

Ref CASE 6063: TEXAS OIL & GAS CORP. FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO *2*

James D. Smith

Case Number

6063

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
12 October, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Oil and Gas Corpor-)
ation for compulsory pooling, Eddy County,)
New Mexico.)

CASE
6063

BEFORE: Richard L. Stamets.

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. 172, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. STAMETS: Call next Case 6063.

MS. TESCHENDORF: Case 6063. Application of
Texas Oil and Gas Corporation for compulsory pooling, Eddy
County, New Mexico.

The Applicant has requested that the Examiner dis-
miss the case.

MR. STAMETS: The case will be dismissed.

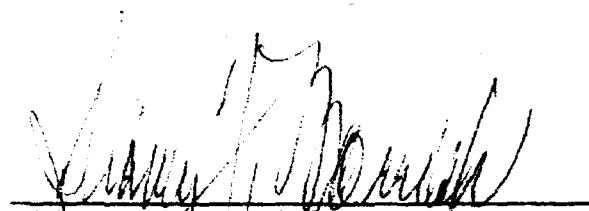
(Hearing concluded.)

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

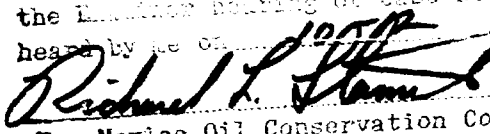
REPORTER'S CERTIFICATE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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. 6063
heard by me on 10/27/97
 Examiner
New Mexico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 6063
Order No. R-5571

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 October 12, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of November, 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:

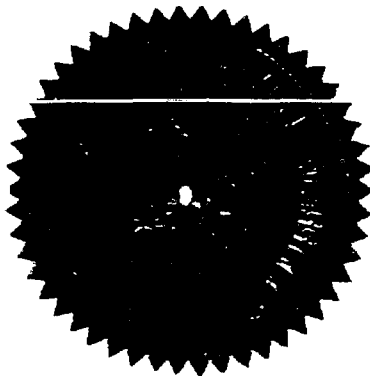
That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6063 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

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

S E A L

jr/

A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON

LAW OFFICES
LOSEE & CARSON, P.A.
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

AREA CODE 505
746-3508

11 October 1977

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

Dear Ms. Teschendorf:

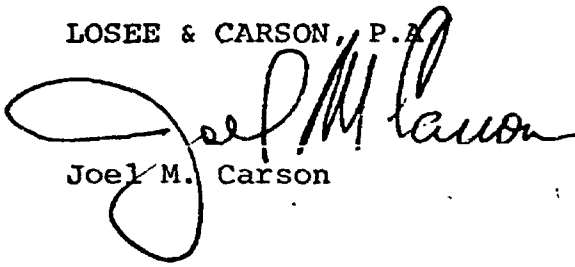
Please dismiss Case No. 6062, styled Application of Yates Exploration Company for force pooling its Plains Radio No. 1 Well in Chaves County, New Mexico. I have previously asked that you dismiss Case Nos. 6063 and 6064.

Please continue the cases from the October 26, 1977 hearing, being Nos. 5983 and 6061 until the November 16, 1977 hearing, and we will try to be up there with everything.

Enclosed, please find our check in the amount of \$5.40 as the transcript fee for continuing Case No. 5983. Thank you.

Yours truly,

LOSEE & CARSON, P.A.


Joel M. Carson

JMC:pv
Enclosure

cc: Mr. Harvey E. Yates, Jr.

A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON

LAW OFFICES
LOSEE & CARSON, P.A.
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

AREA CODE 505
346-3508

SEP 03 1977

29 September 1977

Mr. Dan Nutter, Chief Examiner
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

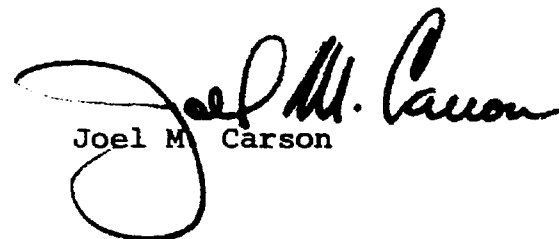
Re: Boyd South Gas Unit No. 1

Dear Dan:

We have heretofore filed an application with your department styled "In the Matter of the Application of Texas Oil & Gas Corporation for Compulsory Pooling, Eddy County, New Mexico." We ask that the hearing set for this application, which was October 12, be dismissed.

Yours truly,

LOSEE & CARSON, P.A.


Joel M. Carson

JMC:bjm

cc: Mr. Doyle Snow

CASE 5981: (Continued from September 14, 1977, Examiner Hearing)

Application of W. A. Moncrief, Jr., for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of an oil pool for Upper-Pennsylvanian production for his State Well No. 1 located in Unit E of Section 26, Township 16 South, Range 33 East, Lea County, New Mexico, and the promulgation of special rules therefor, including a provision for 80-acre spacing.

CASE 6061: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Stinking Draw Unit Area comprising 2,881 acres, more or less, of Federal and State lands in Township 21 South, Range 22 East, Eddy County, New Mexico.

CASE 5983: (Continued from September 28, 1977, Examiner Hearing)

Application of Yates Petroleum Corporation for the amendment of Order No. R-5445, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5445 to provide for a 200 percent risk factor for drilling the unit well rather than 20 percent. Said order pooled the N/2 of Section 19, Township 20 South, Range 25 East, Eddy County, New Mexico.

CASE 6062: Application of Yates Exploration Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the San Andres formation underlying the SW/4 NW/4 of Section 27, Township 9 South, Range 28 East, Chaves County, New Mexico, to be dedicated to applicant's Plains Radio Well No. 1 located in the center of said tract. 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 6063: 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 Morrow formation underlying the N/2 of Section 28, Township 19 South, Range 25 East, Eddy County, New Mexico, to be dedicated to applicant's Boyd South Gas Unit Well No. 1 to be located in Unit G of said Section 28. 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 6064: 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 N/2 of Section 29, Township 19 South, Range 28 East, Eddy County, New Mexico, to be dedicated to applicant's Exxon State Com B Well No. 1 located in Unit G of said Section 29. 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 5757: (Reopened)

In the matter of Case 5757 being reopened pursuant to the provisions of Order No. R-5296 which order established temporary special pool rules for the Maljamar-Pennsylvanian Pool, Lea County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 6047: (Continued from September 28, 1977, Examiner Hearing)

Application of Continental Oil Company for capacity allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a capacity allowable for its Pearl "B" Wells Nos. 5 and 6, located in Units M and O, respectively, of Section 25, Township 17 South, Range 32 East, and its Pearl "B" Well No. 7 located in Unit M of Section 30, Township 17 South, Range 33 East, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico.

CASE 6043: (Continued from September 28, 1977, Examiner Hearing)

Application of V-F Petroleum Inc., for an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 330 feet from the South line and 2310 feet from the East line of Section 29, Township 8 South, Range 38 East, North Sawyer-Devonian Pool, Roosevelt County, New Mexico.

LAW OFFICES

LOSEE & CARSON, P.A.

A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON

300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 86210

AREA CODE 505
746-3508

SEP 19 1977

16 September 1977

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

Dear Mr. Ramey:

Enclosed for filing, please find three copies of Application of Texas Oil & Gas Corporation for compulsory pooling for its gas well in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner on October 12, 1977, 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. Doyle Snow

SEP 19 1977

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :
OF TEXAS OIL & GAS CORPORATION :
FOR COMPULSORY POOLING, EDDY : CASE NO. 6063
COUNTY, NEW MEXICO. :

APPLICATION

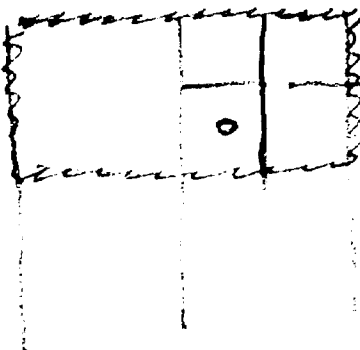
COMES NOW TEXAS OIL & GAS CORPORATION, by its attorneys,
and, in support hereof, respectfully states:

1. Applicant has the right to drill its Boyd South Gas Unit No. 1 Well in the Morrow formation as a gas well, which is to be located at a point 1,980 feet from the North line and 1,980 feet from the East line of Section 28, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

2. Applicant has dedicated the N/2 of said section to this well, and there are interest owners in the proration unit who have not agreed to pool their interests.

3. Applicant should be designated the operator of the well and the proration unit.

4. That to avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense, his just and fair share of the gas in said unit, all mineral interests, whatever they may be, from



the surface through the Morrow formation underlying the N/2 of said Section 28, should be pooled.

5. That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs, plus an additional 200% thereof as a reasonable charge for the risk involved in the drilling of the well.

6. Applicant should be authorized to withhold from production the proportionate share of a reasonable supervision charge for drilling and producing wells attributable to each non-consenting working interest owner.

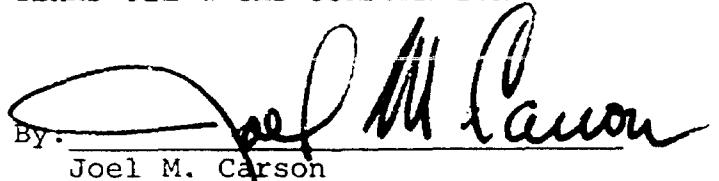
WHEREFORE, applicant prays that:

A. This application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. Upon hearing the Commission enter its order pooling all mineral interests, whatever they may be, from the surface through the Morrow formation underlying the N/2 of said Section 28, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, to form a 320-acre spacing unit dedicated to applicant's Well.

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

TEXAS OIL & GAS CORPORATION

By: 
Joel M. Carson

LOSEE & CARSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 6063

Order No. R- 5571

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 October 12, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of October, 1977, 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. 6063 is hereby dismissed.

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