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CASE NO.

7652

APPlication, Transcripts, Small Exhibits,

ETC.

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sincy W. Bryd COR

Cil Concervation Division Exeminer

Salia Pe, New Mexico 67501 Salia Pe, New Mexico 67501 Phone (365) 455-7409 1 1 2 STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT 3 OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 15 September 1982 5 EXAMINER HEARING 7 IN THE MATTER OF: Application of Conoco, Inc., for compul-8 CASE sory pooling, Eddy County, New Mexico. 7652 9 10 11 12 13 BEFORE: Daniel S. Nutter 14 15 TRANSCRIPT OF HEARING 16 17 APPEARANCES 18 19 For the Oil Conservation W. Perry Pearce, Esq. Division: Legal Counsel to the Division 20 State Land Office Bldg. Santa Fe, New Mexico 87501 21 22 For the Applicant: 23 24

25

MR. NUTTER: Call next Case Number 7652. MR. PEARCE: That is on the application of Conoco, Inc., for compulsory pooling, Eddy County, New Mexico. MR. NUTTER: Applicant has requested con-tinuance. Case Number 7652 will be continued to the Examiner Hearing scheduled to be held at this same place October 27th, 1932. (Hearing concluded.)

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by mc; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sary W. Boyd COR

I do hereof certificate that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No.

1985

Oil Conservation Division

MLL. BOYD, C.
Box 193-8
Smas Pt. Nor Mexico Pt.
Phone (395) 455-749

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT 3 OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANIA FE, NEW MEXICO 18 August 1982 EXAMINER HEARING 7 IN THE MATTER OF: Application of Conoco, Inc., for com-CASE pulsory pooling, Eddy County, New 7652 Mexico. 10 11 12 13 BEFORE: Daniel S. Nutter 14 15 TRANSCRIPT OF HEARING 16 17 APPEARANCES 18 19 For the Oil Conservation W. Perry Pearce, Esq. Division: Legal Counsel to the Division 20 State Land Office Bldg. Santa Fe, New Mexico 87501 21 22 For the Applicant: W. Thomas Kellahin, Esq. 23 KELLAHIN & KELLAHIN 117 No. Guadalupe 24 P. O. Box 2265 Santa Fe, New Mexico 87501 25

MR. NUTTER: We will move to Case Number 7652. MR. PEARCE: That is on the application of Conoco, Inc., for compulsory pooling, Eddy County, New Mexico. MR. KELLAHIN: If the Examiner please, I'm Tom Kellahin, appearing on behalf of Conoco. We'd like to continue that case, Mr. Nutter, to the hearing on September 15th, 1982. 10 MR. NUTTER: Case Number 7652 will be 11 continued to the Examiner Hearing scheduled to be held at 12 this same place at 9:00 o'clock a. m. September 15, 1982. 13 14 15 (Hearing concluded.) 16 17 18 19 20 21 22 23 24 25

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HERDBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd COR

a comple entering of the proceedings in the Examiner hearing of Case No. 26 heard by me an Examiner Division Examiner

ALL. BOYD, C.S.

Banta Pe, New Mesico 87901

Phone (303) 433-7409

BRUCE KING SOVERNOR LARRY KEHCE SECRETARY

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

November 8, 1982

POST OFFICE 80X 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 ISOS) 827-2434

Mr. Mark K. Mosley Re	: CASE NO. 7652
Division Manager	CRDER NO. R-7125
Production Department	
Conoco Inc. P. O. Box 460	Applicant:
Hobbs, New Mexico 88240	
	Conoco Inc.
Dear Sir:	
Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.	
Yours very truly, JOE D. RAMEY	
Director	
JDR/fd	
Copy of order also sent to:	
Hobbs OCD x Artesia OCD x Aztec OCD	
Other Owen Lopez	

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. 7652 Order No. R-7125

APPLICATION OF CONOCO, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 27, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 8th day of November, 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. 7652 is hereby dismissed.

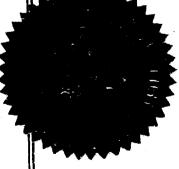
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

> . STATE OF NEW MEXICO OIL CONSERVATION DIVISION

> > ames

JOE D. RAMEY,

Director



SEAL



Mark K. Mosley Division Manager Production Department Hobbs Division North American Production Consso Inc. P. O. Box 460 726 E. Michigan Hobbs, NM 86240 (505) 393-4141

October 20, 1982

New Mexico Oil Conservation Division Department of Energy and Minerals P. O. Box 2088 Santa Fe, NM 87501

Attention Mr. Dan Nutter

Gentlemen:

Case No. 7652 - Application of Conoco Inc. for Compulsory Pooling - Preston Com. Well No. 4

It is respectfully requested that the subject case be dismissed. Conoco Inc. and Superior have agreed to terms which make compulsory pooling unnecessary.

Thank you for your assistance in this matter.

Yours very truly,

HAI:mhe

CC: Tom Kellahin

V. T. Lyon

LAW OFFICES

HINKLE, COX, EATON, COFFIELD & HENSLEY

BOO DON GASPAR

OF COLUMNS LIARENCE E. HINKLE ROY C. SNODGRASS, JR O. M. CALHOUN

POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87501 (505) 982-4554

W.E. BONDURANT, JR. (1913-1973) ROBERT A. STONE (1905-1961)

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J. DOUGLAS FOSTER

T CALDER EZZELL, JR. WILLIAM B. BURFORD* DEBORAH NORWOGE® ANGERSON CARTER TO STEVEN D. ARNOLD JEFFREY L BOWMAN JOHN C. HARRISON DOUGLAS L. LUNSFORD DAVID L. SPOEDE PAUL M. BOHANNON JEFFREY D. HEWETT* ERNEST R. FINNEY, JR.* JAMES BRUCE MICHELE A DREXLER

October 25, 1982

1000 FIRST NATIONAL BANK BUILDING POST OFFICE BOX 3580 (9:5) 683-469 AMARILLO, TEXAS OFFICE

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"HOT LICENSED IN NEW MEXICO

New Mexico Oil Conservation Division Post Office Box 2088 Santa Fe, New Mexico 87501

Attention: Richard L. Stamets, Examiner

Application of Conoco Inc. for Compulsory

Pooling, Eddy County, New Mexico,

NMOCD Case No. 7652

Gentlemen:

It is my understanding that our client, Superior Oil Company, has reached agreement with the Applicant in the above-referenced case and that Conoco will be requesting that the case be dismissed.

Thank you for your cooperation.

incerely yours,

Owen M. Lopez

OML: to

cc: Mr. John Huckabee

Tom Kellahin, Esq.

HAND DELIVERED



Mark K. Mesley
Division Menager
Production Department
Hobbs Division
North American Production

Congco Inc. P. O. Box 460 726 E. Michigan Hobbs, NM 88240 (505) 393-4141

August 26, 1982

New Mexico Oil Conservation Division P. O. Box 2088

Santa Fe, New Mexico 87501

Attention Mr. Dan Nutter

Gent Lemen:

Case 7652, Examiner Docket, September 15, 1982

It is respectfully requested that Case 7652 now scheduled for Examiner Hearing on September 15, 1982, be continued to October 20, 1982. Conoco Inc. and Superior are evaluating a proposal concerning an exchange of ownership which could have an effect on the subject case.

Yours very truly,

Memsley

HAI: mhe

OIL COMPENSATION I

SAISTA FA

k K. Husley Division thingger

Promotion Department

Funds Division Nome American Production

Conoco Inc. P. O. 50x 450 726 E. Michigan Hobbs, NM 88240 (505) 393-4141

f ptember 3, 1982

Squarior Oil Company F. O. Box 39**01** Midland, Texas 79702

Autention Robert M. Winn

SANTA FE

antlemen:

propy of our letter to the NMOCD, dated August 26, 1982, we divide at Case 7:52 would be continued to October 20, 1982. Planse be Dat no Findiner Hearing will be held on October 20. By place rous and which with Mr. Dan Nutter, it has been agreed that this has will be Traved on the October 27, 1982 docket.

ms v y ruly,

fision

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O: Ran Rutter, NMOCD, Santa Fe Ton Filahin, Santa Fe V. I. Lyon, Houston

Deckate Nos. 35-82 and 36-82 are tentatively set for November 10 and November 23, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION MEARING - TUESDAY - OCTOBER 26, 1982

UIL CONSERVATION COMMISSION - 9 A.M. - HORCAN HALL, STATE LAND OFFICE BUILDING, SANTA PE, MEN HERICO

CASE 7656: (Continued from September 22, 1962, Commission Hamming)

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Application of Cities Service Company for determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, pursuant to the provisions of Section 70-2-17 C, NRSA, 1978 Comp., and Paragraph (5) of Divsion Order No. R-6781, seeks a determination of reasonable well costs for two wells drilled under the provisions of said Order No. R-6781 by Doyle Hartuan on Lands pooled by said order.

Docket No. 34-82

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 27, 1982

9 A.H. OIL CONSERVATION DIVISION CONFERENCE ROOM STATE LAND OFFICE BUILDING, SANTA FE, HEW MEXICO

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

CASE 7703: In the matter of the hearing called by the Oil Conservation Division on its own sotion to permit Cortex Corporation, United States Fire Insurance Company and all other interested parties to appear and show cause why the Fair Well No. 1, located in Unit D of Section 24, Township 18 South, Range 26 East, Eddy County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7638: (Continued from October 13, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cibola Energy Corporation, American Employers Insurance Company and all other interested perties to appear and show cause thy the Sisme Ranch Well No. 1, located in Unit N, Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both in Section 21, the Mora Ranch Well No. 3 located in Unit M and the Mora Ranch Well No. 4 located in Unit M, both in Section 5, all in Township 21 Morth, Range 21 Rast, Mora County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7686: (Continued from September 29, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Emergetics Corporation, United States Fidelity and Guaranty Company, and all other interested parties to appear and show cause why the Hames Corporation Well No. 1, located in Unit F of Section 9, Township 24 South, Range 2 East, "Done Ame County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7710: Application of Getty Oil Company for a unit agreement, Sierra County, New Mexico.

Applicant, in the above styled cause, seeks approval for the West Elephant Butte Unit Area, comprising 25,968 acres, more or less, of State, Federal, and fee lands in Townships 12 and 13 South, Ranges 4 and 5 West.

Application of Mesa Petroleum Co. for an unorthodox well location, Chaves County, New Mexico.

Applicant, in the above styled cause, seeks approval of an unorthodox location 158 feet from the South line and 2055 feet from the East line of Section 33, Township 5 South, Range 25 East, Undesignated Abo Pool, the SE/4 of said Section 33 to be dedicated to the well.

CASE 7705: Application of Johnson and Price for an unorthodox location, Les County, New Hexico.

Applicant, in the above-styled cause, seeks approval of an unorthodox location 1500 feet from the North line and 1980 feet from the East line of Section 22, Township 15 South, Range 38 East, Medicine Rock-Devomian Pool, the W/2 ME/4 of said Section 22 to be dedicated to the well.

Case 1706: Application of Johnson and Price for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Devonian formation underlying the W/2 NE/4 of Section 22, Township 15 South, Range 38 East, to be dedicated to a well to be drilled at an unorthodox location 1500 feet from the North line and 1980 feet from the East line of said Section 22. 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.

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CASE 7693: (Continued from September 29, 1982, Examiner Bearing)

Application of Porister & Sweatt for compulsory pooling, Cheves County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Southeast Chaves Queen Gas Area underlying the K/2 of Section 5, Township 13 South, Range 31 East, to be dedicated to a well to be drilled at an unorthodox 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 agid well.

CASE 7707: Application of Yates Petroleum Corporation for selt water disposal, Chaves County, New Mexico.

Applicant, in the above-styled cases, sasks suthority to dispose of produced selt water into the Sen
Andres formation in the perforated interval from 4,009 feet to 4,217 feet in its Champlin "UL" Pederal
Bell No. 1 located in Unit P of Section 12, Township 8 South, Range 31 East.

CASES 7708 and 7709: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Maxico.

Applicant, in each of the following cases, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing the unit well and the allocation of the east 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 7708: NE/4 Section 9, Township 5 South, Range 24 East

CASE 7709: SR/4 Section 22, Township 6 South, Range 25 East

Application of Julian Ard for the amendment of Division Order No. R-6903, Les County, New Mexico.

Applicant, in the showe-styled cause, seeks the amendment of Division Order No. R-6903 which said order pooled all mineral interests in the Morrow formation underlying the E/2 of Section 23, Township 20 South, Range 33 East, to provide that all of the Wolfcamp and Pennsylvanian formations would be pooled thereunder.

CASE 7681: (Continued and Readvertised)

Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, sanks approved for the unorthodox location of a gas well for any formation down to and including the Ordovician formation to be drilled 330 feet from the North line and 990 feet from the East line of Section 13, Township 9 South, Range 27 East, with the NE/4 or the E/2 of said Section 13 to be dedicated to the well as appropriate.

CASE 7596: (Continued from October 13, 1982, Examiner Hearing)

Application of Arco Oil and Gas Company for compulsory pooling, Lea County, New Marico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian through Ellenburger formations underlying the E/2 of Section 31, Township 20 South, Range 36 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.

CASES 7712, 7713, and 7714: Application of Sanders Oil & Gas Company for compulsory pooling, Chaves County, New Mexico.

Applicant, in each of the following cases, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the lands specified in each case, each to form a standard 160-eare gas promation unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing the unit 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 7712: SE/4 Section 21

CASE 7713: SW/4 Section 21

CASE 7714: SE/4 Section 31

All in Township 8 South, Range 26 East.

Page 3 of 3

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CASES 7528 and 7529: (Continued from September 29, 1982, Examiner Searing)

Application of JJ-CC, Limited for compulsory pooling, Chaves County, New Mexico.

Applicant, in each of the following two cases, seeks an order pooling all mineral interests down through
the Abe formation underling the lands specified in each case, each to form a standard 160-acre gas specing
and provides unit to be dedicated to a well to be drilled at a standard location thereon. Also to be
considered in each case will be the cost of drilling and completing said wells and the allocation of
the cost thereof as well as actual operating costs and charges for supervision, designation of applicant
as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7528: NR/4 Section 4, Township 5 South, Range 24 East

CASE 7529: ME/4 Section 4, Township 5 South, Range 24 Mast

CASE 7667: (Continued from September 15, 1982, Examiner Hearing)

Application of Tates Petroleum Corporation for compulsory pooling, Chaves County, New Maxico. Applicant, in the above-etyled cause, seeks an order pooling all mineral interests down through the Abo formation underlyling the HW/4 of Section 4, Township 5 South, Range 24 Bast, to form a standard 160-acre gas spacing and provation unit 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 7652: (Continued from September 15, 1982, Examiner Hearing)

Application of Common, Inc. for compulsory pooling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco
formation underlying all of partial Sections 34 and 35. Township 20 1/2 South, Range 23 East,
underlying a previously approved 688-acre non-standard proration unit, to be dedicated to a well
at a previously approved unorthodox location which is to be re-entered. Also to be considered will
be the cost of re-entering said well and the allocation of the cost thereof as well as actual operating
costs and charges for supervsion, designation of applicant as operator of the well and a charge for
risk involved in re-entering said well.

CASE 7594: (Continued from August 18, 1982 Exeminer Bearing)

Application of Harvey B. Yates Company for statutory unitiration, Les County, New Mexico. Applicant, in the above-styled cames, seeks an order unitiring for the purposes of a secondary recovery project, all mineral interests in that portion of the Bone Spring formation described as the Carbonats unit between the first and second Bone Spring Sands underlying the Young Deep Unit, encompassing 560 acres, more or less, of Federal lends underlying portions of Sections 3, 4, 9 and 10, Township 18 South, Range 32 East.

Dockets Nos. 31-82 and 32-82 are testatively set for September 29 and October 13, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMENTER BEARING WEDNESDAY-SEFTEMBER 15, 1982

9 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO

The following cases will be heard before Danie! S. Nutver, Examiner, or Richard L. Stamets, Alternate Examiner:

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

CASE 7638: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cibola Energy Corporation, American Employers Insurance Company and all other interested parties to appear and show cause why the Simms Ranch Well No. 1, located in Unit N, Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both in Section 21, the Nora Ranch Well No. 3 located in Unit M and the Mora Ranch Well No. 4, located in Unit M, both in Section 5, all in Township 21 North, Range 21 East, Mora County, should not be plugged and abendoned in accordance with a Division-approved plugging program.

CASE 7637: (Continued from August 18, 1982, Remainer Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R.A.F. Enterprises, Firemen's Fund Insurance Company and all other interested parties to appear and show cause why the Shew Well No. 1, located in Unit M. Section 18, Township 4 North, Range 8 East, Torrance County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7635: (Continued from September 1, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO2-In-Action, Travelers Indomnity and all other interested parties to appear and show cause why the Trigg Well No. 3 located in Unit J. Section 25, Township 15 North, Range 28 East, San Miguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7636: (Cont'mued from September 1, 1982, Exeminer Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Amistad No. 1 located in Unit E of Section 18, and the Amistad No. 2 located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

- CASE 7673: Application of Tates Petroleum Corporation for a unit agreement, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Almost Texas Unit Ares, comprising 3,840 acres, more or less, of State and Federal lands in Township 26 South, Range 31 East.
- CASE 7664: (Continued from September 1, 1982, Examiner Hearing)

Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Little Cuevo Unit Area, comprising 13,407 acres, more or less, of State and Fee Lands in Township 17 South, Range 18 East.

- CASE 7674: Application of Trican Energy, Inc. for a unit agreement, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Javalina Basin Unit Area, comprising 3,840 acres, more or less, of State and Federal lands in Township 25 South, Range 34 East.
- CASE 7675: Application of Texaco Inc. for demahole commingling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of Justis Blinebry, Justis Tubb-Drinkard, and Justis Devonian production in the wellbore of its G. L. Erwin "A" Federal Well No. 2 located in Unit K. Section 35, Township 24 South, Range 37 East.

Page 2 of 7 Examiner Hearing - WEDNESDAY - SEPTEMBER 15,1982

- CASE 7676: Application of Tenneco Oil Company for selt water disposel, Les County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to dispose of produced selt water into the Delaware formation in the perforated interval from 4970 feet to 4982 feet in its Jennings 7ed. Well No. 3 located In Unit 8 of Section 14, Township 24 South, Range 32 East.
- CASE 7677: Application of Amedarko Production Company for a waterflood expansion, Les County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to expand its Teas Yakes Waterflood Project by converting two wells located in Unit f of Sections 13 and 14, Township 27 South, Range 33 East and drilling three new injection wells at unorthodox locations in Units N of Section 11 and Unit L of Section 13, Township 20 South, Range 33 East, and Unit E of Section 18, Township 20 South, Range 34 East.
- CASE 7678: Application of Phillips Petroleum Company for a pressure maintenance project, Lea County, New Maxico. Applicant in the above-styled cause, seeks authority to institute a pressure maintenance project in the Vacuum Grayburg-San Andres Pool by the injection of water into the Grayburg San Andres formation through eight injection wells to be drilled at unorthodox locations in Section 35, Township 17 South, Range 34 East, as follows: 2630 feet from the South line and 1330 feet from the West line; 2630 feet from the South and West lines; 2630 feet from the South line and 1330 feet from the East line; 1310 feet from the East line; 1310 feet from the East line; 1310 feet from the North line and 1310 feet from the West line; and 1330 feet from the North line and 10 feet from the West line; and 1330 feet from the North line and 10 feet from the West line; and 1330 feet from the East line and 1310 feet from the South and East lines.
- CASE 7630: (Continued from September 1, 1982, Examiner Hearing This Case will be Dismissed)

 Application of Ralph Mix for an oil treating plant permit. Eddy County, New Mexico.

Application of Ralph Mix 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 at a site in the SW/4 NE/4 of Section 18, Township 19 South, Range 26 East.

CASE 7671: (Continued from September 1, 1982, Examinar Hearing)

Application of Texas Eastern Developments, Inc. for an exception to Rule 307, Sam Juan County, New Mexico. Applicant in the above-styled cause, seeks an exception to Rule 307 of the Division Rules and Regulations to permit it to draw a vacuum on the Shiprock Gallup 011 Pool reservoir through 16 wells in Sections 16 and 17, Township 29 North, Range 18 West. Applicant further seeks an administrative procedure whereby it could extend the proposed vacuum system to include additional wells in the same reservoir.

- CASE 7679: Application of C & K Petroleom, Inc. for the amendment of Order No. R-4857-A and for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-4857-A to provide that the lands pooled by said order shall be the W/2 SE/4 of Section 27, Township 16 South, Range 37 East, dedicated to its Shi/p 27 Well No. 2 located in Unit O in said Section 27. Applicant further seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 SE/4 of the aforesaid Section 27, to be dedicated to a well to be drilled in Unit P of said Section 27. 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 7680: Application of Unichem International, Inc. for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, im the above-styled cause, seeks an exception to Order No. R-3221 to permit the commercial disposal of produced brine into several unlined surface pits located in Section 11, Township 23 South, Range 29 East.
- Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Ordovician gas well to be drilled 330 feet from the North line and 990 feet from the East line of Section 13, Township 9 South, Range 27 East, the E/2 of said Section 13 to be dedicated to the well.

- CASE 7682: Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Mississippian gas well drilled 330 feet from the North line and 330 feet from the West line of Section 34, Township 11 South, Range 28 East, the W/2 of said Section 34 to be dedicated to the well.
- CASE 7683: Application of S & I Oil Company for compulsory pooling, San Juan County, New Maxico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying the E/2 SE/4 of Section 12, Township 29 North, Range 15 West, to be dedicated to a well 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 7684: Application of R. E. Lauritsem for compulsory pooling, San Juan County, New Maxico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup and Dakota formations underlying the W/2 of Section 11, Township 29 North, Range 15 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7685: Application of Cimarron Emergy Corporation for an unorthodox location, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Prinsylvanian test to be drilled 1980 feet from the South line and 660 feet from the West line of Section 34, Township 22 South, Range 28 East, the S/2 of said Section 34 to be dedicated to the well.

CASES 7528 and 7529: (Continued and Readvertised)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico.

Applicant, in each of the following two cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and protection unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7528: NW/4 Section 4, Township 5 South, Range 24 East

CASE 7529: ME/4 Section 4, Township 5 South, Range 24 East

(Continued from September 1, 1982, Examiner Hearing)

CASES 7666, 7667, 7668, and 7669: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the four following cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160—acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7666: SW/4 Section 3;

CASE 7667: NW/4 Section 4;

CASE 7668: NW/4 Section 14;

All of the above being in Township 5 South, Range 24 East and

CASE 7669: NW/4 Section 2, Township 9 South, Range 25 East.

CASE 7670: (Continued from September 1, 1982, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.
Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow
formation underlying the N/2 of Section 26, Township 14 South, Range 27 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 7652: (Continued from August 18, 1982, Examiner Hearing)

Application of Conoco Inc. for compulsory pooling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco formation underlying all of partial Sections 34 and 35, Township 20 1/2 South, Range 23 East, underlying a previously approved 688-acre non-standard protetion unit, to be dedicated to a well at a previously approved unorthodox location which is to be re-entered. Also to be considered will be the cost of re-entering 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 re-entering said well.

CASE 7672: (Continued from September 1, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning discovery allowable, contracting, and extending certain pools in Chaves, Eddy, Lea and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Brushy Canyon production and designated as the Brushy Draw-Brushy Canyon Pool. Further, to assign approximately 25,410 barrels of discovery allowable to the discovery well, the J. C. Williamson UCSENW Federal Well No. 1 located in Unit M of Section 25. Township 26 South, Range 29 East, MRTM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NRPM Section 25: SW/4

(b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for San Andres production and designated as the Hobbs Channel-San Andres Pool. The discovery well is the Bass Enterprises Production Company Humble City Unit Well No. 1 located in Unit D of Section 36, Township 17 South, Range 37 East, NAPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NRPM Section 36: NW/4

(c) CREATE a new pool in Les County, New Mexico, classified as a gas pool for Morrow production and designated as the Humphreys Mill-Morrow Gas Pool. The discovery well is the Florida Exploration Company Reno Com Well No. 1 located in Unit D of Section 11. Township 25 South, Range 35 East, NAPH. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 35 EAST, NHPM Section 11: N/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Justis-Abo Pool. The discovery well is the Santa Fe Energy Company Carlson B-25 Federal Well No. 3 located in Unit O of Section 25, Township 25 South, Range 37 East, NMFM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NHFM Section 25: SE/4

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the McMillan-Upper Pennsylvanian Gas Pool. The discovery well is the Southland Royalty Company Pecos River Federal 20 Com Well No. 1 located in Unit J of Section 20, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NHPM Section 20: E/2

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Mosley Canyon-Strawn Gas Pool. The discovery well is W. A. Moncrief, Jr., Jurnegam State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NHPM Section 8: N/2

(g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the West Nadine-Tubb Pool. The discovery well is the Tamarack Petroleum Company, Inc. Kornegsy A Well No. 1 located in Unit F of Section 9, Tranship 20 South, Range 38 East, NRFM. Said pool would comprise:

TOWNSEIF 20 SOUTH, NAMES 38 EAST, NORTH Section 9: MW/4

(h) CREATE a new pool in Les County, New Mexico, classified as a gas pool for Morrow production and designated as the Fitchfork Rench-Morrow Gas Pool. The discovery well is the MHG Oil Company Maders 32 State Com Well No. 1 located in Unit C of Section 32, Township 24 South, Range 34 East, NRPM. Said pool would comprise:

TOUNISHIP 24 SOUTH, RANGE 34 EAST, HHPM Section 32: W/2

(i) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yeso production and designated as the Seven Rivers-Yeso Pool. The discovery well is Cham Petroleum Corporation Irani Pederal Well No. 1 located in Unit N of Section 34, Township 19 South, Range 25 East, RRPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NORTH Section 34: \$4/4

(j) CREATE a new pool in Les County, New Mexico, classified as an oil pool for Abo production and designated as the East Skaggs-Abo Pool. The discovery well is the Texaco Inc. Ch. H. Weir A Well No. 12 located in Unit G of Section 12, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NHPH Section 12: HE/4

(k) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the Teague-Tubb Pool. The discovery well is the Alpha Twenty-One Production Company Lea Well No. 2 located in Unit A of Section 17, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, MANGE 37 EAST, NAPH Section 17: HE/4

(1) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Townsend-Devonian Pool. The discovery well is the Kimberk Oil and Gas Company New Marico 1-4 State Com Well No. 1 located in Unit N of Section 4, Township 16 South, Br East, NMPH Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM Section 4: Lots 11, 12, 13, and 14

(w) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Welch-Bone Spring Pool. The discovery well is the Quanah Petroleum, Inc. Hay B Federal Com Well No. 1 located in Unit K of Section 9, Township 26 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NMPM Section 9: SW/4

(n) CONTRACT the horizontal limits of the Buckeye-Abo Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NORTH Section 3: W/2 HW/4

(o) CONTRACT the horizontal limits of the Vacuum-Abo Reef Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NOPH Section 3: E/2 NW/4

(p) EXTERD the Antelope Sink-Upper Pennsylvanian Gas Fool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 23 EAST. NEPM Section 13: B/2 Section 14: H/2

(q) EXTEND the West Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM Section 20: 8974

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NORTH Section 26: E/2

(s) EXTEND the Bilbrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NHPM Section 5: NW/4 Section 6: E/2

(t) EXTEND the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to include therein:

TOWNSEIP 16 SOUTH, RANGE 31 EAST, NRPM Section 14: M/2 S/2 and ME/4

(u) EXTEND the Cametery-Morrow Gas Pool in Eddy County, New Hexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM Section 3: S/2 Section 4: All

(v) EXTEND the Commanche Stateline Tansill-Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM Section 26: NW/4 Section 27: NE/4 and E/2 NW/4

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM Section 35: S/2 Section 36: W/2

(x) EXTERD the South Empire-Wolfcamp Pool in Eddy County, New Maxico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, MREYN Section 36: E/2 NE/4

TOWNSHIP 17 SOUTH, RANGE 29 EAST, MMPM Section 31: WW/4 and S/2 ME/4

(y) EXTEND the Forty Niner Ridge-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, WHEN Section 16: SE/4

(z) EXTEND the Hardy-Tubb Pool in Lea County, New Hexico, to include therain:

TOWNSETP 21 SOUTH, RANGE 36 EAST, NORTH Section 2: Loto 11, 12, 13, 14, and 5/2 Section 11: MW/4

(as) Extend the Northeast Lowington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, HRPH Section 20: NW/4

(bb) EXTERO the West Hilmssend-Pennsylvanian Fool in Roosevelt County, New Mexico, to include therein:

TOWNSELP 8 SOUTH, RANGE 34 EAST, HEIPH Section 19: 4/2

(cc) EXTABL the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 RAST, RMPH Section 30: SE/4 Section 31: N/2 NE/4

TOWNSHIP 6 SOUTH, MARGE 33 EAST, MMPH Section 15: 5/2

(dd) EXTEND the Bace Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, EMPM Section 18: ME/4 and S/2 SE/4

(ee) EXTERO the Ross Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOSHISHIP 26 SOUTE, RANGE 30 EAST, NPPH Section 23: S/2 Section 26: H/2

(ff) EXTEMD the West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 BAST, NORPH Section 17: S/2 Section 20: All

(gg) EXTEND the Saunders Permo-Upper Pennsylvanian Pool in Lea County, New Maxico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM Section 21: HE/4

DOCKET: CONSTISSION BEARING - WEDNESDAY - SEPTEMBER 22, 1962

OIL CONSERVATION CONNESSION-MORGAN HALL - 9 A.M. STATE LAND CFFICE BUILDING, SANTA PR, MEN MEXICO

The following cases were continued from the August 26, 1982, Commission Searing:

Application of Cities Service Company for determination of reasonable well costs, Les County, New Mexico. Applicant, in the above-styled cause, pursuent to the provisions of Section 70-2-17 C, MMSA, 1978 Comp., and Paragraph (5) of Division Order No. R-6781, seeks a determination of reasonable well costs for two wells drilled under the provisions of said Order No. R-6781 by Doyle Eartman on lands pooled by said order.

CASE 7657: Application of Hervey E. Yetes Company for non-rescission of Order No. R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the non-rescission of Order No. R-6873, which order pooled certain lands to be dedicated to a proposed Orderician test well to be drilled thereon, being the W/2 of Section 18, Township 9 South, Range 27 East. Said order provided that should the unit well not be drilled to completion, or abandonment, within 120 days after commencement thereof, operator shall appear and show cause why the pooling order should not be rescinded.

CASE 7658: (Readvertised)

Application of Harvey B. Yates Company for a dual completion and downhole commingling, Chaves County, Hew Maxico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Seymour State No. I located in Section 18, Township 9 South, Range 27 East, in such a menner that Abo perforations from 4912 feet to 4929 feet would be commingled with Upper Atoka perforations from 5926 feet to 5952 feet and the aforesaid intervals dually completed with Lower Atoka perforations from 6008 feet to 6048 feet and produced through parallel strings of tubing.

Dockets Nos. 27-82 and 28-82 are tentatively set for September 1 and September 15, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 18, 1982

9 A.M. - OIL CONSERVATION DIVISION - MORGAN HALL, 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 September, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for September, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7635: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO.-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Trigg Well No. 3 located in Unit J. Section 25, Township 15 Korth, Range 28 East, San Miguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7636: In the matter of the hearing called by the Oil Conservation Division on its own motion to parmit CO2-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Amistad No. 1 located in Unit E of Section 18, and the Amistad No. 2 located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7637: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R.A.F. Enterprises, Fireman's Fund Insurance Company and all other interested parties to appear and show cause why the Shaw Well No. 1, located in Unit N, Section 18, Township 4 North, Range 8 East, Torrance County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7638: In the matter of the hearing called by the Cil Conservation Division on its own motion to permit Cibola Energy Corporation, Mid-Continent Casualty Company, and all other interested parties to appear and show cause why the Simms Ranch Well No. 1, located in Unit N, Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both in Section 21, the Mora Ranch Well No. 3 located in Unit M and the Mora Ranch Well No. 4, located in Unit M, both in Section 5, all in Township 21 North, Range 21 East, Mora County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7633: Application of Acoma Dil Corporation for downhole commingling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wantz Abo,
 Drinkard and Blinebry Pool production in the wellbore of its S. J. Starkeys Lease Well No. 2,
 located in Unit B of Section 26, Township 21 South, Range 37 East.
- CASE 7640: Application of Morris R. Antwell for compulsory pooling, Lee County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through and including the Abo formation in and under the NE/4 NE/4 of Section 12, Township 20 South, Range 37 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 7641: Application of Reading & Bates Petroleum Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through the Devonian formation underlying the NM/4 SE/4 of Section 33, Township 14 South, Range 38 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 when 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 7642: Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Jalmax Pool, underlying a previously approved 120-acre non-standard provation unit comprising the 5/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a previously approved unorthodox location. 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 7643: Application of Texaco, Inc. for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Orinkard and Strawn formations underlying the M/2 NE/4 of Section 33, Township 16 South, Range 37 East,
 Casey-West Knowles Area, 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 7650: Application of Texaco Inc. for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Stream formations underlying the E/2 NE/4 of Section 33, Township 16 South, Range 37 East, Casey-Mest Knowles Area, 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 7644: Application of Rault Petroleum Corporation & McKay Petroleum Corporation for compulsory pooling, De Baca County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SW/4 of Section 33, Township 3 South, Range 25 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 7645: Application of Stevens Operating Corporation for compulsory pooling, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down to the base of the Abo formation underlying the NE/4 of Section 29, 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.
- Application of Conoco Inc. for compulsory pooling, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco formation underlying all of pertial Sections 34 and 35, Township 20 1/2 South, Range 23 East, underlying a previously approved 688-acre non-standard provation unit, to be dedicated to a well at a previously approved unorthodox location which is to be re-entered. Also to be considered will be the cost of re-entering 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 re-entering said well.
- CASE 7646: Application of Tenneco Oil Company for an unorthodox gas well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, sucks approval for the unorthodox location of a Pennsylvanian gas well to be drilled 1855 feet from the Morth line and 660 feet from the East line of Section 25, Township 16 South, Range 33 East, the N/2 of said Section 25 to be dedicated to the well.
- CASE 7651: Application of Nortex Gas & Dil Company for the amendment of Order No. R-6903, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6903 to provide that non-consenting working interest owners shall have thirty days following final adjudication of title in which to pay their proportionate share of well costs.
- CASE 7647: Application of Guest Energy Corporation for salt water disposal, Lea County, New Hexico.
 Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the open hole interval from 4150 feet to 5600 feet in its State A Hell No. 2, located in Unit L of Section 26, Township 14 South, Range 33 East.
- CASE 7653: Application of Rio Pecos Corporation for a unit agreement, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Chaverlea-North Federal Unit Area, comprising 1,920 acres, more or less, of Federal and Fee lands in Township 8 South, Range 31 East.
- CASE 7648: Application of Rio Pecos 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 Molfcamp to the base of the Pennsylvanian formation, underlying the M/2 of Section 35, Township 18 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.

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Page 3 of 3 EXAMINER HEARING - WEDNESDAY - AUGUST 18, 1982

CASE 7654: Application of Rault Petroleum Corporation for an unorthodox gas well location, Chaves County, hew Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location for an undesignated Pennsylvanian gas well to be drilled 600 feet from the South line and 660 feet from the West line of Section 13, Township 8 South, Range 27 East, the S/2 of said Section 13 to be dedicated to the well.

CASE 7306: (Reopened)

In the matter of Case 7306 being reopened pursuant to the provisions of Order No. R-6769 which promulgated temporary pool rules for Madera-Lower Penn Gas Pool in Lea County, including provision for 640-acre spacing units. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

CASE 7655: Application of Yates Petroleum Corpuration for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation underlying the HM/4 of Section 20, 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.

CASES 7528 and 7529: (Continued from July 7, 1982, Examiner Hearing)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following two cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

<u>CASE 7528</u>: NM/4 Section 4, Township 5 South, Range 24 East <u>CASE 7529</u>: NE/4 Section 4, Township 5 South, Range 24 East

CASE 7649: Application of Southern Union Exploration Company for retroactive exemption, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the retreactive exemption from Section 5 of the New Mexico Natural Gas Pricing Act of the following Basin Dakota infili wells: Jicarilla A No. 13-E in Unit N of Section 13 and Jicarilla A No. 10-E in Unit G of Section 23, both in Township 26 North, Range 4 West, and Jicarilla K No. 15-E in Unit A of Section 1, Township 25 North, Range 5 West, all in Rio Arriba County, and the Hodges No. 15-E in Unit J of Section 27, Township 26 North, Range 8 West. Each of the aforesaid wells was subject to the New Mexico Natural Gas Pricing Act until exempted from same by the Division on July 23, 1982, and applicant seeks the retroactive exemption of each of said wells to date of first delivery into the pipeline which ranges from December 24, 1980 to January 11, 1982.

CASE 7594: (Continued from July 21, 1982, Examiner Hearing)

Application of Harvey E. Yates Company for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of a secondary recovery project, all mineral interests in that purcion of the Bone Spring formation described as the Carbonate unit between the first and second Bone Spring Sands underlying the Young Deep Unit, encompassing 560 acres, more or less, of Federal lands underlying portions of Sections 3, 4, 9 and 10, Township 18 South, Range 32 East.



To

Dan Nutter - NMOCD Santa Fe

Date

7-23-82

Per our phone conversation yesterday, I'm sending a new Application for hearing for our Preston Com #4, to expand the advertisement.

I'm writing a letter to Superior today, notifying them of this Application. The Superior Oil Company is the only working interest owner affected by the Compulsory Pooling. One other working interest owner (Armour Properties, 1107 Oil & Gas Bldg., Wichita Fall, Texas 76301) has consented to the work and has approved our Operating Agreement.

Superior's address is:

The Superior Oil Company

Box 1900

Midland, TX 79702

and

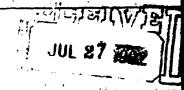
Box 1521 Houston, TX 77002

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Mark K. Meeley Division Manager Production Department Hobbs Division North American Production Consce Inc. P. O. Box 460 726 E. Michigan Hobbs, NM 85240 (505) 393-4141



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July 23, 1982

New Mexico Oil Conservation Division Department of Energy and Minerals P. O. Box 2088 Santa Fe, NM 87501

Attention Mr. Dan Nutter

Gentlemen:

Application for Approval of Compulsory Pooling All Mineral Interests in the Cisco Formation Underlying All of Partial Sections 34 and 35, Township 20-1/2 South, Range 23 East, Eddy County, New Mexico, For Authority to Complete A Previously Drilled Well at a Non-Standard Location and For Approval of a Non-Standard Proration Unit Consisting of the Above Named Sections. Also to Consider the Cost of Re-Entering 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 the Risk Involved in Re-Entering and Completing Said Well.

Attached are three (3) copies of the subject application. Please schedule this for Examiner hearing on the August 18, 1982 Docket, if possible.

Yours very truly,

Mosley

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BEFORE THE OIL CONSERVATION DIVISION ENERGY AND MINERALS DEPARTMENT OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONOCO INC. FOR COMPULSORY POOLING ALL MINERAL INTERESTS IN THE CISCO FORMATION UNDERLYING PARTIAL SECTIONS 34 AND 35, T-20-1/2-S, R-23-E, EDDY COUNTY, NEW MEXICO, FOR AUTHORITY TO COMPLETE A PREVIOUSLY DRILLED WELL AT A NON-STANDARD LOCATION, AND FOR APPROVAL OF A NON-STANDARD PROMATION UNIT CONSISTING OF THE ABOVE NAMED SECTIONS. ALSO TO CONSIDER THE COST OF RE-ENTERING 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 THE RISK INVOLVED IN RE-ENTERING AND COMPLETING SAID WELL.

APPLICATION

Applicant, CONOCO INC., respectfully requests authority for compulsory pooling all mineral interests in the Cisco formation underlying all of partial Sections 34 and 35, T-20-1/2-S, R-23-E, Eddy County, New Mexico, and in support thereof will show:

- 1. Applicant is operator and co-owner of the Preston Federal Lease, which in addition to other lands includes all of partial Sections 34 and 35, T-20-1/2-S, R-23-E, Eddy County of New Mexico.
- 2. Applicant intends to re-enter and complete in the Cisco formation a well drilled in 1965 by the Standard Oil Company of Texas as a dry hole located 990' FSL & 990' FBL of Section 34, T-20-1/2-S, R-23-E, Eddy County, New Mexico.
- 3. That the unorthodox location and 688-acre non-standard gas proration unit in the Indian Basin-Upper Pennsylvanian Gas Pool comprising all of partial Sections 34 and 35, T-20-1/2-S, R-23-E, Eddy County, New Mexico were both approved by Order R-2945 dated September 1, 1965.
- 4. That Order R-2440 established 640-acres as a standard gas proration unit for a well in the Indian Basin-Upper Pennsylvanian Gas Pool.
- 5. That the granting of this application will prevent waste and will not impair the correlative rights of any party.

Application Cisco Formation July 23, 1982

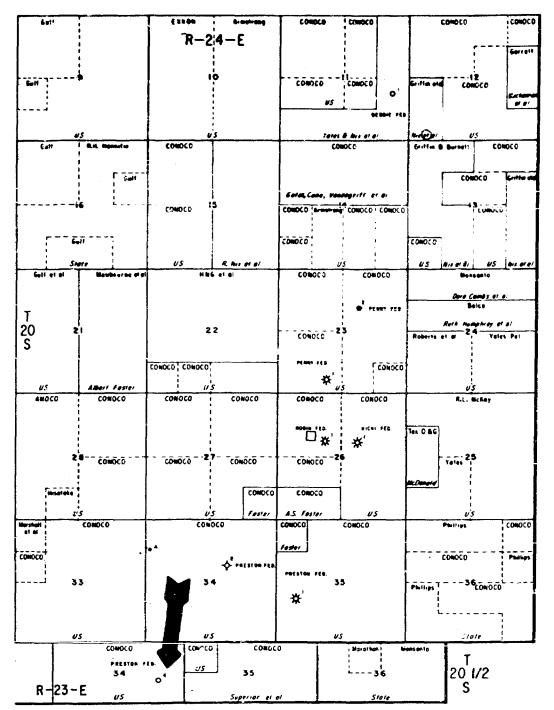
WHEREFORE, applicant respectfully requests that this application be set for hearing before the Division's duly appointed examiner, and upon hearing, and order be entered authorizing compulsory pooling as described above.

Respectfully submitted, CONOCO INC.

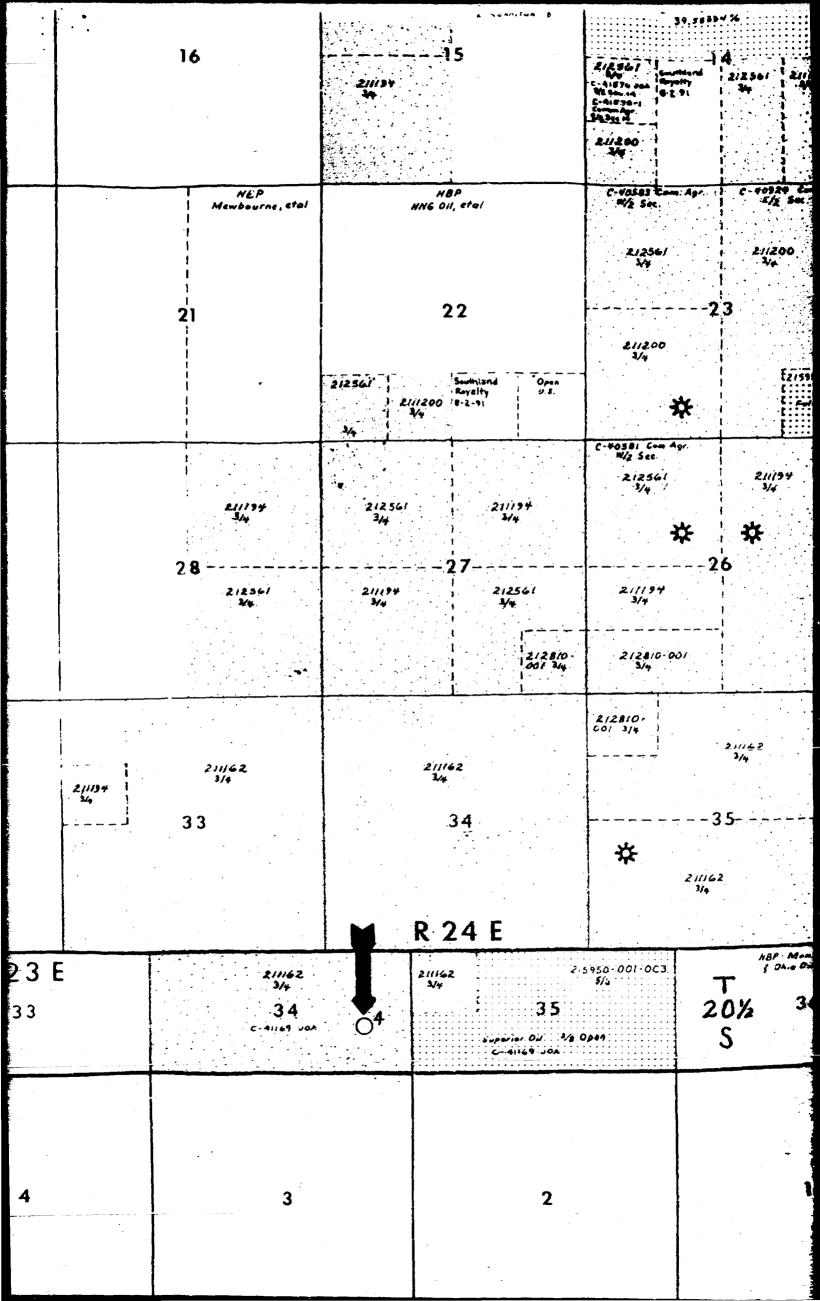
Mark K Mosley

Division Manager of Production

Hobbs Division



PRODUCTION	(CONOCO)	HORRS DIVISION
EDDY	COUNTY, NEW M	EXICO
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Mark K. Mosley Division Manager Production Department Hobbs Division North American Production Conoco Inc. P. O. Box 460 726 E Michigan Hobbs, NM 88240 (505) 393-4141

July 20, 1982

OIL CUNSTITUTE DIVISION SANTA FE

New Mexico Oil Conservation Division Department of Energy and Minerals P. O. Box 2088 Santa Fe, NM 87501

Cuss 7652

Attention Mr. Dan Nutter

Gentlemen:

Application for Approval of Compulsory Pooling All Mineral Interests in the Cisco Formation Underlying All of Partial Sections 34 and 35, Township 20-1/2 South, Range 23 East, Eddy County, New Mexico

Attached are three (3) copies of the subject application. Please schedule this for Examiner hearing on the August 18, 1982 Docket, if possible.

Yours very truly,

MAMosley

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SANTA FE

BEFORE THE OIL CONSERVATION DIVISION ENERGY AND MINERALS DEPARTMENT OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONOCO INC. FOR COMPULSORY POOLING ALL MINERALS INTERESTS IN THE CISCO FORMATION UNDERLYING PARTIAL SECTIONS 34 AND 35, T-20-1/2-S, R-23-E, EDDY COUNTY, NEW MEXICO

19, 40 765X

APPLICATION

Applicant, CONOCO INC., respectfully requests authority for compulsory pooling all mineral interests in the Cisco formation underlying all of partial Sections 34 and 35, T-20-1/2-S, R-23-E, Eddy County, New Mexico, and in support thereof will show:

- 1. Applicant is operator and co-owner of the Preston Federal Lease, which in addition to other lands includes all of partial Sections 34 and 35, T-20-1/2-S, R-23-E, Eddy County of New Mexico.
- 2. Applicant intends to re-enter and complete in the Cisco formation a well drilled in 1965 by the Standard Oil Company of Texas as a dry hole located 990' FSL & 990' FEL of Section 34, T-20-1/2-S, R-23-E, Eddy County, New Mexico.
- 3. That the unorthodox location and 688-acre non-standard gas proration unit in the Indian Basin-Upper Pennsylvanian Gas Pool comprising all of partial Sections 34 and 35, T-20-1/2-S, R-23-E, Eddy County, New Mexico were both approved by Order R-2945 dated September 1, 1965.
- 4. That Order R-2440 established 640-acres as a standard gas proration unit for a well in the Indian Basin-Upper Pennsylvanian Gas Pool.
- 5. That the granting of this application will prevent waste and will not impair the correlative rights of any party.

Application Cisco Formation July 20, 1982

WHEREFORE, applicant respectfully requests that this application be set for hearing before the Division's duly appointed examiner, and upon hearing, an order be entered authorizing compulsory pooling as described above.

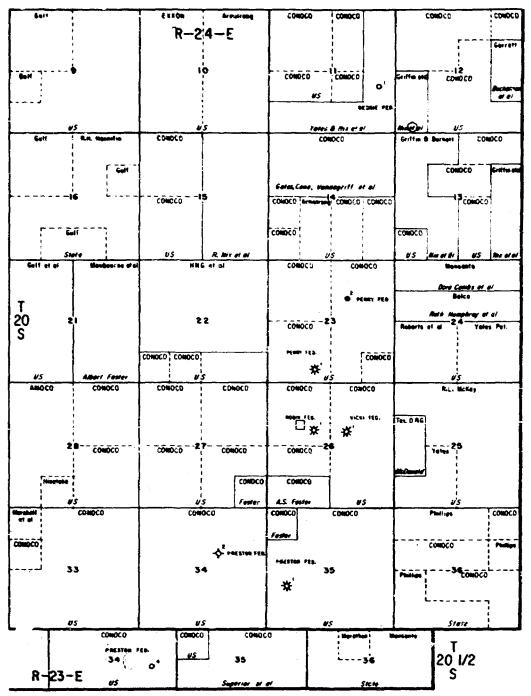
Respectfully submitted,

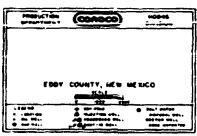
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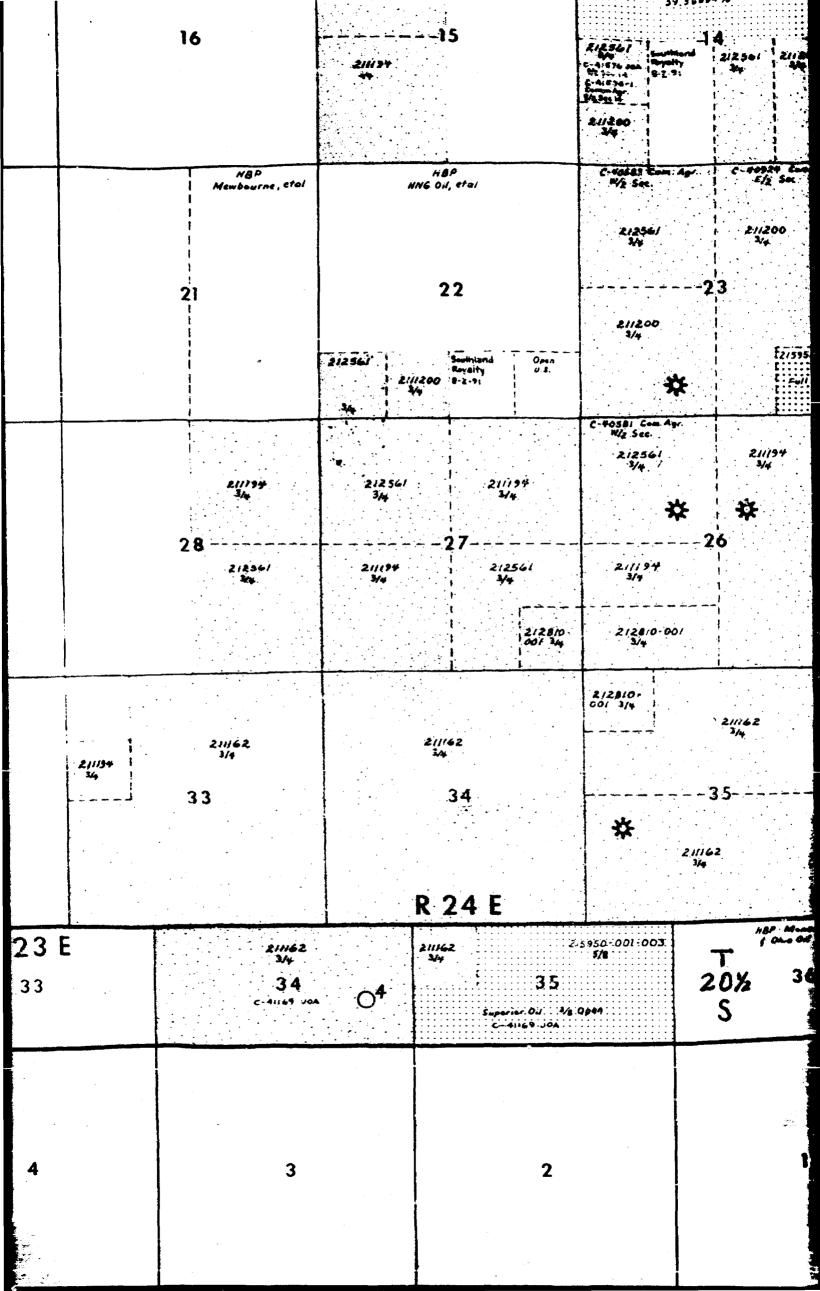
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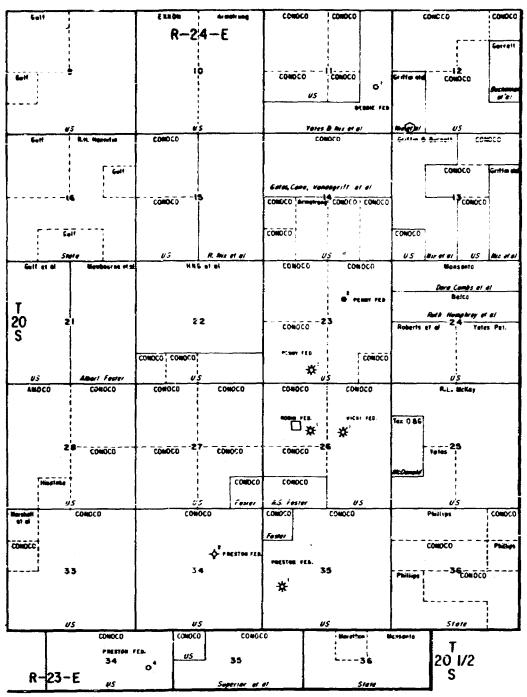
Division Manager of Production

Hobbs Division



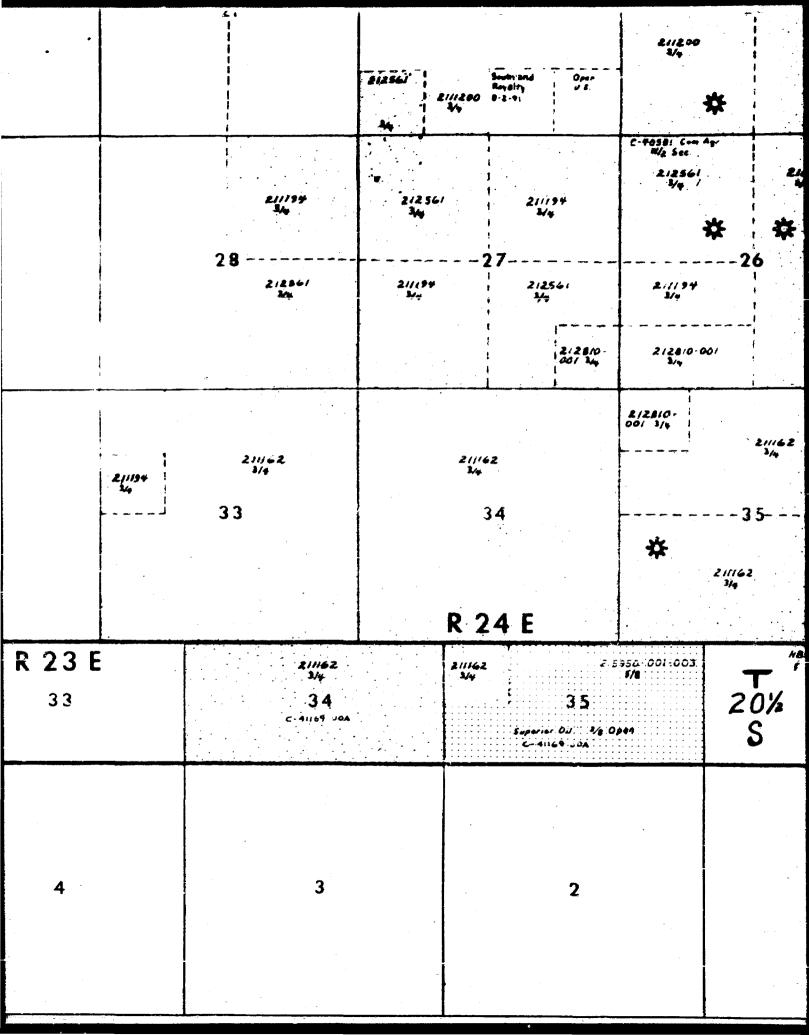


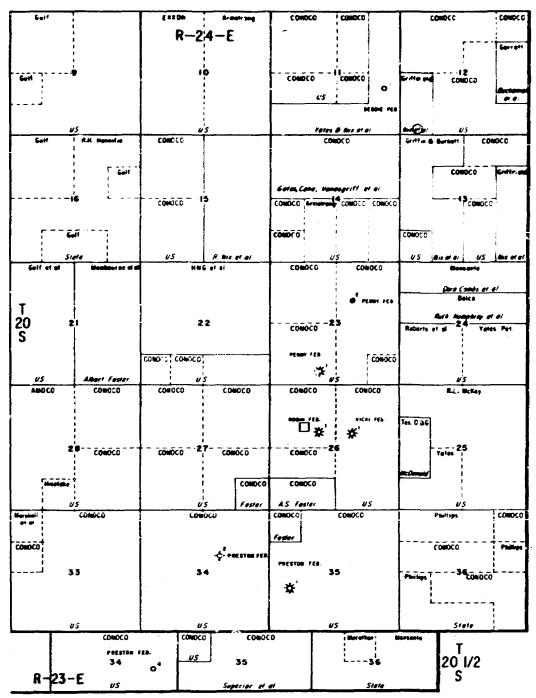




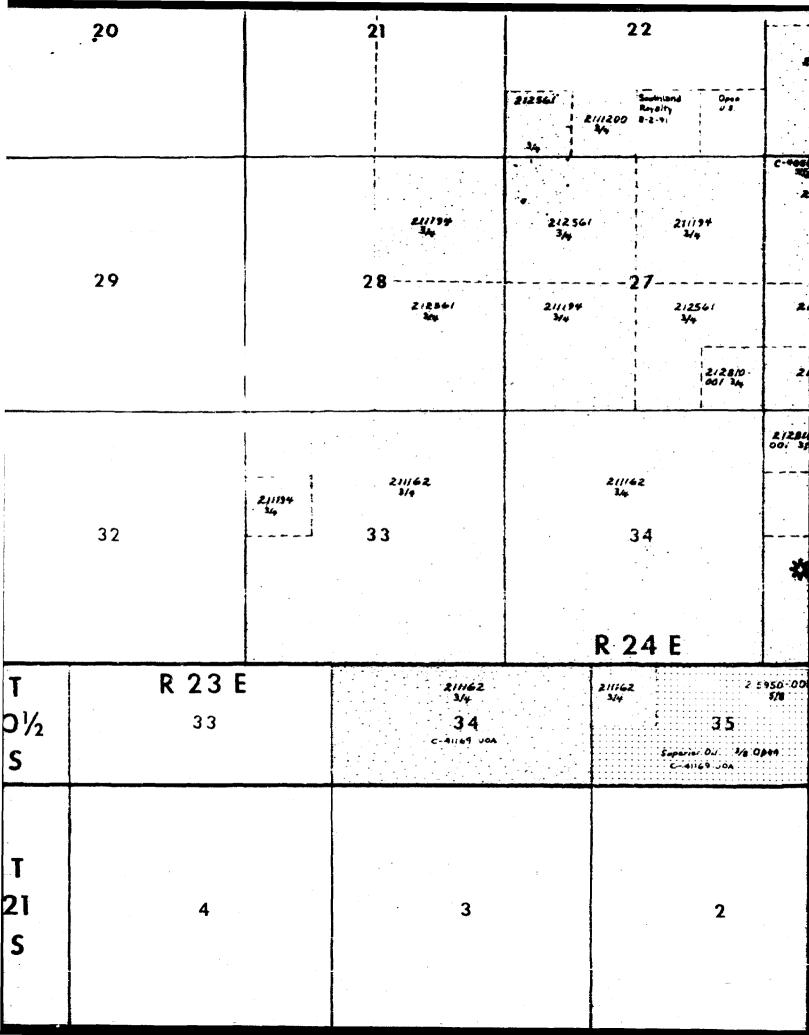
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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

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APPLICATION OF CONOCO, INC. FOR COMPULSORY POGLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 7652 Order No. R-7/25

ORDER OF THE DIVISION

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BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 27, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of November, 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. 7652 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

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