



Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

KELLAHIN and KELLAHIN  
Attorneys at Law  
El Patio - 117 North Guadalupe  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265  
OIL CONSERVATION DIVISION  
SANTA FE Telephone 982-4285  
Area Code 505

November 30, 1984

*Stogner*

W. Perry Pearce, Esq.  
Montgomery Law Firm  
P. O. Box 2307  
Santa Fe, New Mexico 87501

"Hand Delivered"

Shell Western E & P, Inc.  
200 N. Dairy Ashford  
Room 4366  
Houston, Texas 77079

"Federal Express"

Attn: Mr. Rick Goenner

Re: Pennzoil Company  
Forced Pooling and Unorthodox well location  
W/2 Section, T17S, R34E, Lea County, NM  
NMOCD Case 8394  
Order R-7719

*M.S.*

Gentlemen:

We have discovered that the New Mexico Oil Conservation Division has failed to send you a copy of the above referenced forced pooling order entered effective November 9, 1984.

Please find enclosed a copy of that order.

I am advised by Pennzoil that they have already furnished Shell Western E & P with a copy of the AFE pursuant to the Order R-7719, and that the thirty day period for voluntary joinder is running from the date of receipt by Shell of that AFE.

Please call me if you have any questions.

Very truly yours,

Original signed by  
W. THOMAS KELLAHIN  
W. Thomas Kellahin

WTK:ca

KELLAHIN and KELLAHIN

W. Perry Pearce, Esq.  
Shell Western E & P, Inc.  
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cc: Lonnie Whitfield  
Pennzoil Company  
200 North Lorraine  
4th Floor  
Midland, Texas 79702

Mr. Richard L. Stamets  
Director  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

# State of New Mexico



JIM BACA  
COMMISSIONER



## Commissioner of Public Lands

October 29, 1984

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

### M E M O R A N D U M

TO: Michael Stogner, Oil Conservation Division and ~~Art Waskey, Legal Division~~

FROM: Ray D. Graham, Director - Oil and Gas Division

SUBJECT: EXAMINERS HEARING OCTOBER 31, 1984 (CASE 8394, PENNZOIL COMPULSORY POOLING)  
W $\frac{1}{2}$ , Section 1, T-17S, R-34E.

Pennzoil is seeking permission to compulsory pool all mineral interest from the surface to the base of the Pennsylvanian formation. I assume this is for a Strawn, Atoka or Morrow gas well on this spacing pattern.

As previously discussed with you, we object to this compulsory pooling insofar as it covers the W $\frac{1}{2}$ , Section 1 from the surface to the top of the Pennsylvanian formation. We have no objection to the pooling of the Pennsylvanian formation only.

Our objections are based on the facts that there are 5 Vacuum-Abo wells currently producing in the W $\frac{1}{2}$  of Section 1 and there is 1-80 acre communitization agreement in W $\frac{1}{2}$  in addition to the S $\frac{1}{2}$ SW $\frac{1}{4}$  being committed to the Yates North Vacuum-San Andres Unit which covers only the upper 200 feet of the San Andres formation. Grace Petroleum Co. operates 3 of the Vacuum-Abo wells and Sage Energy Co. operates the remaining 2 Vacuum-Abo wells on the W $\frac{1}{2}$ .

Please advise this office by Tuesday, October 30th if you are unable to accommodate our objection as to compulsory pooling from the surface to the top of the Pennsylvanian formation in the Examiners Hearing and subsequent order, in order that our legal counsel can enter a formal protest prior to or during the hearing on this case.

A handwritten signature in cursive script that reads "Ray D. Graham".

RAY D. GRAHAM, DIRECTOR  
OIL AND GAS DIVISION

RDG:cw