

CASE 6262: ADOBE OIL & GAS CO.  
FOR COMPULSORY POOLING, LEA COUNTY  
NEW MEXICO

~~Dismissed~~  
Continue to July 6  
Dismiss 5/20 pay

CASE NO.

6262

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
6 July 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Adobe Oil and Gas  
Corporation for compulsory pooling,  
Lea County, New Mexico.

CASE  
6262  
and  
6263

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation      Lynn Teschendorf, Esq.  
Legal Counsel for the Division  
State Land Office Building  
Santa Fe, New Mexico 87501

For the Applicant:      Jason Kellahin, Esq.  
KELLAHIN & FOX  
500 Don Gaspar  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD

CERTIFIED SHORTHAND REPORTER

730 Bishop's Lodge Road • Phone (505) 988-3404  
Santa Fe, New Mexico 87501

1 MR. NUTTER: We'll call at this time Cases  
2 6262 and 6263.

3 MS. TESCHENDORF: Cases 6262 and 6263 are the  
4 applications of Adobe Oil and Gas Corporation for compul-  
5 sory pooling, Lea County, New Mexico.

6 MR. KELLAHIN: If the Examiner please, Jason  
7 Kellahin, Kellahin and Fox, Santa Fe, appearing for the  
8 applicant.

9 We would ask that these cases be dismissed  
10 without prejudice.

11 MR. NUTTER: Cases Numbers 6262 and 6263 will  
12 be dismissed without prejudice.

13 (Hearing concluded.)  
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SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
730 Bishop's Lodge Road • Phone (505) 988-3404  
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the attached and foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill from my notes taken at the time of the hearing.

*Sally Walton Boyd, CSR*  
Sally Walton Boyd, C.S.R.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
730 Bishop's Lodge Road • Phone (505) 988-3404  
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6262-63 heard by me on 7-6, 19 78.  
*[Signature]*, Examiner  
New Mexico Oil Conservation Commission



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
21 June 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Adobe Oil & Gas ) CASE  
Corporation for compulsory pooling, ) 6262  
Lea County, New Mexico. )

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Lynn Teschendorf, Esq.  
Legal Counsel for the Division  
State Land Office Building  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
730 Bishop's Lodge Road • Phone (505) 988-3404  
Santa Fe, New Mexico 87501

MR. STAMETS: Call next Case 6262.

MS. TESCHENDORF: Case 6262. Application of Adobe Oil and Gas Corporation for compulsory pooling, Lea County, New Mexico.

The applicant has requested that the case be continued to the July 6th Examiner Hearing.

MR. STAMETS: The case will be so continued.

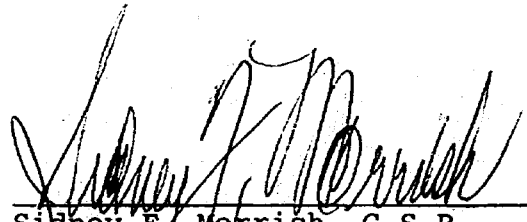
(Hearing concluded.)

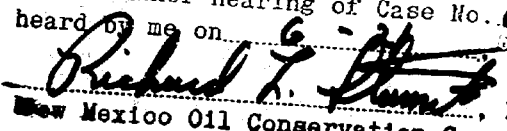
SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
730 Bishop's Lodge Road • Phone (505) 988-3404  
Santa Fe, New Mexico 87501



REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Court Reporter, DO HEREBY  
CERTIFY that the foregoing and attached Transcript of  
Hearing before the Oil Conservation Division was reported  
by me; that said transcript is a full, true, and correct  
record of the hearing, prepared by me to the best of my  
ability, knowledge, and skill from my notes taken at the  
time of the hearing.

  
Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 6262,  
heard by me on 6-24-78.  
  
Richard L. Stewart, Examiner  
New Mexico Oil Conservation Commission

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
730 Bishop's Lodge Road • Phone (505) 968-3404  
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6262  
Order No. R-5761

APPLICATION OF ADOBE OIL & GAS  
CORPORATION FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 6, 1978,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of July, 1978, the Division  
Director, having considered the record and the recommendations  
of the Examiner, and being fully advised in the premises,

FINDS:

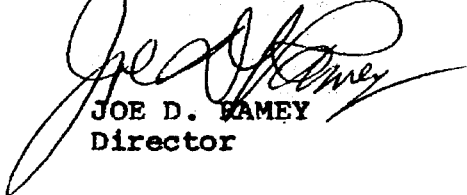
That the applicant's request for dismissal without pre-  
judice should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6262 is hereby dismissed without prejudice.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

  
S E A L

fd/

CASE 6256: Application of Texaco Inc. for amendment of Commission Order No. R-5530, non-standard locations, and an administrative procedure, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend paragraph (14) on Page 7 of Commission Order No. R-5530 by removing or amending the allowable restriction therein subject to lease line agreements.

Applicant also seeks approval of nine injection wells at non-standard locations not closer than 10 feet to the Central Vacuum Unit boundary in the following units: Unit B of Section 12, Township 18 South, Range 34 East; Units D, E, L, and M of Section 6, Township 18 South, Range 35 East; Unit M of Section 31, Township 17 South, Range 35 East; and Units N, O, and P of Section 36, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.

Applicant further seeks an administrative procedure for approval of additional producing and injection wells at orthodox and unorthodox locations.

CASE 6257: Application of Benchmark Oil Company, Ltd., for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Wright Well No. 1 to be located 1980 feet from the South line and 660 feet from the East line of Section 30, Township 9 South, Range 33 East, Flying M-San Andres Pool, Lea County, New Mexico, the E/2 SE/4 to be dedicated to the well.

CASE 6258: Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian, McKee, and Ellenburger formations underlying the S/2 of Section 21, Township 22 South, Range 36 East, 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 5911: (Reopened and Readvertised)

In the matter of Case 5911 being reopened pursuant to the provisions of Order No. R-5353-B which order established temporary special pool rules for the Chacon-Dakota Associated Pool, Rio Arriba and Sandoval Counties, New Mexico. All interested parties may appear and show cause why said pool should not be reclassified as an oil pool to be governed by statewide rules.

CASE 6259: Application of V-F Petroleum, 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 Devonian formation through the perforated interval from 11,085 feet to 11,102 feet in its State 14 Well No. 1 located in Unit L of Section 14, Township 9 South, Range 32 East, SRR-Devonian Pool, Lea County, New Mexico.

CASE 6260: Application of Continental Oil Company for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 480-acre non-standard gas proration unit comprising the N/2 and SE/4 of Section 2, Township 22 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's State J-2 Wells Nos. 7, 9 and 12 located in Units J, G and D, respectively, of said Section 2.

CASE 6261: Application of Continental Oil Company for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the W/2 of Section 20, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's State C-20 Wells Nos. 5 and 6, located in Units M and C, respectively, of said Section 20.

CASE 6262: Application of Adobe Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the SE/4 of Section 17, Township 14 South, Range 36 East, Austin Field, 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 6263: Application of Adobe Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the NE/4 of Section 17, Township 14 South, Range 36 East, Austin Field, 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.

Dockets Nos. 23-78 and 24-78 are tentatively set for hearing on July 19 and August 2, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JULY 6, 1978

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 6265: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Beck Producing Co. and all other interested parties to appear and show cause why the Cain State Well No. 1 located in Unit B of Section 16, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6266: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Upper Pennsylvanian test well to be located 660 feet from the North and East lines or, in the alternative, 990 feet from the North and East lines of Section 23, Township 22 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Field, Eddy County, New Mexico, all of said Section 23 to be dedicated to the well.
- CASE 6267: Application of Yates Petroleum 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 E/2 of Section 28, Township 17 South, Range 26 East, Kennedy Farms Field, 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 6268: Application of Southland Royalty Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Reid Well No. 25 to be drilled in the SE/4 of Section 19, Township 28 North, Range 9 West, Blanco Mesaverde Pool, San Juan County, New Mexico, said well being off-pattern for the first well on the proration unit, the S/2 of Section 19.
- CASE 6269: 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 all formations from the top of the San Andres thru the Abo underlying the NE/4 NW/4 of Section 25, Township 16 South, Range 38 East, 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 6270: Application of Enserch Exploration, Inc., for pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Fusselman formation for its Lambirth Well No. 1 located in Unit K of Section 31, Township 5 South, Range 33 East, Roosevelt County, New Mexico, and for promulgation of special pool rules, including provision for 80-acre spacing, a gas-oil ratio limitation of 3,000 to 1, and special well location requirements.
- CASE 6258: (Continued from June 21, 1978, Examiner Hearing)
- Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian, McKee, and Ellenburger formations underlying the S/2 of Section 21, Township 22 South, Range 36 East, 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 6262: (Continued from June 21, 1978, Examiner Hearing)
- Application of Adobe Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the SE/4 of Section 17, Township 14 South, Range 36 East, Austin Field, 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.

for June 21 hrs

Case 6262

Adobe Oil & Gas Co.

Force pooling

Mississippian form., Austin Field  
Lea Co.

SE/4 17 14S 36E

NE/4 17 14 36E

to be dedicated to wells to be drilled  
std locs.

1100 Western United Life Bldg  
Midland 79701

915 683-4701

called in by:

Richard J. Lanem

written appl to follow

DRAFT

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6262

Order No. R- 5761

APPLICATION OF ADOBE OIL & GAS  
CORPORATION FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 6,  
19 78, at Santa Fe, New Mexico, before Examiner DSN.

NOW, on this \_\_\_\_\_ day of July, 19 78, the Division  
Director, 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 <sup>without prejudice</sup> should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6262 is hereby dismissed <sup>without prejudice</sup>.

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