas
H. P. Bushell	Humble Oil & Refining Co.	Midland, Texas
R. H. Gorman	Texaco Refining Co.	San Antonio, Texas
Robert L. Lister	Samson Refining Co.	Dallas, Texas
W. J. L. Lister	U.S.G.S.	Self
J. S. Lister	P. M. Drilling Co.	Midland, Texas

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date APRIL 23, 1969 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
<i>C. Allen</i>	<i>Southland Vagabond Co</i>	<i>Midland, Texas</i>
<i>DON G. BURNEY</i>	<i>ENR OIL CORP.</i>	<i>POHUCC</i>
<i>Don Lester</i>		"
<i>Gregory Merriam</i>	<i>Gregory Merriam</i>	<i>Farmington</i>
<i>Paul J. Merriam</i>	<i>Petroleum Co. of New Mexico</i>	<i>Albuquerque</i>

MR. UTZ: The hearing will come to order, please. First, we will call the docket. We have one dismissal and at least three continuances. Case 4070.

MR. HATCH: Case 4070. Continued from the March 26, 1969, Examiner Hearing. Application of Robert B. Holt for the creation of a new pool, assignment of a discovery allowable, and the promulgation of special pool rules, Lea County, New Mexico.

The Commission has received a telephone call from Mr. Jason Kellabin requesting that this case be dismissed and advised that he would get a letter into the Commission.

MR. UTZ: The case will be dismissed.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, GLENDA BURNS, 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 30th day of April, 1969.

Glenda Burns
NOTARY PUBLIC

My Commission Expires:
March 12, 1973.

Thos. D. W.
Recd. April 23, 1969

dearnley-meier

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

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

March 26, 1969

EXAMINER HEARING

IN THE MATTER OF:)

Application of Robert B.)
Holt for the creation of)
a new pool, assignment of)
a discovery allowable, and)
the promulgation of spe-)
cial rules, Lea County,)
New Mexico.)

Case No. 4079

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 4079.

MR. HATCH: Case 4079, application of Robert B. Holt for the creation of a new pool, assignment of a discovery allowable, and the promulgation of special pool rules, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin, Kellahin and Fox, Santa Fe, appearing for the applicant. We request that this case be continued to the last Examiner Hearing in April.

MR. UTZ: Without objection, Case 4079 will be continued to the last Examiner Hearing in April, which, I believe, will be April 23rd.

MR. HATCH: I believe that is April 30th.

MR. UTZ: April 30th.

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

I, SAMUEL MORTELETTE, Court Reporter 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.

Samuel Mortelette
 COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4078 heard by me on May 26, 1969.
Shirley J. [Signature] Examiner
 New Mexico Oil Conservation Commission

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. 4079
Order No. R-3738

APPLICATION OF ROBERT B. HOLT FOR
THE CREATION OF A NEW POOL, ASSIGN-
MENT OF A DISCOVERY ALLOWABLE, AND
THE PROMULGATION OF SPECIAL POOL
RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 23, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 28th day of April, 1969, the Commission, a
quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

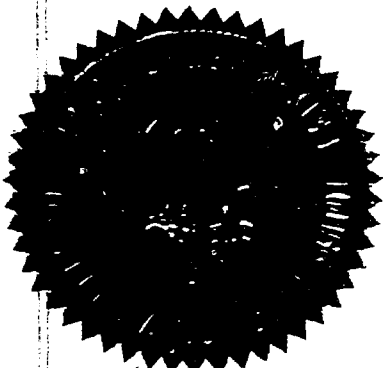
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 4079 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

Alex J. Armijo
ALEX J. ARMILLO, Member

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

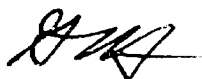
JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
54 1/2 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

April 23, 1969

Mr. George Hatch
Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico



Dear George:

This will confirm my telephone request that Case No. 4079, application of Robert B. Holt for creation of a new pool, assignment of a discovery allowable, and promulgation of special rules, be dismissed without prejudice to refiling the application.

Yours very truly,

JASON W. KELLAHIN

jwk;peg

cc William LeMay

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 26, 1969

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4078: Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Devils Fork-Gallup Pool and an undesignated Mesaverde oil pool in the well-bore of his NCRA State Well No. 3 located in Unit L of Section 16, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 4079: Application of Robert B. Holt for the creation of a new pool, assignment of a discovery allowable, and the promulgation of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Middle Pennsylvanian oil pool for his Aztec State Well No. 2 located in Unit A of Section 26, Township 13 South, Range 32 East, Lea County, New Mexico, and for the assignment of an oil discovery allowable in the amount of approximately 48,715 barrels to said well. Applicant further seeks the promulgation of special pool rules for said pool, including a provision for 160-acre proration units and the assignment of 80-acre allowables.

CASE 3975: (Reopened)
In the matter of Case No. 3975 being reopened pursuant to the provisions of Order No. R-3618, which order established 80-acre spacing units for the East Bluitt-San Andres Pool, Roosevelt County, New Mexico, for a period of approximately two months. All interested parties may appear and present evidence as to whether the subject area is indeed a separate common source of supply or an extension of the Bluitt-San Andres Gas Pool. Further, in the event said East Bluitt-San Andres Pool is found to be an extension of said Bluitt-San Andres Gas Pool, the Commission will consider the amendment of the Special Rules and Regulations governing the Bluitt-San Andres Gas Pool to provide for the classification of oil and gas wells, spacing and well location requirements for oil and gas wells, and an allocation formula for withdrawals from the gas cap and oil rim.

CASE 4080: Application of Monsanto Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Black River Unit Area comprising 14,961.23 acres, more or less, of State, Federal and Fee lands

CASE 4080 - Continued

in Townships 25 and 26 South, Ranges 23 and 24 East, Eddy County, New Mexico.

CASE 4081: Application of Curtis Hankamer for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Brushy Draw Deep Unit Area comprising 9,672.53 acres, more or less, of State and Federal lands in Township 26 South, Ranges 29 and 30 East, Eddy County, New Mexico.

CASE 4082: Application of Sam D. Area for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject produced salt water into the Yates-Seven Rivers formation in the open-hole interval from approximately 3358 to 3495 feet in his Arnott Ramsey "A" Well No. 3, located 660 feet from the North and West lines of Section 2, Township 25 South, Range 36 East, Jalmat Yates Seven Rivers Pool, Lea County, New Mexico.

CASE 4083: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Penrose Skelly Pool and the Paddock Pool in the well-bore of its Eunice King Well No. 7 located in Unit G of Section 28, Township 21 South, Range 37 East, Lea County, New Mexico, with the provision that no more than one allowable will be produced from said well.

CASE 4084: Application of Olen F. Featherstone for the creation of a new pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for his Cabot State Well No. 1 located in the NE/4 NW/4 of Section 29, Township 15 South, Range 32 East, Lea County, New Mexico, and for the promulgation of special rules therefor including a provision for 160-acre spacing and proration units and the assignment of 80-acre allowables.

CASE 4085: Application of Tamarack Petroleum Corporation, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation in the perforated interval from approximately 4948 feet to 5043 feet in its Cabot 23 State Well No. 2 located in Unit C of Section 23, Township 19 South, Range 35 East, Pearl-Queen Pool, Lea County, New Mexico.

CASE 4086: Application of Hanson Oil Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its CSA Federal Well No. 1 located in Unit I of Section 29, Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico, in such a manner as to permit production of oil from the Yates formation and the disposal of produced salt water into the Seven Rivers formation through parallel strings of tubing.

CASE 4087: Application of Soler 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 McCallister Well No. 1 located in Unit C of Section 7, Township 22 South, Range 38 East, Lea County, New Mexico, to produce oil from undesignated Drinkard and Abo oil pools through parallel strings of tubing.

CASE 4071: (Continued from the March 19, 1969, Regular Hearing)
Application of T. J. Sivley for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete his Federal Silver Well No. 4 located in the SW/4 SE/4 of Section 28, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, in such a manner as to permit production of oil from the Yates-Seven Rivers formations and the disposal of produced salt water into the Lower Seven Rivers formation.

CASE 4088: Application of Paul M. Mershon, Jr., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Upper Pennsylvanian formation underlying Section 21, Township 22 South, Range 23 East, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled at an unorthodox gas well location 990 feet from the North and East lines of said Section 21, and within one mile of the Indian Basin-Upper Pennsylvanian Gas Pool. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4089: Application of Paul M. Mershon, Jr., for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations governing the Indian Basin-Upper Pennsylvanian Gas Pool to permit the drilling of a well at an unorthodox gas well location 990 feet from the North and East lines of Section

-4-

Docket No. 9-69

Examiner Hearing - March 26, 1969

21, Township 22 South, Range 23 East, Indian Basin-
Upper Pennsylvanian Gas Pool, Eddy County, New Mexico.

CASE 4090: Application of Getty Oil Company for an exception to Commission Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the potash-oil area casing and cementing rules as set forth in Commission Order No. R-111-A. Applicant proposes to re-enter and deepen approximately 3500 feet in the Yates formation four wells located in Sections 19 and 30 of Township 20 South, Range 34 East, Lea County, New Mexico, in such a manner as to eliminate the necessity of running the salt protection string provided the production string would be cemented to the surface.

CASE 4091: Application of Union Oil Company of California for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Elliott Federal Well No. 1 located in Unit O of Section 27, Township 11 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Field Ranch-Wolfcamp Pool and the disposal of produced salt water into the San Andres, Glorieta, Blinberry, Tubb and Abo formations in the open-hole interval from approximately 4458 feet to 8050 feet.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 23, 1969

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

The following cases will be heard before: Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 4079: (Continued from the March 26, 1969, Examiner Hearing)
Application of Robert B. Holt for the creation of a new pool, assignment of a discovery allowable, and the promulgation of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Middle Pennsylvanian oil pool for his Aztec State Well No. 2 located in Unit A of Section 26, Township 13 South, Range 32 East, Lea County, New Mexico, and for the assignment of an oil discovery allowable in the amount of approximately 48,715 barrels to said well. Applicant further seeks the promulgation of special pool rules for said pool, including a provision for 160-acre proration units and the assignment of 80-acre allowables.
- CASE 4106: Application of Southland Royalty 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 Permo-Pennsylvanian formation in the perforated interval from approximately 9485 feet to 9713 feet in its Guye Well No. 4 located in Unit F of Section 12, Township 11 South, Range 33 East, Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico.
- CASE 4107: Application of Coastal States Gas Producing Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Sawyer-San Andres Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.
- CASE 4108: Application of Humble Oil & Refining Company for the rededication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to recomplete its New Mexico "V" State Well No. 5, a non-commercial Wantz-Abo oil producer, to a Tubb gas producer and to consolidate the 40 acres presently dedicated to said well with the 120 acres presently dedicated to its New Mexico "V" State Well No. 11, a Tubb gas producer, to form a standard 160-acre proration unit comprising the SW/4 of Section 10, Township 21 South, Range 37 East, Tubb Gas Pool, Lea County, New Mexico. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in any proportion.
- CASE 4109: Application of Humble Oil & Refining Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Lea Unit Area comprising 8,324.16 acres, more or less, of State, Federal, and Fee lands in Township 26 South, Range 36 East, Lea County, New Mexico.

- CASE 4110: Application of Atlantic-Richfield Company for a waterflood project and unorthodox injection well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Queen formation through one well to be drilled at an unorthodox location 160 feet from the North and West lines of Section 23, Township 18 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.
- CASE 4111: Application of Tenneco Oil Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Morton Federal Well No. 1, located in Unit A of Section 12, Township 9 South, Range 35 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Vada-Pennsylvanian Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the San Andres, Abo and possibly other formations in the open-hole interval from approximately 4050 feet to 8120 feet.
- CASE 4112: Application of P-M Drilling 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 Delaware formation in the perforated interval from approximately 5062 feet to 5100 feet in its James Federal Well No. 1 located in Unit A of Section 35, Township 23 South, Range 32 East, Triste Draw-Delaware Pool, Lea County, New Mexico.
- CASE 4113: Application of Texas Pacific Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to substitute its State "D" A/c-1 Well No. 1 located in Unit A of Section 2, Township 12 South, Range 33 East, in lieu of its State "C" A/c-1 Well No. 1 located in Unit B of said Section 2 as the producing well for the proration unit comprising the N/2 NE/4 of said Section 2, Bagley-Siluro-Devonian Pool, Lea County, New Mexico.
- CASE 4114: Application of Gulf Oil Corporation for two unorthodox oil well locations and amendment to Order No. R-2729, Lea County, New Mexico. Applicant in the above-styled cause, seeks authority to drill two producing oil wells at unorthodox locations in Township 19 South, Range 35 East, as infill wells in the West Pearl Queen Unit Waterflood Project, Pearl Queen Pool, Lea County, New Mexico, said wells to be located as follows:

West Pearl Queen Unit Well No. 164 to be located 1325 feet from the North line and 2635 feet from the West line of Section 32;

West Pearl Queen Unit Waterflood Well No. 165 to be located 1420 feet from the South line and 1325 feet from the West line of Section 29;

(Case 4114 continued)

Applicant also seeks the amendment of Order No. R-2729, which order authorized the aforesaid waterflood project, to establish a procedure whereby additional injection wells and producing wells at unorthodox infill locations, as may be necessary to complete an efficient injection and producing pattern, may be approved administratively.

- CASE 4115: Application of Southern Union Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 16, Township 29 North, Range 9 West, Basin-Dakota Pool, San Juan County, New Mexico. Said acreage to be dedicated to a well to be drilled at a standard location in the W/2 of said Section 16. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.
- CASE 4116: Application of Tesoro Petroleum Corporation for the amendment of Order No. R-2797 and for the extension of the South Hospah-Upper Sand Pool, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-2797, which order approved the Hospah Unit Agreement, to delete from said unit agreement 233.87 acres in the Southeast portion of Section 1, Township 17 North, Range 9 West, McKinley County, New Mexico. Applicant also seeks the extension of the South Hospah-Upper Sand Pool to include a portion of the Southeast quarter of said Section 1.
- CASE 4117: Application of Eastern Petroleum Company for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Rattlesnake-Dakota Pool, San Juan County, New Mexico, permitting the drilling of wells on 2½-acre spacing provided that no well be located nearer than 50 feet to the outer boundary of the quarter-quarter section and no nearer than 165 feet to another well producing from the same pool, and provided further, that a 40-acre proration unit would be subject to a 40-acre allowable regardless of the number of wells on the unit.
- CASE 4118: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle gas production from undesignated Fruitland and Pictured Cliffs gas pools in the well-bore of its Federal "I" Well No. 4, located in the NE/4 NW/4 of Section 1, Township 29 North, Range 14 West, San Juan County, New Mexico.
- CASE 4096: (Continued from the April 5, 1969, Examiner Hearing)
- Application of Kersey & Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority

to institute a waterflood project by the injection of water into the Seven Rivers formation through four wells located in Units C, D, and F of Section 25, Township 17 South, Range 28 East, Aid (Yates-Seven Rivers) Pool, Eddy County, New Mexico.

CASE 4078: (Continued from the April 9, 1969, Examiner Hearing)

Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Devils Fork-Gallup Pool and an undesignated Mesaverde oil pool in the wellbore of his NCRA State Well No. 3 located in Unit L of Section 16, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.

OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO 88240

March 5, 1969

Robert B. Holt
801 First National Bank
Midland, Texas 79701

Re: Discovery Allowable
Application for
Aztec State Well No. 2
Unit A, Section 26, T13S, R32E

Dear Sir:

Your application for a discovery allowable and creation of a new pool does not meet the requirements of Rule 509.

- (a) Paragraph 1. - Requires ownership and other data within a two mile radius. You show only one mile west and no ownerships. Also, the scale is supposed to be 1" = 1000'.
- (b) Paragraph 5. - Was not submitted at all. This reservoir data will be necessary to prove horizontal separation.

The Bough zones have long been established by several companies, and they run from A through F. Your well, the Aztec State No. 2, falls in the "E" zone, with the op of "Canyon" being at 9950 feet in the Pan American State "DL" No. 1 well.

Also, please note that the Delaware Apache State 19 Well No. 1 falls in the "D" zone or below the North Baum Pool rules as established by Order No. R-3644 but is classified as being in the North Baum Pool.

Please resubmit Paragraph No. 1 and Paragraph No. 5. We will have to have the necessary reservoir data from you to show horizontal separation.

Very truly yours,

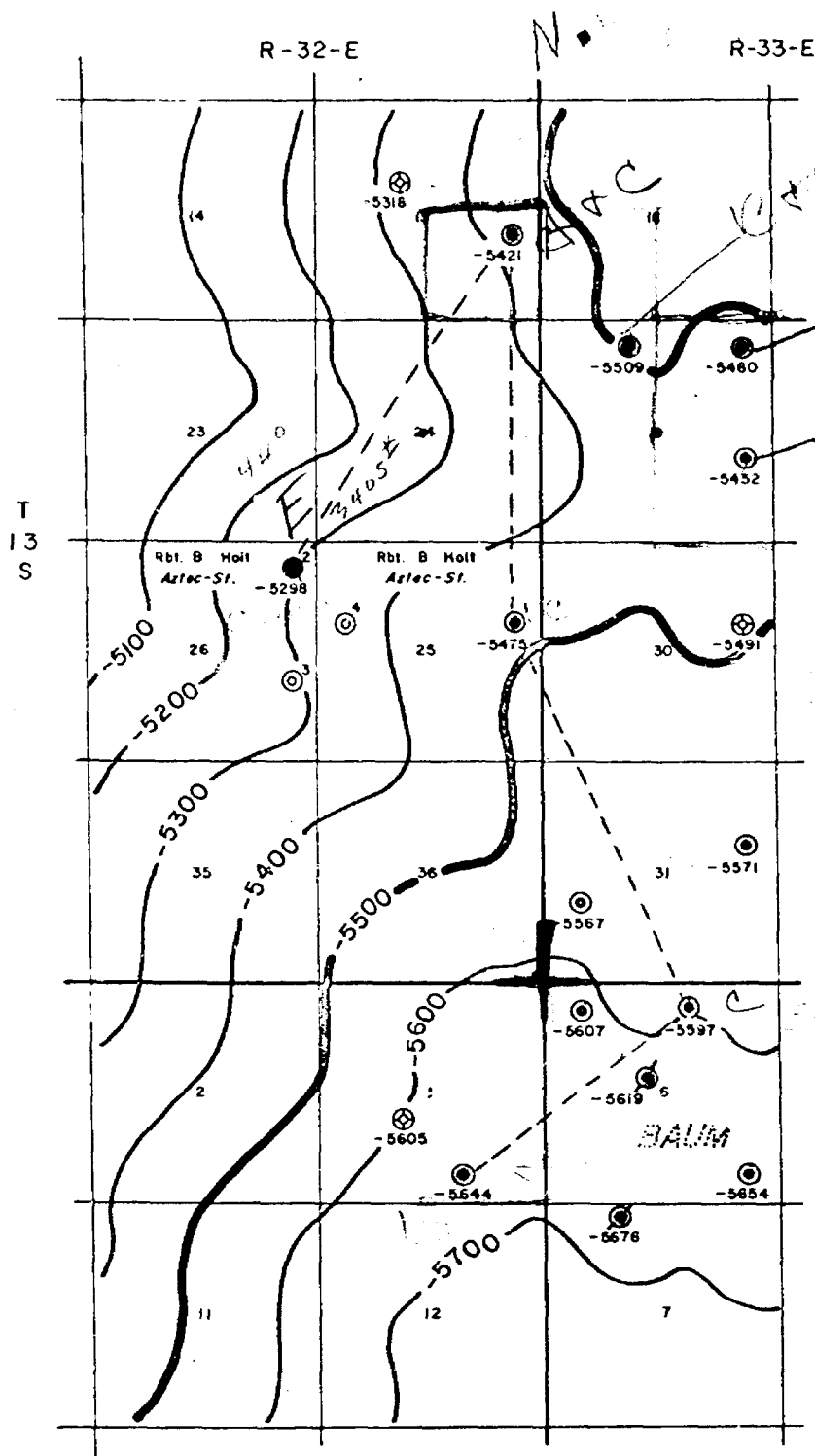
OIL CONSERVATION COMMISSION

John W. Runyan
Geologist, District I

JWR:fd

cc: Mr. Dan Nutter, Chief Engineer, NMCCC Santa Fe

C
O
P
Y



KEY TO PRODUCTION:

- ⊙ Bough "B"
- ⊙ Bough "C"
- Canyon

ROBERT B. HOLT, OIL PRODUCER
801 First Nat'l Bank Bldg. Midland, Texas

HOLT NUMBER 2 AZTEC-STATE
Sec. 26, T-13-S, R-32-E; Lea Co., N. M.
Contoured On: Top of the Bough "C"
Contour Interval: 100 Scale: 1" = 400'
Enclosure No. 1 By: J. L. Harben Date: 2/69

Cont 4079

25 APR 1969

BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
ROBERT B. HOLT FOR CREATION OF
A NEW POOL AND FOR THE PROMULGATION
OF SPECIAL POOL RULES IN LEA COUNTY,
NEW MEXICO.

Case No. 4079

A P P L I C A T I O N

Comes now the applicant, Robert B. Holt, whose address is Suite 801, First National Bank Building, Midland, Texas, and applies to the Oil Conservation Commission of New Mexico for establishment of special pool rules for the pool discovered by his #2 Aztec State Well in Lea County, New Mexico, and in support thereof would show the Commission:

1. That applicant is the operator of the Aztec State Well #2, located 660 feet from the north line and 660 feet from the east line of Section 26, Township 13 South, Range 32 East, Lea County, New Mexico.

2. The subject well is completed in the Pennsylvanian formation with perforations from 9,743 to 9,799 feet.

3. The subject well has discovered a new separate common source of supply which should be designated a Canyon or Middle Pennsylvanian Oil Pool.

4. The subject well is presently the only well completed in the subject pool.

5. That one well may be reasonably expected to efficiently and economically drain not less than 160 acres.

6. That drilling and developing the pool on 40 or 80 acre spacing and proration units would be uneconomical, resulting in waste through the drilling of unnecessary wells, and that such development would not result in the recovery of any significant amounts of additional oil.

7. That applicant proposes the adoption of special field rules for the subject pool including the following provisions:

DOCKET MAILED

Date 4-10-69

DOCKET IN FILE

Date

9743.0
48715

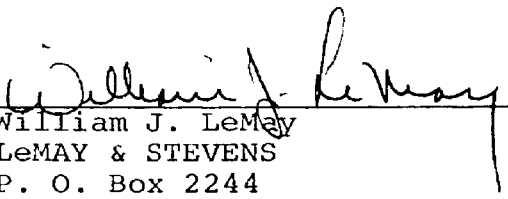
a) Spacing and proration units of 160 acres, consisting of the Northeast quarter, Southeast quarter, Northwest quarter or Southwest quarter of a governmental section, with wells to be located within 150 feet of the center of either quarter-quarter section in the 160-acre unit, together with suitable provisions for exceptions to said rules, assignment of allowables with an 80 acre proportional factor, and such other provisions as the Commission may deem proper.

WHEREFORE, applicant requests the Commission to set this application for hearing before the Commission's duly appointed examiner, and that after notice and hearing as provided by law, the Commission enter its order adopting special pool rules for the subject pool in Lea County, New Mexico.

Respectfully submitted,

Robert B. Holt

BY:


William J. LeMay
LeMAY & STEVENS
P. O. Box 2244
Santa Fe, New Mexico

Agents for Applicant

**NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL**

Form C-109
Adopted 9-1-66

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509.
If discovery is claimed for more than one zone, separate forms must be filed for each.

Operator Robert B. Holt		Address Suite 801, First Nat'l Bank Bldg. Midland Texas	
Lease Name Aztec State		Well No. 2	County Lea
Well Location Unit Letter A ; 660 Feet from The North Line and 660 Feet From the East Line of Section 26 Township 13 South Range 32 East NMPM			
Suggested Pool Names (List in order of preference) 1. Baum Canyon 2. Baum Middle Penn. 3. West Lazy "J" Penn.			
Name of Producing Formation Canyon	Perforations 9743, 45, 47, 61, 63, 67, 69, 76, 78, 82, 84, 86, 97, 99	Date of Filing Form C-104 2/19/69	
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? No	If Yes, Give Date of Filing	Date Well was Spudded 2/11/69	Date Compl. Ready to Prod. 2/12/69
Total Depth 10,315'	Plugged Back Depth 10,265'	Depth Casing Shoe 10,315'	Tubing Depth 9702'
Elevation (Gr., DF, RKB, RT, etc.) 4307.9 Gr.			
Oil Well Potential (Test to be taken only after all load oil has been recovered) 521 Bbls, Oil Per Day Based On 521 Bbls In 24 Hours; 0 Bbls Water Per Day Based On 0 Bbls In 24 Hours; Gas Production During Test: 270 MCF; Gas-Oil Ratio: 518 Method Of Producing: flow Chk. Size 20/64"			

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name Baum	Name of Producing Formation Upper Pennsylvanian	Top of Pay 9778	Bottom of Pay 9858	Currently Producing? Yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 1 mile southeast		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 120 feet		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):

Pool Name None known	Top of Pay	Bottom of Pay	Currently Producing?
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? NO	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County
---	--

Is the Subject Well Multiple Completion? NO	Is Discovery Allowable Requested for other Zone(s)? NO	If Yes, Name all Such Formations
---	--	----------------------------------

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS
Aztec	920 Mercantile Securities Bldg. Dallas, Texas
Superior	Box 1900, Midland, Texas
Cities Service	800 Vaughn Bldg. Midland, Texas
Sunray	10th Floor-Wilco Bldg., Midland, Texas
Midwest Oil Corporation	1500 Wilco, Midland, Texas
Allied Chemical	1300 Wilco Bldg., Midland, Texas
Coastal States	Box 235, Midland, Texas

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Commission of such intent in writing within ten days after receiving a copy of this application.

Remarks:

CERTIFICATION

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Commission have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

William J. LeMay Agent February 24, 1969
Signature Position Date
William J. LeMay *4075*

Coastal States No. 1-6 State Section 6-14S-33E	BHP- 3118#	'C' Producer
Robert B. Holt No. 1 Aztec-State	BHP- 2773#	'C' Producer
Robert B. Holt No. 1 Coastal-St.	BHP- 3677#	'B' Producer
Pan American No. 1 'DL'	BHP- 2752#	'C' Producer
Robert B. Holt No. 2 Aztec-State	BHP- 3405#	Canyon Producer

Page 4079

No. 078546

No. 078545

No. 078544

RECEIPT FOR CERTIFIED MAIL—30¢

SENT TO <i>Allied Chemical Co</i>		POSTMARK OR DATE
STREET AND NO. <i>1300 11th Ave Bldg</i>		
P. O., STATE, AND ZIP CODE <i>Albuquerque, N.M.</i>		
EXTRA SERVICES FOR ADDITIONAL FEES		
Return Receipt Shows to whom, date, and where delivered <input type="checkbox"/> 10¢ fee	Address to Addressee Only <input type="checkbox"/> 50¢ fee	
POD Form 3800 NO INSURANCE COVERAGE PROVIDED— Mar. 1966 NOT FOR INTERNATIONAL MAIL (See other side)		

RECEIPT FOR CERTIFIED MAIL—30¢

SENT TO <i>Coastal States</i>		POSTMARK OR DATE
STREET AND NO. <i>1300 11th Ave Bldg</i>		
P. O., STATE, AND ZIP CODE <i>Albuquerque, N.M.</i>		
EXTRA SERVICES FOR ADDITIONAL FEES		
Return Receipt Shows to whom, date, and where delivered <input type="checkbox"/> 10¢ fee	Address to Addressee Only <input type="checkbox"/> 50¢ fee	
POD Form 3800 NO INSURANCE COVERAGE PROVIDED— Mar. 1966 NOT FOR INTERNATIONAL MAIL (See other side)		

RECEIPT FOR CERTIFIED MAIL—30¢

SENT TO <i>Whitcomb Oil Co.</i>		POSTMARK OR DATE
STREET AND NO. <i>1300 11th Ave Bldg</i>		
P. O., STATE, AND ZIP CODE <i>Albuquerque, N.M.</i>		
EXTRA SERVICES FOR ADDITIONAL FEES		
Return Receipt Shows to whom, date, and where delivered <input type="checkbox"/> 10¢ fee	Address to Addressee Only <input type="checkbox"/> 50¢ fee	
POD Form 3800 NO INSURANCE COVERAGE PROVIDED— Mar. 1966 NOT FOR INTERNATIONAL MAIL (See other side)		

RECEIPT FOR CERTIFIED MAIL—30¢

SENT TO <i>Sunray Oil Co</i>		POSTMARK OR DATE
STREET AND NO. <i>1000 11th Ave Bldg</i>		
P. O., STATE, AND ZIP CODE <i>Albuquerque, N.M.</i>		
EXTRA SERVICES FOR ADDITIONAL FEES		
Return Receipt Shows to whom, date, and where delivered <input type="checkbox"/> 10¢ fee	Address to Addressee Only <input type="checkbox"/> 50¢ fee	
POD Form 3800 NO INSURANCE COVERAGE PROVIDED— Mar. 1966 NOT FOR INTERNATIONAL MAIL (See other side)		

RECEIPT FOR CERTIFIED MAIL—30¢

SENT TO <i>Chas. Service</i>		POSTMARK OR DATE
STREET AND NO. <i>500 Broadway Bldg</i>		
P. O., STATE, AND ZIP CODE <i>Albuquerque, N.M.</i>		
EXTRA SERVICES FOR ADDITIONAL FEES		
Return Receipt Shows to whom, date, and where delivered <input type="checkbox"/> 10¢ fee	Address to Addressee Only <input type="checkbox"/> 50¢ fee	
POD Form 3800 NO INSURANCE COVERAGE PROVIDED— Mar. 1966 NOT FOR INTERNATIONAL MAIL (See other side)		

RECEIPT FOR CERTIFIED MAIL—30¢

SENT TO <i>Superior</i>		POSTMARK OR DATE
STREET AND NO. <i>1300 11th Ave Bldg</i>		
P. O., STATE, AND ZIP CODE <i>Albuquerque, N.M.</i>		
EXTRA SERVICES FOR ADDITIONAL FEES		
Return Receipt Shows to whom, date, and where delivered <input type="checkbox"/> 10¢ fee	Address to Addressee Only <input type="checkbox"/> 50¢ fee	
POD Form 3800 NO INSURANCE COVERAGE PROVIDED— Mar. 1966 NOT FOR INTERNATIONAL MAIL (See other side)		

RECEIPT FOR CERTIFIED MAIL—30¢

SENT TO <i>Aztec</i>		POSTMARK OR DATE
STREET AND NO. <i>420 Whipple St. NW</i>		
P. O., STATE, AND ZIP CODE <i>Albuquerque, N.M.</i>		
EXTRA SERVICES FOR ADDITIONAL FEES		
Return Receipt Shows to whom, date, and where delivered <input type="checkbox"/> 10¢ fee	Address to Addressee Only <input type="checkbox"/> 50¢ fee	
POD Form 3800 NO INSURANCE COVERAGE PROVIDED— Mar. 1966 NOT FOR INTERNATIONAL MAIL (See other side)		

No. 078550

Page 4079

DRAFT

GMH/esr

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. 4079

Order No. R-3738

APPLICATION OF ROBERT B. HOLT
FOR THE CREATION OF A NEW ~~gas~~
POOL, ASSIGNMENT OF A DISCOVERY
ALLOWABLE, AND THE PROMULGATION
OF SPECIAL POOL RULES, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
April 23, 196⁹, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this _____ day of April, 196⁹, 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. 4079 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.