

CASE 6112: E. L. LATHAM, JR., & ROY G. BARTON  
JR. FOR AN ORDER REQUIRING LATHAM &  
BARTON OR SOUTHERN UNION SUPPLY CO. TO  
COMMENCE THE DRILLING OF A PILING N-  
SAN ANDRES WELL, LEA COUNTY, NEW MEXICO.

Case Number

6112

Application

Transcripts.

Small Exhibits

ETR



# OIL CONSERVATION COMMISSION

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



DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO  
February 27, 1978

STATE GEOLOGIST  
EMERY C. ARNOLD

Mr. Donald G. Stevens  
Attorney at Law  
P. O. Box 2244  
Santa Fe, New Mexico

Re: CASE NO. 6112  
ORDER NO. R-5644

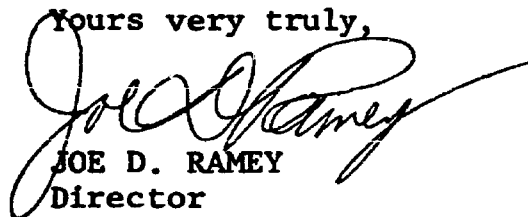
Applicant:

E. L. Latham, Jr. and Roy  
G. Barton, Jr.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x  
Artesia OCC x  
Aztec OCC           

Other John Martin Groebli

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. 6112  
Order No. R-5644

APPLICATION OF E. L. LATHAM, JR., AND  
ROY G. BARTON, JR., FOR AN ORDER REQUIRING  
LATHAM AND BARTON OR SOUTHERN UNION SUPPLY  
COMPANY TO COMMENCE THE DRILLING OF A FLYING  
M-SAN ANDRES WELL IN UNIT A OF SECTION 30,  
TOWNSHIP 9 SOUTH, RANGE 33 EAST, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 27, 1977,  
at Santa Fe, New Mexico, before the Oil Conservation Commission  
of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 21st day of February, 1978, the Commission,  
a quorum being present, having considered the testimony presented  
and the exhibits received at said hearing, 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. 6112 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, Member

JOE D. RAMEY, Member & Secretary

S E A L

jr/

6112  
Florence this man  
was at the hearing

JOHN MARTIN GROEBL  
and would like to  
receive the order etc.

5399 DORWIN LANE  
SANTA BARBARA, CALIFORNIA 93111  
(805) 964-5825  
He is on the register -

---

DONALD G. STEVENS • ATTORNEY AT LAW

P. O. Box 2244  
214 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

AREA CODE 505  
982-8583

FEB 13 1978

OIL CONSERVATION CO.  
Santa Fe

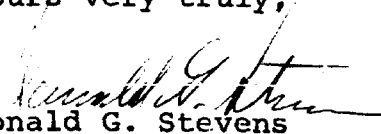
February 10, 1978

Dick Stamets  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Stamets:

Latham & Barton request the dismissal of their  
Application in Case #6112.

Yours very truly,

  
Donald G. Stevens  
Attorney for  
Latham & Barton

DGS/amg

Dockets Nos. 2-78 and 3-78 are tentatively set for hearing on January 18 and February 8, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - DECEMBER 27, 1977

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

CASE 6017: (DE NOVO)

Application of E. L. Latham, Jr. and Roy G. Barton, Jr., for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the E/2 NE/4 of Section 30, Township 9 South, Range 33 East, Flying M-San Andres Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6035: (DE NOVO)

Application of Southern Union Supply Co., for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the N/2 NE/4 of Section 30, Township 9 South, Range 33 East, Flying M-San Andres Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6036: (DE NOVO)

Application of E. L. Latham, Jr., and Roy G. Barton, Jr., for compulsory pooling of a standard or a non-standard oil proration unit and an unorthodox location, or in the alternative, 40-acre spacing, Lea County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests in the Flying M-San Andres Pool underlying the E/2 NE/4 of Section 30, Township 9 South, Range 33 East, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location for said pool within 200 feet of the center of the NE/4 NE/4 of said Section 30, or an order pooling only the NE/4 NE/4 of Section 30 to form a non-standard 40-acre unit to be dedicated to the aforesaid well. In the alternative, applicants seek the amendment of the Flying M-San Andres Pool Rules to provide for 40-acre spacing, and seek an order pooling the aforesaid NE/4 NE/4 of Section 30 as a standard unit for said pool to be dedicated to a well to be drilled at a standard location thereon.

Also to be considered in each of the above cases, will be the cost of drilling and completing the proposed 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 the applicant in each case as operator of the well and a charge for risk involved in drilling said well.

Upon application of Southern Union Supply Company, the above cases will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6112: Application of E. L. Latham, Jr., and Roy G. Barton, Jr., for an order requiring Latham and Barton or Southern Union Supply Company to commence the drilling of a Flying M-San Andres well in Unit A of Section 30, Township 9 South, Range 33 East, Lea County, New Mexico, on or before January 31, 1978; further, to require that all working interest income after payout of the aforesaid well be placed in escrow pending any subsequent appeal, or in the alternative to require the curtailment or shutting in of all wells within one half mile radius of the aforesaid Unit A pending completion of said well.

DEC - 3 1977  
RECEIVED  
OIL CONSERVATION COMMISSION

BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
E. L. LATHAM, JR., AND ROY G. BARTON, JR.,  
FOR A REQUIREMENT FOR DRILLING BY JANUARY 31,  
1978, OF A WELL IN NE/4 NE/4, SECTION 30,  
TOWNSHIP 9 SOUTH, RANGE 33 EAST, FLYING M  
SAN ANDRES POOL, LEA COUNTY, NEW MEXICO,  
UNDER THE TERMS OF ORDER NO. R-5579, AND  
THE PLACEMENT OF INCOME FROM SAID WELL  
AFTER PAYOUT IN ESCROW PENDING ANY SUB-  
SEQUENT APPEALS OF ORDER R-5579, ALTER-  
NATIVELY THE COMMISSION IS REQUESTED TO  
SHUT IN OR REDUCE THE ALLOWABLE OF ALL  
WELLS WITHIN ONE-HALF MILE OF NE/4 NE/4,  
SECTION 30, TOWNSHIP 9 SOUTH, RANGE 33  
EAST, LEA COUNTY, NEW MEXICO.

A P P L I C A T I O N

COME NOW E. L. Latham, Jr., and Roy G. Barton, Jr., and  
apply to the Oil Conservation Commission of New Mexico for:

(1) At the conclusion of the rehearing of Cases No. 6017,  
6035, and 6036 and Order No. R-5579, that the Commission, in  
its new order based on said hearing de novo, require the well  
approved for drilling in said Order R-5579 be commenced by one  
or the other parties to said cases in accordance with the drill-  
ing commencement date of January 31, 1978, and that drilling  
after said date not be delayed on the basis of any appeal of  
said hearing;

(2) that said order require the well be drilled either  
by Latham and Barton or by Southern Union Production Company  
dependent upon the outcome of said hearing de novo;

(3) that the Commission require that income from said  
well after completion be distributed as follows:

- (a) all royalty owners to be paid forthwith,
- (b) income from said production be paid over unto  
the paying working interest owners as directed  
by the Commission until such time as all the  
costs from the said well are covered by the  
said working interest owners, and



(c) thereafter, after recovery of all costs for such well, if Order No. R-5579 is still in any appeal status, all income therefrom shall be put in an escrow account to be paid over as directed by any appeal court or board of jurisdiction;

(4) in the alternative, if the Commission does not order said drilling to commence by January 31, 1978, then the Commission should enter its order either shutting in or reducing the allowable on all wells within one-half mile of said NE/4 NE/4, Section 30, until such time as drilling on the subject well can be completed under the orders of the New Mexico Oil Conservation Commission as approved by any court or board of appeal with jurisdiction hereunder;

and in support thereof Applicants would show:

1. Order No. R-5579 by the Oil Conservation Commission ordered that the E/2 NE/2 of Section 30, Township 9 South, Range 33 East be pooled to form a standard 80 acre oil spacing and proration unit to be dedicated to a well to be drilled at an unorthodox location within 200 feet of the center of the NE/NE of Section 30 and that said well should be commenced on or before the 31st day of January, 1978.

2. That said order has been requested to be heard de novo before the Commission by Southern Union Production Company and, presumably, will be heard on December 22, 1977.

3. That said request for a hearing de novo will result in a denial of the royalty owners and working interest owners in the NE/4 NE/4 and E/2 NE/4 of said Section 30 of their correlative rights and that said tracts are having oil and gas drained from under them by offsetting wells as found in finding number 8 of Commission Order R-5579.

4. That granting of Applicants' request will allow correlative rights of the owners under said tracts to be protected while still not impairing any right of appeal by

any party since income after payout of said well would be placed in escrow should an appeal be in process, while royalty owners would be receiving their just rights regardless of disagreement by various working interest owners.

5. That if the Commission does not grant the above application for drilling, the then shutting in or limiting the allowable for all wells within one-half mile of said tract will limit drainage of oil and gas from under said tract and protect the correlative rights of owners thereunder.

WHEREFORE, Applicants respectfully request the Commission to set this matter for hearing at the same time as it sets the request for hearing de novo of Southern Union Production Company on said Order R-5579 and preferably on December 22, 1977, and that after notice and hearing as required by law, the Commission enter in its order pertaining to said hearing de novo the requests or alternate request as set out under Paragraph One above, and for further orders as may be proper in the premises.

Respectfully submitted,

E. L. LATHAM, JR, AND

ROY G. BARTON, JR.

By Donald G. Stevens  
DONALD G. STEVENS  
P. O. Box 2244  
Santa Fe, New Mexico 87501

ATTORNEY FOR APPLICANTS

DRAFT

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. 6112

Order No. R- 5644

Application of E. L. Latham, Jr., and Roy G. Barton, Jr., for an order requiring Latham and Barton or Southern Union Supply Company to commence the drilling of a Flying M-San Andres well in Unit A of Section 30, Township 9 South, Range 33 East, Lea County, New Mexico

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 27, 1972 at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this February day of 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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. 6112 is hereby dismissed.

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