

CASE NO.

7601

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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

97 June 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Claude Walker for an oil treating plant permit, Lea County, New Mexico. CASE 7601

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

For the Applicant:

1
2 MR. STAMETS: We'll call next Case 7601.

3 MR. PEARCE: That is the application of
4 Claude Walker for an oil treating plant permit, Lea County,
5 New Mexico.

6 MR. STAMETS: At the request of the
7 applicant, this case will be dismissed.

8
9 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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. 7606
heard by me on 6-9 19 82
Richard P. Starnes Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409



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

July 16, 1982

Re: CASE NO. 7601
ORDER NO. R-7025

Claude Walker

Yours very truly,

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

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. 7601
Order No. R-7025

APPLICATION OF CLAUDE WALKER FOR
AN OIL TREATING PLANT PERMIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 9, 1982,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of July, 1982, 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. 7601 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director



SEAL

Docket No. 16-82

Dockets Nos. 19-82 and 20-82 are tentatively set for June 23 and July 7, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - WEDNESDAY - JUNE 2, 1982
OIL CONSERVATION COMMISSION - 9 A.M.
MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

CASE 7522: (DE NOVO - Continued from May 17, 1982, Commission Hearing)

Application of Santa Fe Exploration Co. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 660 feet from the North and West lines of Section 14, Township 20 South, Range 25 East, Permo-Penn, Strawn, Atoka and Morrow formations, the N/2 of said Section 14 to be dedicated to the well.

Upon application of Chama Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7521: (DE NOVO)

Application of William B. Barnhill for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 660 feet from the South and West lines of Section 35, Township 19 South, Range 25 East, Permo-Penn, Strawn, Atoka and Morrow formations, the S/2 of said Section 35 to be dedicated to the well.

Upon application of Chama Petroleum Company and William B. Barnhill, this case will be heard De Novo pursuant to the provisions of Rule 1220.

Docket No. 17-82

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 9, 1982
9 A.M. MORGAN HALL, STATE LAND OFFICE
BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stanets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 7599: Application of Barber Oil Inc. for an Exception to Rule 705-A Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Rule 705-A of the Division Rules and Regulations to permit 37 temporarily abandoned injection wells in its Russell Pool waterflood project to remain inactive for a period of up to three years without the required cement or bridge plugs being installed therein to isolate the injection zone.

CASE 7600: Application of Gulf Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers and Queen formations in the perforated interval from 3338 feet to 3448 feet in its Arnott-Ramsay (NCT-B) Well No. 4 located in Unit D of Section 32, Township 25 South, Range 37 East, Langlie Mattix Pool.

CASE 7548: (Continued from April 14, 1982, Examiner Hearing)

Application of Tahoe Oil & Cattle Co. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4932 feet to 4992 feet in its Schwalbe Well No. 1, located in Unit P of Section 21, Township 9 South, Range 37 East, West Sawyer-San Andres Pool.

CASE 7601: Application of Claude Walker for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at its salt water disposal site in the NE/4 NE/4 of Section 11, Township 10 South, Range 35 East.

CASE 7602: Application of Riqueza, Inc. for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil in the NE/4 of Section 26, Township 22 South, Range 29 East.

CASE 7603: Application of Riqueza, Inc. for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit the commercial disposal of produced brine into an unlined surface pit located near its proposed oil treating plant in the NE/4 of Section 26, Township 22 South, Range 29 East.

CASE 7519: (Continued from May 26, 1982, Examiner Hearing)

Application of S & J Oil Company for special pool rules, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Seven Lakes-Manafee Oil Pool to provide for wells to be located not nearer than 25 feet to the quarter-quarter section line nor nearer than 165 feet to lands owned by an offset operator.

CASE 7604: Application of Rio Pecos Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pennsylvanian formation underlying the W/2 of Section 2, Township 19 South, Range 32 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 7605: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation through the uppermost 100 feet of the Mississippian Chester Limestone underlying the W/2 of Section 35, Township 19 South, Range 24 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 7606: Application of MTS Limited Partnership Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the base of the Abo formation underlying the NW/4 of Section 5, Township 7 South, Range 26 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7592: (Continued from May 26, 1982, Examiner Hearing)

Application of OKOCO for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Mesa Verde formation underlying the E/2 of Section 20, Township 32 North, Range 8 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7586: (Continued and Readvertised)

Application of Standard Resources Corp. for designation of a tight formation, Chaves and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Abo-Wolfcamp formation underlying all or portions of Township 15 South, Ranges 23 through 25 East, Township 19 South, Range 20 East, and Township 20 South, Range 20 East, all in Chaves County; in Eddy County: Township 16 South, Ranges 23 through 26 East, Township 17 South, Ranges 21, 23, 24, and 25 East, and Township 18 South, Ranges 21, 23, 24 and 25 East, Township 19 South, Ranges 21, 23 and 24 East, and Township 20 South, Ranges 21, 23 and 24 East, containing 460,800 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271. 701-705.

CASE 7607: Application of El Paso Natural Gas Company for the abolishment of the Blanco-Pictured Cliffs Pool and the expansion of the South Blanco-Pictured Cliffs Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico. Applicant, in the above-styled cause, seeks the abolishment of the Blanco-Pictured Cliffs Pool and the expansion of the horizontal limits of the South Blanco-Pictured Cliffs Pool to include the abolished acreage.

Also to be considered will be the appropriate method for institution of gas prorationing for wells effected by the change in pool designation.

CASE 7608: Application of Tenneco Oil Company for designation of a tight formation, San Juan County, New Mexico. Pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 CFR Section 271. 701-705, applicant, in the above-styled cause, seeks the designation as a tight formation of the Dakota Producing Interval underlying the following described lands:

All of:

Sections 1 thru 6, Township 29 North, Range 8 West;

Sections 1 and 2, Township 29 North, Range 9 West;

Sections 1 thru 18 and Section 24, Township 30 North, Range 10 West;

Sections 7 thru 9, 16 thru 21 and 25 thru 36, Township 32 North, Range 7 West;

All sections, Township 32 North, Range 8 West; and

All sections, Township 32 North, Range 9 West;

Also:

All of Township 30 North, Range 8 West except Sections 3 thru 5 and Section 35;

All of Township 30 North, Range 9 West except Sections 31 thru 34;

All of Township 31 North, Range 8 West except Section 32; and

All of Township 31 North, Range 9 West except Sections 27 and 28

containing 149,760 acres, more or less.

CASE 7609: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves, Eddy, and Lea Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Middle Bell Canyon production and designated as the Brushy Draw-Middle Bell Canyon Gas Pool. The discovery well is the J. C. Williamson EF-USA Well No. 2 located in Unit O of Section 26, Township 26 South, Range 29 East, NMPM. Said Pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 26: SE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Legg-Bone Spring Pool. The discovery well is the Amoco Production Company State LT Well No. 1 located in Unit K of Section 32, Township 21 South, Range 33 East, NMPM. Said Pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 33 EAST, NMPM
Section 32: SW/4

- (c) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production and designated as the White Ranch-Atoka Gas Pool. The discovery well is the Depco, Inc. White Ranch Unit Well No. 1 located in Unit F of Section 8, Township 13 South, Range 30 East, NMPM. Said Pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 30 EAST, NMPM
Section 8: W/2

- (d) EXTEND the Austin-Mississippian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM
Section 5: N/2 and SW/4

- (e) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 18: NE/4

- (f) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 8: S/2

- (g) EXTEND the East Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 6: S/2

- (h) EXTEND the Cedar Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 34: N/2
Section 35: N/2

- (i) EXTEND the Crooked Creek-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 3: S/2
Section 10: N/2

- (j) EXTEND the EK Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 9: SW/4

- (k) EXTEND the Elkins-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM
Section 22: S/2 NW/4

- (l) EXTEND the Empire-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 20: N/2

- (m) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 31: S/2

- (n) EXTEND the Hoag Tank-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 34: N/2

- (o) EXTEND the House-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 35: SE/4

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 2: NE/4

EXAMINER HEARING - WEDNESDAY - JUNE 9, 1962

EXAMINER HEARING *WEDNESDAY-JUNE(

- (p) EXTEND the South Kemnitz Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 19: S/2

- (q) EXTEND the East LaRica-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 35: S/2

- (r) EXTEND the North Loving-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 5: All

- (s) EXTEND the North Loving-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 6: S/2

- (t) EXTEND the Maljamar-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 28: E/2

- (u) EXTEND the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 6: Lots 1, 2, 3, 4, 5, 6, 7, and 8

- (v) EXTEND the Sand Hills Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
Section 31: SE/4

- (w) EXTEND the Shugart-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 4: N/2

- (x) EXTEND the Tom-Tom San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 35: NE/4

- (y) EXTEND the Travis-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 13: N/2 NW/4

- (z) EXTEND the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 27: E/2

- (aa) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM
Section 13: All

- (bb) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 4: SE/4
Section 11: W/2

Docket No. 18-82

DOCKET: EXAMINER HEARING - THURSDAY- JUNE 17, 1982

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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for July, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for July, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

ERNEST L. PADILLA
ATTORNEY AND COUNSELOR AT LAW

P.O. Box 2523
Santa Fe, New Mexico 87501
(505) 988-7577

May 17, 1982

Mr. Joe D. Ramey
Director
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

MAY 18 1982

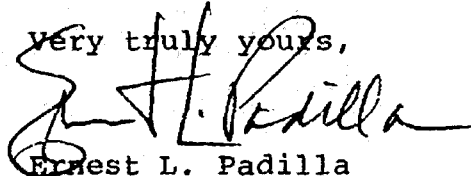
Re: Application of Claude Walker
for a Treating Plant Permit

Case 7601

Dear Mr. Ramey:

Enclosed for filing in the above-referenced case
is an Application in triplicate. We request that this
Application be set for hearing at the next available
hearing date.

Very truly yours,


Ernest L. Padilla

Enclosures
cc: Claude Walker

BEFORE THE OIL CONSERVATION DIVISION

DEPARTMENT OF ENERGY AND MINERALS

STATE OF NEW MEXICO

IN THE MATTER OF THE
APPLICATION OF CLAUDE
WALKER FOR A TREATING
PLANT PERMIT, LEA
COUNTY, NEW MEXICO.

Case 7601

APPLICATION

COMES NOW Claude Walker, by his undersigned attorney,
and hereby makes application for a treating plant permit and in
support of this application would show the Division:

1. That his principal place of business is located in Lea
County, New Mexico.

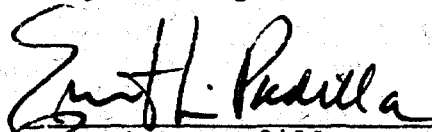
2. That this application is made pursuant to the provi-
sions of Rule 312 of the rules and regulations of the New Mexico
Oil Conservation Division.

3. That the proposed location of the treating plant is in
the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 11, Township 10 South, Range 35 East, NMPM,
Lea County, New Mexico.

4. That the type and capacity of the plant are of suf-
ficient volume and quality to store and treat through a fluid
catalizer the sediment oil incoming into the plant

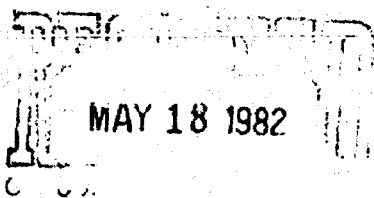
Claude Walker requests that this application be set
for hearing before a duly appointed Examiner of the Oil Conserva-
tion Division at the next available hearing date, that notice be
given as required by law and the rules of the Division, and that
this application for a treating plant permit be approved.

Respectfully submitted,



Ernest L. Padilla
Post Office Box 2523
Santa Fe, NM 87501

Attorney for Applicant



ORDERS

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JER

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

CASE NO. 7601
Order No. R-7025

WEP

ALL
MS.

APPLICATION OF CLAUDE WALKER FOR
AN OIL TREATING PLANT PERMIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 9, 1982,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of June, 1982, 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. 7601 is hereby dismissed.

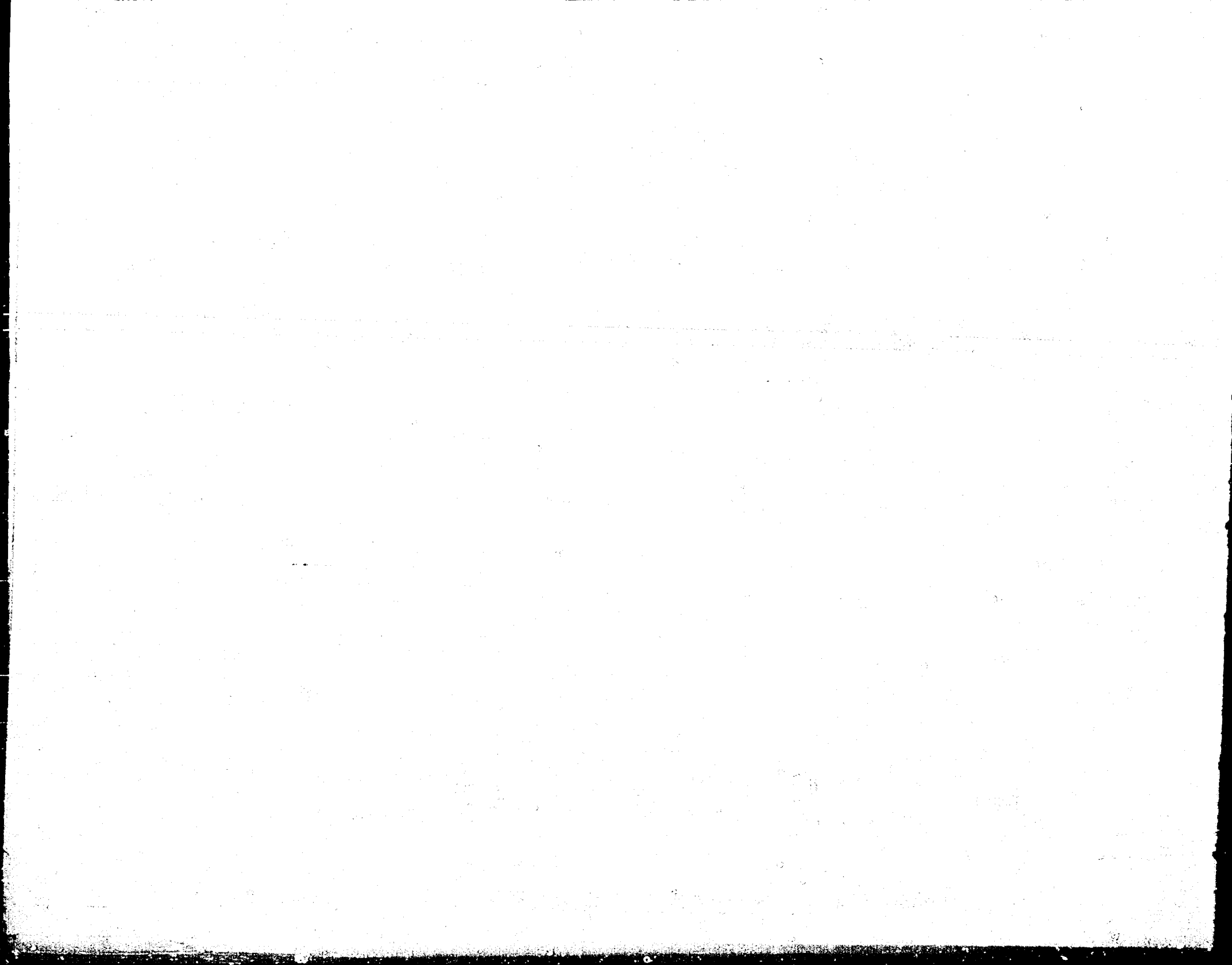
DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

SEAL

Joe



DOCKET MAILED

Date 5/18/82