CASE 7230: CARIBOU FOUR CORNERS, INC. FOR COMPULSORY FOOLING, SAN JUAN COUNTY, NEW MEXICO

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CASE NO.

7230

APPlication,
Transcripts,
Small Exhibits,

ETC.

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 22 April 1981 EXAMINER HEARING 5 6 IN THE MATTER OF: Application of Caribou Four Corners,) Inc., for compulsory pooling, San Juan County, New Mexico. 10 BEFORE: Daniel S. Nutter 11 12 TRANSCRIPT OF HEARING 13 14 APPEARANCES 15 16 For the Oil Conservation Ernest L. Padilla, Esq. 17 Division: Legal Counsel to the Division State Land Office Bldg. 18 Santa Fe, New Mexico 87501 19 20 For the Applicant: Sumner Buell, Esq. JASPER & BUELL 21 Santa Fe, New Mexico

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MR. NUTTER: We'll call next Case 7230. MR. PADILLA: Application of Caribou Four Corners, Inc., for compulsory pooling, San Juan County, New Mexico. MR. BUELL: Mr. Examiner, I'm Sumner G. Buell of the firm of Jasper and Buell, appearing on behalf of the applicant, and ask that this case be dismissed. MR. NUTTER: Case Number 7230 will be dismissed. (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 CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7236 Oil Conservation Division

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

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 22 April 1981 EXAMINER HEARING IN THE MATTER OF: Application of Caribou Four Corners,) CASE Inc., for compulsory pooling, San 8 7230 Juan County, New Mexico. 9 10 BEFORE: Daniel S. Nutter 11 12 TRANSCRIPT OF HEARING 13 14 APPEARANCES 15 16 Ernest L. Padilla, Esq. For the Oil Conservation Legal Counsel to the Division 17 Division: State Land Office Bldg. Santa Fe, New Mexico 87501 18 19 20 For the Applicant: Sumner Buell, Esq. JASPER & BUELL 21 Santa Fe, New Mexico 22 23

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MR. BUELL: Mr. Examiner, I'm Sumner G. Buell of the firm of Jasper and Buell, appearing on behalf of the applicant, and ask that this case be dismissed.

MR. NUTTER: Case Number 7230 will be

(Hearing concluded.)

2 C A TENTE - d II

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.

July W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7236, neard by me on 19.81.

Oll Conservation Division

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

May 1, 1981

Mr.					
Jasp	er	and	Bu	911	
Atto	rne	ys	at l	aw	,
Post	. 0 f	fic	е В	XC	1626
Sant	a F	e,	New	Me	xico

Re: CASE NO. 7230 ORDER NO. R-6672

Applicant:

-Caribou Four Corners, Inc.

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 X

Other

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. 7230 Order No. R-6672

APPLICATION OF CARIBOU FOUR CORNERS, INC. FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 22, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>30th</u> day of April, 1981, 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

IT IS THEREFORE ORDERED:

That Case No. 7230 is hereby dismissed.

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

JOE D. RAMEY

Director

Docket No. 14-81

Dockets Nos. 15-81 and 16-81 are tentatively set for May 6 and 20, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 22, 1981

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 7220: Application of McClellan Oil Corporation for a unit agreement, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Connor Unit Area, comprising 5,120 acres, more or less, of State and Federal lands in Township 13 South, Range 29 East.
- CASE 7221: Application of Maddox Energy Corporation for a unit agreement, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Flower Draw Unit Area, comprising 3,760 acres, more or less, of State lands in Townships 25 and 26 South, Range 28 East.
- CASE 7222: Application of GMW 0il Company for a unit agreement, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Starman Unit Area, comprising 2,803 acres, more or less, of State, Federal, and fee lands in Township 26 South, Range 35 East.
- CASE 7211: (Continued from April 8, 1981, Examiner Hearing)

Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the North Rock Lake State Unit Area, comprising 2,880 acres, more or less, of State land in Township 22 South, Range 35 East.

- CASE 7223: Application of Sun Oil Company for a dual completion and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of a well to be drilled in Unit M of Section 1, Township 22 South, Range 37 East, to produce oil from the Wantz-Granite Wash Pool and gas from the Tubb formation and to simultaneously dedicate the SW/4 of said Section 1 to said well and to its Lynch Christmas Com Well No. 4 in Unit L.
- CASE 7224: Application of S & I Oil Company for compulsory pooling, San Juan Gounty, New Mexico.

 Applicant, in the above-styled cause, scaka an order pooling all mineral interests in all formations underlying the SW/4 SW/4 of Section 2, Township 29 North, Range 15 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 7225: Application of Knox Industries, Inc. for an unorthodox gas well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox Morrow location of its Maddox Well No. 1 to be drilled 1980 feet from the South line and 660 feet from the West line of Section 12,

 Township 23 South, Range 34 East, Northeast Ant the Ridge Field, the S/2 of said Section 12 to be dedicated to the well.
- CASE 7226: Application of Enserch Exploration, Inc. for salt water disposal, Roosevelt County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Montoya formation in the interval from 7902 feet to 7930 feet in its Rader Well No. 2 in Unit E of Section 32, Township 5 South, Range 33 East.
- CASE 7227: Application of Alpha Twenty-One Production Company for an unorthodox gas well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the E/2 SW/3 and SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, Hare-San Andres Gas Pool, to be dedicated to its Lansford Well No. 1 at an unorthodox location 660 feet from the South line and 1650 feet from the West line of said Section 21.
- CASE 7228: Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Pennsylvanian location of its Rio Penasco "RD" Well No. 3 to be drilled 990 feet from the North line and 660 feet from the East line of Section 11, Township 19 South, Range 25 East, the N/2 of said Section 11 to be dedicated to said well and to applicant's Rio Penasco "MF" Federal Well No. 1 located in Unit F.

- CASE 7229: 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 Morrow-Pennsylvanian location of its Sharp "QS" Com. Well No. 1 to be drilled 660 feet from the South and East lines of Section 4, Township 17 South, Range 28 East, the S/2 of said Section 4 to be dedicated to the well.
- CASE 7184: (Continued from March 11, 1981, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 13, Township 17 South, Range 28 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 7230: Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Gallup formations underlying the S/2 SW/4 of Section 7, Township 29 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 7231: Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Gallup formations underlying the S/2 SE/4 of Section 11, Township 29 North, Range 15 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 7232: Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Callup formations underlying the E/2 SW/4 of Section 12, Township 29 North, Range 15 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 7233: Application of Bass Enterprises Production Co. for directional drilling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to directionally drill its Montieth Well No. 3, the surface location of which is 2130 feet from the South line and 1980 feet from the East line of Section 13, Township 16 South, Range 36 East, Northeast Lovington-Pennsylvanian Pool, and drill said well in an easterly direction to bottom it not closer than 510 feet to the outer boundary of the dedicated unit, being the N/2 SE/4 of said Section 13.
- CASE 7234: Application of Getty Oil Company for a dual completion, Rio Arriba County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the dual completion of its Farming & Well
 No. 1-E located in Unit I of Section 2, Township 24 North, Range 6 West, to produce oil from the
 Gallup formation thru the casing-tubing annulus and gas from the Dakota formation thru tubing.

BEFORE THE OIL CONSERVATION DIVISION

OF THE

NEW MEXICO ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION OF CARIBOU FOUR CORNERS, INC. FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO.

No.	7230
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APPLICATION

Comes now Caribou Four Corners, Inc., by its attorneys Jasper and Buell, and applies to the Oil Conservation Division of the New Mexico Energy and Minerals Department for an order pooling all the mineral interests in the Mesa Verde and Gallup formations beneath the South one-half of the Southwest one-quarter of Section Seven, Township Two North, Range Fourteen T29N West (S 1/2 SW 1/4, Sec. 7, T-2N:, R.14W.) N.M.P.M., San Juan County, New Mexico, and in support of its application, states:

- 1. Applicant proposes to be the operator of and is an interested party in the mineral prests under the above described lands within the intervals designated.
- 2. Applicant proposes to drill its Caribou Four Corners
 Kirtland No. 10 well on the above described lands to test the designated
 formations for the production of oil, gas and other hydrocarbons at a
 standard location.
- 3. Applicant has attempted to obtain the participation of all remaining working interest owners in the above described lands and intervals in the drilling of the proposed well, but has not been successful.
- 4. Applicant is entitled to a reasonable allocation of costs in the drilling of the well and a reasonable charge for the supervision of drilling and operating the well.

5. Applicant is entitled to be designated the operator of the well.

6. Applicant asks that it be awarded a three hundred percent (300%) risk factor to be charged non-participating interest owners.

7. Other mineral interest owners that may have an interest in this application include:

Edward C. and Mary Jane Greene 1522 1st Avenue Safford, Arizona 85546

8. The granting of this application will prevent waste and protect correlative rights.

9. This application may be heard by the Oil Conservation Division or one of its designated examiners.

JASPER and BUELL

Sumner G. Buell

Attorneys for Applicant Post Office Box 1626

Santa Fe, New Mexico 87501

BEFORE THE OIL CONSERVATION DIVISION

OF THE

NEW MEXICO ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION OF CARIBOU FOUR CORNERS, INC. FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO.

No.	7230	
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APPLICATION

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JASPER and BUELL

Summer G. Buell

Attorneys for Applicant Post Office Box 1626

Santa Fe, New Mexico 87501

BEFORE THE OIL CONSERVATION DIVISION

OF THE

NEW MEXICO ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE APPLICATION OF CARIBOU FOUR CORNERS, INC. FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO.

10.	No.	7230
	****	11234

APPLICATION

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JASPER and BUELL

Sumner G. Buell

Attorneys for Applicant Post Office Box 1626

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dr/

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

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

CASE NO.	7230
Order No. R-	6672

APPLICATION OF CARIBOU FOUR CORNERS, INC. FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXÍCO.

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 9 a.m. on April 22 1981 , at Santa Fe, New Mexico, before Examiner Daniel S. Nutter NOW, on this day of April , 1981 , 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. 7230 is hereby dismissed. DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.