

Case NO.

6595

Application

Transcripts

Small Exhibits

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
11 July 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Stevens Oil Company for) CASE
compulsory pooling, Chaves County, New) 6595
Mexico.)

BEFORE: Richard L. Stamets

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 BOYD
CERTIFIED SHORTHAND REPORTER
8026 Plaza Blanca (SSE) 471-2462
Santa Fe, New Mexico 87501

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MR. STAMETS: Call next Case 6595.

MR. PADILLA: Application of Stevens Oil
Company for compulsory pooling, Chaves County, New Mexico.

MR. STAMETS: Applicant in this case has
requested that it be dismissed, and it will be.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S.E.) 471-4432
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY WALTON 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 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. 6575 heard by me on 7/11 1978.

Richard L. Ham, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3010 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
11 July 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Stevens Oil Company for) CASE
compulsory pooling, Chaves County, New) 6595
Mexico.)

BEFORE: Richard L. Stamets

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 BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

MR. STAMETS: Call next Case 6595.

MR. PADILLA: Application of Stevens Oil
Company for compulsory pooling, Chaves County, New Mexico.

MR. STAMETS: Applicant in this case has
requested that it be dismissed, and it will be.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (S.E.) 411-2462
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY WALTON 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 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. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2030 Plaza Blanca (603) 471-2462
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. 6595
Order No. R-6068

APPLICATION OF STEVENS OIL
COMPANY FOR COMPULSORY POOLING,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 11, 1979,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th 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. 6595 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/

DONALD G. STEVENS - ATTORNEY AT LAW

P. O. Box 2203
919 SECURITY NATL BLDG
ROSWELL, NEW MEXICO 88201

AREA CODE 505
622-7273

July 3, 1979



OIL CONSERVATION DIVISION
SANTA FE

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Ms. Lynn Teschendorf

Gentlemen:

Please withdraw the application of Stevens Oil
Company for compulsory pooling, Case No. 6595, sched-
uled for July 11, 1979. *6374*

I appreciate your help concerning this matter.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Donald G. Stevens".

Donald G. Stevens

DGS/rpt

- CASE 6590: Application of Grace Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Lots 9, 10, 15, and 16 and the SE/4 of Section 6, Township 21 South, Range 32 East, to be dedicated to a well to be drilled at an unorthodox location 4650 feet from the South line and 660 feet from the East line of said Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs 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 6591: Application of Exxon Corporation for vertical pool limit redefinition, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the vertical limits of the Langlie Mattix Pool to include the lowermost 165 feet of the Seven Rivers formation and the concomitant contraction of the vertical limits of the Jalnat Gas Pool underlying the NE/4 of Section 2, Township 24 South, Range 36 East.
- CASE 6592: Application of Maddox Energy Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Malaga Well No. 1 located in Unit G of Section 3, Township 24 South, Range 28 East, to produce gas from the Atoka and Morrow formations through parallel strings of tubing.
- CASE 6593: Application of Dyco Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the San Andres, Glorieta and Tubb formations in the open-hole interval from 4894 feet to 8725 feet in its C. S. Stone Well No. 3 located in Unit F of Section 22, Township 15 South, Range 38 East, Medicine Rock-Devonian Pool.
- CASE 6594: Application of Flag-Redfern Oil Co. for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine in an unlined surface pit located in Unit K, Section 2, Township 19 South, Range 31 East, Shugart Field.
- CASE 6595: Application of Stevens Oil Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NW/4 SW/4 of Section 30, Township 8 South, Range 29 East, 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: (Reopened and Readvertised)
- In the matter of Case 6270 being reopened pursuant to the provisions of Order No. R-5771 which order created the South Peterson-Fusselman Pool, Roosevelt County, New Mexico, and provided for 80-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

Docket No. 26-79

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 18, 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. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for August, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for August, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

Dockets Nos. 27-79 and 28-79 are tentatively set for hearing on July 25 and August 8, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 11, 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. Nutter, Alternate Examiner:

- CASE 6583:** Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of B.S. Mesa-Gallup and Easin-Dakota production in the wellbore of its Jicarilla Apache 102 Well No. 13 located in Unit B of Section 10, Township 26 North, Range 4 West.
- CASE 6584:** Application of Texas Oil & Gas Corp. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Shugart State Com. Well No. 2 660 feet from the South line and 1930 feet from the East line of Section 16, Township 18 South, Range 31 East, to test the Wolfcamp through Mississippian formations, the E/2 of said Section 16 to be dedicated to the well.
- CASE 6574:** (Continued from June 13, 1979, Examiner Hearing)
- Application of Texas Oil & Gas Corp. for an unorthodox gas well location and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Morrow formations underlying the E/2 of Section 6, Township 17 South, Range 35 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and East lines of said Section 6. 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 6563:** (Continued from June 27, 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 6585:** Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of undesignated Fruitland and West Kutz-Pictured Cliffs production in the wellbores of its Paul Wells Nos. 1 and 2 located in Units G and C of Section 19, Township 27 North, Range 11 West.
- CASE 6586:** Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Conner-Fruitland and undesignated Pictured Cliffs production in the wellbores of the following wells: Big Field Well No. 2 in Unit C of Section 3; Big Field Well No. 5 in Unit P of Section 10; Dinero Well No. 1 in Unit H of Section 13; and Molly Pitcher Well No. 2 in Unit H of Section 14, all in Township 30 North, Range 14 West.
- CASE 6587:** Application of Caribou Four Corners, Inc., for three unorthodox well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of the following wells in the Cha Cha-Gallup Pool: Kirtland Wells Nos. 3 and 4 located 730 feet from the North line and 2250 feet from the East line and 1450 feet from the North line and 595 feet from the East line, respectively, of Section 18, Township 29 North, Range 14 West; and Kirtland Well No. 2 260 feet from the North line and 2100 feet from the East line of Section 13, Township 29 North, Range 15 West.
- CASE 6588:** Application of Caribou Four Corners, Inc., for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 64.32-acre non-standard oil proration unit comprising the NW/4 NW/4 and that part of Lot 5 lying north of the San Juan River, all in Section 18, Township 29 North, Range 14 West, Cha Cha-Gallup Oil Pool.
- CASE 6589:** Application of Atlantic Richfield Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State "BV" No. 2 Well 2109 feet from the North line and 1778 feet from the West line of Section 25, Township 17 South, Range 28 East, to test the Morrow formation, the N/2 of said Section 25 to be dedicated to the well.

DONALD G. STEVENS - ATTORNEY AT LAW

P. O. BOX 2203
919 SECURITY NATL BLDG
ROSWELL, NEW MEXICO 88201

AREA CODE 505
622 7273

June 14, 1979

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

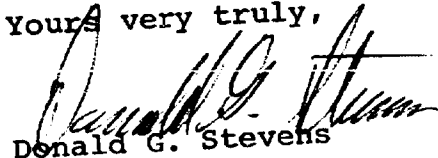
Attention: Ms. Lynn Teschendorf

Gentlemen:

Please set down the enclosed application for hearing
on your July 11, 1979, docket.

Since this is a force pooling application I would
appreciate your forwarding a copy hereof to Texas Oil &
Gas Corp. in accordance with your normal practice. I
have myself this date sent them a copy of the application,
however.

Yours very truly,



Donald G. Stevens

DGS/rpt

Enclosures

BEFORE THE
OIL CONSERVATION DIVISION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF STEVENS OIL COMPANY FOR COM-
PULSORY POOLING OF ITS WELL TO
BE DRILLED IN NW/4 SW/4 SECTION
30, TOWNSHIP 8 SOUTH, RANGE 29
EAST, CHAVES COUNTY, NEW MEXICO

Case 6595

A P P L I C A T I O N

COMES NOW Stevens Oil Company, as provided by Section 65-3-14, New Mexico Statutes, 1953, as amended, applies to the Oil Conservation Division of New Mexico for an order pooling all the mineral interests in and under the NW/4 SW/4 of Section 30, Township 8 South, Range 29 East, N.M.P.M., Chaves County, New Mexico, from the surface to the base of the San Andres formation, and in support thereof Applicant would show:

1. Applicant is the owner of a portion of the rights to drill and develop the following described acreage: NW/4 SW/4 of Section 30, Township 8 South, Range 29 East, N.M.P.M., Chaves County, New Mexico.
2. Applicant owns or has the right to earn lease rights to 81.25% of the working interest and Texas Oil and Gas Corp. owns 18.75% of the working interest under the subject proration unit. Texas Oil and Gas Corp. has so far refused to pool its ownership with Applicant for the purpose of drilling a well to the Slaughter zone on and under the subject proration unit.
3. Applicant requests that it be designated operator of the pooled unit, NW/4 SW/4 of Section 30, Township 8 South, Range 29 East, Chaves County, New Mexico.
4. For reasons stated in Paragraph 2 above, Applicant has been unable to obtain agreement for the pooling of unpooled interests indicated in said Paragraph 2 and in order to protect correlative rights, and to prevent waste, the Division should pool all interests in the spacing or proration unit as a unit.

5. The risk and expense of drilling and completing the well is great and if said above described owner in the above proration unit does not choose to pay its share of the cost of drilling and completion, Applicant should be allowed a reasonable charge for the supervision and a charge for the risk involved in addition to recovery of the actual cost of drilling and completing the well.

WHEREFORE, Applicant respectfully requests that the Division set this matter 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 all interests from the surface to the base of the San Andres formation underlying the NW/4 SW/4 of Section 30, Township 8 South, Range 29 East, N.M.P.M., Chaves County, New Mexico, and designating Applicant operator of the pooled unit, together with provision for Applicant to recover his costs out of production including a risk factor to be determined by the Division and with provisions for the payment of operating costs and costs of supervision out of production to be allocated among the owners as their interests may be determined and for further orders as may be proper in the premises.

Respectfully submitted,

STEVENS OIL COMPANY

By


DONALD G. STEVENS

P. O. Box 2203

Roswell, New Mexico 88201

ATTORNEY FOR APPLICANT

BEFORE THE
OIL CONSERVATION DIVISION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF STEVENS OIL COMPANY FOR COM-
PULSORY POOLING OF ITS WELL TO
BE DRILLED IN NW/4 SW/4 SECTION
30, TOWNSHIP 8 SOUTH, RANGE 29
EAST, CHAVES COUNTY, NEW MEXICO

Case 6595

A P P L I C A T I O N

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1. Applicant is the owner of a portion of the rights to drill and develop the following described acreage: NW/4 SW/4 of Section 30, Township 8 South, Range 29 East, N.M.P.M., Chaves County, New Mexico.
2. Applicant owns or has the right to earn lease rights to 81.25% of the working interest and Texas Oil and Gas Corp. owns 18.75% of the working interest under the subject proration unit. Texas Oil and Gas Corp. has so far refused to pool its ownership with Applicant for the purpose of drilling a well to the Slaughter zone on and under the subject proration unit.
3. Applicant requests that it be designated operator of the pooled unit, NW/4 SW/4 of Section 30, Township 8 South, Range 29 East, Chaves County, New Mexico.
4. For reasons stated in Paragraph 2 above, Applicant has been unable to obtain agreement for the pooling of unpooled interests indicated in said Paragraph 2 and in order to protect correlative rights, and to prevent waste, the Division should pool all interests in the spacing or proration unit as a unit.

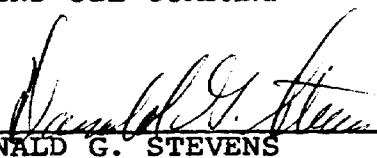
5. The risk and expense of drilling and completing the well is great and if said above described owner in the above proration unit does not choose to pay its share of the cost of drilling and completion, Applicant should be allowed a reasonable charge for the supervision and a charge for the risk involved in addition to recovery of the actual cost of drilling and completing the well.

WHEREFORE, Applicant respectfully requests that the Division set this matter 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 all interests from the surface to the base of the San Andres formation underlying the NW/4 SW/4 of Section 30, Township 8 South, Range 29 East, N.M.P.M., Chaves County, New Mexico, and designating Applicant operator of the pooled unit, together with provision for Applicant to recover his costs out of production including a risk factor to be determined by the Division and with provisions for the payment of operating costs and costs of supervision out of production to be allocated among the owners as their interests may be determined and for further orders as may be proper in the premises.

Respectfully submitted,

STEVENS OIL COMPANY

By


DONALD G. STEVENS
P. O. Box 2203
Roswell, New Mexico 88201

ATTORNEY FOR APPLICANT

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

dr/

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

CASE NO. 6595

Order No. R- 6068

APPLICATION OF STEVENS OIL
COMPANY FOR COMPULSORY POOLING,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 11,
19 79, at Santa Fe, New Mexico, before Examiner Richard L. Stameys

NOW, on this _____ 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. 6595 is hereby dismissed.

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