CASE 4187: APPLICATION OF AZTEC FOR AMENDMENT OF ADMINISTRATIVE ORDER NWU-341 & ORDER R-2046.

Case Number. 418

Application

Transcripts.

Small Exhibits

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1120 SIMMS BIDG. . P. O. BOX 1092 . PHONE 243-6691 . ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 6, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of Aztec Oil and Gas)
Company for the amendment of)
Adeministrative Order NWU-341 and)
Commission Order No. R-2046)
San Juan County, New Mexico.

Case No. 4187

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING



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MR. NUTTER: Case No. 4187.

MR. HATCH: Case No. 4187. Application of Aztec Oil and Gas Company for the amendment of Administrative Order NWU-341 and Commission Order No. R-2046, San Juan County, New Mexico.

(Discussion held off the record.)

MR. MORRIS: Mr. Examiner, I am Dick Morris of Montgomery, Federici, Andrews, Hannahs and Morris, Santa Fe, appearing on behalf of the Applicant, Aztec Oil and Gas Company. I would like to introduct to you, Mr. Examiner, Mr. Joe Starks, Attorney for Aztec Oil and Gas Company and a member of the Texas Bar who will present the case for the Company.

MR. STARKS: If it please the Examiner, I have only one witness whom I would request be sworn, Mr. L. M. Stevens.

(Witness sworn.)

L. M. STEVENS

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. STARKS:

- Q Mr. Stevens, by whom are you employed?
- A By Aztec Oil and Gas Company.

- Q The Applicant herein, is that correct?
- A Yes.
- Q In what capacity are you employed by the Applicant?
- A District Superintendent of the Dallas District.
- Q What is your professional background, Mr. Stevens?
- A I graduated from Texas A and I University with a degree of Petroleum Engineering. I worked for Eastern Producing on the Gulf Coast for 7 years. For the past 13 years I have been associated with Aztec Oil and Gas. Four of these years were spent in the San Juan Basin as District Engineer in charge of drilling and production.

MR. STARKS: Mr. Examiner, are there any questions as to the qualifications? I believe you have testified before this Commission before, have you not?

MR. NUTTER: No questions. Please proceed.

MR. STARKS: Thank you, Mr. Examiner.

BY MR. STARKS:

Q Mr. Stevens, for the purpose of this Hearing have you made a study of the area which encompasses the northern and western portion of Township 32 North, Range 8 West in San Juan County, New Mexico?

A Yes, sir.

MR. STARKS: Mr. Examiner, by way of prefacing

- Q The Applicant herein, is that correct?
- A Yes.
- Q In what capacity are you employed by the Applicant?
- A District Superintendent of the Dallas District.
- Q What is your professional background, Mr. Stevens?
- A I graduated from Texas A and I University with a degree of Petroleum Engineering. I worked for Eastern Producing on the Gulf Coast for 7 years. For the past 13 years I have been associated with Aztec Oil and Gas. Four of these years were spent in the San Juan Basin as District Engineer in charge of drilling and production.

MR. STARKS: Mr. Examiner, are there any questions as to the qualifications? I believe you have testified before this Commission before, have you not?

MR. NUTTER: No questions. Please proceed.

MR. STARKS: Thank you, Mr. Examiner.

BY MR. STARKS:

Q Mr. Stevens, for the purpose of this Hearing have you made a study of the area which encompasses the northern and western portion of Township 32 North, Range 8 West in San Tuan County, New Mexico?

A Yes, sir.

MR. STARKS: Mr. Examiner, by way of prefacing

a remark, I would like to say that we are requesting at the present time an amendment of two orders that were previously entered by the Commission, the first of which was Administrative Order No. NWU-341 entered by the Commission on December 14, 1959 relative to the creation of certain non-standard units for the development of the Mesa Verde formation along the north and western tier of sections in Township 32 North, Range 8 West, this being an irregular -- these being irregular sections. The second order being the Commission's Order No. R-2046 entered on the 14th day of August, 1961, again creating non-standard units for the development of the Dakota formation.

(Whereupon, Applicant's Exhibits Nos. 1 through 4 were marked for identification.)

MR. STARKS: We would like to introduce by way of exhibits, first, a plat which is shown on a base print of a dependent re-survey which is on file with the Bureau of Land Management. The date of this re-survey plat was February 18, 1964 subsequent to the date of these original orders, the first of which flat will show the Units as authorized by Administrative Order NWU-341. Those Units are bounded in blue. Applicant's Exhibit No. 2 will be a plat on the same base showing bounded in red, the Dakota

units as authorized in Order No. R-2046. Also occurring subsequent to the date of these orders, certain of the lands which were included in the San Juan Basin 32-8 Unit were eliminated therefrom.

Applicant's Exhibit No. 3 will show those portions of the acreage within that Township which are still committed to and operated under the 32-8 Unit.

Then, Applicant's Exhibit No. 4 will show the acreage which is the subject of this Application and the Units as proposed by the Applicant, showing also the acreage figure for each of the Units based upon the most recent independent re-survey in this area.

BY MR. STARKS:

Q Mr. Stevens, you have viewed the exhibits as have been presented, and first, I will ask you if they were prepared by you or under your supervision?

À Yes.

Q Now, Mr. Stevens, let's refer to the first exhibit which is the plat showing the Mesa Verde Unit as previously authorized. How many units are located in Sections 7 through 12, that is, the northern tier of the sections in this Township?

A There are 6 Units along the northern tier of the Section.

Q Now, what is the variation in size of those various units as permitted in that Order?

A Along the northern tier, they range in size from about 315 acres to 408 acres, and this is the acreage as cited in the original order and not based upon the re-survey.

Q Based upon the re-survey which was filed with the Bureau of Land Management on February 18, 1964, what change in those acreage figures allocated to those units would result?

A This resulted in an increase in acreage committed to each unit with the largest one of 408 acres being expanded to about 421 acres.

MR. NUTTER: Could you give us the acreage in each one of the sections, please? Do you have that on the re-survey?

THE WITNESS: Section 12 --

MR. STARKS: (Interrupting) Mr. Examiner, I could calculate it. We have not calculated it for each individual section. That is, not for sections 10 and 11. You will find the current acreages for Sections 7,8 and 9 as shown on Applicant's Exhibit No. 4. Those will be the same. I could calculate from the plat here since each of those lots were subject to re-survey, and come up with a

total acreage.

MR. NUTTER: Well, these numbers in each of the tracts there, in Sections 10, 11 and 12, are the acreages included in each one of the individual lots in that section?

MR. STARKS: That is correct, Mr. Examiner.

The figures shown penciled in red are, of course, the acreages which are allocated to the proposed Unit, but the acreage figures are shown for each individual lot in those sections on this re-survey.

MR. NUTTER: Okay. We will dispense with the actual acreage in these sections right now, but the Range, then, runs from 314.78?

MR. STARKS: Yes, that is correct, to 408.40.

MR. NUTTER: That is the old survey or the new?

MR. STARKS: No, the new survey would go in excess of 421 acres for Section 12.

MR. NUTTER: What is the small one on the re-survey, the smallest?

THE WITNESS: The re-survey, it is 314.78. It is the same thing.

MR. NUTTER: It didn't change on the survey?

THE WITNESS: Not in Section 7.

MR. NUTTER: Everything changed except Section 7?

THE WITNESS: Yes, sir.

MR. NUTTER: I see. But these penciled figures on Exhibit No. 1, that is the acreage that was on the old survey?

MR. STARKS: Oh, yes, that's the acreage as cited in the original Order. I believe that you will find typed on the top of that Exhibit in parenthesis "Called acreage figures."

BY MR. STARKS:

Q All right. Now, Mr. Stevens, referring to Applicant's Exhibit No. 2, what differences do you notice between the Units as authorized, the non-standard Units authorized for the Dakota and for the Mesa Verde as shown on Applicant's Exhibit No. 1?

A Well, the Unit boundaries are not coincident.

Presently established Dakota Unit boundaries and the first established Mesa Verde boundaries are not coincident.

- Q Is that true in all cases?
- A Yes, sir.
- Q How many units would be located along the northern tier section on your Exhibit No. 2?
 - A There would be 7 Units, 7 Dakota Units.
 - Q As compared with 6 for the Mesa Verde?

- A For the Mesa Verde, that is correct.
- Q From an operational standpoint, if you wanted to dually complete wells in this area, what operational problems would result if both orders, both of these orders were honored?
- A Well, particularly in Sections 9 and 10, dually completed wells on that Unit, Dakota and Mesa Verde, would require different communitizations in the Dakota and Mesa Verde and part of the Dakota would be committed to the 32-8 Unit.
- Q Would that create a tremenduous operational problem?
- A In a dual completion, yes, it would. There would be a problem in allocating costs.
- Also, if both of the old orders were honored, it would be necessary to drill four wells, would it not, in Sections 10, 11 and 12 for the development -- I believe I said 3 for the development of the Mesa Verde and 4 for the Dakota, is that correct?
 - A Yes, sir, that is correct.
- Q Now, which of these Sections does Aztec hold under lease at the present time?
 - A At the present time, we hold under lease all of

Section 7, all of Section 8, Section 10, Section 11 and Section 12.

- We How about Section 18?
- A In Section 18, we hold under lease the north half of that section.
- Q All right. Now, have you made a study of the development and the production within this Township for the purposes of this Hearing?
 - A Yes, I have.
 - Q Are there several wells producing in the Township?
 - A Yes, sir, there are.
- Q Are there any producing wells on any of the acreage covered within the area of Applicant's request today?
 - A No, sir, no producing wells.
- Q No producing wells. Have there ever been any wells drilled on any of that acreage?
 - A In Section 9 there is a dry hole drilled.
 - Q Was that drilled by the Applicant?
 - A No, sir.
- Q I believe El Paso is the operator of 32-8 Unit, is that correct?
 - A Yes, that's correct.
 - Q Do they have several wells producing in this

Township at the present time?

A Yes, they do. All of them are Mesa Verde wells in the Township.

- Q These are gas wells, are they not?
- A Yes, sir.
- Q On the average, approximately how much gas do these wells produce?
- A The deliverability of these wells range from 9 M.C.F. to 88 M.C.F. These are singularly completed Mesa Verde wells, old wells, shot-hole completions.
- Q Let me ask you: Has Applicant drilled any wells in this Township recently?
- A Yes, sir, we have. In this Township, we have drilled 5 wells.
 - Q Where are those wells located?
- A One well is located in Unit "M" of Section 36.

 One in Unit "N" of Section 32. One in Unit "M" of

 Section 21. One in Unit "M" of Section 24. One in Unit "H"

 of Section 12.
- Q Have any of these wells been completed at the present time?
 - A Yes, sir, some of them have.
 - Q Which ones have been completed?

A The one in Unit "M" Section 36 which we call the Albino Canyon Well.

- Q That well was completed?
- A Yes.
- Q In what zone or zones?

A It was completed in the Mesa Verde. It was drilled to the T.D. of 84-80 through the Dakota.

Q Was a completion attempt made in the Dakota?

A Yes, sir, it was. We ran a line on the Dakota in separate stages. We gave the Dakota every chance to come in. I think we adequately tested it.

- Q Was that well completed in the Mesa Verde?
- A Yes, sir, it was.
- Q What was the absolute open flow potential flow on that well?
- A The absolute open flow on Mesa Verde was 2459 M.C.F. a day.
 - Q How was the well completed?
- A It is a singly completed well. It was plugged back from the Dakota.
- Q Was the zone cracked at the time the completion attempt?

- A Yes, sir.
- Q How was it cracked?
- A It was packed with sand and water, high volume.
- Q Was a well drilled in Section 21 and also drilled to a sufficient depth to penetrate and test the Dakota formation?
 - A Yes, sir, it was.
 - Q What was your experience in completing that well?
- A We also gave this Dakota section an adequate test as we did the well in Section 36. This also resulted in uneconomical flow from the Dakota. The well was subsequently plugged back and completed in the Mesa Verde for 1939 M.C.F. per day absolute overflow.
- Q Has Applicant drilled or is Applicant presently drilling any other wells in this Township?
- A The well in Unit "N" of Section 32 was drilled to a total depth of 8349. The line was sent through the Dakota and we also adequately tested the Dakota in this well. It also failed to produce in commercial quantities from the Dakota. The well was plugged back and dually completed in the Mesa Verde formation and Picture Cliff formation.
 - Q Has Applicant also drilled a well in Section 12

recently?

- A Yes, sir, we have.
- Q What is the present status of that well?
- A This well presently has the pipe set and is waiting on a completion unit.

MR. NUTTER: What well was that?

THE WITNESS: The well in Section 12, Unit EH".

MR. NUTTER: Where would that be in Unit "H" there. Would that actually be there in Lot 5 of this plat or what?

THE WITNESS: Yes, sir.

MR. NUTTER: So you've got a well drilling there right now?

THE WITNESS: Yes, that is correct. It is a standard location. We had room in the NE/4 of Section 12 to make a standard location.

BY MR. STARKS:

- Q In your opinion, do you think there is a chance to complete that well in the Dakota formation?
- A Presently, our log analyses indicate that there is a good possibility that this well can be completed in the Dakota formation.
 - Q Mr. Stevens, based on your experience in attempting

to complete wells in the Dakota formation in this area, in your opinion, could you justify recommending to your management that wells be drilled to the Dakota formation and singly completed in that zone?

A No, sir, due to the low capacity, we couldn't recommend that.

Q Even with the absolute open-flow potential on the Mesa Verde, would you sav that the Mesa Verde is your best shot in this area?

A Yes, sir. We consider the Mesa Verde as proved in this area, but the Dakota is wildcat.

Q But with the deliverability anticipated in the Mesa Verde, you anticipate a relatively long period of pay-off for these wells?

A Yes, we do. Mesa Verde is also going to be a relatively low capacity. The new wells should be better than the old shot-hole completions, but they will be low capacity.

Q In your opinion, in order to economically justify the drilling of further wells in the Dakota and testing it in this area, would it be necessary to dually complete these wells as both Dakota and Mesa Verde wells?

A Yes, sir, it would. They would essentially be dually completed.

Q Now, if Applicant's request should be granted today, would this afford the Applicant any preferred position with respect to correlative rights over his neighbors from the standpoint of spacing?

A No, sir. No advantage so far as spacing is concerned with the sections to the south.

- Q All right. Have you checked to determine the location of wells to the north, and incidently, the north line of Section 32-A is coincident with the State line of the State of New Mexico -- that is, the Colorado-New Mexico State border, is that not correct?
 - A That is correct.
 - Q And the wells to the north will be located in the State of Colorado, is that not correct?
 - A That is correct.
 - Q Have you checked to determine the location of wells which might be offsetting this acreage to the north?
 - A Yes, sir. The Section offsetting Section 12 to the north has two wells in it. One well is singly completed in the Mesa Verde and it has a dual Dakota-Mesa Verde completion in it.
 - Q Let me ask you this question: Are those also fractional sections offsetting to the north?

- A Yes, sir, they are. They are short sections.
- Q Do they appear similar in size to the sections that we are looking at?
 - A Relatively similar, yes, sir.
- Q So if Applicant were permitted to make his locations as requested, he would not acquire any competitive advantage even with respect to the wells over in Colorado, is that correct?
 - A Yes.
- Q Let me ask you this, Mr. Stevens: In your opinion, will one well adequately drain an area of approximately 420 acres in the Mesa Verde which was permitted in the 1959 Order?
- A Well, 420 acres in this particular area, there would be some question that a Mesa Verde well or a Dakota well could drain 420 acres.
- Q I would like to call your attention to Applicant's Exhibit No. 4 and particularly with respect to Section 18.

 On this Exhibit, I believe thereis dashed in brown an area which encompasses most -- well it encompasses all of the south half of Section 18 and a portion of Section 19 -- why was that shown on this plat?
 - A That was shown to show what we propose, the

formation of another unit in this one Section in order so that the remaining units would coincide with the presently established unit in the tier of Section -- on the west side of the Township, but south of Section 18.

Q In other words, in making this request, Applicant is here demonstrating that this would not jeopardize the spacing of units in Sections 19, 30 and 31 which were covered by the prior Orders?

A Yes, sir.

MR. STARKS: Mr. Examiner, no request was made with respect to an unorthodox location through oversight and inasmuch as I was not included in this notice. It might be improper to mention it at this time, however, there is one bit of testimony I would like to elicit in that regard for clarification purposes.

Q If Applicant's request should be granted, could orthodox locations be made on all units as requested?

A No, sir. The proposed unit -- the units that we propose in Sections 11 and 12 -- there would be some problem in establishing a standard location in that unit.

Q But could orthodox locations be made in all of the other units as requested?

A Yes, sir.

BY MR. STARKS:

Q And Applicant would either defer requesting of an unorthodox location with respect to the second unit from the right encompassing a portion of Sections 11 and 12 --

MR. NUTTER: (Interrupting) Now, you said you've already got a location drilling which is a standard location, so really all we've got left, then, is a possible non-standard location in Section 11?

MR. STARKS: In Section 11 which includes a portion of Section 12.

MR. NUTTER: A part of 12.

MR. STARKS: Standard locations could be made in each of the other units as applied for. I am simply bringing that up.

I don't believe I have anything further of this witness, Mr. Examiner.

CROSS EXAMINATION

BY MR. NUTTER:

- Q Mr. Stevens, when you were going through the dsvelopment in this Township, you also mentioned a well in Section 24. Has that well been drilled yet?
 - A Yes, sir.
 - Q Would you give us the details on that, please?
- A Yes, sir. That is in Unit "M" of Section 24, Canyon No. 1, drilled to a T.D. of 8260 through the

Dakota. We set a line in the Dakota perforated in sand and water pack, the Dakota and the Grenier and upper bench of the Dakota separately. This formation also failed to produce gas in commercial quantities, so the well was plugged back and completed in the Mesa Verde and we are presently testing the Fruitland formation in that well with dual completion in the Fruitland and the Mesa Verde.

- Q Do you have a potential in the Mesa Verde yet?
- A No, sir. We haven't fully completed the well.
- Q Are you going to have a well in the Mesa Verde, however?
 - A Yes, sir.
- Q And you are attempting a dually completed well in the Fruitland and Mesa Verde?
- A That's right. Our drilling report said that when they cleaned the well and blew it down, that the Mesa Verde was producing about 1200 M.C.F. a day.
- Q What acreage does the San Juan 32-8 Unit comprise here? Originally, was the entire Township in the Unit?
 - A Yes, sir.
- Q Then, for non-production, certain acreage was deleted from the Unit?

MR. STARKS: Pardon me. That is the acreage shown

in green on our Exhibit No. 3. It is still in the San Juan --

MR. NUTTER: (Interrupting) That is all the acreage that is in the unit?

MR. STARKS: Yes.

MR. NUTTER: Now, Aztec has leases on Sections 7, 8, 10, 11 and 12 and the north half of 18?

MR. STARKS: Yes, sir. Aztec also owns leases on this too, but since this was for information purposes, I didn't presume to show this as a lease plat -- just to show what --

TER: (Interrupting) In other words, all the white creage in this Township is Aztec, all the green acreage belongs to the Unit?

MR. STARKS: That's correct. But these are all new leases that were taken in the last 24 months.

MR. NUTTER: Now, the reason that Section 9 was not deleted from the Unit was because the Unit had drilled a dry hole in Section 9, had it not?

MR. STARKS: Yes.

MR. NUTTER: And I believe that that dry hole is shown on your Exhibit No. 4?

MR. STARKS: Yes, that is correct. BY MR. NUTTER:

Q Did that well test for the Dakota?

A No, sir, it didn't go that deep. It went to 6516 and the Dakota is below 8000 feet.

Q So it was a Mesa Verde test and possible Picture Cliff?

A Yes.

Q Now, with respect to this Unit in the south half of Section 18, Mr. Stevens, you show the entire south half dedicated to the Unit in the dotted brown line?

A Yes, sir.

Q And also the two lots in the western portion of the northwest quarter of Section 19?

A Yes.

Q And then the total there of 318.49 acres would be all of that acreage enclosed in the brown dotted line?

A Yes, sir, that would be the south half of 18 and the two lots in Section 19.

MR. STARKS: Mr. Examiner, that was done for the reason of showing what would be necessitated in reforming the Dakota Unit which had previously come all the way up here and has taken a portion of Section 7 by cutting it off, deleting this and adding that which wouldn't jeopardize because the other -- this was uncommitted under the Dakota --

this was merely to demonstrate that this would not jeopardize the spacing pattern by interrupting at that point. BY MR. NUTTER:

- Q Now, if we continued, then, in Section 19 with the deletion of the two lots from another Unit in Section 19, you could continue with the pattern proration unit that was established by Order No. R-2046, I believe it was?
 - A Yes, sir, they would be continued.
- Q Then you could just run right on down the line with the existing units as they are?
 - A Yes, sir.
- Q And this 318.49 acre unit approximates a standard unit for Mesa Verde or Dakcta?
 - A Yes.

MR. STARKS: The Dakota Units as delineated went 312.56. We simply attempted to show that by chopping it off at this point. It wouldn't jeopardize the continuation of the former spacing pattern.

BY MR. NUTTER:

Q One final question, Mr. Stevens: Would Aztec have objections to the unit operators dedicating a unit comprising this 318.49 acres as you have outlined here on your Exhibit No. 4?

- A Yes, sir. We would have no objections.
- Q You would have no objections?
- A We would have no objections whatsoever.

MR. STARKS: May I come back again? There is one other point I would like to discuss?

MR. NUTTER: Very good.

REDIRECT EXAMINATION

BY MR. STARKS:

Q First cff, the biggest unit which would be created under the spacing order would be owned entirely -- not by Applicant -- but by the operators of 32-8 unit, is that not correct?

A Yes, it is.

Now, in making your request for coincident units for the Mesa Verde and the Dakota and there being no Dakota production to the south in this Township, I would like to ask you if there are any wells completed in the Dakota formation across the State line up in Colo ado?

A Yes, sir, there are. As previously pointed out, there is one dual completion in the section north of Section 12 and in the section diagonally north of Section 8, there is a dual Mesa Verde-Dakota completion there -- just one well in that section to the north.

Let me ask you this: If there are producable hydrocarbons in the Dakota formation underlying the area which is the subject of this Hearing, if wells are not drilled to the Dakota formation and completed in that formation in this area, would those producable hydrocarbons be drained off across the State line, or would there be to possibility?

A It is highly possible that they would.

MR. STARKS: Nothing further, Mr. Examiner.

Thank you.

MR. NUTTER: Are there any further questions of Mr. Stevens?

You may be excused.

(Witness excused.)

MR. NUTTER: Did you offer those exhibits?

MR. STARKS: Yes, those are offered. I am sorry.

MR. NUTTER: Aztec's Exhibits Nos. 1 through 4 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1 through 4 were admitted in evidence.)

MR. NUTTER: Does anyone else have anything that they wish to offer in Case No. 4187? We will take the case under advisement.

STATE OF NEW MEXICO)
COUNTY OF SANTA FE)

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

COURT REPORTER

My Commission expires April 8, 1971.

I do hereby certify that the foregoing is a complete record of the producting in the Examiner hearing of Case No. 4/87.

New Mexico Oil Conservation Commission



Dear Sir:

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501 GOVERNOR DAVID F. CARGO CHAIRMAN

LAND COMMISSIONER ALEX J. ARMIJO MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

August 14, 1969

r. Richard Morris ontgomery, Federici, Andrews, annahs & Morris	Re: Case No. 4187 Order No. R-3817 Applicant:			
Attorneys at Law Post Office Box 2307		Aztec Oil	. & Gas	Company
Santa Fe, New Mexico				

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

A. h. Garter , S.

A. L. PORTER, Jr. Secretary-Director

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Copy of order also sent to:		
Hobbs OCC X		
Aztec OCC X		
Other	· · · · · · · · · · · · · · · · · · ·	,

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE Mo. 4187 Order No. R-3817

APPLICATION OF AZTEC OIL & GAS COMPANY FOR THE AMENDMENT OF ADMINISTRATIVE ORDER MWU-341 AND COMMISSION GRDER NO. R-2046, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 6, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of August, 1969, 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 Administrative Order NWU-341, dated December 14, 1959, established ten non-standard gas proration units in the Blanco-Nesaverde Gas Pool in Sections 7, 8, 9, 10, 11, 12, 18, 19, 30, and 31, Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico.
- (3) That Commission Order No. R-2046, dated August 14, 1961, established, among the establishment of other non-standard gas proration units, ten non-standard gas proration units in the Basin-Dakota Gas Pool in Sections 7, 8, 9, 10, 11, 12, 18, 19, 30 and 31, Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico.

-2-CASE No. 4187 Order No. R-3817

- (4) That the aforesaid non-standard Blanco-Mesaverde and Basin-Dakota gas proration units are not coextensive.
- (5) That the applicant, Aztec Oil & Gas Company, seeks to amend the aforesaid orders in such a manner as to permit the establishment of eight coextensive non-standard Blanco-Mesaverde and Basin-Dakota gas proration units in said Sections 7, 8, 9, 10, 11, 12, and 18.
- (6) That Administrative Order NWU-341 should be amended by the deletion of Units 2, 3, 4, 5, 6, and 7 from the non-standard gas proration units approved therein for the Blanco-Mesaverde Pool in Township 32 North, Range 8 West.
- (7) That Commission Order No. R-2046 should be amended by the deletion of Tracts A, B, C, D, E, F, G, and H from the non-standard gas proration units approved in said order for the Basin-Dakota Gas Pool in Township 32 North, Range 8 West.
- (8) That eight coextensive non-standard blanco-Mesaverde and Basin-Dakota gas provation units in Township 32 Morth, Range 8 West, EMPM, San Juan County, New Mexico, should be established as follows:

TRACT	ACREAGE	er territoria da 1888 de la mêjele se fie depende	DESCRIPTION
I	314.78	Section 7:	Lots 1, 2, 3, 4, 5, 6, E/2 SW/4, and SE/4
ıı	375.07	Section 8:	Lots 1, 2, 5, 6, 7, 8, 2/2 54/4, and 82/4
ııı	382.84	Section 9:	Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and W/2 SW/4
IV	290.69	Section 10:	Lots 6, 7, 8, 9, 10, 11, 14, 15, and 16
v	293.65	Section 10:	Lots 5, 12, and 13
	1	Section 11:	Lots 7, 8, 9, 10, 15, and 16

-3-CASE No. 4187 Order No. R-3817

TRACT	ACREAGE		DESCRIPTION
VI	299.89	Section 11:	Lots 5, 6, 11, 12, 13, and 14
		Section 12:	Lots 8, 9, and 16
VII	322.34	Section 12:	Lots 5, 6, 7, 10, 11, 12, 13, 14, and 15
VIII	271.65	Section 18:	N/2

(9) That the deletion of the above-described non-standard gas proration units from Administrative Order NWU-341 and Commission Order No. R-2046 and the establishment of the eight above-described non-standard gas proration units will aid in systematic devalopment of the subject pools, ease the administrative burden upon the operator thereby preventing waste and will not violate correlative rights.

IT IS THEREFORE ORDERED:

- (1) That Administrative Order NWU-341 is hereby amended by the deletion of Units 2, 3, 4, 5, 5, and 7 from the non-standard gas proration units approved therein for the Blanco-Mesaverde Pool in Township 32 North, Range 8 West, NMFM, San Juan County, New Mexico.
- (2) That Commission Order No. R-2046 is hereby amended by the deletion of Tracts A, B, C, D, B, F, G, and H from the non-standard gas proration units approved therein for the Basin-Dakota Pool in Township 32 Forth, Range 8 West, MNPM, San Juan County, New Mexico.
- (3) That the following-described non-standard gas proration units in the Blanco-Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico, are hereby established:

TOWNSHIP 32 WORTH, RANGE 8 WEST, MAPM

TRACT	ACREAGE		DESCRIPTION	
I	314.78	Section 7:	Lots 1, 2, 3, 4 E/2 SW/4, and S	

-4-CASE No. 4187 Order No. R-3817

TRACT	ACREAGE		DESCRIPTION
ıı	375.07	Section 8:	Lots 1, 2, 5, 6, 7, 8, E/2 SW/4, and SE/4
III	382.84	Section 9:	Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and W/2 SW/4
IV	290.69	Section 10:	Lots 6, 7, 8, 9, 10, 11, 14, 15, and 16
V	293.65	Section 10:	Lots 5, 13, and 13
		Section 11:	Lots 7, 8, 9, 10, 15, and 16
VI	299.89	Section 11:	Lots 5, 6, 11, 12, 13, and 14
		Section 12:	Lots 8, 9, and 16
VII	322.34	Section 12:	Lots 5, 6, 7, 10, 11, 12, 13, 14, and 15
TII	271.65	Section 18:	N/2

(4) 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 Marico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chearman

ALEX J ARMADO Member

A. L. PORTER, Jr., Member & Secretary

P. O. BOX 871 SANTA FE, NEW MEXICO

December 14, 1959

Pacific Northwest Pipeline Corporation P. O. Box 1526
Salt Lake City 10, Utah

Attention: Mr. R. N. Richey

Administrative Order NWU-341

4.00

Gentlemen:

Reference is made to your application for approval of 10 non-standard gas proration units in the Blanco-Mesaverde Pool consisting respectively of the following-described acreage in Town-ship 32 North, Range 8 West, NMPM, San Juan County, New Mexico:

Unit 1, all of Section 7 (314.78 acres)

Unit 2, all of Section 8 (377.04 acres)

Unit 3, all of Section 9 (386.44 acres)

Unit 4, all of Section 10 (391.80 acres)

Unit 5, all of Section 11 (404.00 acres)

Unit 6, all of Section 12 (408.40 acres)

Unit 7, W/2 of Section 18 (224.60 acres)

Unit 8, W/2 of Section 19 (223.40 acres)

Unit 9, W/2 of Section 30 (221.20 acres)

Unit 10, W/2 of Section 31, (221.10 acres)

It is our understanding that the wells to which the above-described units will be dedicated have not yet been drilled. Such wells shall be located on orthodox locations for the Blanco-Mesaverde Pool or an exception obtained for any unorthodox location.

OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

Pacific Northwest Pipeline Corp. December 14, 1959:

You are hereby authorized to operate the above-described non-standard gas proration units in the Blanco-Mesaverde Pool with the dedicated wells to be assigned an acreage factor for allowable purposes in the proportion that the acreage in each such non-standard gas proration unit bears to the acreage in a standard gas proration unit in the Blanco-Mesaverde Pool.

Very truly yours,

A. L. PORTER, Jr., Secretary-Director

ALP/OEP/og

cc: Oil Conservation Commission Aztec, New Mexico

BEFORE THE OIL CONSERVATION COMMESSION OF THE STATE OF NEW MEXICO

Boat Biblion

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR owerstening in the THE PURPOSE OF CONSIDERING:

> CASE No. 2327 Order No. R-2046

APPLICATION OF THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO CON-SIDER ESTABLISHING NON-STANDARD GAS PRORATION UNITS IN THE BASIN-DAKOTA GAS POOL IN CERTAIN PARTIAL SECTIONS, SAN JUAN COUNTY, NEW MEXICO.

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CAR CORDER OF THE COMMISSION

BY THE COMMISSION:

TO BERTH OF

This cause came on for hearing at 9 o'clock a.m. on June 28, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 14th day of August, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, in order to ensure systematic development and thereby prevent waste and protect correlative rights, the Commission should establish individual proration units in the Basin-Dakota Gas Pool in Townships 29, 30, 31 and 32 North, Ranges 4, 5, 6, 7, 8, 9, 11, 12 and 13 West, NMPM, San Juan County, New Mexico.
- (3) That said non-standard proration units are necessitated by irregular sections resulting from survey corrections in the United States Public Lands Survey.
- (4) That the acreage contained in each individual proration unit should be based on the latest official surveys and resurveys accepted by the Federal Bureau of Land Management.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in the Basin-Dakota Gas Pool, San Juan County, New Mexico,

TOWNSHIP 29 NORTH, RANGE 9 N	WEST
------------------------------	------

_ ·		CHINSHIP 2	9 NORTH, RA	ANCE A	·
Tract	Acreage	Sect10	n	MGE 9 WEST	
A	264.00				
В	334.14		Acres view a la	STORY OF CURRENT CHEMICA CURRENT ERRICHESTER VENC CONTRACTOR	the same and the s
· c	336.66		Burtone NT /o w		e transport of the contract of
Φ.	331:68:38	39 5 7 2 3	s/2 n s/2 s/2 s/	/2 N/2, S/2 N/2 /2 N/2, S/2 N/2	N/2 S/2
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Tract	reage s	ection			•

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ection of the section of the Country Section of the	N. C. S. Co. Asses
A. C. Special States when the	J. M. 5 1920 AL - 3569 (2)
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noldstand Locally 1366.40 and 5:30 sand systems Intelled Jacobs	D OD W/2 B and S Courter 1 1 1
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nto 05.2 in aurroys and conveys are selected and conveys are 15.12 Management.	PARTICIPATION OF THE PARTICIPA
and the second of the second o	

-3-CASE No. 2327 Order No. R-2046

TOWNSHIP 30 NORTH, RANGE 6 WEST

Tract	Acreage	Section		
A	339.46	1	E/2 (This unit also contains the SE/4 of Section 36, Township 31 North, Range 6 West)	e
В	319.69	1	W/2	
С	227.48	12	E/2	
D	227.76	13	E/2	
E	228.52	24	E/2	
F	229.56	25	E/2 A CHER L. L. L. L. 19 11 W.	
Ğ	230.24	36	E/2	

TOWNSHIP 30 NORTH, RANGE 7 WEST

Tract	Acreage	Section	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)			
A	296.02	6	acrea 31 No	ge in Se	this unit ction 31, ge 7 West wnship.	Township
В	298.90	7	W/2	ţ.t		
,		18	NW/4			
C	307.44	18	SW/4	9.7	Mills of	
· 2		19	₩/2	fac		en e
TD 12.0	209.36	30	W/2	14		
E	211.32	31	W/2	e Constant		

TOWNSHIP 30 NORTH, RANGE 9 WEST

Tract	Acreage	Section	
A	299.85	6	W/2
	₩.,	7	NW/4
В	304.39	7	SW/4
		18	W/2

-4-CASE No. 2327 Order No. R-2046

TOWNSHIP 30 NORTH, RANGE 9 WEST - (CONTINUED)

Tract	Acreage	Section	<u>1</u> (1)	
C	310.56	19	No.	W/2
		30	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	NW/4
D .	308.56	30		sw/4
•		31		W/2

TOWNSHIP 30 NORTH, RANGE 13 WEST

Tract	Acreage	Section	1		e e	
A	321.99	6	SW/4.	(This un	6, SE/4 NW/	ntains
•		mi (Ama) d	31 Nor	th, Range	ion 31, Tow 13 West co 2, 3, 4, E,	onsist
В	324.79	6	Lot 7,	SE/4 SW/	' 4	
		e in lace of the consent. The page of the	₩/2			
		18 (1.14)			•	
c	314.60	18	SW/4			
		19	W/2			
		30	NE/4 M	N/4	No. of the	
D	317.19	30	Lots 8	, 9, 10,	13, 14, 15,	16
		31 %	W/2	· • *		

TOWNSHIP 31 NORTH, RANGE 4 WEST

Tract	Acreage	Section	er Vitalija
A	331.82	1	E/2
В	327.26	1	W/2
C .	326.90	2	E/2
מ	326.62	. 2 .	W/2
E	326.52	3	E/2

-5-CASE No. 2327 Order No. R-2046

TOWNSHIP	31	NORTH,	RANGE	4	WEST -	(CONTINUED)
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Tract	Acreage	Section	
F	326.60	3	W/2
G	326.57	4	E/2
н	326.43	4	W/2
I	326.49	5	E/2
J	326.69	5	W/2
K	316.40	6	N/2
L	305.44	6	5/2
М	305.67	7	N/2
N	305.89	7	s/2
0	306.11		N/2
Ρ .	306.33	18	s/2
O	306.53	19	N/2
R	306.71	19	s/2
s	306.90	30 500	N/2
T	307.10	30 1 CA	s/2
U	307.31	14431 4424	N/2
V	307.53	31	s/2

TOWNSHIP 31 NORTH, RANGE 5 WEST

Tract	Acreage	Section	
Α	360,20	<u>1</u>	All
В	368.60	2	All
C	368.40	3	All
D	368.28	4	A11
E	367.96	5	A11

-5-CASE No. 2327 Order No. R-2046

TOWNSHIP 31 NORTH, RANGE 4 WEST - (CONTINUED)

Tract	Acreage	Section		
F	326.60	3	W/2	
G	326.57	4	E/2	
н	326.43	4	W/2	
ı	326.49	5	E/2	
J	326.69	5	W/2	
K	316.40	6	N/2	
L	305.44	6	s/2	en e
М	305.67	7	N/2	
N	305.89	7	s/2	. •••
· O	306.11		N/2	
P	306.33	18	s/2	
Q	306.53	19	N/2	
R	306.71	19	5/2	
S	306.90	30	N/2	
T	307.10	30	s/2	。 1957年 - 1957年 - 19
, , , ,	307.31	1 31 apr 5	N/2	
V	307.53	31	s/2	

TOWNSHIP 31 NORTH, RANGE 5 WEST

Tract	Acreage	Section	
A	360.20		All
В	368.60	2	All
С	368.40	3	All
D	368.28	4	All
E	367.96	5	A11

-6-CASE No. 2327 Order No. R-2046

TOWNSHIP 31 NORTH, RANGE 5 WEST - (CONTINUED)

Tract	Acreage	Section	s g and en la companya and a
F	336.42	6	All
		7	NW/4
G	323.79	7	SW/4
		18	W/2
		19	NW/4, N/2 SW/4
H	327.63	19	s/2 SW/4
		30	W/2
		31	W/2

TOWNSHIP 31 NORTH, RANGE 6 WEST

Tract	Acreage	Section	
A	319.44	1 3 4	A11
		12	NE/4 NE/4
В	356.26	2	All of the state o
С	353.00	3	Nail Commence of the Commence
		4 ₍₂₀)	That portion of Tract 37 lying in Section 4.
D	343.23	4 · · · ·	All, except that portion of Tract 37 lying in this section.
E	350.16	<u> </u>	All
,	351 89	6	All
G	318.50	12	SE/4, W/2 NE/4, SE/4 NE/4
	*	13	NE/4
н	335.66	13	SE/4
		24	E/2

-7-CASE No. 2327 Order No. R-2046

TOWNSHIP 31 NORTH, RANGE 6 WEST - (CONTINUED)

Tract	Acreage	Section		
I	337.04	25	E/2	
		36	NE/4	
		Hara (36) (1974) Taraga (1974)	A portion of this unit acreage in Township 30 Range 6 West described Township.	NOL CIT,

TOWNSHIP 31 NORTH, RANGE 7 WEST

	<u> 10</u>		TH, RANGE / WEST
Tract	Acreage	<u>Section</u>	
A	367.08	1	A11
В	310.48	2.34 5.75 3.85 7.85 7.85	Lot 8, E/2, E/2 W/2
С	324.82	2 - 2 - 2 - 3 - 3 - 3 - 3 - 3 - 3 - 3 -	W/2 SW/4
			E/2, SE/4 SW/4
D	318.57	3 3	Lot 7, NE/4 SW/4, W/2 W/2
•	. 111	4 14	E/2 E/2, SW/4 SE/4
E	323.15	4	Lot 6, NW/4 SE/4, W/2
		5	Iot 5
F	321.66	5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	Lots 6, 7, 8, E/2 SW/4, SE/4
G	319.16	5 (10) (10)	Tract No. 53, Lot 9
	•	6 1 850 9 1 9 1 7 1 1 9 9 3 1	Lots 8, 9, 10, 11, NE/4 SW/4, N/2 SE/4
Н	324.39	5 3.66.V. (d. 161)	SW/4 SW/4
		6	Iots 12, 14, 15, S/2 SE/4
	· · · · · · · · · · · · · · · · · · ·	7	Lot 5, N/2 NE/4, SE/4 NE/4
ı	317.23		Lots 6, 7, SW/4 NE/4, N/2 SE/4. All of Tract 54 lying in Sections 6 and 7.
J	325.68	7	Lots 8 and 9, SE/4 SE/4, that portion of Tract 55 lying in this section:

-8-CASE No. 2327 Order No. R-2046

TOWNSHIP 31 NORTH, RANGE 7 WEST - (CONTINUED)

			•
Tract	Acreage	Section	
		18	Lots 5, 6, 7, NE/4 NE/4, S/2 NE/4, that portion of Tract 55 lying in this section.
		i da se esiste	Lots 8, 9, 10, SE/4 NW/4, E/2 SW/4, SE/4
I.	259.82	19 (196 6)	Lots 5, 6, 7, 8, E/2 W/2
	•	30	Lot. 5, NE/4 NW/4
M	250.65	30	Lots 6, 9, 10, SE/4 NW/4, E/2 SW/4
		31	Lots 7, 8, E/2 NW/4
N		31 ,200, in aud ,200, in aud ,200, in aud ,200, in aud	18, 19, NW/4 SE/4, SW/4 NE/4, and

TOWNSHIP 31 NORTH, RANGE 13 WEST

Tract	Acreage S	ection	Harris (Karley Carley Carl
A	322.36	6 (2 oc.)	W/2
(A) (1)	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	1.7 3 East	NW/4, N/2 SW/4
B	315.59	7 % Francis	S/2 SW/4
0.V.M(\$)		18 (3 (4))	W/2
	•	19	Lots 9, 16, N/2 NW/4
C			
			W/2
	321.99		A portion of this unit contains acreage in Township 30 North, Range 13 West described under that Township.

-9-CASE No. 2327 Order No. R-2046

TOWNSHIP 32 NORTH, RANGE 5 WEST

Tract.	Acreage	Section	
A	353.24	12	W/2, E/2 SW/4
В	354.65	12	NW/4, W/2 SW/4
	•	11	N/2 NE/4, SE/4 NE/4, E/2 SE/4
C	336.52	11	NW/4, SW/4 NE/4, E/2 SW/4, W/2 SE/4
		10	NE/4 NE/4
D	339.10	11	W/2 SW/4
	;	10	NW/4 NE/4, S/2 NE/4, SE/4
E .	278.70	1.0	W/2
F	339.54	9	E/2 E/2, SW/4 NE/4, W/2 SE/4, E/2 SW/4
G ·	338.84	9	NW/4 NE/4, NW/4, W/2 SW/4
		8	SE/4 NE/4, E/2 SE/4
H	319.74	8 % %	N/2 NE/4, SW/4 NE/4, SE/4 NW/4, SW/4 SW/4, E/2 SW/4, W/2 SE/4
	316.14	S 8 3 5 5	N/2 NW/4, SW/4 NW/4, NW/4 SW/4
	17. J. M. 1	- 5 √ 9 7 5 √ 2	All. The SE/4 SE/4 of Section 12, Township 32 North, Range 6 West is also contained in this unit.
J	355.25	18	All
		19	All
K	345.59	(A11
		31 31 140	A11 8

TOWNSHIP 32 NORTH, RANGE 6 WEST

Tract	Acreage	Section	
, A	336.31	12	NE/4, E/2 NW/4, NE/4 SW/4, N/2 SE/4, SW/4 SE/4
	356.82	12	SE/4 SW/4, W/2 W/2

-10-CASE No. 2327 Order No. R-2046

TOWNSHIP 32 NORTH, RANGE 6 WEST - (CONTINUED)

	, <u>.</u>		
Tract	Acreage	Section	
V		11	E/2 E/2, SW/4 SE/4
С	334.45	,11	W/2 NE/4, NW/4, N/2 SW/4, SE/4 SW/4, NW/4 SE/4
D		10 //	E/2 E/2, SW/4 NE/4, W/2 SE/4, SE/4 SW/4
E	337.75	₩ 10 % 6 %	NW/4 NE/4, NW/4, N/2 SW/4, SW/4 SW/4
		9	E/2 SE/4
F	317.60	9 3000 3000	N/2, W/2 SE/4
G	317.51	9	sw/4
ing sa			E/2 E/2, NW/4 NE/4
H	320.00	8	SW/4 NE/4, SE/4 NW/4, SW/4, W/2 SE/4
	308.78	-	N/2 NW/4, SW/4 NW/4
		7 - 30 - 30	N/2
	318.27		s/2
K	318.39	31	N/2 N/2, S/2 NE/4, N/2 SE/4
. r	315.12	31	S/2 NW/4, SW/4, S/2 SE/4

TOWNSHIP 32 NORTH, RANGE 7 WEST

Tract	Acreage	Section	
A	293.10	7	Lots 2, 3, 4, SW/4, W/2 SE/4
r • B	298.38	7	E/2 E/2
		. 8	W/2
c	298.33	8 1 8 1 1 4 4	97. W/2 75. 99.999
		. 9	W/2 W/2
י ס	376.88	9	E/2 W/2, E/2
		10	Lots 3, 4, NW/4 SW/4

CASH No. 2327 Order No. R-2046

TOWNSHIP 32 NORTH, RANGE 7 WEST - (CONTINUED)

Tract	Acreage	Section	
E	357.84	10	Lots 1, 2, NE/4 SW/4, S/2 SW/4, SE/4
		11	Lots 3, 4
F	359.20	11 ********	Lots 1, 2, S/2
G	399.00	12	A11

TOWNSHIP 32 NORTH, RANGE 8 WEST

		<u> 10</u>	WNSHIP 32 NOR	TH, RANGE 8 WEST
	Tract	Acreage	Section	en e
	A	312.63	7	Lots 1, 2, 3, 4, N/2 S/2, S/2 SE/4
	· /		8	Lot 4, NW/4 SW/4
	В	323.88	8 ************************************	Lots 1, 2, 3, NE/4 SW/4, S/2 SW/4, SE/4
ı	K c .	329.16	9 	Lots 2, 3, 4, SE/4 SE/4, W/2 SE/4, SW/4
<u>ة</u>	D	311.79	9 ,	Lot 1, NE/4 SE/4
			10 (##)	Lot 2, W/2, NW/4 SE/4
/	E	317.34	10 #3.1	E/2 E/2, SW/4 SE/4
•			11	W/2 W/2, E/2 SW/4
1/	F	328.17	ii wiii	Lots 1, 2, 3, SE/4
•			12 A	W/2 W/2 47 000 000 000 000 000 000 000 000 000
/	G	305.18	12	E/2 W/2, E/2
/	Н	312.56		S/2 SW/4
	,	.``:	18	W/2
			19	W/2 NW/4
	I	316.35	19	E/2 NW/4, SW/4
			30	NW/4, NW/4 SW/4
•	Ţ	316.70	30	NE/4 SW/4, S/2 SW/4
	•		31	W/2

-12-CASE No. 2327 Order No. R-2046

TOWNSHIP	32	NORTH.	RANGE	1.1	WEST

Tract	Acreage	Section	
A	332,27	7	All
В.	327.80	8	W/2
		17	W/2 W/2
c	328.20	8 (4)	E/2
		17	E/2 E/2
D ,	320.00	17	E/2 W/2, W/2 E/2
E	336.40	9	A11
F	335.60	10	A11
G	334.00	11	All
Н	333.60	12	A11 :

TOWNSHIP 32 NORTH, RANGE 12 WEST

Tract	Acreage	Section			٠
A	335.38	and the state of t	All	 	
В	309.43	8 , , , , , , ,	All	. 0%	
c	280.38	9 💉	All		. ·
, D	326.68	10 4 - 12	Ali	1 1	•.
E .	336.40	11 0	A11	: 2:	
· · F	336.00	12	Ä11	87.	•

TOWNSHIP 32 NORTH, RANGE 13 WEST

Tract	Acreage	Section	
A	363.83	7	A11
		8	W/2, W/2 E/2
В	339.80	8	E/2 E/2
		9	All
		10	SW/4 SW/4

-13-CASE No. 2327 Order No. R-2046

TOWNSHIP 32 NORTH, RANGE 13 WEST - (CONTINUED)

Tract	<u>Acreage</u>	Section	
С	336.95	10	Lot 8, E/2 W/2, E/2
		11	Lot 6, W/2
D	345.89	11	Lot 5, S/2 SE/4
		12	A11
E	325.32	18	Lot 13, N/2, NW/4 SE/4
F	321.40	18	NE/4 SE/4, S/2 S/2
	\$	19	N/2 N/2, SE/4 NE/4
G	320.48	19	Lots 8, 13, 14, SW/4 NE/4, SE/4
H	335.02	30	Lot 13, NW/4 SE/4, N/2
I	325.85	' 30	Lot 14, NE/4 SE/4, S/2 SE/4
		31	Lot 6, SE/4 NE/4, N/2 NE/4
J	328.45	31	Lot 7, SW/4 NE/4, S/2

- (2) That the acreage contained in each of the above-described proration units shall be based on the latest official surveys and resurveys accepted by the Federal Bureau of Land Management, and, in the event further official surveys are made in any subject Township, the acreage in each affected proration unit shall conform to the change.
- (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 hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

E 2. L

A. L. PORTER, Jr., Member & Secretary

- CASE 4181: Application of J. M. Huber Corporation for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Stoltz Federal Well No. 1 located in Unit J of Section 12, Township 15 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Morton-Wolfcamp Pool and the disposal of produced salt water through the 8 5/8 X 4 1/2-inch casing-casing annulus into the San Andres, Tubb, Abo, and possibly other formations in the open-hole interval from approximately 4330 feet to 9750 feet.
- CASE 4182: Application of Franklin, Aston & Fair, Inc. for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico. Said exception would be for certain of applicant's Loco Hills Field wells located in Units I and P of Section 20, Township 17 South, Range 30 East, Unit A of Section 17 and Unit F of Section 4, Township 18 South, Range 30 East, and Unit O of Section 36, Township 17 South, Range 29 East, Eddy County, New Mexico. Disposal would be into unlined surface pits in the vicinity of said wells.
- CASE 4183: Application of Pan American Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cedar Point Unit Area comprising 5,120 acres, more or less, of State and Federal lands in Township 15 South, Range 30 East, Chaves County, New Mexico.
- CASE 4172: (Continued from the July 23, 1969. Examiner Hearing)

 Application of Pennzoil United, Inc. for special pool rules,
 Lea County, New Mexico. Applicant, in the above-styled cause
 seeks the promulgation of special pool rules for the East
 Lovington-Pennsylvanian Pool, Lea County, New Mexico, including
 a provision for 80-acre oil proration units.
- CASE 4184: Application of Pennzoil United, Inc. for the creation of a new oil pool, promulgation of special rules therefor, and a non-standard oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian oil pool for its Gallagher "8" State Well No. 1 located in the NW/4 NW/4 of Section 8, Township 17 South, Range 34 East, Lea County, New Mexico, and for the promulgation

Docket No. 22-69 DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 6, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

- CASE 4179: Application of Petroleum Corporation of Texas for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Flint "B" Federal Well No. 1 located in Unit M of Section 14, Township 17 South, Range 30 East, Grayburg-Jackson Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in an unlined surface pit located in said Unit M.
- CASE 4180: Application of Union Oil Company of California for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Federal "E" and Federal "F" leases in Section 31, Township 18 South, Range 31 East, Shugart Field, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells on said leases in unlined surface pits on the subject leases.
- CASE 4167: (Continued from the July 9, 1969 Examiner Hearing)

 Application of Charles B. Read for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete his Hobbs "Y" Well No. 1 located in Unit J of Section 29, Township 12 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the East Hightower-Pennsylvanian Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the San Andres, Glorieta, Yeso, and Abo formations in the openhole interval from approximately 4195 feet to 7720 feet.

Examiner Hearing - August 6, 1969

- CASE 4188: Application of Coastal States Gas Producing 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 Lower San Andres formation in the open-hole interval from approximately 5025 feet to 5125 feet in its Santa Fe State Well No. 2 located in Unit F of Section 33, Township 9 South, Range 37 East, West Sawyer-San Andres Pool, Lea County, New Mexico.
- CASE 4189: Application of Cayman Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the well location requirements for the High Plains-Pennsylvanian Pool as promulgated by Rule 4 of Order No. R-2874, to permit the drilling of a well at an unorthodox location in the center of the SE/4 NE/4 of Section 15, Township 14 South, Range 34 East, Lea County, New Mexico.

Examiner Hearing - August 6, 1969

Docket No. 22-69

(Case 4184 continued)

of special rules therefor including a provision for 160acre proration units and well locations in either the
Northwest or Southeast quarter of a quarter section. Applicant
further seeks an exception to said proposed rules to re-enter
its Monsanto Gallagher State Well No. 1 located 660 feet from
the South and West lines of said Section 8 and to recomplete
said well in the subject pool.

CASE 4185: Application of Pennzoil United, Inc., for the creation of a new oil pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Sinclair "6" State Well No. 1 located 660 feet from the South line and 760 feet from the East line of Section 6, Township 17 South, Range 34 East, Lea County, New Mexico, and for the promulgation of special rules therefor including a provision for 160-acre proration units and well locations in either the Northwest or Southeast quarter of a quarter section.

CASE 4186: Application of Tenneco Oil Company for compulsory pooling and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the North half of Section 11, Township 29 North, Range 13

West, San Juan County, New Mexico, said acreage to be dedicated to a well to be drilled at an unorthodox gas well location 2250 feet from the North line and 660 feet from the East line of said Section 11. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

Administrative Order NWU-341 and Commission Order No. R-2046, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Administrative Order NWU-341 and Commission Order No. R-2046, which orders established, respectively and among other units, certain non-standard gas proration units for the Blanco Mesaverde and Basin-Dakota Pools

in Sections 7, 8, 9, 10, 11, 12, 18, and 19, Township 32 North, Range 8 West, San Juan County, New Mexico. Applicant seeks to amend said orders in such a manner as to establish eight coextensive Mesaverde and Dakota gas proration units in Sections 7, 8, 9, 10, 11, 12, and 18, said units to average 318.89 acres each.

Application of Aztec Oil & Gas Company for the amendment of

CASE 4187:



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO 1000 RIO BRAZOS ROAD - AZTEC

GOVERNOR DAVID F. CARGO CHAIRMAN

AND COMMISSIONER ALEX ARMIJO MET:BER

STATE GEOLOGIST A. L. PORTER, JR. SECRETARY - DIRECTOR

July 28, 1969

Mr. George Hatch New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Case 4187

Dear George:

The docket for the above captioned case does not show that NWU-341 and Order R-2046 have established proration units for both Mesaverde and Dakota wells in Sections 30 and 31 of Township 32 North, Range 8 West.

I object to the partial revision of either or both orders in a manner which does not provide for all of the non-standard tracts to be divided in a fair and orderly manner.

The applicant may prefer to leave the subdivision of the south half of Section 18 and all of Sections 19, 30, and 31 to the Commission of leasehold interests.

If there are questions, please contact us,

Yours very truly,

A. R. Kendrick

Engineer, District #3

ARK:mc

AZTEC OIL & GAS COMPANY

2000 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

July 15, 1969

LAND DEPARTMENT
KENNETH A. SWANSON, MANAGER

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

URN RECEIPT REQUESTED

A. I. Porter, Jr.

Mr. A. L. Porter, Jr. Secretary-Director New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Re: Application of Aztec Oil & Gas Company for a Revision of Administrative Order NWU-341 dated 12-14-59 and Order No. R-2046 dated 8-14-61, and for an Exception to Rule 5(a) of Orders R-1670 and R-1670-C, for Approval of Non-Standard Gas Proration Units in the Blanco Mesaverde and Basin Dakota Formations in Sections 7, 8, 9, 10, 11, 12 and 18, T-32-N, R-8-W, San Juan County, N. M.

Dear Mr. Porter:

Aztec Oil & Gas Company hereby submits its application for a revision of Administrative Order NWU-341 dated December 14, 1959 and Order No. R-2046 dated August 14, 1961 for approval of the reformation of non-standard gas proration units heretofore authorized as non-standard gas proration units as exceptions to Rule 5(a) of Orders R-1670 and R-1670-C, and in support of such application Applicant respectfully shows and represents to the honorable Commission the following:

- 1. On December 14, 1959 the New Mexico Oil Conservation Commission, by its Admiristrative order No. NWU-341, authorized the applicant, Pacific Northwest ripeline Corporation, to create ten non-standard gas proration units in the Blanco Mesaverde Fool, which units would have each consisted of the entire fractional sections along the north and west boundaries of Township 32 North, Range 8 West, and the units thus permitted would have varied in size from 221.10 acres to 408.40 acres.
- 2. On August 14, 1961 the Commission, on its own motion, entered its Order No. R-2046 creating non-standard units which were irregular in shape along the north and west lines of Township 32 North, Range 8 West, which

units were formed without regard to section lines and varied in area from 305.18 acres to 329.16 acres.

- 3. At the time that both of the above mentioned orders were entered all of the affected acreage was subject to the San Juan 32-8 Unit, but subsequent to the entry of the above orders, on December 8, 1962, Sections 7, 8, 10, 11, 12 and the $N_{\overline{2}}$ of 18 were eliminated from the San Juan 32-8 Unit and such acreage is now subject to exploration and development independently of the San Juan 32-8 Unit Agreement.
- 4. Applicant proposes in the near future to commence a program of development which will include Sections 7, 8, 10, 11, 12 and the N_2^1 of 18, T-32-N, R-8-W, San Juan County, New Mexico, and it is anticipated that wells drilled for the development of this area will be dually completed in the Blanco Mesaverde Pool and in the Basin Dakota Pool.
- 5. Based upon a resurvey of the area in question development of the Blanco Mesaverde Pool, according to the spacing pattern established by Order NWU-341, would result in the creation of units of a maximum of 421.32 acres. Development of the subject area in accordance with Rule R-2046 would require the creation of units which would include acreage both within and outside of the San Juan 32-8 Unit, thereby complicating operating and accounting procedures.
- 6. Applicant proposes the creation of non-standard units which will include only that acreage which is outside of the 32-8 Unit and further proposes that units to be created should be coextensive for both the development of Blanco Mesaverde Pool and the Basin Dakota Pool.
- 7. Units proposed by Applicant would contain on the average 318.89 acres.
- 8. Revision of the spacing pattern in the area affected would not jeopardize the spacing pattern heretofore created for the development of any of the acreage adjoining or in the vicinity of the revised units requested by Applicant.
- 9. Applicant is the owner of all leases within the area affected by this application except insofar as said application will require the reformation of a unit for Section 9 and the $S_{\frac{1}{2}}$ of Section 18, both in T-32-N, R-8-W. Applicant's leases in this area are all federal leases, as follows: Serial Numbers NM-6889, NM-6890, NM-9037, NM-0560419, NM-0560420, and NM-0560421.

- 10. No wells have been heretofore drilled on any of the area affected by this application except for the fact that a dry hole was drilled in the $SW_{\overline{4}}^1$ of Section 9 several years ago, and our information indicates that this well penetrated the Blanco Mesaverde formation only.
- 11. To the best of Applicant's knowledge and belief the only offset operators whose rights may be affected by this application other than Applicant are El Paso Natural Gas Company and Sun Oil Company. Applicant, however, has no knowledge as to the owners or operators of offset leases to the north of the affected area, which leases lie wholly within the State of Colorado and are therefore not subject to the jurisdiction of the Commission. Copies of this application have been furnished to El Paso Natural Gas Company and Sun Oil Company, together with the request that their consent in the form of a waiver of notice and hearing be forwarded to the Commission.
- 12. A plat showing the locations of the proposed units is attached hereto and made a part hereof as Applicant's Exhibit "A".

Wherefore, Applicant respectfully requests that Administrative Order NWU-341 and Order R-2046 be modified, reformed and amended and that non-standary gas proration units be created as an exception to Rule 5(a) of Orders R-1670 and R-1670-C for the creation of coextensive Blanco Mesaverde and Basin Dakota units in Township 32 North, Range 3 West, San Juan County, New Mexico, as follows:

Unit No.	Acres	<u>Des</u>	scription
·. 1	322.38	Section 12:	Lots 5, 6, 7, 10, 11, 12, 13, 14, 15
2	301.39		Lots 5, 6, 11, 12, 13, 14 Lots 8, 9, 16
3	292.65	Section 10: Section 11:	Lots 5, 12, 13 Lots 7, 8, 9, 10, 15, 16
4	290.38	Section 10:	Lots 9, 10, 11, 14, 15, 16
5	382.84	Section 9:	Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and $W_{\overline{2}}^{1}SW_{\overline{4}}^{1}$
6	375.07	Section 8:	Lots 1, 2, 5, 6, 7, 8, $SE_{\overline{4}}^{1}$, and $E_{\overline{2}}^{1}SW_{\overline{4}}^{1}$

Mr. A. L. Porter

-4-

July 15, 1969

Unit No.	Acres	Des	cription	
7	314.78	Section 7:	Lots 1, 2, and $E_{\overline{2}}^{1}SW_{\overline{4}}^{1}$	3, 4, 5, 6, SE_{4}^{1} ,
8	271.65	Section 18:	$N_{\frac{1}{2}}$	

Respectfully submitted,

AZTEC OIL & GAS COMPANY

Joe E. Starks, Attorney

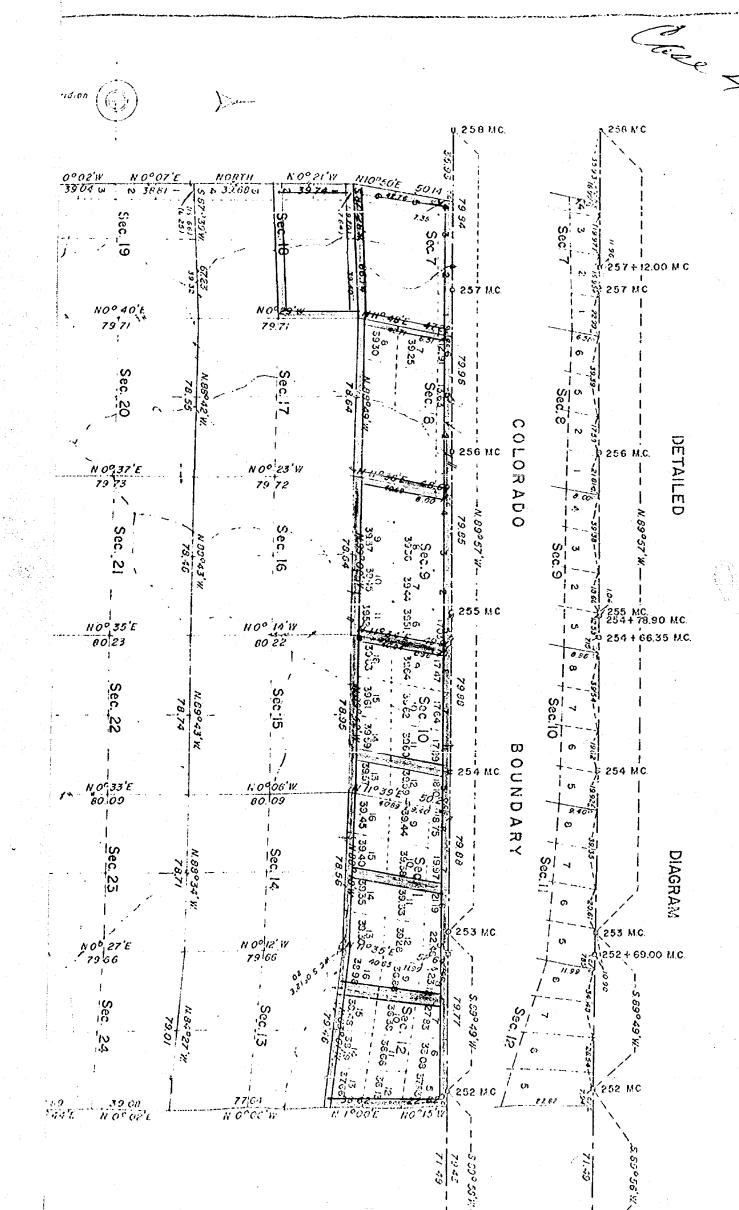
JES:nl

cc - El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas 79999

Sun Oil Company P. O. Box 1861 Midland, Texas

EXHLBIT "A"

DEPENDENT RESURVEY



(1)

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

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CASE NO. 4187 3//1

Warre and the

APPLICATION OF AZTEC OIL & GAS COMPANY FOR THE AMENDMENT OF ADMINISTRATIVE ORDER NWU-341 AND COMMISSION ORDER NO. R-2046, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 6, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this ______ day of August, 1969, 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 Administrative Order NWU-341, dated December 14, 1959, established ten non-standard gas proration units in the Blanco-Mesaverde Gas Pool in Sections 7, 8, 9, 10, 11, 12, 18, 19, 30, and 31, Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico.
- (3) That Commission Order No. R-2046, dated August 14, 1961, established, among the establishment of other non-standard gas proration units, ten non-standard gas proration units in the Basin-Dakota Gas Pool in Sections 7, 8, 9, 10, 11, 12, 18, 19, 30, and 31, Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico.

- (4) That the aforesaid non-standard Blanco-Mesaverde and Basin-Dakota gas proration units are not coextensive.
- (5) That the applicant, Aztoc Oil & Gas Company, seeks to amend the aforesaid orders in such a manner as to permit the establishment of eight coextensive non-standard Blanco-Mesaverde and Basin-Dakota gas proration units in said Sections 7, 8, 9, 10, 11, 12, and 18.
- (6) That Administrative Order NWU-341 should be amended by the deletion of Units 2, 3, 4, 5, 6, and 7 from the non-standard gas proration units approved therein for the Blanco-Mesaverde Pool in Township 32 North, Range 8 West.
- (7) That Commission Order No. R-2046 should be amended by the deletion of tracts A, B, C, D, E, F, G, and H from the non-standard gas proration units approved in said order for the Basin-Dakota Gas Pool in Township 32 North, Range 8 West.
- (8) That eight coextensive non-standard Blanco-Mesaverde and Basin-Dakota gas proration units in Township 32 North, Range 8 West, San Juan County, New Mexico, should be established as follows:

TRACT	ACREAGE	I	DESCRIPTION
ı	314,78	Section 7:	Lots 1, 2, 3, 4, 5, 6, E/2 SW/4, and SE/4
II	375.07	Section 8:	Lots 1, 2, 5, 6, 7, 8, E/2 SW/4, and SE/4
III	382.84	Section 9:	Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and W/2 SW/4
IA	290 .38	Section 10:	Lots 6, 7, 8, 9, 10, 11, 14, 15, and 16
V	293.65 292.65	Section 10:	Lots 5, 12, and 13
	200 00	Section 11:	Lots 7, 8, 9, 10, 15, and 16
VI	2.99.89 301.39	Section 11:	Lots 5, 6, 11, 12, 13, ap

Section 12: Lots 8, 9, and 16

CASE NO. 4187 Order No. R-

	ESCRIPTION		ACREAGE	TRACT	
, 7, 10, 11, 4, and 15	Lots 5, 6, 12, 13, 14	Section 12:	322.34 322.38	VII	
	N/2	Section 18:	271.65	VIII	

(9) That the deletion of the above-described non-standard gas proration units from Administrative Order NWU-341 and Commission Order No. R-2046 and the establishment of the eight above-described non-standard gas proration units will aid in systematic development of the subject pools, ease the administrative burden upon the operator Chereby preventing waste and will not violate correlative rights.

IT IS THEREFORE ORDERED:

- (1) That Administrative Order NWU-341 is hereby amended by the deletion of Units 2, 3, 4, 5, 6, and 7 from the non-standard gas proration units approved therein for the Blanco-Mesaverde Pool in Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico.
- (2) That Commission Order No. R-2046 is hereby amended by the deletion of Tracts A, B, C, D, E, F, G, and H from the non-standard gas proration units approved therein for the Basin-Dakota Pool in Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico.
- (3) That the following-described non-standard gas proration units in the Blanco-Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico, are hereby established:

CASE No. 4187 Order No. R-____

TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM

TRACT	ACREAGE		DESCRIPTION
I	314.78	Section 7:	Lots 1, 2, 3, 4, 5, 6, E/2 SW/4, and SE/4
II	375.07	Section 8:	Lots 1, 2, 5, 6, 7, 8, E/2 SW/4, and SE/4
III	382.84	Section 9:	Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and W/2 SW/4
IV	290.69 -290.38	Section 10:	Lots 6, 7, 8, 9, 10, 11 14, 15, and 16
V	² .93.65 292.65	Section 10:	Lots 5, 12, and 13
		Section 11:	Lots 7, 8, 9, 10, 15, and 16
VI	299,89 301.39	Section 11:	Lots 5, 6, 11, 12, 13, and 14
	70m 4d	Section 12:	Lots 8, 9, and 16
VII	322,34 322,38	Section 12:	Lots 5, 6, 7, 10, 11, 12, 13, 14, and 15
VIII	271.65	Section 18:	N/2

(4) 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F, CARGO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

CASE 4188: Application of COASTAL STATES GAS PRODUCING CO. FOR SALT WATER DISPOSAL, LEA COUNTY.