

ILLEGIBLE

STATE OF NEW MEXICO
MINE AND MINERAL COMMISSION
OIL CONSERVATION COMMISSION

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

CASE NO. 3088
ORDER NO. R-7582

APPLICATION OF LLANO, INC. FOR
SPECIAL WELL TESTING REQUIREMENTS
OR EXPANSION OF ITS GAS STORAGE
PROJECT, LEA COUNTY, NEW MEXICO.

SECTION 5 WELL

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on May 15, 1984, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 29th day of June, 1984, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That the applicant, Llano, Inc., is the operator of the Crane Ridge Morrow Unit which was approved by the Commission on January 10, 1973, by Order No. R-4473 and has been subsequently expanded to include the following described state lands:

(2) That the applicant, Llano, Inc., is the operator of the Crane Ridge Morrow Unit which was approved by the Commission on January 10, 1973, by Order No. R-4473 and has been subsequently expanded to include the following described state lands:

LEA COUNTY, NEW MEXICO, WHERE

TOWNSHIP 21 SOUTH, RANGE 14 EAST, SEPM
Sections 13 and 14. All

TOWNSHIP 21 SOUTH, RANGE 14 EAST, SEPM
Section 15. All

(3) That the applicant, Llano, Inc., is the operator of the Crane Ridge Morrow Unit which was approved by the Commission on January 10, 1973, by Order No. R-4473 and has been subsequently expanded to include the following described state lands:

ILLEGIBLE

Range 34 East, NMPM, under which gas storage rights have been acquired by applicant through agreement with the United States, acting by and through the Secretary of the Interior (Agreement for subsurface storage of gas, Morrow Formation, Grama Ridge Area, Lea County, New Mexico, Agreement No. 14-08-0001-14277, as amended).

(4) That Llano injects gas into the Morrow formation in its GRM Unit Well No. 1 (formerly State GRM Well No. 1) located in Unit B, Section 3, Township 22 South, Range 34 East, NMPM, and in the GRM Unit Well No. 2 (formerly State GRM Well No. 1) located in Unit L of Section 34, Township 21 South, Range 34 East, NMPM, Grama Ridge-Morrow Gas Pool, Lea County, New Mexico, pursuant to Commission Order 2-4491 entered on March 16, 1973.

(5) That L & B Oil Company proposes to drill its Federal Well No. 1 at a location 660 feet from the south line and 1880 feet from the east line of section 5, Township 22 South, Range 34 East, NMPM, which directly overlies the Llano storage project.

(6) That the boundaries of the Grama Ridge Storage Reservoir cannot be precisely determined.

(7) That L & B Oil Company proposes to test and possibly complete its Federal Well No. 1 in the same Morrow interval into which Llano injects gas for storage and in so doing could damage Llano's storage project and produce gas which is the property of Llano, Inc.

(8) That applicant seeks an order compelling L & B Oil Company to test the Morrow sand encountered below the top of the Morrow Shale in its Federal Well No. 1 by using a repeat formation tester (RFT) to establish the pressure in each Morrow stratum and thereby determine if the well is in communication with Llano's storage project.

(9) That Llano should be required to have the test of the Morrow sand and should further be required to have the test of the Morrow sand by L & B Oil Company not be done in any well which results in the test.

(10) That testing at the L & B Oil Company Federal Well No. 1 in the Morrow sand should be approved.

(11) That the test of the Morrow sand in the Federal Well No. 1 should be approved.

(一) 凡屬本局管轄之各機關，其一切公文，均應由本局統一發給，不得私自向外發給。如有違反，一經查出，定予嚴懲。此令。

[illegible]

1. 凡在本行开立存款账户的客户，均可向本行申请开立支票。
 2. 支票的出票人必须是在本行开立存款账户的客户。
 3. 支票的金额不得超过其存款账户的余额。
 4. 支票的有效期为自签发之日起六个月内。
 5. 支票的收款人必须为本行客户。
 6. 支票的用途必须合法。
 7. 支票的签发必须符合国家的有关规定。
 8. 支票的遗失或损毁，应立即向本行挂失。
 9. 支票的背书必须符合规定。
 10. 支票的支付必须符合规定。

1. 總務處
 2. 會計課
 3. 庶務課
 4. 文書課
 5. 庶務課
 6. 庶務課
 7. 庶務課
 8. 庶務課
 9. 庶務課
 10. 庶務課
 11. 庶務課
 12. 庶務課
 13. 庶務課
 14. 庶務課
 15. 庶務課
 16. 庶務課
 17. 庶務課
 18. 庶務課
 19. 庶務課
 20. 庶務課
 21. 庶務課
 22. 庶務課
 23. 庶務課
 24. 庶務課
 25. 庶務課
 26. 庶務課
 27. 庶務課
 28. 庶務課
 29. 庶務課
 30. 庶務課
 31. 庶務課
 32. 庶務課
 33. 庶務課
 34. 庶務課
 35. 庶務課
 36. 庶務課
 37. 庶務課
 38. 庶務課
 39. 庶務課
 40. 庶務課
 41. 庶務課
 42. 庶務課
 43. 庶務課
 44. 庶務課
 45. 庶務課
 46. 庶務課
 47. 庶務課
 48. 庶務課
 49. 庶務課
 50. 庶務課
 51. 庶務課
 52. 庶務課
 53. 庶務課
 54. 庶務課
 55. 庶務課
 56. 庶務課
 57. 庶務課
 58. 庶務課
 59. 庶務課
 60. 庶務課
 61. 庶務課
 62. 庶務課
 63. 庶務課
 64. 庶務課
 65. 庶務課
 66. 庶務課
 67. 庶務課
 68. 庶務課
 69. 庶務課
 70. 庶務課
 71. 庶務課
 72. 庶務課
 73. 庶務課
 74. 庶務課
 75. 庶務課
 76. 庶務課
 77. 庶務課
 78. 庶務課
 79. 庶務課
 80. 庶務課
 81. 庶務課
 82. 庶務課
 83. 庶務課
 84. 庶務課
 85. 庶務課
 86. 庶務課
 87. 庶務課
 88. 庶務課
 89. 庶務課
 90. 庶務課
 91. 庶務課
 92. 庶務課
 93. 庶務課
 94. 庶務課
 95. 庶務課
 96. 庶務課
 97. 庶務課
 98. 庶務課
 99. 庶務課
 100. 庶務課

[illegible]

Case No. 1000
Filed No. 1000

ILLEGIBLE

- (1) Ilano will promptly relinquish control of the well to I & B Oil Company upon completion of running the RTT log; and
- (2) Ilano will furnish a copy of the report on the well to I & B Oil Company.

PROVIDED FURTHER, that I & B Oil Company will not run casing in the well until Ilano has run the RTT log on the well or failed to notify I & B Oil Company and the Oil Conservation Division's District Office of its intention to run the RTT log in accordance with the provisions of Paragraph (2) of this Order.

(3) That if it is established by the data obtained from the RTT log that the Morrow stringers in the said I & B well have pressures similar to those of Ilano's gas storage project, I & B Oil Company shall not produce gas from those stringers and shall demonstrate this fact to the satisfaction of Ilano, Inc. and the District Office of the Oil Conservation Division located in Hobbs, New Mexico.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereabove indicated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PER ORDER, Member

[Signature]
J. KELLEY, Member
[Signature]
JOHN E. HANLEY, Chairman and Secretary