

Dockets Nos. 19-83 and 20-83 are tentatively set for June 8 and June 23, 1983. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 25, 1983

9:00 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 Michael E. Stogner, Alternate Examiner:

CASE 7863: (Continued and Readvertised)
(This Case will be dismissed)

Application of Tenneco Oil Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling two gas proration units in the E/2 of Section 19, Township 26 North, Range 6 West. Applicant seeks to pool all mineral interests in the Dakota and Mesaverde formations underlying the E/2 of this section to be dedicated to a well to be drilled at a standard location thereon. Applicant further seeks the pooling of all mineral interests in the Chacra formation underlying the NE/4 of this section to be dedicated to this well in the event that a dual completion in the Chacra is made. 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 7890: Application of Marshall R. Young Oil Company for a unit agreement, Luna County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Bisbee Hills Unit Area, comprising 24,960 acres, more or less, of State, Federal and Fee lands in Townships 25 and 26 South, Ranges 10, 11 and 12 West.

CASE 7869: 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 BDCDGU 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 7870: 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 11, 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 7871: Application of Yates Petroleum Corporation for an Exception to Rule 104.C.I., Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104.C.I. to permit applicant to develop the Eagle Creek - San Andres Pool with more than four wells on each 40-acre tract.

CASE 7872: Application of Yates Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower Cisco (Permo-Upper Penn) formation in the perforated interval from 10,071 feet to 10,136 feet and from 10,156 feet to 10,350 feet in the Canyon (Permo-Upper Penn) formation in its Swan "VB" State Well No. 2 located 1,980 feet from the South and East lines of Section 21, Township 14 South, Range 33 East.

- CASE 7873: Application of Yates Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Canyon (Permo-Upper Penn) formation in the perforated interval from 10,378 feet to 10,578 feet in its Midwest State Well No. 1 located 660 feet from the North line and 1,980 feet from the East line of Section 19, Township 14 South, Range 33 East.
- CASE 7874: Application of Yates Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Canyon (Permo-Upper Penn) formation in the perforated interval from 10,384 feet to 10,585 feet in its LDM Amoco "GX" State Well No. 1 located 660 feet from the South line and 1,926 feet from the West line of Section 19, Township 14 South, Range 33 East.
- CASE 7838: (Continued from May 11, 1983, Examiner Hearing)
- Application of Yates Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4,093 feet to 5,216 feet in its Hondo State Well No. 1 located 660 feet from the South and East lines of Section 21, Township 14 South, Range 33 East.
- CASE 7875: Application of Harvey E. Yates Company for a tertiary oil recovery project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its Travis Deep Waterflood Project to a polymer-augmented waterflood and, pursuant to Section 212.78 of the U. S. Department of Energy Regulations and Section 4993 of the Internal Revenue Code, seeks certification of said project as a qualified tertiary oil recovery project.
- CASE 7876: Application of Rio Pecos Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Wolfcamp/Pennsylvanian gas well location 1980 feet from the North line and 660 feet from the West line, or in the alternative, 2150 feet from the North line and 830 feet from the West line of Section 5, Township 18 South, Range 28 East, the N/2 of said Section 5 to be dedicated to the well.
- CASE 7877: Application of Dome Petroleum Corp. 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 Morrison and Entrada formations in its Santa Fe 20 Well No. 2 located 2150 feet from the North line and 1980 feet from the West line of Section 20, Township 21 North, Range 8 West.
- CASE 7878: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry, Tubb and Drinkard production in the wellbore of its A. H. Blinebry Federal NCT-4 Well No. 1 located 660 feet from the South and East lines of Section 31, Township 22 South, Range 38 East.
- CASE 7879: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry, Tubb and Drinkard production in the wellbore of its A. H. Blinebry Federal NCT-2 Well No. 5 located 660 feet from the South and West lines of Section 29, Township 22 South, Range 38 East.
- CASE 7880: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry, Tubb and Drinkard production in the wellbore of its A. H. Blinebry Federal NCT-1 Well No. 3 located 1980 feet from the North and West lines of Section 29, Township 22 South, Range 38 East.
- CASE 7881: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of East Weir-Blinebry, Monument-Tubb, and Skaggs-Drinkard production in the wellbore of its C. H. Weir "A" Well No. 8 located 1985 feet from the North line and 1980 feet from the West line of Section 12, Township 20 South, Range 37 East.
- CASE 7882: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of East Weir-Blinebry, Monument-Tubb, and Skaggs-Drinkard production in the wellbore of its M. B. Weir "B" Well No. 7 located 660 feet from the South line and 825 feet from the West line of Section 12, Township 20 South, Range 37 East.

CASE 7865: (Continued and Readvertised)

Application of Julian Ard for a non-standard proration unit or, in the alternative, compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard proration unit in the Atoka formation comprising the SE/4 of Section 4, Township 8 South, Range 27 East, or, in the alternative, seeks approval to pool all mineral interests in the Atoka formation underlying the E/2 of Section 4, Township 8 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 7883: Application of Basin Minerals, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying the W/2 of Section 27, Township 31 North, Range 11 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 7884: Application of Basin Minerals, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the NW/4 of Section 27, Township 31 North, Range 11 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 7885: Application of Basin Minerals, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SW/4 of Section 27, Township 31 North, Range 11 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 7857: (Continued from May 11, 1983, Examiner Hearing)

Application of Clements Energy Company for an amendment to Order No. R-2359, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-2359 deleting the requirement that wells be located in the NE/4 or SW/4 of any governmental section in the East Saunders-Permo Pennsylvanian Pool so that all wells may be drilled 150 feet from the center of any quarter-quarter section. Applicant also seeks the promulgation of an administrative procedure for the approval of unorthodox well locations.

CASE 7886: Application of Union Oil Company of California for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from 4822 feet to 4838 feet in its Wersell Federal Well No. 1 located 810 feet from the North line and 1980 feet from the West line of Section 4, Township 22 South, Range 27 East.

CASE 7887: Application of Morris R. Antweil 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 Abo formation underlying the SW/4 SE/4 of Section 28, Township 19 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 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 7888: Application of Cabana Oil Corporation for an amendment of Division Order No. R-7220, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7220 which authorized a 66.87-acre non-standard Abo proration unit comprising the SE/4 SW/4 and Lot 4 of Section 32, Township 17 South, Range 38 East, and an unorthodox location 1000 feet from the South line and 1080 feet from the East line of said Section 32. Applicant now seeks approval of the above described unorthodox location and non-standard proration unit in the Yeso formation.

CASE 7889: Application of C and E Operators, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying the S/2 of Section 4, Township 30 North, Range 11 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.

DOCKET: COMMISSION HEARING - THURSDAY - MAY 26, 1983

OIL CONSERVATION COMMISSION - 9:00 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 7763: (Continued and Readvertised)
(This case will be dismissed)

Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Abo formation underlying the NW/4 and from the Wolfcamp through the Ordovician formations underlying the E/2 of Section 18, Township 9 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 7771: (Continued and Readvertised)
(This case will be dismissed)

Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Abo formation underlying the NE/4 of Section 18, Township 9 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 7782: (Continued and Readvertised)
(This case will be dismissed.)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation only, underlying the NE/4 of Section 18, Township 9 South, Range 27 East, and in the Wolfcamp through Ordovician formations only, underlying the E/2 of said Section 18, said units to be dedicated to a single 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 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 wells 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 accomodate 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 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.

Docket No. 18-23

DOCKET: COMMISSION HEARING - WEDNESDAY - JUNE 1, 1983

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

CASE 7803: (Continued from May 12, 1983, Commission Hearing)

Application of Jack J. Grynberg for determination of reasonable well costs, for change of operator, and for apportionment and allocation of the non-consenting interests under Oil Conservation Commission Order No. R-6930-A, which pooled the SE/4 of Section 12, Township 5 South, Range 24 East, NMPM, Chaves County, New Mexico. Applicant further seeks the recovery of his drilling cost and expenses plus 200% under authority of Division Order R-6925 for the drilling of another well as a dry hole on the above described lands.

CASE 7891: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider amendments to the Geothermal Rules and Regulations. The Commission will consider proposed amendments to certain definitions, the bonding requirements, and the addition of a class of well known as a thermal gradient well. Copies of all rule changes and forms as presently proposed are available for inspection during normal business hours at the main office of the Oil Conservation Division, State Land Office Building, Santa Fe, and at the Division's District Offices at Artesia, Aztec and Hobbs.