6940: ADOBE OIL COMPANY FOR COM-PULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO.

6940

APPlication,
Transcripts,
Small Exhibits,

ETC.

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
28 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico.

CASE 6940

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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MR. NUTTER: Call next Case Number 6940.
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                             MR. PADILLA: Application of Adobe Oil
       Company for compulsory pooling, Lea County, New Mexico.
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                             MR. NUTTER: The applicant here has
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       requested dismissal.
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                             Case Number 6940 will be dismissed.
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                              (Hearing concluded.)
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I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

Sally W. Boyd Co.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

Examiner Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
28 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Adobe Oil Company
for compulsory pooling, Lea County,)
New Mexico.

CASE
New Mexico.

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

For the Applicant:

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                              MR. PADILLA: Application of Adobe Oil
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        Company for compulsory pooling, Lea County, New Mexico.
                              MR. NUTTER: The applicant here has
        requested dismissal.
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                               Case Number 6940 will be dismissed.
                               (Hearing concluded.)
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I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6940 heard by me on

Oil Conservation Division, Examiner



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

February 13, 1981

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Mr. Thomas Kellahin Kellahin & Kellahin Attorneys at Law Post Office Box 1769 Santa Fe, New Mexico CASE NO. 6940 ORDER NO. R-6577

Applicant:

Adobe Oil Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY

Director

JDR/fd

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD

Other

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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. 6940 Order No. R-6577

APPLICATION OF ADOBE OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

Y THE DIVISION:

This cause came on for hearing at 9 s.m. on January 28, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of February, 1981, the Division Director, having considered the record and the recommendations f the Examiner, and being fully advised in the premises,

FINDS

That the applicant's request for dismissal should be

IT IS THEREFORE ORDERED:

That Case No. 6940 is hereby dismissed.

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

> STATE OF NEW MEXICO DIL CONSERVATION DIVISION

JOE D. RAME

Director

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| | SANTA FE, NE | W MEXICO | |
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| IN THE MATTER OF: | * | |) |
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| Mexico. | ry positing, nea | Country, New | CASE 6940 |
| MEXICO. | | | 7 0340 |
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| BEFORE: Richard L. | Stamets | | |
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| For the Oil Conserv | ation Ern | est L. Padil | la Fea |
| Division: | A contract of the contract of | | o the Divisio |
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MR. STAMETS: We'll call next Case 6940. 2 MR. PADILLA: Application of Adobe Oil 3 Cormpany for compulsory pooling, Lea County, New Mexico. 4 MR. STAMETS: Is anyone here for Adobe? 5 We were left with instructions that if no one appeared for 6 Adobe that they wanted this case continued to the January 7 28th Examiner Hearing, and it shall be. - 8 9 (Hearing concluded.) 10 11 12 13 14 15 16 17 18 19 21 22 23

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A CONTRACTOR

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

Snely W. Boyd C.S.R.

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se No. 6940.

Examiner

I do heroty continue that the foregoing is a const the E Oil Conservation Division

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 14 January 1981 EXAMINER HEARING IN THE MATTER OF: Application of Adobe Oil Company for) compulsory pooling, Lea County, New) Mexico. 10 BEFORE: Richard L. Stamets 12 TRANSCRIPT OF HEARING 13 APPEARANCES 16 For the Oil Conservation Ernest L. Padilla, Esq. 17 Division: Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501 19 20 For the Applicant: 21 22 23

MR. STAMETS: We'll call next Case 6940. MR. PADILLA: Application of Adobe Oil Cormpany for compulsory pooling, Lea County, New Mexico. MR. STAMETS: Is anyone here for Adobe? We were left with instructions that if no one appeared for Adobe that they wanted this case continued to the January 29th Examiner Hearing, and it shall be: (Hearing concluded.)

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

Sivly 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_____

_, Examiner Oil Conservation Division

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Jason Kellahin W. Thomas Kellahin Karen Aubrey KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gaspar Avenue
Post Office Box 1769

Santa Fe, New Mexico 87501

January 16, 1981

OIL CONS SANTA FE Telephon, 982-4285
Area Code 505

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

RE: Adobe Oil Company

Dear Joe:

On behalf of Adobe Oil Company, please dismiss Division Case 6940 which requested the compulsory pooling of certain acreage in Lea County, New Mexico.

W. Thomas Kellahin

Very truly your

WTK:jm

cc: Rick Gannem

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

30 December 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Adobe Oil Company) for compulsory pooling, Lea County,) New Mexico.

CASE 6940

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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MR. NUTTER: We'll call Case Number 6940 MR. PADILLA: Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. MR. KELLAHIN: If the Examiner please, I'm Tom Kellahin, appearing on behalf of the applicant. We'd request that this case be continued

MR. NUTTER: Case Number 6940 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. January 14th, 1981.

to the hearing on January 14th, 1981.

(Hearing concluded.)

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

July W. Boyd C.s.R.

a complete record of the proceedings in the Examiner hearing of use to. 6943, theard by me on 1730 1980.

Oll Conservation Division

Examiner

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| ENERG OIL | STATE OF NEW MEXICO Y AND MINERALS DEPARTMENT CONSERVATION DIVISION | |
| l ř | ATE LAND OFFICE BLDG. ANTA FE, NEW MEXICO | |
| | 30 December 1980 | • |
| | EXAMINER HEARING | |
| IN THE MATTER OF: | } | |
| | f Adobe Oil Company) y pooling, Lea County,) | CASE 6940 |
| BEFORE: Daniel S. Nutter | c | |
| TRAI | NSCRIPT OF HEARING | |
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| | PEARANCES | |
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| For the Oil Conservation Division: | n Ernest L. Padilla Legal Counsel to | |
| | State Land Office Santa Fe, New Mex: | Bldg. |
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| For the Applicant: | | |
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e 2 MR. NUTTER: We'll call Case Number 6940 MR. PADILLA: Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. MR. KELLAHIN: If the Examiner please, I'm Tom Kellahin, appearing on behalf of the applicant. We'd request that this case be continued to the hearing on January 14th, 1981. MR. NUTTER: Case Number 6940 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. January 14th, 1981. (Hearing concluded.) 27.

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

Sully W. Bayl C.s.E.

do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6940, heard by me on 1230 1930.

Oil Conservation Division

- Application of Getty Oil Company for downhole commingling, Rio Arriba County, New Mexico.

 Applicant, in the above styled cause, seeks approval for the downhole commingling of Otero-Gallup and Basin-Dakota production in the wellbores of its Farming "E" Wells No. 1 in Unit I and No. 3 in Unit E of Section 2, Township 24 North, Range 6 West.
- CASE 7143: Application of Morris R. Antweil for an unorthodox gas well location, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South and West lines of Section 28, Township 18 South, Range 25 East, the W/2 of said Section 28 to be dedicated to the well.
- CASE 7144: Application of Morris R. Antweil 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 NW/4 SE/4 and in the Wolfcamp thru Mississippian formations underlying the S/2 of Section 10, Township 13 South, Range 38 East, to be dedicated to an existing well located in the NW/4 SE/4 of said Section 10. Also to be considered will be the cost of drilling and completing raid well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7129: (Continued from January 14, 1981, Examiner Hearing)

Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the N/2 of Section 28, Township 28 North, Range 8 West, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6940: (Continued from January 14, 1981, Examiner Hearing)

Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20 South, Range 38 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

- CASE 7145: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting vertical limits, and extending horizontal limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:
 - (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Berry-Morrow Gas Pool. The discovery well is Getty Oil Company Getty 6 State Com Well No. 1 located in Unit K of Section 6, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM Section 6: Lots 9, 10, 11, 12, 13, 14, 15, and 16

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Santa Rosa production and designated as the Cooper-Santa Rosa Gas Pool. The discovery well is 0. H. Berry J. L. Isbell Well No. 5Y located in Unit A of Section 15, Township 24 South, Range 36 East, RMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM Section 15: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Springs production and designated as the South Corbin-Bone Springs Pool. The discovery well is Southland Royalty Company Federal 21 Com Well No. 1 located in Unit L of Section 21, Township 18 South, Range 33 East. NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM Section 21: SW/4

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| | STATE OF NEW MEXICO | , |
| | ENERGY AND MINERALS DEPARTMENT | |
| | OIL CONSERVATION DIVISION | |
| * | STATE LAND OFFICE BLDG. | |
| | SANTA FE, NEW MEXICO | |
| | 25 November 1980 | |
| | EXAMINER HEARING | |
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| IN THE MATTER | OF: | |
| Appli | lcation of Adobe Oil Company for) | The state of the s |
| | alsory pooling, Lea County, New) | CASE |
| Mexic | | 6940 |
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| BEFORE: Daniel | S Nutter | |
| DEL CIO. Duileca | | |
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| | TRANSCRIPT OF HEARING | |
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| | APPEARANCES | |
| | APPSARANCES | |
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| For the Oil Co | nservation Ernest L. Padilla | , Esq. |
| Division: | Legal Counsel to | the Division |
| e a distribution of the contract of the contra | State Land Office | Bldg. |
| ************************************** | Santa Fe, New Mex | ico 37501 |
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| For the Applic | | |
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For the Applicant:

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MR. NUTTER: We'll call next Case Number 6940. MR. PADILLA: Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. Mr. Examiner, the applicant has requested continuance of this case till December 30th. 14. ió.

MR. NUTTER: Case Number 6940 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. December 30, 1980.

(Hearing concluded.)

Manager and the Artistan Committee of the Artistan Committee of the Comm

I, SALLY W. BOYD, C.S.R., DO HEREPY CLATIFY that the foregoing 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.

Sourcy to Boyl C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Cane 1-0. 6949 heard by the on 1/25 19.80.

Oil Conservation Division

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| STATE OF NEW MEXICO | |
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| ENERGY AND MINERALS DEPARTMENT | |
| OIL CONSERVATION DIVISION | . , |
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STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 25 November 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Adobe Oil Company for) compulsory pooling, Lea County, New) Mexico.

CASE 6940

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, lsq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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MR. PADILLA: Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico.

Mr. Examiner, the applicant has requested continuance of this case till December 30th.

MR. NUTTER: Case Number 6940 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. December 30, 1980.

(Hearing concluded.)

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July W. Boyd C.S.R.

I do hereby certify that the foregoing is a complete reacted of the proceedings in the Exeminer alaying of Case No. 6940, heard by me on 1/25 at 1980.

Oil Conservation Division

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Page 3 of 3 Examiner Hearing - Wednesday - January 14, 1981

CASE 7133: Application of Read & Stevens, Inc. for an unorthodox gas well location and two non-standard gas proration units, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first being the NW/4 of Section 12, Township 15 South, Range 27 East, to be dedicated to its Hurd Well No. 1 in Unit C, and the other being the SW/4 of said Section 12 to be dedicated to a well to be drilled at an unorthodox location 1315 feet from the South and West lines of the section.

CASE 7134: Application of Read & Stevens, Inc. for an unorthodox gas well location and two non-standard gas proration units, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first being the NW/4 of Section 13, Township 15 South, Range 27 East, to be dedicated to its Langley "Com" Well No. 1 in Unit C, and the other being the NE/4 of said Section 12 to be dedicated to a well to be drilled at an unorthodox location 1315 feet from the North and East lines of the section.

CASE 7100: (Continued from the December 10, 1980, Examiner Hearing)

Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbore of its Travis 24 State Com Well No. 1 in Unit H of Section 24, Township 18 South, Range 28 East.

CASE 7086: (Continued from the December 10, 1980, Examiner Hearing)

Application of Blackwood & Nichols Company, Ltd. for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 30 and 31 North, Ranges 6, 7, and 8 West, containing 33,500 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

CASE 6940: (Continued from the December 30, 1980, Examiner Hearing)

Application of Adobe Oil Company for compulsory pooling, lea County, New Mexico. Applicant in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20 South, Range 38 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said

CASE 7103: (Continued from the December 30, 1980, Examiner Hearing)

Application of E. L. Latham, Jr. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Pennsylvanian formations underlying the N/2 of Section 7, Township 22 South, Range 26 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7114: (Continued from the December 30, 1980, Examiner Hearing)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Rio Penasco "JX" Well No. 2, a Morrow test to be drilled 660 feet from the South and East lines of Section 35, Township 18 South, Range 25 East, the S/2 of said Section 35 to be dedicated to the well.

Dockets Nos. 1-81 and 2-81 are tentatively set for January 14 and 28, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - TUESDAY - DECEMBER 30, 1980

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 7113: Application of Fred Pool, Jr. for a dual completion, Chaves County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the dual completion of his Grynberg Com
Fed. Well No. 1 located in Unit J of Section 13, Township 6 South, Range 24 East, to produce gas
from the Abo and Pennsylvanian formations.

CASE 7051: (Continued from November 25, 1980, Examiner Hearing)

Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approved for the downhole commingling of Blinchry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.

CASE 6940: (Continued from November 25, 1980, Exeminer Hearing)

Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20 So th, Range 38 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7103: (Continued from December 10, 1980, Examiner Hearing)

Application of E. L. Latham, Jr. for compulsory pooling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Pennsylvanian formations underlying the N/2 of Section 7, Township 22 South, Range 26 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7114: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Rio Penasco "JX" Well No. 2, a Morrow test to be drilled 660 feet from the South and East lines of Section 35, Township 18 South, Range 25 East, the S/2 of said Section 35 to be dedicated to the well

CASE 7115: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox iccation of a Morrow test well to be drilled 660 feet from the South and East lines of Section 14, Township 17 South, Range 26 East, the S/2 of said Section 14 to be dedicated to the well.

CASE 7116: Application of Southland Royalty Company for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying portions of Townships 31 and 32 North, Ranges 10, 11, 12, and 13 West, containing 93,860 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

- GASE 7089: Application of Summit Energy, Inc. for a waterflood project, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Blinebry formation through its Gulf Bunin Well No. 2 located in Unit C of Section 13, Township 21 South, Range 37 East.
- CASE 7090: Application of Dorchester Exploration, Inc. for directional drilling and an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to renter the old Union Hill Well No. 1, the surface location of which is 2310 feet from the North and West lines of Section 27, Township 12 South, Range 28 East, and to directionally drill in an indeterminate direction from a kick-off point at 7300 feet, bottoming said well at an approximate depth of 8100 feet in the Mississippian formation less than 330 feet away from the surface location. The W/2 of said Section 27 would be dedicated to the well.
- GASE 7091: Application of Layton Enterprises, Inc. for a non-standard proration unit, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit comprising the N/2 NW/4 of Section 14, Township 9 South, Range 34 East, Vada-Pennsylvanian Pool, to be dedicated to an old well to be re-entered 660 feet from the North line and 1830 feet from the West line of said Section 14.
- CASE 7051: (Continued from October 15, 1980, Examiner Hearing)

Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.

CASE 6940: (Continued from October 1, 1980, Examiner Hearing)

Application of Adobe 0:1 Company for compulsory pooling, Lea County, New Mexico.
Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the
Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20
South, Range 38 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6995: (Continued from October 1, 1980, Examiner Hearing) (To be continued to December 10, 1980, Examiner

Application of John E. Schalk for compulsory pooling, Rio Arriba County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blanco Messwerde Pool underlying the NE/4 of Section 8, Township 25 North, Range 3 West, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6668: (Continued and Readvertised)

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In the matter of Case 6668 being reopened pursuant to the provisions of Order No. R-6139 which order promulgated temporary special rules and regulations for the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing units.

- CASE 7092: Application of Delta Drilling Company for pool extension, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks the extension of the South Culebra Bluff-Bone Spring Pool to include all of Sections 2, 11, 13, 14, 23, and 24, Township 23 South, Range 28 East.
- CASE 7093: Application of Mesa Petroleum Company and Yates Petroleum Corporation for designation of a tight formation, Torrance, Guadalupe, DeBaca, Lincoln, and Chaves Counties, New Mexico. Pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 CFR Section 271.701-705, applicants, in the above-styled cause, seek the designation as a tight formation of the Abo formation underlying the following described lands in the above-named counties:

 all of Townships 1 North thru 4 North, Ranges 14 East thru 27 East; all of Townships 5 North thru 7 North, Ranges 14 East thru 26 East; all of Townships 1 South thru 5 South, Ranges 14 East thru 27 East; all of Township 6 South, Ranges 14 thru 28 East; N/2 only of Township 7 South, Ranges 14 East thru 17 East; all of Townships 7 South and 8 South, Ranges 18 East thru 28 East; all of Townships 9 South, Ranges 18 East thru 27 East; all of Township 11 South, Ranges 18 East thru 25 East; all of Township 12 South, Ranges 18 East thru 24 East; all of Township 13 South, Ranges 18 East thru 25 East; all of Township 12 South, Ranges 18 East thru 24 East; all of Township 13 South, Ranges 18 East thru 27 East; all of Township 13 South, Ranges 18 East thru 27 East; all of Township 13 South, Ranges 18 East thru 27 East; all of Township 13 South, Ranges 18 East thru 27 East; all of Township 13 South, Ranges 18 East thru 27 East; all of Township 13 South, Ranges 18 East thru 28 East; also all of Township 9 1/2 South, Range 24 East.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
1 October 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico.

CASE 6940

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

For the Applicant:

ALLY W. BOYD, C.S.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87301
Phone (303) 455-7409

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SALLY W. BOYD, C.S.R.

Rt. J Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

MR. NUTTER: Call next Case Number 6940.

MR. PADILLA: Application of Adobe Oil

Company for compulsory pooling, Lea County, New Mexico.

MR. NUTTER: At request of applicant this case will be continued to the Examiner Hearing scheduled to be held at 9:00 o'clock a.m. November 25th, 1980.

(Hearing concluded.)

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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

Song W. Boyd C.S.R.

I do hereby cellify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6940 heard by me on 10/1

Manager, Examiner Oil Conservation Division

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 1 October 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico.

CASE 6940

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BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

For the Applicant:

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MR. NUTTER: Call next Case Number 6940.

MR. PADILLA: Application of Adobe Oil

Company for compulsory pooling, Lea County, New Mexico.

MR. NUTTER: At request of applicant this case will be continued to the Examiner Hearing scheduled to

be held at 9:00 o'clock a. m. November 25th, 1980.

(Hearing concluded.)

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

Rt. 1 Box 193-B
Suita Fe, New Mexico 87
Phone (203) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6948 heard by me on 1980:

Oll Conservation Division , Examiner

Dockets Nos. 31-80 and 32-80 are tentatively set for October 15 and 29, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 1, 1980

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 7029: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider amendments to its special rules and procedures for the designation of "tight formation", promulgated by Division Order No. R-6388, to comply with FERC Order No. 99, issued August 15, 1980, promulgating final regulations with respect to Section 107 of the NGPA.

CASE 7030: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider amendments to its SPECIAL RULES FOR APPLICATIONS FOR WELLHEAD PRICE CEILING CATEGORY DETERMINATIONS as promulgated by Division Order No. R-5878, as amended. The proposed amendments relate to individual well filings for price category determination as "tight formation" gas under Section 107 of the NGPA.

CASE 7031: Application of Coronado Exploration Corp. for a unit agreement, Guadalupe County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the Mesa Leon Unit Area, comprising 15,680 acres, more or less, of State, Federal, and fee lands in Township 6 North, Range 17 East.

CASE 7007: (Continued from September 3, 1980, Examiner Hearing)

Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Morrow and Atoka production in the wellbore of its North Travis 12 Deep Well No. 1 located in Unit 0 of Section 12, Township 13 South, Range 28 East.

CASE 7023: (Continued from September 17, 1980, Examiner Hearing)

Application of Shell Oil Company for pool creation and temporary special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian oil pool for its Askew Well No. 1 located in Unit L of Section 2, Township 5 South, Range 33 East, and the promulgation of special pool rules therefor, including a provision for 80-acre spacing.

CASE 7019: (Continued from September 17, 1980, Examiner Hearing)

Application of Amoco Production 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 W/2 of Section 30, Township 23 South, Range 25 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7032: Application of Dalport Oil Corporation for an exception to Order No. R-3221, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located between Units L and H of Section 9, Township 15 South, Range 30 East.

CASE 7033: Application of Adams Exploration Inc. for three non-standard proration units, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval of three 80-acre non-standard proration units in the Vada-Pennsylvanian Pool, comprising the following acreage: SE/4 NE/4 and NE/4 SE/4 of Section 12, N/2 NE/4 of Section 12, and S/2 SE/4 of Section 2, all in Township 9 South, Range 34 East.

CASE 6940: (Continued from August 20, 1980, Examiner Hearing)

Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20 South, Range 38 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 20 August 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Adobe Oil Company) for compulsory pooling, Lea County,) New Mexico.

CASE 6940

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

For the Applicant:

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MR. STAMETS: Call next Case 6940.

Hearing.

MR. PADILLA: Application of Adobe Oil

Company for compulsory pooling, Lea County, New Mexico.

MR. STAMETS: At the request of the appli cant this case will be continued to the October 1st Examiner

(Hearing concluded.)

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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

Sally W. Boyd C.S.R.

I do hereby cer a complete em the Examiner

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Examiner

Oil Conservation Division

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO

20 August 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Adobe Oil Company for compulsory pooling, Lea County,) New Mexico.

CASE 6940

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

For the Applicant:

MR. STAMETS: Call next Case 6940.

MR. PADILLA: Application of Adobe Oil

Company for compulsory pooling, Lea County, New Mexico.

MR. STAMETS: At the request of the applicant this case will be continued to the October 1st Examiner

Hearing.

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(Hearing concluded.)

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| Page 3 | |

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

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heard by the on

Figure 1.

Oil Conservation Division

ALLY W. BOYD, C.

Rt. 1 Box 193-B Sants Fc, New Mexico 8 Phone (505) 455-740

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 23 July 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Adobe Oil Company for) compulsory pooling, Lea County, New) Mexico.

CASE 6940

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

For the Applicant:

SALLY W. BOYD, C.S.R.

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Santa Fe, New Mexico 87301

Phone (305) 455-7409

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MR. STAMETS: Call next Case 6940.

MR. PADILLA: Application of Adobe Oil

Company for compulsory pooling, Lea County, New Mexico.

MR. STAMETS: At the request of the

applicant, this case will be continued to the August 20th Examiner Hearing.

(Hearing concluded.)

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CERTIFICATE

1, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

July W. Boyd C.S.E.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6940. Oil Conservation Division

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO

23 July 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Adobe Oil Company for) compulsory pooling, Lea County, New) Mexico.

CASE 6940

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Ernest L. Padilla, Esq. Division:

Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

For the Applicant:

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MR. STAMETS: Call next Case 6940.

MR. PADILLA: Application of Adobe Oil

Company for compulsory pooling, Lea County, New Mexico.

MR. STAMETS: At the request of the

applicant, this case will be continued to the August 20th

Examiner Hearing.

(Hearing concluded.)

ALLY W. BOYD, C.S.I Rt. 1 Box 193-B Senta Fe, New Mexico 87501 Phone (303) 455-7409

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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

a complete the Examiner maring of Case No.

heard by me on

Oil Conservation Division

SALLY W. BOYD, C.S.
Rt. 1 Box 193-B
Santa Fe, New Mexico 57301

KELLAHIN and KELLAHI
Attorneys at Law

AUG 1 4 1980

ECEIVED

Jason Kellahin W. Thomas Kellahin Karen Aubrey 500 Don Gaspar Avenue Post Office Box 1769 Santa Fe, New Mexico 87501

OIL CONSERVATION DIVISION

SANTA FE Telephone 982-4285

Area Code 505

August 12, 1980

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

> Re: NMOCD Case No. 6940 Adobe Oil Company

Dear Joe:

Our firm represents Adobe 0il Company.

The above referenced case was originally scheduled for July 23, 1980, and is now set for hearing on August 20, 1980.

After filing the application but prior to July 23, 1980, we discovered that the federal lease involved for certain of the non-consenting parties had expired.

We have attempted since that time to have the BLM place the acreage up for lease again.

We would appreciate you resetting this case for the first hearing in October to allow us additional time to see if the unleased acreage can be leased prior to hearing.

Very traily yours

W. Thomas Kellahin

cc: Mr. Rick Gamen

WIK: jm

Dockets Nos. 27-80 and 28-80 are tentatively set for September 3 and 17, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY " AUGUST 20, 1980

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 September, 1980, from fifteen producted pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for September, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- Application of Monsanto Company for a unit agreement, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Back Basin Unit Area, comprising 1,920 acres, more or less, of Stat+ and Federal lands in Township 23 South, Range 34 East.
- CASE 6999: Application of Gulf Oil Corporation for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a previously approved 320-acre non-standard proration unit comprising the N/2 of Section 36, Township 21 South, Range 36 East, Eumont Gas Pool, to its Harry Leonard NCT-C Well No. 9 located in Unit B, and its No. 8, at an unorthodox location 1980 feet from the North line and 660 feet from the East line of Section 36.
- CASE 7000: Application of Cavalcade Oil Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McClay Well No. 11 2385 feet from the South line and 1834 feet from the West line of Section 33, Township 18 South, Range 30 East, the NE/4 SW/4 of said Section 33 to be dedicated to the well.
- CASE 7001: Application of McClellan Oil Corporation for three unorthodox oil well locations, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for three following unorthodox locations for wells to be drilled in Section 24, Township 14 South, Range 29 East, Double L Queen Associated Pool: 1155 feet from the North line and 2145 feet from the East line; 1155 feet from the North and East lines; and 1650 feet from the North line and 1155 feet from the East line; the respective 40-acre tract would be dedicated to each well.
- CASE 7002: pplication of Orville Slaughter for the amendment of Order No. R-5947, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks the amendment of Order No. R-5947 to provide for the commingling of Oswell-Farmington production from his Sangre de Cristo Well No. 1 with undesignated Fruitland production from Wells Nos. 2 and 2S, all in Section 34, Township 30 North, Range 11 West.
- CASE 7003: Application of El Paso Natural Gas Company for directional drilling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 590 feet from the South line and 2400 feet from the East line of Section 1, Township 29 North, Range 13 West, in such a manner as to bottom it within 175 feet of a point 990 feet from the South line and 1650 feet from the West line of said Section 1.
- CASE 7004: Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the WolfcampMorrow formations underlying the N/2 of Section 12; Township 19 South, Range 25 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6938: (Continued from June 25, 1980, Examiner Hearing)

Application of Anadarko Production Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Dalport Federal Well No. 1 660 feet from the South and West lines of Section 20, Township 13 South, Range 31 East, Southeast Chaves Queen Cas Area, the W/2 of said Section 20 to be dedicated to the well.

CASE 6939: (Continued from June 25, 1980, Examiner Hearing)

Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests at a depth from 2400 feet to 5000 feet below the surface, Turkey Track Field, underlying the NE/4 SE/4 of Section 10, Township 19 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6940: (Continued from July 23, 1980, Examiner Hearing)

Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the BM/a SE/A for oil and the SE/A for gas, Section 23, Township 20 South, Range 18 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6961: (Continued from July 23, 1980, Examiner Mearing) (This case will be continued to September 17.)

Application of Conoco Inc. for a dual completion and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Meyer A-29 Well No. 11 to be drilled at an unorthodox location 990 feet from the North line and 660 feet from the East line of Section 29, Township 22 South, Range 36 East, to produce gas from the Langley-Devonian and -Ellenburger Pools thru parallel strings of tubing, the E/2 of said Section 29 to be dedicated to the well.

CASE 7005: Application of Sol West III for an NGPA determination, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for his Turkey Track-Morrow Sand Well No. 1 in Unit 1 of Section 26, Township 18 South, Range 28 East.

CASE 7006: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the Northwest Gladiola Unit Area, comprising 1,280 acres, more or less, of State and fee lands in Townships 11 and 12 South, Range 37 East.

CASE 7007: Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the downhole commingling of Morrow and Atoka production in the wellbore of its North Travis 12 Deep Well No. 1 located in Unit O of Section 12, Township 18 South, Range 28 East.

CASE 7008: Application of Coronado Exploration Corp. for eight compulsory poolings, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres fermation underlying eight 40-acre proration units, being the NE/4 NE/4 of Section 4 and the NW/4 NE/4 of Section 5, both in Township 12 South, Range 28 East, and the NW/4 SE/4 of Section 6, the NE/4 NW/4 of Section 23, the NE/4 SE/4 of Section 28, the SE/4 SE/4 of Section 29, the NE/4 NW/4 of Section 32, and the SE/4 NW/4 of Section 33, all in Township 11 South, Range 28 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 6994: (Continued from August 6, 1980, Examiner Hearing)

Application of Enserch Exploration, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Siluro-Devonian formations underlying the N/2 of Section 14, Township 25 South, Range 34 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6996: (Continued from August 6, 1980, Examiner Hearing)

Application of John E. Schalk for computary pooling, kio Arriba County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blanco Mesaverde Pool underlying the NE/4 of Section 8, Township 25 North, Range 3 West, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7009: Application of Amoco Production Company for salt water disposal, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the interval from 8330 feet to 9000 feet in its State "E" Tract 18 Well No. 22 in Unit G of Section 2, Township 17 South, Range 36 Fast, Lovington-Abo Pool.

- CASE 6975: Application of Jack Grynberg and Associates for a unit agreement, Chaves County, New Mexico.
 Applicant, in the above-styled cause, seeks approval for the Rio Felix Unit Area, comprising 7,675 acres, more or less, of Federal, State, and fee lands in Township 14 South, Ranges 24 and 25 East.
- CASE 6976: Application of R. N. Hillin for an NGPA determination, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Wolfcamp formation for a well located 800 feet from the South line and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East.
- CASE 6977:

 Application of Benson Mineral Group, Inc. for salt water disposal, Sandoval County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Chacra formation in the interval from 1636 feet to 1743 feet in its Navajo Well No. 1 in Unit F of Section 9, Township 22 North, Range 7 West, Rusty-Chacra Pool.
- CASE 6978: Application of Benson Mineral Group, Inc. for salt water disposal, Sandoval County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Pictured Cliffs formation in the interval from 800 feet to 963 feet in its Federal Well No. 1 in Unit I of Section 4, Township 21 North, Range 7 West.
- CASE 6979: Application of Wolfson Oil Company for salt water disposal, Roosevelt County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the interval from 4108 feet to 4164 feet in its Mountain-Federal Well No. 1 in Unit C of Section 30, Township 7 South, Range 32 East, Tomahawk-San Andres Pool.
- CASE 6940: (Continued from June 25, 1980, Examiner Hearing)

Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20 South, Range 38 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6961: (Continued from July 9, 1980, Examiner Hearing)

Application of Conoco Inc. for a dual completion and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Meyer A-29 Well No. 11 to be drilled at an unorthodox location 990 feet from the North line and 660 feet from the East line of Section 29, Township 22 South, Range 36 East, to produce gas from the Langley-Devonian and -Ellenburger Pools thru parallel strings of tubing, the E/2 of said Section 29 to be dedicated to the well

- CASE 6980: Application of Bass Enterprises Production Company for a dual completion, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the dual completion of its Palmillo State
 Well No. 1 located in Unit J of Section 1, Township 19 South, Range 28 East, to produce gas from
 the North Turkey Track-Morrow Pool and oil from an undesignated Wolfcamp pool thru the casing-tubing
 annulus and tubing, respectively.
- CASE 6960: (Continued from July 9, 1980, Examiner Hearing)

Application of Bass Enterprises Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Strawn formation underlying the S/2 SE/4 of Section 13, Township 16 South, Range 36 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6950: (Continued from July 9, 1980, Examiner Hearing)

Application of Bass Enterprises Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the North line and 1980 feet from the East line of Section 4, Township 25 South, Range 31 East, the E/2 of said Section 4 to be dedicated to the well.

CASE 6981: Application of Bass Enterprises Production Company for a special gas-oil ratio limitation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 8000 to one for the Palmillo-Bone Springs Pool.

- CASE 6935: 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 Basin-Dakota and undesignated Callup production in the wellbore of its June Joy Well No. 2 located in Unit B of Section 25, Township 24 North, Range 10 West.
- CASE 6936: Application of Dugan Production Corporation for compulsory pooling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 26, Township 30 North, Range 14 West, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6916: (Continued from June 4, 1980, Examiner Hearing)

Application of Petro-Lewis Corporation for downhole commingling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinebry production in the wellbore of its State DC Well No. 1, a quadruple completion located in Unit F of Section 19, Township 21 South, Range 37 East.

- CASE 6937: Application of R. N. Hillin for an unorthodox location and dual completion, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of his DWW Well No. 4 to produce gas from the Wolfcamp and Morrow formations thru tubing and the annulus, respectively. Applicant further seeks approval of the unorthodox location of said well in the Wolfcamp and Pennsylvanian formations at a point 800 feet from the South line and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East.
- CASE 6938: Application of Anadarko Production Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Dalport Federal Well No. 1 660 feet from the South and West lines of Section 20, Township 13 South, Range 31 East, Southeast Chaves Queen Gas Area, the W/2 of said Section 20 to be dedicated to the well.
- CASE 6939: Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests at a depth from 2400 feet to 5000 feet below the surface, Turkey Track Field, underlying the NE/4 SE/4 of Section 10, Township 19 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6940: Application of Adobe Oil Company for compulsory pooling, lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20 South, Range 38 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6941: Application of Ellwade Corporation for a non-standard gas proration unit, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval of a 129.52-acre non-standard gas proration unit comprising the W/2 of partial Section 33, Township 26 South, Range 30 East, Ross Draw-Wolfcamp area, to be dedicated to its Ross Draw Well No. 1 located in Unit C of said Section 33.
- CASE 6942: Application of Benson-Montin-Greer Drilling Corporation for amendment of Order No. R-2565-B, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 2 of the Special Pool Rules for the West Puerto Chiquito-Mancos Oil Pool as promulgated by Order No. R-2565-B to provide that all 320-acre spacing and provation units in said pool would comprise either the W/2 or the E/2 of a governmental section, provided however, that one injection well would have dedicated thereto the N/2 of Section 1, Township 24 North, Range 1 West, and also that the short 400-acre sections on the South side of Township 27 North, Range 1 West, would each comprise a single spacing unit.
- CASE 6943: Application of Benson-Montin-Greer Drilling Corporation for a unit agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the East Puerto Chiquito-Mancos Unit Area, comprising 9,769 acres, more or less, of Federal, Indian, and fee lands in Town-ships 26 and 27 North, Ranges 1 East and 1 West.

| Page | |
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| PROS 1 | |

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 25 June 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Adobe Oil Company for) compulsory pooling, Lea County, New) Mexico

CASE 6940

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe. New Mexico 87501
Phone (505) 455-7409

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MR. STAMETS: Call next Case 6940.

MR. PADILLA: Application of Adobe Oil

Company for compulsory pooling, Lea County, New Mexico.

MR. STAMETS: At the request of the

Applicant this case will be continued to the July 23rd Examiner Hearing.

(Hearing concluded.)

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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Solly W. Boyd COR

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I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing

Oil Conservation Division

STATE OF NEW MEXICO EHERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO

EXAMINER HEARING

25 June 1980

IN THE MATTER OF:

Application of Adobe Oil Company for) compulsory pooling, Lea County, New) Mexico

CASE 6940

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 to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

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MR. STAMETS: Call next Case 6940.

MR. PADILLA: Application of Adobe Oil

Company for compulsory pooling, Lea County, New Mexico.

MR. STAMETS: At the request of the

Applicant this case will be continued to the July 23rd Examiner Hearing.

(Hearing concluded.)

ALLY W. BOYD, C.S.F Rt. 1 Box 193-B Sante Fc, New Mexico 87301 Phone (203) 453-7409

(

CEBTIFICATE

I, SALLY W. BOYD, C.S.R., DO HERRBY CERTIFY that the foregoing 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.

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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_

Examinar

Oll Conservation Division

KELLAHIN and KELLAHIN Attorneys at Law 500 Don Gaspar Avenue Post Obice Box 1769 Santa Fe, New Mexico 87501

Jason Kellahin W. Thomas Kellahin Karen Aubrey

Telephone 982-4285 Area Code 505

June 4, 1980

Mr. Joe Ramey OIL Conservation Division P.O. Box 2088 Santa Fe, New Mexico 87501 OIL CONSERVATION DIVISION

SANTA FE Adobe Oil & Gas Corp. Compulsory Pooling SE/4 Sec. 23
T20S, R38E, Lea County Sec. 23: SE/4

Dear Joe:

Case 6940

Please add the following non-consenting parties to the referenced compulsory pooling case which we filed on May 14, 1980 and which is to be set for hearing on June 25, 1980:

Union Texas Petroleum Corp. 5/6 of 10/128 1300 Wilco Bldg. Midland, Texas 79701

The state of the s

Enclosed is one Amended Application.

Thomas Kellahin

encl.

cc: Rick Ganem WTK: nb

KELLAHIN and KELLAHIN Attorneys at Law 500 Don Gaspar Avenue Post Office Box 1769

Jason Kellahin W. Thomas Kellahin Karen Aubrey

Santa Fe, New Mexico 87501

Telephone 982-4285 Area Code 505

'June 5, 1980

Koch Industries, Inc. Box 2256 Wichita, Kansas 67201

Texas Pacific Oil Company, Inc. P. O. Box 4067 Midland, Texas 79701

Powhatan Carter, Jr. c/o 209 South Fifth Lovington, New Mexico 88260

Union Texas Petroleum Corp. 1300 Wilco Bldg. Midland, Texas 79701

Anderson Carter c/o 209 South Fifth Lovington, New Mexico 88260

Case 6940

The Bank of California N.A. Trustee for Betty Kyte Dressen Trust Nos. 2-2010/13 P. O. Box 45000 San Francisco, California 94145

Adobe 011 & Gas Corp. Compulsory Pooling SE/4 Sec. 23 T20S, R38E, Lea County, New Mexico Section 23: SE/4

Gentlemen:

You are hereby notified that, a hearing on the referenced matter will be heard before the Oil Conservation Division of the State of New Mexico on June 25, 1980, at the offices of the 011 Conservation Division, Santa Fe, New Mexico.

A copy of the Amended Application of Adobe Oil Company is enclosed.

Very truly you

cc: Adobe 011 & Gas Corp.

WTK:msf

CERTIFIED MAIL: return receipt requested

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY & MINERALS OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF ADOBE OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO



AMENDED APPLICATION

COMES NOW ADOBE OIL COMPANY and, as provided by Section 70-2-17, New Mexico Statutes 1978 as amended, applies to the Oil Conservation Division of the State of New Mexico for an order pooling all the mineral interests from surface to base of the Wolfcamp formation in the NW/4 SE/4 for an oil well, and SE/4 for a gas well, of Section 23, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico and in support thereof would show the Division:

- 1. Applicant is the owner of the right to drill and develop the following described acreage: SE/4 of Section 23, Township 20 South, Range 38 East, N.M.P.M.
- 2. Applicant has obtained voluntary agreement for pooling from all but the following:

| m all but the following: | Interest Percentage in N/2 SE/4 |
|--|---------------------------------|
| Koch Industries, Inc. Box 2256 Wichita, Kansas 67201 | 1029/12800 |
| Texas Pacific Oil Company, Inc. P.O. Box 4067 Midland, Texas 79701 | 147/3200 |
| Powhatan Carter, Jr. c/o 209 S. Fifth Lovington, New Mexico 88260 | 1/16 |
| Union Texas Petroleum Corp. 1300 Wilco Bldg. Midland, Texas 79701 | 5/6 of 10/128 |

Anderson Carter c/o 209 S. Fifth Lovington, New Mexico 88260

1/16

The Bank of California N.A. Trustee for Betty Kyte Dressen Trust Nos. 2-2010/13 P.O. Box 45000 San Francisco, California 94145

76% of 1/32

- 3. As required by the provisions of Division Rule 104, Applicant proposes to dedicate the NW/4 SE/4 of Section 23, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico to the well in the event it is an oil well, and the SE/4 of Section 23, T20S, R38E, if the subject well is a gas well.
- 4. Applicant requests that it be designated operator of the pooled unit requested above.
- 5. Applicant proposes to drill a well at a standard location in NW/4 SE/4 of Section 23 to test various formations from the surface to the base of the Wolfcamp.
- 6. Applicant has been unable to obtain voluntary agreement for the pooling of the unpooled interests indicated in paragraph 2 above, and in order to avoid the drilling of unnecessary wells, to protect correlative rights, and to prevent waste, the Division should pool all interests in the spacing or proration unit as a unit.

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 interest from the surface to the base of the Wolfcamp formation underlying the SE/4 for a gas well and the NW/4 SE/4 for an oil well in Section 23,

Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and designating Applicant operator of the pooled unit, together with provision for Applicant to recover its 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 interest may appear and for such further orders as may be proper in the premises.

Respectfully submitted,

ADOBE OIL COMPANY

W. Thomas Kellahir KELLAHIN & KELLAHIN

P.O. Box 1769

Santa Fe, New Mexico 87501 ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY & MINERALS OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF ADOBE OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Cerse 6940

AMENDED APPLICATION

COMES NOW ADOBE OII. COMPANY and, as provided by Section 70-2-17, New Mexico Statutes 1978 as amended, applies to the Oil Conservation Division of the State of New Mexico for an order pooling all the mineral interests from surface to base of the Wolfcamp formation in the NW/4 SE/4 for an oil well, and SE/4 for a gas well, of Section 23, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico and in support thereof would show the Division:

- 1. Applicant is the owner of the right to drill and develop the following described acreage: SE/4 of Section 23, Township 20 South, Range 38 East, N.M.P.M.
- 2. Applicant has obtained voluntary agreement for pooling from all but the following:

| " all but the following: | |
|--|---------------------------------|
| | Interest Percentage in N/2 SE/4 |
| Koch Industries, Inc. Box 2256 Wichita, Kansas 67201 | 1029/12800 |
| Texas Pacific Oil Company, Inc. P.O. Box 4067 Midland, Texas 79701 | 147/3200 |
| Powhatan Carter, Jr. c/o 209 S. Fifth Lovington, New Mexico 88260 | 1/16 |
| Union Texas Petroleum Corp. 1300 Wilco Bldg. Midland, Texas 79701 | 5/6 of 10/128 |

Anderson Carter c/o 209 S. Fifth Lovington, New Mexico 88260

1/16

The Bank of California N.A.
Trustee for Betty Kyte Dressen
Trust Nos. 2-2010/13
P.O. Box 45000
San Francisco, California 94145

76% of 1/32

- 3. As required by the provisions of Division Rule 104, Applicant proposes to dedicate the NW/4 SE/4 of Section 23, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico to the well in the event it is an oil well, and the SE/4 of Section 23, T20S, R38E, if the subject well is a gas well.
- 4. Applicant requests that it be designated operator of the pooled unit requested above.
- 5. Applicant proposes to drill a well at a standard location in NW/4 SE/4 of Section 23 to test various formations from the surface to the base of the Wolfcamp.
- 6. Applicant has been unable to obtain voluntary agreement for the pooling of the unpooled interests indicated in paragraph 2 above, and in order to avoid the drilling of unnecessary wells, to protect correlative rights, and to prevent waste, the Division should pool all interests in the spacing or proration unit as a unit.

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 interest from the surface to the base of the Wolfcamp formation underlying the SE/4 for a gas well and the NW/4 SE/4 for an oil well in Section 23,

Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and designating Applicant operator of the pooled unit, together with provision for Applicant to recover its 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 interest may appear and for such further orders as may be proper in the premises.

Respectfully submitted,

ADOBE OIL COMPANY

W. Thomas Kellahin

KELLAHIN & KELLAHIN P.O. Box 1769

Santa Fe, New Mexico 87501 ATTORNEYS FOR APPLICANT

KELLAHIN and KELLAHIN Attorneys at Law 500 Don Gaspar Avenue Post Office Box 1769 Santa Fe, New Mexico 87501

Jason Kellahin W. Thomas Kellahin Karen Aubrey

Telephone 982-4285 Aren Code 505

Case 6940

'June 5, 1980

Koch Industries, Inc. Box 2256 Wichita, Kansas 67201

Texas Pacific Oil Company, Inc. P. O. Box 4067 Midland, Texas 79701

Powhatan Carter, Jr. c/o 209 South Fifth Lovington, New Mexico 88260

Union Texas Petroleum Corp. 1300 Wilco Bldg. Midland, Texas 79701

Anderson Carter c/o 209 South Fifth Lovington, New Mexico 88260

The Bank of California N.A. Trustee for Betty Kyte Dressen Trust Nos. 2-2010/13 P. O. Box 45000 San Francisco, California

Adobe Oil & Gas Corp. re: Compulsory Pooling SE/4 Sec. 23 T20S, R38E, Lea County, New Mexico Section 23: SE/4

Gentlemen:

You are hereby notified that a hearing on the referenced matter will be heard before the Oil Conservation Division of the State of New Mexico on June 25, 1980, at the offices of the 0il Conservation Division, Santa Pe, New Mexico.

A copy of the Amended Application of Adobe Oil Company is enclosed.

Very truly you

Thomas Kel

enc1.

cc: Adobe Oil & Gas Corp. WTK:msf

CERTIFIED MAIL: return/receipt requested

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY & MINERALS OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF ADOBE OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case 6940

AMENDED APPLICATION

COMES NOW ADOBE OIL COMPANY and, as provided by Section 70-2-17, New Mexico Statutes 1978 as amended, applies to the Oil Conservation Division of the State of New Mexico for an order pooling all the mineral interests from surface to base of the Wolfcamp formation in the NW/4 SE/4 for an oil well, and SE/4 for a gas well, of Section 23, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico and in support thereof would show the Division:

- 1. Applicant is the owner of the right to drill and develop the following described acreage: SE/4 of Section 23, Township 20 South, Range 38 East, N.M.P.M.
- 2. Applicant has obtained voluntary agreement for pooling from all but the following:

| all but the following: | | | |
|--|------------------------------------|--|--|
| | Interest Percentage in N/2 SE/4 | | |
| Koch Industries, Inc. Box 2256 Wichita, Kansas 67201 | 1029/12800 | | |
| Texas Pacific Oil Company, Inc. P.O. Box 4067 Midland, Texas 79701 | 147/3200 | | |
| Powhatan Carter, Jr. c/o 209 S. Fifth Lovington, New Mexico 88260 | 1/16 | | |
| Union Texas Petroleum Corp. 1300 Wilco Bldg. Midland, Texas 79701 | 5/6 of 10/128 | | |

1/16

The Bank of California N.A.
Trustee for Betty Kyte Dressen
Trust Nos. 2-2010/13
P.O. Box 45000
San Francisco, California 94145

76% of 1/32

- 3. As required by the provisions of Division Rule 104, Applicant proposes to dedicate the NW/4 SE/4 of Section 23, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico to the well in the event it is an oil well, and the SE/4 of Section 23, T20S, R38E, if the subject well is a gas well.
- 4. Applicant requests that it be designated operator of the pooled unit requested above.
- 5. Applicant proposes to drill a well at a standard location in NW/4 SE/4 of Section 23 to test various formations from the surface to the base of the Wolfcamp.
- 6. Applicant has been unable to obtain voluntary agreement for the pooling of the unpooled interests indicated in paragraph 2 above, and in order to avoid the drilling of unnecessary wells, to protect correlative rights, and to prevent waste, the Division should pool all interests in the spacing or proration unit as a unit.

Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and designating Applicant operator of the pooled unit, together with provision for Applicant to recover its 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 interest may appear and for such further orders as may be proper in the premises.

Respectfully submitted,

ADOBE OIL COMPANY

W. Thomas Kellahin

KELLAHIN & KELLAHIN

P.O. Box 1769

Santa Fe, New Mexico 87501 ATTORNEYS FOR APPLICANT

KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gaspar Avenue
Post Office Box 1769

Santa Fe, New Mexico 87501

Jason Kellahin W. Thomas Kellahin Karen Aubrey

Telephone 982-4285 Area Code 505

May 19, 1980

REAFINED

(AY 3) 1980

Oli Bonearration

ase 6940

Re: Adobe Oil & Gas Corp.

Dear Joe:

Please set the enclosed forced pooling application for hearing at the next examiner hearing on June 25,/1980.

Very Truly Yours,

W. Thomas Kellahir

WTK: ym Encl.

cc: Robert P. Byron

Mr. Joe Ramey Oil Conservation Division P. O. Box 2088 Santa Fe, NM 87501

STATE OF NEW MEXICO

Oll Conservation

DEPARTMENT OF ENERGY & MINERALS OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF ADOBE OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case 6940

APPLICATION

COMES NOW ADOBE OIL COMPANY and, as provided by Section 70-2-17, New Mexico Statutes 1978 as amended, applies to the Oil Conservation Division of the State of New Mexico for an order pooling all the mineral interests from surface to base of the Wolfcamp formation in the NW/4 SE/4 for an oil well, and SE/4 for a gas well, of Section 23, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico and in support thereof would show the Division:

- 1. Applicant is the owner of the right to drill and develop the following described acreage: SE/4 of Section 23, Township 20 South, Range 38 East, N.M.P.M.
- 2. Applicant has obtained voluntary agreement for pooling from all but the following:

Interest Percentage in N/2 SE/4

Koch Industries, Inc. Box 2256 Wichita, Kansas 67201

1029/12800

Texas Pacific Oil Company, Inc. P. O. Box 4067 Midland, Texas 79701

147/3200

Powhatan Carter, Jr. c/o 209 S. Fifth Lovington, New Mexico 88260

1/16

1/16

The Bank of California N.A. Trustee for Betty Kyte Dressen Trust Nos. 2-2010/13 P. O. Box 45000 San Francisco, California 94145

76% of 1/32

- 3. As required by the provisions of Division Rule 104, Applicant proposes to dedicate the NW/4 SE/4 of Section 23, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico to the well in the event it is an oil well, and the SE/4 of Section 23, T20S, R38E, if the subject well is a gas well.
- 4. Applicant requests that it be designated operator of the pooled unit requested above.
- 5. Applicant proposes to drill a well at a standard location in NW/4 SE/4 of Section 23 to test various formations from the surface to the base of the Wolfcamp.
- 6. Applicant has been unable to obtain voluntary agreement for the pooling of the unpooled interests indicated in paragraph 2 above, and in order to avoid the drilling of unnecessary wells, to protect correlative rights, and to prevent waste, the Division should pool all interests in the spacing or proration unit as a unit.

Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and designating Applicant operator of the pooled unit, together with provision for Applicant to recover its 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 interest may appear and for such further orders as may be proper in the premises.

Respectfully submitted.

ADOBE OIL COMPANY

W. Thomas Kellahin
KELLAHIN & KELLAHIN
P. O. Box 1769
Santa Fe, New Mexico 87501
ATTORNEYS FOR APPLICANT

Oil Conservation

STATE OF NEW MEXICO DEPARTMENT OF ENERGY & MINERALS OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF ADOBE OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case 6940

APPLICATION

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Santa Fe, New Mexico 87501 ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY & MINERALS

OIL CONSERVATION DIVISION

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ADOBE OIL COMPANY

W. Thomas Kellahin KELLAHIN & KELLAHIN P. O. Box 1769

Santa Fe, New Mexico 87501 ATTORNEYS FOR APPLICANT

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 N | 0 | 694 | 0 | | |
|--------|-------|------|----|---|--|
| Order | NTO 1 | D_ / | 52 | 7 | |

APPLICATION OF ADOBE OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 6940 is hereby dismissed.

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