

CASE 5976: COQUINA OIL CORPORATION
(FOR SPECIAL POOL RULES, EDDY COUNTY,
NEW MEXICO

ion

Case Number

5976

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 6, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Coquina Oil Corporation) CASE
for special pool rules, Eddy County,) 5976
New Mexico.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

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

1 MR. NUTTER: We will call Case Number 5976.

2 MS. TESCHENDORF: Case 5976, application of Coquina
3 Oil Corporation for special pool rules, Eddy County, New Mexico

4 MR. NUTTER: Are there any appearances in Case
5 Number 5976?

6 This case is advertised but in the absence of
7 objection the pool will be placed on standard three hundred
8 and twenty acre spacing for Pennsylvanian gas pools rather
9 than the present one hundred and sixty acre spacing.

10 If there are no appearances and no objections the
11 recommendation will be made to the Commission that the three
12 hundred and twenty be adopted.

13 We will take the case under advisement.

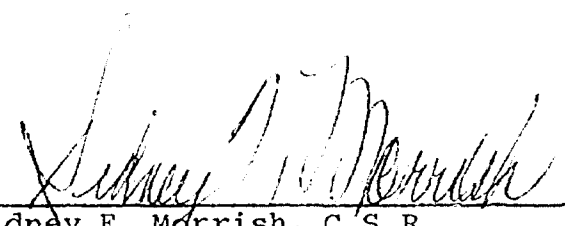
sid morrison reporting service

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

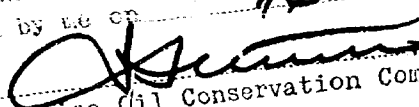
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REPORTER'S CERTIFICATE

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.

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

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 8976
heard by me on 7/6, 1977.
 Examiner
New Mexico Oil Conservation Commission

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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. 5976
Order No. R-5490

APPLICATION OF COQUINA OIL
CORPORATION FOR SPECIAL POOL
RULES, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 6, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 19th day of July, 1977, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Coquina Oil Corporation, is the
owner and operator of a certain gas well in the North Burton-
Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That said North Burton-Pennsylvanian Gas Pool was
created and designated by the Commission by Order No. R-2062,
effective September 19, 1961.

(4) That by Commission Order No. R-2707, dated May 25, 1964,
Rule 104 of the Commission Rules and Regulations was amended to
provide that all gas pools of Pennsylvanian age or older in
Southeast New Mexico which were created and defined June 1, 1964,
or later shall have 320-acre spacing and proration units, inasmuch
as it was found that in Southeast New Mexico, "...a gas well
completed in the Pennsylvanian formation or a deeper formation
will efficiently and economically drain and develop a 320-acre
tract."

(5) That the applicant in the instant case seeks the
promulgation of rules including a provision for 320-acre spacing
for the North Burton-Pennsylvanian Gas Pool in Eddy County, New
Mexico, inasmuch as that pool was excluded from the provisions of
Order No. R-2707, because it was created and defined prior to the
cut-off date of June 1, 1964.

-2-

Case No. 5976

Order No. R-5490

(6) That no appearances were made at the hearing of the instant case, and no objection was received to the inclusion of the North Burton-Pennsylvanian Gas Pool under the provisions of Rule 104 of the Commission Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the North Burton-Pennsylvanian Gas Pool in Eddy County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That effective August 1, 1977, each well completed or recompleted in the North Burton-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile thereof shall be subject to the provisions of Rule 104 of the Commission Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the North Burton-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Commission in writing of the name and location of the well by August 1, 1977.

(2) That pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the North Burton-Pennsylvanian Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Commission Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

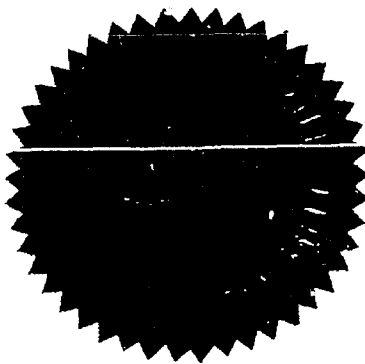
Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

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

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Case No. 5976
Order No. R-5490

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

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

S E A L

jr/

Dockets Nos. 24-77 and 25-77 are tentatively set for hearing on July 20 and August 3, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 6, 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. Mitter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 4962: (Reopened) (Continued from June 22, 1977, Examiner Hearing)

In the matter of Case 4962 being reopened pursuant to the provisions of Order No. R-4538 which order established temporary special pool rules for the Peterson-Pennsylvanian Associated Pool, Roosevelt County, New Mexico. All interested parties may appear and show cause why said temporary special pool rules should not be rescinded.

CASE 5967: (Continued from June 22, 1977, Examiner Hearing)

Application of Belco Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 8 and in the other Pennsylvanian formations underlying the E/2 of said Section 8, Township 24 South, Range 35 East, Cinta Roja-Morrow Gas Pool, Lea 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 5971: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit John J. Moya, Fidelity & Casualty Company of New York, and all other interested parties to appear and show cause why the following wells in Township 30 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Hubbard Well No. 1 located in Unit M of Section 4; Goode Well No. 1 located in Unit P of Section 18.

CASE 5972: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Lynn & McCoy and all other interested parties to appear and show cause why the Bishop Well No. 1 located 115 feet from the South line and 200 feet from the West line of Section 15, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5973: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit G & B Oil Company, American Employers Insurance Company, and all other interested parties to appear and show cause why the Donella Well No. 1 located in Unit P of Section 3, Township 29 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5974: Application of Maddox Energy Corporation 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 E/2 of Section 9, Township 18 South, Range 26 East, Atoka-Pennsylvanian 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 5975: Application of Bettis, Boyle, & Stovall for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers-Queen formation through the perforated and open-hole interval from 2,975 feet to 3,285 feet in its Annie L. Christmas Well No. 1 located in Unit E of Section 20, Township 25 South, Range 37 East, Jalmat Pool, Lea County, New Mexico.

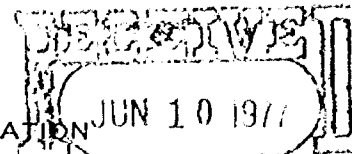
CASE 5976: Application of Coquina Oil Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the North Burton-Pennsylvanian Gas Pool, Eddy County, New Mexico, including a provision for 320-acre proration units. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Pennsylvanian gas pools, rather than the present 160-acre spacing.



COQUINA OIL CORPORATION

P. O. DRAWER 2360

MIDLAND, TEXAS 79701



OIL CONSERVATION COMM.

Santa Fe

(AC) 915 683-4661

June 7, 1977

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

Re: Bass State Well #1
Unit letter "E"
Sec. 32, 19-South, 29-East
Eddy County, New Mexico

Dear Mr. Ramey,

Coquina Oil Corporation has recently completed the above referenced well in the Atoka and Strawn Formations. At this time we are in request of a hearing before the commission for the renewal of the North Burton Penn Pool.

We also request that the acreage be extended from 160 acres to 320 surface contiguous acreage spacing. As depicted in red on the attached acreage dedication plat, we request that the applied for acreage include the Southwest quarter of section 32.

Further, the only well to be in the North Burton Penn. Pool, Sunray Mid-Continent Oil Company's State "Q" well #1, was plugged and abandoned in 1967. Therefore, because we are now the sole operators of a producing well in this pool, we can foresee no opposition to our request.

If we may be of any assistance or if you have any questions, please advise.

Sincerely yours,

COQUINA OIL CORPORATION

C. Alan Bump

CAB/ml.
Attachment
cc. W.A. Gressett

Case 5976

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 11-65

AMENDED

All distances must be from the outer boundaries of the Section

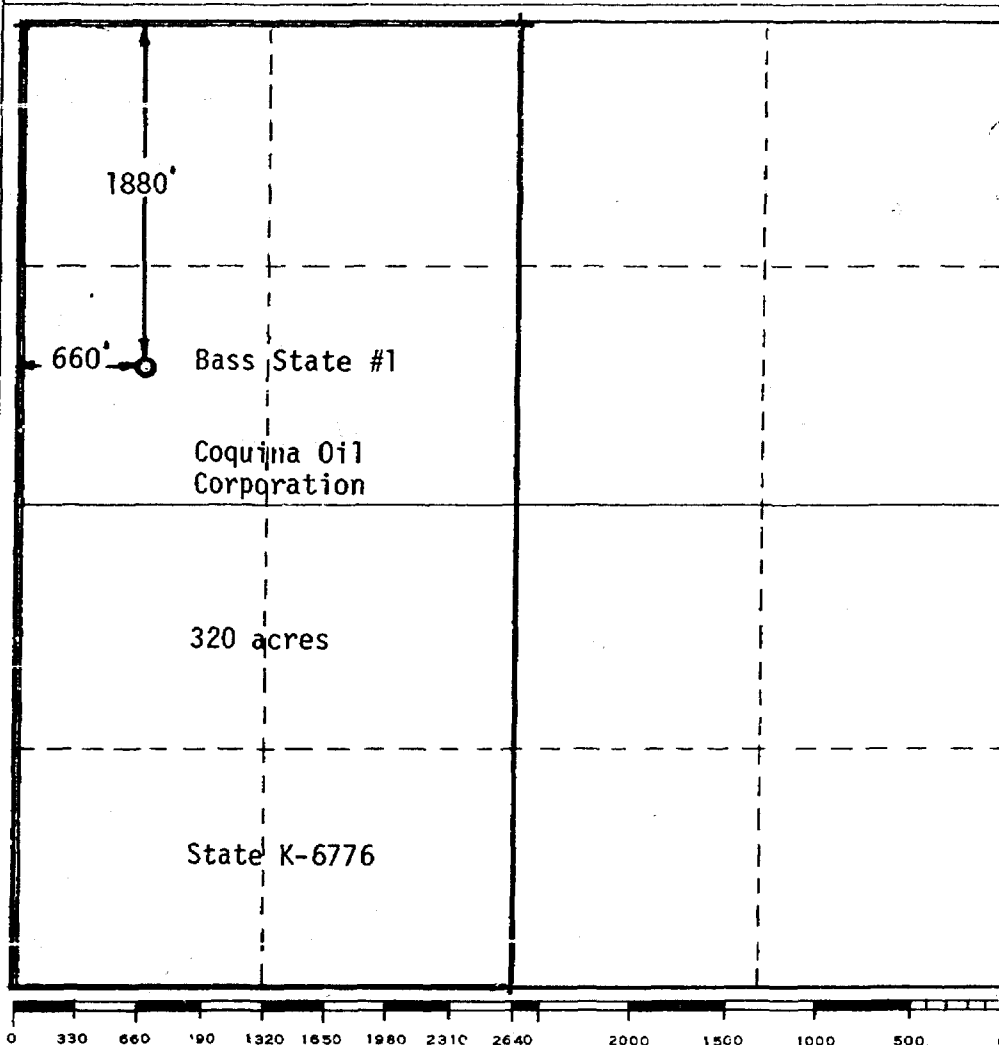
Operator Coquina Oil Corporation			Lease Bass State		Well No. 1
Unit Letter E	Section 32	Township 19-South	Range 29-East	County Eddy	
Actual Footage Location of Well: 1880 feet from the North line and 660 feet from the West line					
Ground Level Elev. 3280	Producing Formation Strawn-Atoka	Pool North Burton Penn.		Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

J.T. Berry

Position

Engineer

Company

Coquina Oil Corporation

Date

June 7, 1977

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

December 20, 1976

Registered Professional Engineer and/or Land Surveyor

Richard Duniven

Certificate No.

4832

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

dr/

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

CASE NO. 5976

Order No. R- 5490

APPLICATION OF COQUINA OIL
CORPORATION FOR SPECIAL POOL
RULES, EDDY COUNTY, NEW MEXICO. *Don*ORDER OF THE COMMISSION *LS JAR*BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 6,
19 77, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of July, 1977, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Coquina Oil Corporation, is the
owner and operator of certain gas wells^a in the North Burton-
Pennsylvanian Gas Pool,^A Eddy County, New Mexico.

(3) That said North Burton-Pennsylvanian Gas Pool was created and designated by the Commission by Order No. R-2062, effective September 19, 1961.

(4) That by Commission Order No. R-2707, dated May 25, 1964, Rule 104 of the Commission Rules and Regulations was amended to provide that all gas pools of Pennsylvanian age or older in Southeast New Mexico which were created and defined June 1, 1964, or later shall have 320-acre spacing and proration units, inasmuch as it was found that in Southeast New Mexico,..."a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract."

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the North Burton-Pennsylvanian Gas Pool in Eddy County, New Mexico, inasmuch as that pool was excluded from the provisions of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That no ~~appearances~~^{and} were made at the hearing of the instant case, ^{and} no objection was received to the inclusion of the North Burton-Pennsylvanian Gas Pool under the provisions of Rule 104 of the Commission Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the North Burton-Pennsylvanian Gas Pool in Eddy County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause ~~waste~~ nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That effective August 1, 1977, each well completed or recompleted in the North Burton-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile thereof shall be subject to the provisions of Rule 104 of the Commission Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the North Burton-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Commission in writing of the name and location of the well by August 1, 1977.

(2) That pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the North Burton-Pennsylvanian Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Commission Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

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

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