

CASE NO.

6549

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico  
27 June 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for ) CASE  
pool creation, discovery allowable, and ) 6549  
special pool rules, Lea County, New Mexico. )

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Ernest L. Padilla, Esq.
Division:	Legal Counsel for the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87503

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2021 Plaza Blanca (505) 471-2462  
Santa Fe, New Mexico 87501

MR. NUTTER: Call next Case Number 6549.

MR. PADILLA: Application of Gulf Oil Corporation for pool creation, discovery allowable, and special pool rules, Lea County, New Mexico.

MR. NUTTER: On request of applicant, Case Number 6549 will be dismissed.

(Hearing concluded.)

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (SOS) 471-2462  
Santa Fe, New Mexico 87501

## REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY  
CERTIFY that the foregoing and attached 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,  
skill, and knowledge, from my notes taken at the time of  
the hearing.

Sally W. Boyd C.S.R.  
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 6549  
heard by me on 4/27 1979.

[Signature] Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (SOS) 471-2462  
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico  
27 June 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for ) CASE  
pool creation, discovery allowable, and ) 6549  
special pool rules, Lea County, New Mexico. )

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Ernest L. Padilla, Esq.
Division:	Legal Counsel for the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87503

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2020 Plaza Blanca (SOS) 471-2462  
Santa Fe, New Mexico 87501

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MR. NUTTER: Call next Case Number 6549.

MR. PADILLA: Application of Gulf Oil Corporation for pool creation, discovery allowable, and special pool rules, Lea County, New Mexico.

MR. NUTTER: On request of applicant, Case Number 6549 will be dismissed.

(Hearing concluded.)


SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (505) 471-2462  
Santa Fe, New Mexico 87501

## REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY  
CERTIFY that the foregoing and attached 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,  
skill, and knowledge, from my notes taken at the time of  
the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 6549  
heard by me on 6/27 1977

 Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (SOS) 471-2462  
Santa Fe, New Mexico 87501



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

**JERRY APODACA**  
GOVERNOR

NICK FRANKLIN  
SECRETARY

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

July 12, 1979

Mr. R. H. Peacock  
Manager-Operations  
Gulf Oil Corporation  
P. O. Drawer 1150  
Midland, Texas 79702

Re: CASE NO. 6549  
ORDER NO. R-6045

**Applicant:**

Gulf Oil Corporation

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 OCC	<u>x</u>
Artesia OCC	<u>x</u>
Aztec OCC	

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. 6549  
Order No. R-6045

APPLICATION OF GULF OIL CORPORATION  
FOR POOL CREATION, DISCOVERY ALLOWABLE,  
AND SPECIAL POOL RULES, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 27, 1979,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of July, 1979, the Division  
Director, having considered the record and the recommendations  
of the Examiner, and being fully advised in the premises,

FINDS:

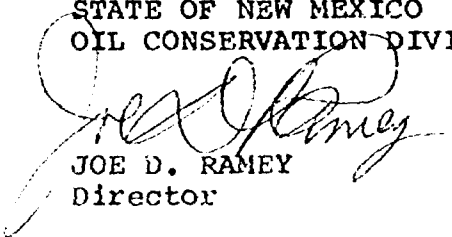
That the applicant's request for dismissal should be  
granted.


IT IS THEREFORE ORDERED:

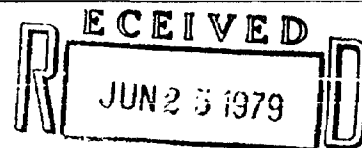
That Case No. 6549 is hereby dismissed.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

  
S E A L  
fd/



# Gulf Oil Exploration and Production Company

J. M. Thacker  
GENERAL MANAGER PRODUCTION  
SOUTHWEST DISTRICT

June 20, 1979

P. O. Drawer 1150  
Midland, TX 79702

New Mexico Department of Energy and Minerals  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

ATTENTION: Mr. Joe D. Ramey

RE: Case 6549  
Discovery Allowable  
Temporary Rules  
Lea "YH" State No. 1  
Unit 0, Sec. 25 T-18-S, R-34 E  
Airstrip-Bone Springs  
Lea County, New Mexico

*File 6549  
Case  
Jsu*

Gentlemen:

It is respectfully requested that the subject hearing scheduled on your June 27, 1979 examiner docket be dismissed without prejudice.

Yours very truly,

R. H. PEACOCK  
Manager-Operations

CFK:kag

cc: J. T. Sexton - Hobbs, New Mexico



A DIVISION OF GULF OIL CORPORATION

Dockets Nos. 25-79 and 26-79 are tentatively set for hearing on July 11 and 25, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 27, 1979

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

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

CASE 6545: (Continued from May 23, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Corinne Grace, Travelers Indemnity Company, and all other interested parties to appear and show cause why the Kuklah Baby Well No. 1 located in Unit G of Section 24, Township 22 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6549: (Continued from May 23, 1979, Examiner Hearing)

Application of Gulf Oil Corporation for pool creation, discovery allowable, and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new Bone Springs oil pool for its Lea "YH" State Well No. 1 located in Unit O of Section 25, Township 18 South, Range 34 East. Applicant also seeks a discovery allowable and promulgation of special pool rules, including a provision for 80-acre spacing.

CASE 6563: (Continued from June 13, 1979, Examiner Hearing)

Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his North Woolworth Ranch Unit Area, comprising 1,280 acres, more or less, of State lands in Township 23 South, Range 35 East.

CASE 6548: (Continued from May 23, 1979, Examiner Hearing)

Application of John F. Staver for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Dakota formation through the open hole interval from 1408 feet to 1412 feet in his Table Mesa Well No. 22 located in Unit N and from 1394 feet to 1400 feet in his Table Mesa Well No. 23 located in Unit O, both in Section 34, Township 28 North, Range 17 West, Table Mesa-Dakota Oil Pool.

CASE 6576: Application of Bass Enterprises Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Townsend Unit Area, comprising 320 acres, more or less, of State lands in Township 15 South, Range 34 East.

CASE 6577: Application of Oil Processing 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 a site in the NE/4 SE/4 of Section 8, Township 20 South, Range 37 East.

CASE 6578: Application of Mesa Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 28, Township 17 South, Range 27 East, to be dedicated to a well to be drilled in Unit G of said Section 28. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6579: Application of R. N. Hillin for an unorthodox well location and approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of a Morrow gas well at an unorthodox location 800 feet from the South line and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East, is necessary to effectively and efficiently drain that portion of the E/2 of said Section 34 which cannot be so drained by the existing well.

CASE 6580: Application of Continental Oil Company for a carbon dioxide injection project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot carbon dioxide injection project in the Grayburg-San Andres formation in Units H and I of Section 20, Township 17 South, Range 32 East, Maljamar Pool, for tertiary recovery purposes.

CASE 6581: Application of Belco Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Warren-American State Well No. 2 660 feet from the South and West lines of Section 32, Township 9 South, Range 33 East, Flying "W"-San Andres Pool, the W/2 SW/4 of said Section 32 to be dedicated to the well.

CASE 6582: Application of Belco Petroleum Corporation for a non-standard proration unit and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 40-acre non-standard proration unit comprising the NE/4 SW/4 of Section 31, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, to be dedicated to its Federal 31 Well No. 2 to be drilled at an unorthodox location 1980 feet from the South and West lines of said section.

JAMES E. SPERLING  
JOSEPH E. ROEHL  
GEORGE T. HARRIS, JR.  
DANIEL A. SISK  
LELAND S. SEDBERRY, JR.  
ALLEN C. DEWEY, JR.  
FRANK H. ALLEN, JR.  
JAMES A. PARKER  
JOHN R. COONEY  
KENNETH L. HARRIGAN  
PETER J. ADAMO  
DALE W. EK  
DENNIS J. FALK  
JOE R. O. FULCHER  
ARTHUR D. MELENDRES  
JAMES P. HOUGHTON

LAW OFFICES  
MODRALL, SPERLING, ROEHL, HARRIS & SISK

PUBLIC SERVICE BUILDING

P. O. BOX 2168

ALBUQUERQUE, NEW MEXICO 87103

505-243-4511

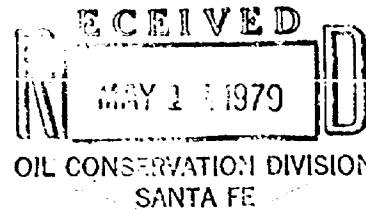
JOHN F. SIMMS  
(1885-1954)

J. R. MODRALL  
(1902-1977)

AUGUSTUS T. SEYMOUR  
(1907-1963)

JUDY A. FRY  
PAUL M. FISH  
MARK B. THOMPSON III  
GEORGE J. HOPKINS  
JEFFREY W. LOUBET  
RUTH M. SCHIFANI  
THOMAS L. JOHNSON  
LYNN H. SLADE  
ALAN KONRAD  
ZACHARY L. MCCORMICK  
THURMAN W. MOORE II  
CLIFFORD K. ATKINSON  
DOUGLAS A. BAKER  
DEBORAH J. HERZBERG  
SUSAN R. STOCKSTILL

May 11, 1979



Mr. Joe D. Ramey  
Secretary-Director  
Oil Conservation Division  
Department of Energy & Minerals  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Application of Gulf Oil Corporation  
for Discovery Allowable and Adoption  
of Special Temporary Rules  
Case No. 6549

Dear Mr. Ramey:

Enclosed is Entry of Appearance on behalf of Gulf Oil Corporation in Case No. 6549, which has been docketed for the Examiner's Hearing on May 23, 1979.

Very truly yours,

*James E. Sperling*  
James E. Sperling

/jev  
Enclosure

cc: Mr. Morgan L. Copeland, w/encl.  
Mr. Terry I. Cross, w/encl.

BEFORE THE OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF GULF OIL CORPORATION FOR  
DISCOVERY ALLOWABLE AND THE  
ADOPTION OF SPECIAL TEMPORARY  
RULES, LEA COUNTY, NEW MEXICO

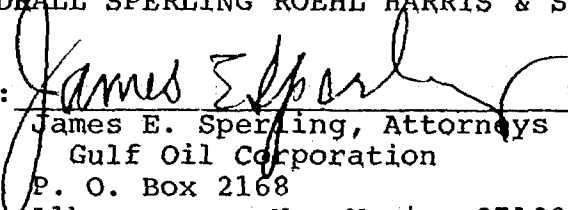
Case No. 6549

ENTRY OF APPEARANCE

The undersigned, Modrall, Sperling, Roehl, Harris & Sisk,  
of Albuquerque, New Mexico, hereby enter their appearance on  
behalf of the applicant, Gulf Oil Corporation, with its house  
counsel of Midland, Texas.

MODRALL SPERLING ROEHL HARRIS & SISK

By:

  
James E. Sperling, Attorneys for  
Gulf Oil Corporation  
P. O. Box 2168  
Albuquerque, New Mexico 87103  
Telephone: (505) 243-4511

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
23 May 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for ) CASE  
pool creation, discovery allowable, and ) 6549  
special pool rules, Lea County, New )  
Mexico. )

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel for the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87503

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (SOS) 471-2482  
Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next case number 6549.

2 MR. PADILLA: Application of Gulf Oil Corporation  
3 for pool creation, discovery allowable, and special pool  
4 rules, Lea County, New Mexico.

5 MR. STAMETS: The Division has received a  
6 request that this case be continued to the June 27th  
7 hearing. It will be so continued.

8 (Hearing concluded.)  
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SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2020 Plaza Blanca (SOS) 471-2462  
Santa Fe, New Mexico 87501



## REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY  
CERTIFY that the foregoing and attached Transcript of  
Hearing before the Oil Conservation Division was reported  
by me; that said transcript is a full, true, and correct  
record of the hearing, prepared by me to the best of my  
ability, knowledge, and skill, from my notes taken at the  
time of the hearing.

Sally W. Boyd CSR  
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a complete and true transcript of the proceedings in  
the Examiner hearing of Case No. 6549.  
heard by me on 5-23 1979.

Richard L. Stank Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (505) 471-2462  
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
23 May 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for ) CASE  
pool creation, discovery allowable, and ) 6549  
special pool rules, Lea County, New )  
Mexico. )

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.  
Legal Counsel for the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87503

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2010 Plaza Blanca (606) 471-2462  
Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next case number 6549.

2 MR. PADILLA: Application of Gulf Oil Corporation  
3 for pool creation, discovery allowable, and special pool  
4 rules, Lea County, New Mexico.

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8 (Hearing concluded.)  
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SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (S&S) 471-2463  
Santa Fe, New Mexico 87501

## REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. \_\_\_\_\_ heard by me on \_\_\_\_\_ 19\_\_\_\_.

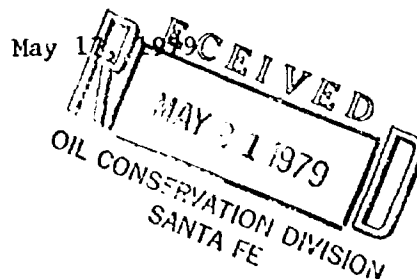
\_\_\_\_\_, Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (906) 471-2492  
Santa Fe, New Mexico 87501

# Gulf Oil Exploration and Production Company

J. M. Thacker  
GENERAL MANAGER PRODUCTION  
SOUTHWEST DISTRICT

P. O. Drawer 1150  
Midland, TX 79702



State of New Mexico  
Energy & Minerals Department  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

ATTENTION: Mr. Joe D. Ramey

RE: Case 6549  
Discovery Allowable-Temporary Rules  
Lea County, New Mexico

Gentlemen:

On Wednesday, May 9, 1979, under Case 6543, the Oil Conservation Division on its own motion proposed the creation of a new pool in Lea County, New Mexico classified as an oil pool for Bone Spring Production to be designated as the Airstrip-Bone Spring Pool. The discovery well is Gulf Oil Corporation's Lea "YH" State Well No. 1 located in Unit 0 of Section 25, Township 18 South, Range 34 East, Lea County, New Mexico. Gulf has requested a discovery allowable and special temporary Pool Rules for this new pool. This matter has been set for Examiner's Hearing on May 23, 1979 under Case 6549.

It is respectfully requested that a continuance be granted for Case 6549 until June 27, 1979, pending the results of a bottom-hole pressure buildup test to be conducted on the Lea "YH" State Well No. 1.

Yours very truly,

*R. H. Peacock*

R. H. PEACOCK  
Manager - Operations

CFK:kag

cc: J. T. Sexton - Hobbs, New Mexico  
Oil Conservation Division



A DIVISION OF GULF OIL CORPORATION

Dockets Nos. 23-79 and 24-79 are tentatively set for hearing on June 13 and 27, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 23, 1979

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

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

CASE 6545: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Corinne Grace, Travelers Indemnity Company, and all other interested parties to appear and show cause why the Kuklah Baby Well No. 1 located in Unit G of Section 24, Township 22 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6422: (Continued from February 28, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6546: Application of Black River Corporation for compulsory pooling and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the SW/4 of Section 32, Township 23 South, Range 37 East, to form a 160-acre non-standard gas proration 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6536: (Continued from May 9, 1979, Examiner Hearing)

Application of Black River Corporation for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two 80-acre non-standard gas proration units in the Jalmat Gas Pool as follows: the N/2 SE/4 of Section 22, Township 23 South, Range 36 East, to be dedicated to applicant's well to be drilled in Unit J of said Section 22; and the S/2 SE/4 of said Section 22 to be dedicated to El Paso Natural Gas Company's Shell State Well No. 3 located in Unit P.

CASE 6535: (Continued from May 9, 1979, Examiner Hearing)

Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.

CASE 6547: Application of American Petrofina Company of Texas for the creation of a waterflood buffer zone, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a waterflood buffer zone comprising the NE/4 SE/4 of Section 26, Township 17 South, Range 32 East, Maljamar Grayburg-San Andres Pool, to enable applicant to produce its Johns B Well No. 4 located thereon at an unrestricted rate.

CASE 6548: Application of John F. Staver for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Dakota formation through the open hole interval from 1408 feet to 1412 feet in his Table Mesa Well No. 22 located in Unit N and from 1394 feet to 1400 feet in his Table Mesa Well No. 23 located in Unit O, both in Section 34, Township 28 North, Range 17 West, Table Mesa-Dakota Oil Pool.

CASE 6549: Application of Gulf Oil Corporation for pool creation, discovery allowable, and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new Bone Springs oil pool for its Lea "YH" State Well No. 1 located in Unit O of Section 25, Township 18 South, Range 34 East. Applicant also seeks a discovery allowable and promulgation of special pool rules, including a provision for 80-acre spacing.

CASE 6550: Application of Yates Petroleum Corporation for an unorthodox gas well location and compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the S/2 of Section 12, Township 19 South, Range 24 East, to be dedicated to its Allison Federal "CQ" Well No. 2 to be drilled at an unorthodox location 1980 feet from the South line and 660 feet from the West line of said Section 12. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6492: (Continued from May 9, 1979, Examiner Hearing)

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 in the San Andres formation underlying the NE/4 NW/4 of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6551: Application of Bass Enterprises Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Lower Morrow gas well location 1980 feet from the North line and 660 feet from the East line of Section 1, Township 19 South, Range 28 East, the N/2 of said Section 1 to be dedicated to the well.

CASE 6528: (Continued from April 25, 1979, Examiner Hearing)

Application of Bass Enterprises Production Co. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Morrow gas well location to be drilled 660 feet from the North and West lines of Section 10, Township 21 South, Range 32 East, Lea County, New Mexico, the W/2 of said Section 10 to be dedicated to the well.

CASE 6552: Application of Maddox Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 3, Township 24 South, Range 28 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6553: Application of The Atlantic Richfield Company for approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the Division waived existing well-spacing requirements and found that the drilling of additional wells was necessary to effectively and efficiently drain those portions of the proration units in the Empire Abo Unit located in Townships 17 and 18 South, Ranges 27, 28 and 29 East, which could not be so drained by the existing wells.

CASE 6554: Application of The Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all royalty interests in the Devonian, McKee, and Ellenburger formations underlying the E/2 of Section 20, Township 22 South, Range 36 East, Langlie Field, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6555: Application of Jake L. Hamon for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 660 feet from the North line and 560 feet from the East line of Section 30, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, all of said Section 30 to be dedicated to the well.

CASE 6556: Application of Curtis Little for the amendment of Order No. R-5962, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5962 to provide for the unorthodox location of a well to be drilled 1000 feet from the South line and 50 feet from the East line of Section 11, Township 28 North, Range 12 West, Basin-Dakota Pool, and for the extension of the date to commence drilling.

CASE 6435: (Continued from February 28, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6559: Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his Norton Solid State Unit Area, comprising 1,480 acres, more or less, of State lands in Township 15 South, Range 34 East.

CASE 6487: (Continued from February 28, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eunont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6471: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6472: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6473: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6474: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6475: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.



DOCKET: COMMISSION HEARING - TUESDAY - MAY 29, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6557: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new Morrow gas pool for its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, and its Getty Two State Well No. 1 located in Unit F of Section 2, Township 22 South, Range 34 East, and for promulgation of special pool rules, including provision for 640-acre gas well spacing.

CASE 6497: (DE NOVO)

Application of Llano, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 1650 feet from the South line and 660 feet from the East line of Section 34, Township 21 South, Range 34 East, Grama Ridge-Morrow Gas Pool, the E/2 of said Section 34 to be dedicated to the well.

Upon application of Getty Oil Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6558: Application of Llano, Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the E/2 of Section 34, Township 21 South, Range 34 East, to be dedicated to its Llano 34 State Com Well No. 1 located in Unit I of said Section 34.

# Gulf Oil Exploration and Production Company

J. M. Thacker  
GENERAL MANAGER PRODUCTION  
SOUTHWEST DISTRICT

P. O. Drawer 1150  
Midland, TX 79702

April 23, 1979

State of New Mexico  
Energy & Minerals Department  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

RE: Discovery Allowable  
Temporary Rules  
Lea County, New Mexico

Gentlemen:

On March 26, 1979, Gulf Oil Corporation completed its Lea "YH" State Well No. 1, in Unit O, Section 25, T-18-S, R-34-E, Lea County, New Mexico, through perforations from 9329' to 9392'. On potential test the well flowed 408 barrels of oil per day, through 10/64 choke, tubing pressure 1,000 psi, gas-oil ratio 1,588 and corrected gravity 39.6° API. It is respectfully requested that a hearing be scheduled on your May 23, 1979 Examiners Docket for the purpose of considering Gulf's application for discovery allowable and creation of a new pool together with temporary special pool rules. It is proposed that this oil pool be designated as the Airstrip-Bone Springs and consist of the following land in Lea County, New Mexico:

Township 18 South, Range 34 East - Section 25 - SE/4

Township 18 South, Range 35 East - Section 30 - S/2 NW/4

Gulf Oil Corporation will ask that the Special Temporary Rules provide for 80 acre proration units with each well to be located within 150' of the center of a governmental quarter-quarter section.

Such Temporary Special Rules and Regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

Yours very truly,

*R. H. Peacock*  
R. H. PEACOCK  
Manager - Operations

CFK:sdn

cc: J. T. Saxton - Hobbs, New Mexico  
Oil Conservation Division



A DIVISION OF GULF OIL CORPORATION

DRAFT

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

dr/

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

CASE NO. 6549

Order No. R- 6045

APPLICATION OF GULF OIL CORPORATION  
FOR POOL CREATION, DISCOVERY ALLOWABLE,  
AND SPECIAL POOL RULES, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 27  
1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of June, 1979, 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. 6549 is hereby dismissed.

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