

Case NO.

6578

Application

Transcripts

Small Exhibits

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
27 June 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Mesa Petroleum Com-
pany for compulsory pooling,
Eddy County, New Mexico.

CASE
6578

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON IDCYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (505) 471-4402
Santa Fe, New Mexico 87501

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MR. NUTTER: We'll call next Case Number
6578.

MR. PADILLA: Application of Mesa Petroleum
Company for compulsory pooling, Eddy County, New Mexico.

MR. NUTTER: On request of applicant, Case
Number 6578 will be dismissed.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020/Pasa Blasco (305) 471-4662
Sarasota, FL 34231

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the 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 W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6578 heard by me on 6/27 1979.

[Signature] Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
30307 Main Branch (505) 471-4463
Alameda Co., New Mexico 87301

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
27 June 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Mesa Petroleum Com-
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For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
308 Plaza Blanca (505) 471-2482
Santa Fe, New Mexico 87501

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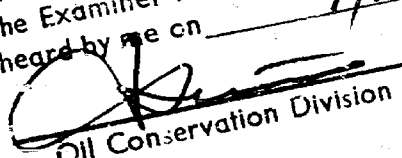
SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3024 FIVE SEVEN (303) 471-4483
Boulder Co., New Mexico 80501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the 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 W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 65-78 heard by me on 7/19 1979.


Oil Conservation Division, Examiner

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Peach Avenue (S.W.) 411-4482
Atlanta 26, 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. 6578
Order No. R-6047

APPLICATION OF MESA PETROLEUM COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 27, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of July, 1979, 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 should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 6578 is hereby dismissed.

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/

Dockets Nos. 25-79 and 26-79 are tentatively set for hearing on July 11 and 25, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 27, 1979

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

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

CASE 6545: (Continued from May 23, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Corinne Grace, Travelers Indemnity Company, and all other interested parties to appear and show cause why the Kuklah Baby Well No. 1 located in Unit G of Section 24, Township 22 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6549: (Continued from May 23, 1979, Examiner Hearing)

Application of Gulf Oil Corporation for pool creation, discovery allowable, and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new Bone Springs oil pool for its Lea "TH" State Well No. 1 located in Unit O of Section 25, Township 13 South, Range 34 East. Applicant also seeks a discovery allowable and promulgation of special pool rules, including a provision for 80-acre spacing.

CASE 6563: (Continued from June 13, 1979, Examiner Hearing)

Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his North Woolworth Ranch Unit Area, comprising 1,280 acres, more or less, of State lands in Township 23 South, Range 35 East.

CASE 6548: (Continued from May 23, 1979, Examiner Hearing)

Application of John F. Staver for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Dakota formation through the open hole interval from 136 feet to 1412 feet in his Table Mesa Well No. 22 located in Unit N and from 1394 feet to 1400 feet in his Table Mesa Well No. 23 located in Unit O, both in Section 34, Township 28 North, Range 17 West, Table Mesa-Dakota Oil Pool.

CASE 6576: Application of Bass Enterprises Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Townsend Unit Area, comprising 320 acres, more or less, of State lands in Township 15 South, Range 34 East.

CASE 6577: Application of Oil Processing for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NE/4 SE/4 of Section 8, Township 20 South, Range 37 East.

CASE 6578: Application of Mesa Petroleum Company 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 28, Township 17 South, Range 27 East, to be dedicated to a well to be drilled 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 6579: Application of R. N. Hillin for an unorthodox well location and approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of a Morrow gas well at an unorthodox location 800 feet from the South line and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East, is necessary to effectively and efficiently drain that portion of the E/2 of said Section 34 which cannot be so drained by the existing well.

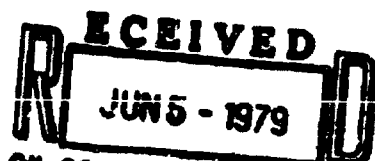
CASE 6580: Application of Continental Oil Company for a carbon dioxide injection project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot carbon dioxide injection project in the Grayburg-San Andres formation in Units M and I of Section 20, Township 17 South, Range 32 East, Maljamar Pool, for tertiary recovery purposes.

CASE 6581: Application of Belco Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Warren-American State Well No. 2 660 feet from the South and West lines of Section 32, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, the W/2 SW/4 of said Section 32 to be dedicated to the well.

CASE 6582: Application of Belco Petroleum Corporation for a non-standard proration unit and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 40-acre non-standard proration unit comprising the NE/4 SW/4 of Section 31, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, to be dedicated to its Federal 31 Well No. 2 to be drilled at an unorthodox location 1980 feet from the South and West lines of said section.

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL



OIL CONSERVATION DIVISION
SANTA FE

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 986-4444

June 4, 1979

Joe D. Ramey, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

RE: Application of Mesa Petroleum Company for Compulsory
Pooling, Eddy County, New Mexico.

Dear Mr. Ramey:

Enclosed for filing is the application of Mesa Petroleum Company in the above referenced matter. We would appreciate this case being included on the examiner hearing docket scheduled for June 27, 1979.

Very truly yours

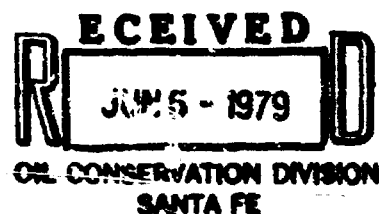
A handwritten signature in cursive script, appearing to read "William F. Carr".

William F. Carr

WFC/tr

Enclosure

cc: Mesa Petroleum Company



BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF MESA PETROLEUM COMPANY
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

CASE 6578

APPLICATION

Comes now, MESA PETROLEUM CO., by and through its undersigned attorneys and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in the Pennsylvanian formation in and under the E/2 of Section 28, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant is the owner of 23.734% of the working interest in and under the E/2 of Section 28, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its No. 1 Willis Federal Com. Well to be drilled at an orthodox location 1980 feet from the North and East lines of said Section 28.
3. Applicant has sought and obtained either voluntary agreement for pooling or farm-out from all other working interest owners in the E/2 of said Section 28 except Hondo Oil and Gas Company, owners of a 6.25% working interest.


4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

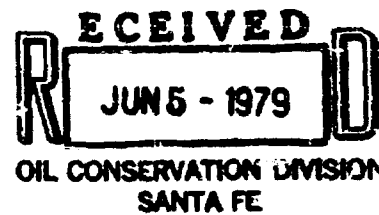
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law the Division enter its order pooling the lands, together with provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling, and after completion, including overhead charges, and a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By 
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant



BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF MESA PETROLEUM COMPANY
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

CASE 6578

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2. Applicant proposes to dedicate the above-referenced pooled unit to its No. 1 Willis Federal Com. Well to be drilled at an orthodox location 1980 feet from the North and East lines of said Section 28.
3. Applicant has sought and obtained either voluntary agreement for pooling or farm-out from all other working interest owners in the E/2 of said Section 28 except Honda Oil and Gas Company, owners of a 6.25% working interest.

4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

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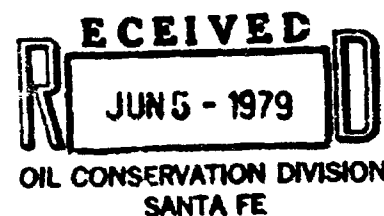
Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By


William F. Carr

Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant



BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF MESA PETROLEUM COMPANY
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

CASE 6578

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By 
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

PURCHASE VOUCHER

CLASSIFICATION			AMOUNTS		A or B	Enc. No. including appropriate fiscal year
CODES		DESCRIPTION	EXPENDITURE (99)	ENCUMBRANCE REVERSAL (53)		
Acct.-Ag.-Activ.	Ln. Item	Name of Line Item				
Fiscal Year _____			\$			

STATE OF NEW MEXICO _____ Agency _____

Payee
and
Address

Voucher Date: _____

Voucher No. _____

Warrant No. _____

Compulsory Pooling
Mesa Petroleum Co.
E/2 Sec. 28 - T17S - R27E
Eddy County
320-acre
Pennsylvanian
1980' FNL + EL

Called in May 31, 1979
by William J. Carr

Send 8 copies of docket to
Bill

DRAFT

dr/

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. 6578

Order No. R- 6047

APPLICATION OF MESA PETROLEUM COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 27,
19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of July, 19 79, 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 should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6578 is hereby dismissed.

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