

PLEASE NOTE: EXAMINER HEARING WILL BEGIN AT 8:00 A.M. on JUNE 8, 1983.

THE COMMISSION HEARING SCHEDULED FOR THE SAME DATE WILL
BEGIN AT 1:30 P.M. OR AT THE CONCLUSION OF THE EXAMINER
HEARING WHICHEVER IS LATER.

Docket Nos. 22-83 and 23-83 are tentatively set for June 23 and July 6, 1983. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 8, 1983
8:00 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 7892:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Red Mountain Associates, United States Fidelity and Guaranty and all other interested parties to appear and show cause why the following wells in McKinley County located in Township 20 North, Range 9 West, should not be plugged and abandoned in accordance with a Division-approved plugging program:

Chaco Wash Mesaverde Pool - Santa Fe Pacific Lease

#101, #103, #104, #110, #113, all in Unit P of Section 21;
#106 in Unit M of Section 22; #114, #116, #117 in Unit N of
Section 22. State Lease #1, #6, #7, #8, #11, #12, #20, #21
in Unit A of Section 28; #2, #3, #9, #10, #13, #22, #23, #24,
#25, #26, #27, and #100 in Unit G of Section 28, #102 in Unit
P of Section 21

Red Mountain Menefee Pool - Santa Fe Pacific Lease

#2, #3, #4, #9, #23, #28, #36, #38, #47 in Unit O
of Section 20; #24, #I-12, #I-10 in Unit P of Section
20; #I-7 and #I-8 in Unit A of Section 29; #33, #34,
#35, #42, #43, #I-5, #I-22, #1, #20 in Unit B of Section
29; #I-13 and #I-21 in Unit C of Section 29; #I-20 in Unit
F of Section 29.

CASE 7893:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Sovereign Oil Company, Allied Fidelity Insurance Company, and all other interested parties to appear and show cause why the Sovereign 32-6 Well No. 1 located in Unit E, of Section 9, Township 32 North, Range 6 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7894:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Petro-Lewis Corporation, Dyna Ray Oil and Gas Company, Inc., Floyd J. Ray and all other interested parties to appear and show cause why the Earnhardt Well No. 1 located in Unit G, Section 35, Township 24 North, Range 1 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7866: (Continued and Readvertised):

Application of Mobil Producing Texas & New Mexico, Inc., for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Bridges-State Waterflood Project by drilling four water injection wells at unorthodox locations as follows:

Bridges-State Well No. 185 - 2628 feet from the North line
and 100 feet from the West line of Section 25

Bridges - State Well No. 186 - 3 feet from the South line
and 1210 feet from the East line of Section 26

Bridges - State Well No. 187 - 5 feet from the South line
and 2550 feet from the East line of Section 26

Bridges-State Well No. 188-2340 feet from the North line
and 2630 feet from the West line of Section 25

All in Township 17 South, Range 34 East.

CASE 7870: (Continued from May 25, 1983, Examiner Hearing)

Application of DEPCO, Inc. for compulsory pooling, Chaves 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 SE/4 of Section 21, Township 5 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 7861: (Continued from May 25, 1983, Examiner Hearing)

Application of DEPCO, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Abo formation underlying the SW/4 of Section 21, Township 5 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 7895: Application of TXO Production Company for an unorthodox location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 650 feet from the North line and 2615 feet from the West line of Section 17, Township 10 South, Range 34 East, and a 160-acre non-standard proration unit comprising the W/2 NE/4 and E/2 NW/4 of said Section 17, Vada-Pennsylvanian Pool.

CASE 7896: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Undesignated Gallup production in the wellbore of its Janet Well No. 2-I located 1850 feet from the South line and 790 feet from the East line of Section 21, Township 25 North, Range 2 West.

CASE 7869: (Continued from May 25, 1983, Examiner Hearing)

Application of Amoco Production Company for salt water disposal and an unorthodox location, Union County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Glorieta formation in its BDCDGL SE Gas Collection System SWD Well No. 1 to be located at an unorthodox location 500 feet from the North line and 565 feet from the West line of Section 26, Township 19 North, Range 34 East.

CASE 7897: Application of Amoco Production Company for rescission of Order No. R-6255, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to rescind Division Order No. R-6255 to consolidate the subject pools into a single regulatory horizon as the issuance of said order has proven that the existence of the two pools is not necessary for effective regulation of production from the Bone Springs in this area and does not provide optimum environment for further development of the field.

CASE 7898: Application of Amoco Production Company for NGPA well category determination. Applicant, in the above-styled cause, seeks the determination that its Schneider Gas Com "B" Well No. 1-S located in Section 28, Township 32 North, Range 10 West, San Juan County, meets the NGPA well category criteria for Section 107, High Cost, Occluded Natural Gas Produced from Coal Seams, under Section 107 of the Natural Gas Policy Act of 1978.

CASE 7899: Application of Amoco Production Company for NGPA well category determination. Applicant, in the above-styled cause, seeks the determination that its Cahn Gas Com Well No. 1-C located in Section 33, Township 32 North, Range 10 West, San Juan County, meets the NGPA well category criteria for Section 107, High Cost, Occluded Natural Gas Produced from Coal Seams, under Section 107 of the Natural Gas Policy Act of 1978.

CASE 7900: Application of Amoco Production Company for NGPA well category determination. Applicant, in the above-styled cause, seeks the determination that its State Gas Com "BW" Well No. 1-B located in Section 32, Township 32 North, Range 10 West, San Juan County, New Mexico, meets the NGPA well category criteria for Section 107, High Cost, Occluded Natural Gas Produced from Coal Seams, under Section 107 of the Natural Gas Policy Act of 1978.

- CASE 7901: Application of Pennzoil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Springs formation underlying the SE/4 and from the base of the Bone Springs formation to the base of the Pennsylvanian formation underlying the S/2 of Section 29, Township 19 South, Range 34 East. 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 7902: Application of Union Oil Company of California for the abolishment and extension of certain pools in Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the abolishment of the Crawford-Pennsylvanian Gas Pool consisting of the S/2 of Section 26 and the SE/4 of Section 27 in Township 24 South, Range 26 East, and the extension of the White City-Pennsylvanian Gas Pool to include all of said Sections 26 and 27.
- CASE 7903: Application of MTS Limited Partnership for compulsory pooling, Chaves 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 underlying the SE/4 of Section 35, Township 6 South, Range 22 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 7904: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Chaves, Eddy and Lea Counties, New Mexico:
- (a) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Queen production and designated as the Chisum-Queen Pool. The discovery well is the Orla Petco, Inc. Barnes State Well No. 1 located in Unit K of Section 34, Township 10 South, Range 27 East, NMPM. Said pool would comprise:
- TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 34: SW/4
- (b) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Montoya production and designated as the Dos Ranchos-Montoya Gas Pool. The discovery well is Read and Stevens North Haystack Federal Well No. 1 located in Unit F of Section 26, Township 5 South, Range 26 East, NMPM. Said pool would comprise:
- TOWNSHIP 5 SOUTH, RANGE 26 EAST, NMPM
Section 26: N/2
- (c) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Strawn production and designated as the Hagerman-Strawn Gas Pool. The discovery well is Clements Energy, Inc. NM 36 State Well No. 1 located in Unit F of Section 36, Township 13 South, Range 26 East, NMPM. Said pool would comprise:
- TOWNSHIP 13 SOUTH, RANGE 26 EAST, NMPM
Section 36: W/2
- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Laguna Salado-Atoka Gas Pool. The discovery well is Amoco Production Company Teledyne 17 Well No. 1 located in Unit N of Section 17, Township 23 South, Range 29 East, NMPM. Said pool would comprise:
- TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 17: S/2
Section 18: S/2
Section 20: All
Section 29: All
- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Kennitz-Strawn Pool. The discovery well is the Tenneco Oil Company State LF 28 Well No. 1 located in Unit M of Section 28, Township 16 South, Range 34 East, NMPM. Said Pool would comprise:
- TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 28: SW/4
- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Brushy Canyon production and designated as the Lea-Brushy Canyon Pool. The discovery well is the Estoril Producing Company Union Federal Well No. 1 located in Unit J of Section 9, Township 20 South, Range 34 East, NMPM. Said pool would comprise:
- TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 9: SE/4

- (g) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the Leslie Spring-Pennsylvanian Gas Pool. The discovery well is the Sun Exploration and Production Company Chaves A Federal Well No. 3 located in Unit D of Section 21, Township 7 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM
Section 21: N/2

- (h) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Leslie Spring-Wolfcamp Gas Pool. The discovery well is the Sun Exploration and Production Company Chaves A Federal Well No. 1 located in Unit B of Section 21, Township 7 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM
Section 21: N/2

- (i) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the South Palma Mesa-Pennsylvanian Gas Pool. The discovery well is Carl A. Schellinger Campbell Station Unit Well No. 1 located in Unit M of Section 34, Township 8 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM
Section 34: S/2

- (j) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the South Pitchfork Ranch-Morrow Gas Pool. The discovery well is The Stone Petroleum Corporation Javelina Basin Unit Well No. 1 located in Unit G of Section 17, Township 25 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 17: N/2

- (k) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the PJ-Delaware Pool. The discovery well is the Mesa Petroleum Company Moore Well No. 2 located in Unit E of Section 35, Township 24 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 35: NW/4

- (l) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the P.O.W.-Strawn Gas Pool. The discovery well is the Yates Petroleum Corporation Sharp QS Com Well No. 1 located in Unit P of Section 4, Township 17 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 4: S/2

- (m) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Teas-Wolfcamp Pool. The discovery well is the Julian Ard South Teas Federal Well No. 1 located in Unit G of Section 23, Township 20 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 23: NE/4

- (n) ABOLISH the Brushy Draw-Middle Bell Canyon Gas Pool in Eddy County, New Mexico, described as:

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

- (o) ABOLISH the Brushy Draw-Cherry Canyon Pool in Eddy County, New Mexico, described as:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 25: SW/4
Section 26: SE/4
Section 35: All

- (p) ABOLISH the Pecos-Delaware Pool in Eddy County, New Mexico, described as:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
 Section 27: SW/4 NE/4 and W/2 SE/4
 Section 34: NE/4
 Section 35: SW/4 NW/4

- (q) EXTEND the Brushy Draw-Delaware Pool in Eddy County, New Mexico, to include acreage from abolished Brushy Draw-Middle Bell Canyon Gas Pool, the Brushy Draw-Cherry Canyon Pool and the Pecos-Delaware Pool described as:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
 Section 25: SE/4, SW/4 and S/2 NW/4
 Section 27: SW/4 NE/4 and W/2 SE/4
 Section 34: NE/4
 Section 35: All
 Section 36: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
 Section 15: S/2

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

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
 Section 15: N/2

- (t) EXTEND the Bull's Eye-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM
 Section 24: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
 Section 5: All
 Section 6: All
 Section 8: N/2

- (v) EXTEND the Four Ranch-Pre Permian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
 Section 14: E/2

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
 Section 19: All

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
 Section 30: W/2

- (x) EXTEND the Golden Lane-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
 Section 17: All
 Section 20: All

- (y) EXTEND the West Indian Flats-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
 Section 4: E/2
 Section 9: E/2
 Section 10: W/2

- (z) EXTEND the Lost Lake-Strawn Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM
Section 36: All

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM
Section 1: All

- (aa) EXTEND the West Nadine-Tubb Pool in Lea County, New Mexico to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 8: S/2 and NE/4

- (bb) EXTEND the Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 29: NE/4

- (cc) EXTEND the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 31: E/2

- (dd) EXTEND the Querecho Plains-Queen Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 22: SW/4

- (ee) EXTEND the North San Simon-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 20: NW/4

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

TOWNSHIP 15 SOUTH, RANGE 33 EAST, NMPM
Section 14: NW/4
Section 15: N/2

- (gg) EXTEND the Scharb-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 9: NE/4

- (hh) EXTEND the South Shoe Bar-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 2: E/2 and NW/4

- (ii) EXTEND the North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 1: E/2
Section 12: NE/4

DOCKET: COMMISSION HEARING - WEDNESDAY - JUNE 8, 1983

1:30 P.M. - OIL CONSERVATION COMMISSION - MORGAN HALL,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 7858: (Continued and Readvertised)

Application of El Paso Natural Gas Company for the reclassification of marginal gas wells in the prorated gas pools of Southeast New Mexico and the suspension of certain proration rules. Applicant, in the above-styled cause, proposes that there not be any marginal wells in the fifteen prorated gas pools in Lea, Eddy and Chaves Counties. Applicant seeks the reclassification of all marginal wells in said pools as non-marginal wells, effective June 1, 1983, said wells to become non-marginal with a zero net over/under produced status as of June 1, 1983. Applicant also proposes that all non-marginal wells at date of classification would continue to be classified as non-marginal at least until September, 1983, and would continue to accumulate their net over/under produced status. Further, applicant proposes that no well would be reclassified as marginal until after the September, 1983, production has been reported, when all provisions of Rule 16-A of the Special Rules for prorated gas pools in Southeast New Mexico as promulgated by Order No. R-1670, as amended, would be again applicable. Applicant further proposes that Rule 15B of the prorated gas pool rules which pertains to the shutting-in of wells which are six times over-produced would be suspended for the period from date of reclassification through December of 1983 to accommodate those wells which may be subject to shut-in as the result of assignment of lower than normal allowables during the first seven months of 1983. In the alternative to reclassification of all wells as non-marginal, applicant proposes that a level of production of 33 Mcf per day, or other appropriate level, be established below which wells would automatically retain their classification as marginal.

CASE 7905: Application of Doyle Hartman for classification as marginal of all wells in the prorated gas pools of Southeast New Mexico. Applicant, in the above-styled cause, seeks an order classifying all wells in the:

Atoka-Pennsylvanian Gas Pool
Blinebry Gas Pool
Buffalo Valley - Pennsylvanian Gas Pool
Burton Flats - Morrow Gas Pool
Burton Flats - Strawn Gas Pool
South Carlsbad - Morrow Gas Pool
Catclaw Draw - Morrow Gas Pool
Crosby - Devonian Gas Pool
Eumont Gas Pool
Indian Basin - Morrow Gas Pool
Indian Basin - Upper Pennsylvanian Gas Pool
Jalmat Gas Pool
Justis Gas Pool
Monument McKee - Ellenburger Gas Pool
Tubb Oil and Gas Pool

as marginal until further order of the Commission.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 15, 1983

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

The following cases will be heard before Michael E. Stogner, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for July, 1983, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for July, 1983, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.