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December 27, 1988

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Case 9586

Re: In the Matter of the Application of Enron Oil & Gas
Company for Compulsory Pooling, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed is an Application of Enron Oil & Gas Company in the above-referenced case. Enron Oil & Gas Company respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on January 18, 1989.

Very truly yours,


WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Mr. Frank Estep
Enron Oil & Gas Company

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

IN THE MATTER OF THE APPLICATION OF
ENRON OIL & GAS COMPANY FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 9586

APPLICATION

ENRON OIL & GAS COMPANY, by and through its undersigned attorneys, and as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application to the Oil Conservation Division for an order pooling all of the minerals interests in the Morrow formation in and under all of Section 11, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or controls approximately 87.5% of the working interest in and under Section 11, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at a standard location in said Section 11, to a depth of approximately 15,000 feet to test all formations to the base of the Morrow formation.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the acreage to be pooled in said Section 11, except for those interest owners set out on Exhibit "A" attached hereto.

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

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

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on January 18, 1989, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR ENRON OIL
& GAS COMPANY

EXHIBIT A

Patricia D. Lyeth
4663 Waldo
Riverdale, New York 10471

Jones Robinson Company
Post Office Box 2076
Roswell, New Mexico 88201

John W. Pilant and Jean H. Pilant
Trustees of the John W. Pilant
and Jean H. Pilant Family Trust
dated September 23, 1986
c/o Jeffory L. Burr, Ltd.
1900 E. Flamingo Road
Suite 252
Las Vegas, Nevada 89119

Heirs or devisees of
Roberta Roberts French
c/o Alice V. F. Primrose
158 Middle Road
Santa Barbara, California 93108

Heirs or devisees of
Marie J. Murphy
935 Washington Avenue
Denver, Colorado 80270
or
c/o Lorraine Hilbert Fike
5616 Hampton Ridge
Houston, Texas 77069

Heirs or devisees of
Helen Wanek
c/o Main & Temple
Post Office Box 1737
Los Angeles, California 90012

Heirs or devisees of
Wilmer L. Love and wife, Leona M. Love
1724 E. 14th Place
Tulsa, Oklahoma 74101

Sherwood H. Morgan

Tulsa, Oklahoma 74101

XY Ltd.
Post Office Box 569
Roswell, New Mexico 88201

First Roswell Company
Post Office Box 1180
Roswell, New Mexico 88201

James D. Ellett
Post Office Box 10610
Reno, Nevada 89520

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109 Buttercup Lane
Lake Jackson, Texas 77566

Lillian Ellett Sawyer
15525 Mountain View Road
Desert Hot Springs, California 92240

Irene Ellett
c/o James D. Ellett
Post Office Box 10610
Reno, Nevada 89520

NCNB Texas, Trustee for
Emma Gale Bartlett Trust 9516-00
Post Office Box 83000
Dallas, Texas 75283

Anderson Carter
Post Office Box 998
Las Cruces, New Mexico 88004

Madeleine Alann
Peckham Bedford
Trustee of Alann P. Bedford Trust
7 Westover Road
Fort Worth, Texas 76107

Ellen Ann Wallace Williams
1801 Crestmont Court
Glendale, California 91208

Beatrice Bray Blackburn,
Joyce Blackburn Hart,
Edwin Robert Hart, Jr.,
Linda Hart Catterton,
Samuel Lloyd Hart,
Brenda Denise Hart Blevens,
William Otho Hart,
David Ray Hart and
Jason Gregory Hart
811 Cypress
Allen, Texas 75002

(CINTA ROJA-MORROW GAS POOL - Cont'd.)

(6) That the special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the vertical limits of the Cinta Roja-Morrow Gas Pool shall be the Morrow zone of the Pennsylvanian formation and the horizontal limits of said pool shall be extended to include the N/2 and SE/4 of Sec. 9, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

(2) That Special Rules and Regulations for the Cinta Roja-Morrow Gas Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
CINTA ROJA-MORROW GAS POOL

RULE 1. Each well completed or recompleted in the Cinta Roja-Morrow Gas Pool or in the Morrow formation within one mile thereof, and not nearer to or within the limits of another designated Morrow gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 640 acres, more or less, consisting of a governmental section.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or the following facts exist and the following provisions are complied with:

(a) The non-standard unit consists of quarter quarter sections or lots that are contiguous by a common bordering side.

(b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.

(c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Cinta Roja-Morrow Gas Pool or in the Morrow formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify

the Hobbs District Office of the Commission in writing of the name and location of the well on or before January 1, 1967.

(2) That the operator of each well presently drilling to or completed in the Cinta Roja-Morrow Gas Pool or in the Morrow formation within one mile thereof shall receive a 320-acre allowable until a Form C-102 dedicating 640 acres to the well has been filed with the Commission.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

EAST PUERTO CHIQUITO-MANCOS POOL
WEST PUERTO CHIQUITO-MANCOS POOL
Rio Arriba County, New Mexico

Order No. R-2565-B, Abolishes Puerto Chiquito-Mancos Pool, Creates East Puerto Chiquito-Mancos Pool and West Puerto Chiquito-Mancos Pool and Adopts Temporary Operating Rules for the West Puerto Chiquito-Mancos Pool, Rio Arriba County, New Mexico, November 28, 1966, as Amended by Order No. R-2565-C, January 6, 1970, Order No. R-6469, September 10, 1980, Order No. R-6469-A, January 29, 1981, Order No. R-6469-B, February 1, 1986, and Order Nos. R-6469-C and R-3401-A, September 1, 1986.

Order No. R-2565-C, January 6, 1970, makes permanent the rules adopted in Order No. R-2565-B, as amended.

See separate Order No. R-3994, August 1, 1970, contracting the horizontal limits of the East Puerto Chiquito-Mancos Pool and extending the horizontal limits of the West Puerto Chiquito-Mancos Pool.

See separate Order No. R-6469-D, effective June 8, 1987, approving an allowable and gas-oil ratio limit for the West Puerto Chiquito-Mancos Oil Pool.

Application of Benson-Montin-Greer Drilling Corporation for Division of an Oil Pool into Two Pools and for Special Rules for Each, Rio Arriba County, New Mexico.

CASE NO. 3455
Order No. R-2565-B

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on November 16, 1966, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 28th day of November, 1966, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

(EAST PUERTO CHIQUITO-MANCOS POOL - Cont'd.)

Section 16:	W/2 NE/4	80.00 acres
Section 21:	E/2 SE/4	80.00 acres
Section 21:	W/2 SE/4	80.00 acres
Section 22:	W/2 NW/4	80.00 acres
Section 22:	E/2 NW/4	80.00 acres
Section 28:	N/2 NW/4	80.00 acres
Section 28:	SW/4 NW/4 and Lot 4	64.21 acres
Section 28:	SE/4 NW/4 and Lot 3	64.01 acres
Section 29:	N/2 NE/4	80.00 acres
Section 29:	N/2 NW/4	80.00 acres
Section 29:	SW/4 NW/4 and Lot 4	64.30 acres
Section 29:	SE/4 NW/4 and Lot 3	64.30 acres
Section 29:	SW/4 NE/4 and Lot 2	64.30 acres
Section 29:	SE/4 NE/4 and Lot 1	64.30 acres

PROVIDED HOWEVER, That none of the aforesaid non-standard units shall become effective until the operator thereof has filed with the Commission Form C-128 outlining thereon the acreage dedicated to the well.

(4) (As Amended by Order No. R-2855, December 29, 1964.) That the Secretary-Director of the Commission is hereby authorized to approve interference tests and the transfer of allowables to wells on the same lease or, if in a unitized area, to wells in the same participating area, provided however, that no transfer well shall be permitted to receive, in addition to its own allowable, more than one top unit allowable for the Puerto Chiquito-Gallup Oil Pool; that the Secretary-Director of the Commission is hereby authorized to permit the accumulation of allowables for wells shut in for interference tests and to permit the transfer of back allowables from shut-in wells, provided however, that the period of time authorized to produce back allowable shall not exceed six months following completion of the interference tests.

To obtain administrative approval for interference tests and the transfer of allowable, the operator shall submit in triplicate a request for such authority describing in detail the proposed method of conducting such tests and transferring the allowable. The application shall be accompanied by a plat showing thereon all Gallup wells within a radius of two miles of the proposed shut-in well(s) and the transfer well(s). The plat shall also identify each lease or participating area as to ownership or operating rights. The application shall include evidence that all offset operators to shut-in well(s) and the transfer well(s) have been furnished a complete copy of the application. It shall also be accompanied by Form C-116 for each shut-in well, showing the results of a pre-shut-in test to determine the amount of allowable to be transferred. The transferred allowable shall not exceed the volume of oil produced during the last 24 hours of a 72 hour period during which the well shall be produced at a constant rate. The Commission and offset operators to both the shut-in well(s) and the transfer well(s) may witness such tests if they so desire and shall be notified of the tests at least 48 hours prior to the commencement thereof.

The Secretary-Director of the Commission may grant approval of the interference tests and transfer of allowable upon receipt of waivers from all offset operators or upon expiration of a 20-day waiting period, provided no offset operator has objected to the proposed test and transfer.

(5) That notwithstanding any of the provisions of Rule 104 (a) of the Commission Rules and Regulations, the Special Rules and Regulations for the Puerto Chiquito-Gallup Oil Pool shall not be applicable outside the limits of said pool as hereinabove defined or as hereafter extended.

(6) That this case shall be reopened in September, 1966, at which time the operators in the subject pool may appear and show cause why the Puerto Chiquito-Gallup Oil Pool should not be developed on 40-acre proration units.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

CINTA ROJA-MORROW GAS POOL
Lea County, New Mexico

Order No. R-3161, Adopting Operating Rules for the Cinta Roja-Morrow Gas Pool, Lea County, New Mexico, December 6, 1966.

Application of Midwest Oil Corporation for
Special Pool Rules, Lea County, New Mexico.

CASE NO. 3492
Order No. R-3161

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on November 30, 1966, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of December, 1966, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Midwest Oil Corporation, seeks the promulgation of special rules and regulations for the Cinta Roja-Morrow Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing units.

(3) That the applicant has established that one well in the Cinta Roja-Morrow Gas Pool can efficiently and economically drain and develop 640 acres.

(4) That the vertical limits of said pool should be defined as the Morrow zone of the Pennsylvanian formation and the horizontal limits of said pool should be extended to include the N/2 and SE/4 of Section 9, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

(5) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 640-acre spacing units should be promulgated for the Cinta Roja-Morrow Gas Pool.

COUNTY *Lea*

POOL *Ciuta Roja-Morrow Gas*

TOWNSHIP *24 South*

RANGE *35 East*

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: *SW¹/₄ Sec. 9 (R-2985, 11-1-65)*

Ext: *N¹/₂ & SE¹/₄ Sec. 9 (R-3161, 12-6-66)* Ext: *All Sec. 10 (R-6211, 12-31-79)*

Ext: *All Sec. 4 (R-6368, 7-1-80)* Ext: *All Sec. 8 (R-6890, 1-2-82)*

