

PADILLA LAW FIRM, P.A.

TELEPHONE  
505-988-7577

STREET ADDRESS  
1512 S. ST. FRANCIS DRIVE  
SANTA FE, NM 87501  
MAILING ADDRESS  
P.O. BOX 2523  
SANTA FE, NM 87504-2523

FACSIMILE  
505-988-7592

June 14, 1994

JUN 14 1994

HAND DELIVERY

Michael Stogner  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

*MS.*

RE: CASE NO. 11003 - APPLICATION FOR A PRESSURE  
MAINTENANCE PROJECT

Dear Mr. Stogner:

Enclosed please find my Entry of Appearance in the above  
referenced case which has been docketed for June 23, 1994.

This letter also requests a continuance of this case to the  
Division's July 21, 1994 hearing docket. The applicant  
simply needs additional time within which to prepare it's  
engineering presentation for this case.

Thank you for your consideration of this matter.

Very truly yours,



ERNEST L. PADILLA

ELP:clm  
xc: Hal Rasmussen, w/enclosure

BEFORE THE OIL CONSERVATION DIVISION  
OF THE ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

IN THE MATTER OF THE )  
APPLICATION OF HAL J. RASMUSSEN )  
OPERATING, INC. FOR A PRESSURE )  
MAINTENANCE PROJECT, LEA COUNTY, )  
NEW MEXICO. )

NO. 11003

ENTRY OF APPEARANCE

COMES NOW, Ernest L. Padilla, PADILLA LAW FIRM,  
P.A. and hereby enters his appearance on behalf of Hal J.  
Rasmussen Operating, Inc., in the above captioned and styled  
case.

PADILLA LAW FIRM, P.A.



ERNEST L. PADILLA

JUN 14 1991

Case file No. 11003

# EDDIE SEAY CONSULTING

ENVIRONMENTAL,  
GEOLOGICAL & REGULATORY  
SPECIALISTS

**PEAK**  
CONSULTING SERVICES



601 W. ILLINOIS  
HOBBS, NEW MEXICO 88240  
(505) 392-2236  
FAX (505) 392-6949

March 21, 1997

NMOCD  
ATTN: Ben Stone  
2040 S. Pacheco  
Santa Fe, NM 87505

SUBJECT: Southwest Royalties Application for Disposal  
Farnsworth A #2

Dear Sir:

I know you will review all available data prior to approving this application. It is the wish of the landowner, Mr. Anthony that Southwest Royalties operate this disposal well prudently, so as to prevent the same problems which occurred in A #1 well. Also, I would like a clarification between a salt water disposal, injection, and a pressure maintenance well. We have no intent of protesting the application, only concerns about operations.

We also wish that the water injected into this well be only from the Farnsworth lease.

Thank you for your consideration and time.

Sincerely,

Eddie W. Seay, Agent  
Anthony Ranches

10314

**ILLEGIBLE**



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

April 16, 1997

Southwest Royalties, Inc.  
P.O. Box 11390  
Midland, Texas 79702-8390

Attn: Mr. James Blount

***Re: Request to Amend Division Order R-10314 Authorizing the  
Farnsworth 'A' Federal Pressure Maintenance Project.***

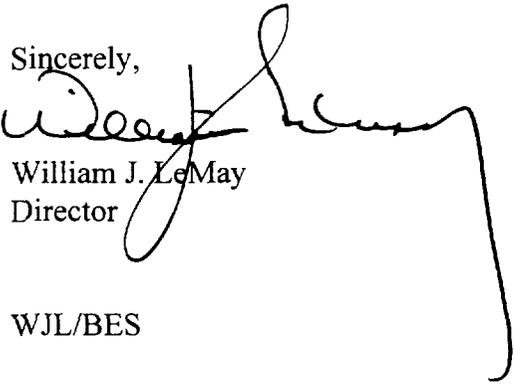
Dear Mr. Blount:

Reference is made to your recent request to extend the injection interval in your Farnsworth 'A' Federal Well No.2 as permitted by the above referenced Division Order. Extension of the interval to include perforations from approximately 2984 feet to 3054 feet and addition openhole from approximately 3072 feet to 3450 feet, will allow injection into the Yates formation as well as the previously authorized Seven Rivers formation. Maximum injection pressure shall remain at .2 psi per foot of depth to the uppermost injection interval, thus allowing a maximum of 597 psi.

My staff has review the data submitted with your request and you are hereby authorized to complete the subject well to conform with the above mention description.

All other provisions of Division Order R-10314 shall remain in full force and effect.

Sincerely,

  
William J. LeMay  
Director

WJL/BES

cc: Oil Conservation Division - Hobbs  
Case File No.11003

~~RECEIVED~~



SOUTHWEST ROYALTIES

SOUTHWEST ROYALTIES, INC.  
Southwest Royalties Building  
407 N. Big Spring, Midland, TX. 79701-4326  
P.O. Box 11390, Midland, TX. 79702-8390  
(915) 686-9927, 1-800-433-7945

RECEIVED  
MAR - 6 1997

February 25, 1997

Oil Conservation Division  
Attn: Mr. Ben Stone  
2040 S. Pacheco  
Santa Fe, NM 87505

Re: Case No. 11003, Order No. R-10314  
Request to Amend Pressure Maintenance  
Injection Interval for  
Farnsworth A #2, Sec. 13, T26S, R36E

Gentlemen:

Southwest Royalties, Inc., requests administrative approval to amend the injection interval in the A #2 to include the perforated interval from 2984' to 3054' and the OH interval from 3072' to 3450'. This will allow injection into both the Yates and Seven Rivers formations of the Scarborough-Yates Seven River Pool. The original Order No. R-10314 granted permission to inject into the Seven Rivers formation at a depth of 3230' to 3380'.

Thank you for your effort in this matter. The Form C-108 filing is enclosed.

Respectfully,

James Blount  
Petroleum Engineer  
Southwest Royalties, Inc.

VERIFIED APPROVAL  
4-15-97

36 VERIFIED APPROVAL  
8201 433-7945  
518

ATTACHMENT TO FORM C-108  
APPLICATION FOR AUTHORIZATION TO INJECT  
SOUTHWEST ROYALTIES, INC.  
FARNSWORTH A #2  
EDDY COUNTY, NEW MEXICO

---

VII Proposed Operation

The Farnsworth A #2 well will be used to inject produced water, for pressure maintenance, from other wells on the Farnsworth lease via a closed disposal system.

Proposed average injection rate and pressure: 10,000 BWPD @ Vacuum.

Proposed maximum injection rate and pressure: 12,000 BWPD @ 200 psi.

VIII Geological Data

This produced water will be injected into the Yates-Seven Rivers formation which is located from 2984' to 3460'. The Yates-Seven Rivers formation consists mostly of sand and lime.

The source of underground drinking water in the area is the Ogallala formation (base at  $\pm 200'$ ).

XII I have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIV PROOF OF NOTICE

A COPY OF THE APPLICATION TO INJECT HAS BEEN FURNISHED TO THE FOLLOWING BY CERTIFIED MAIL.  
MAILED 2-26-97.

SURFACE OWNER

JAY & CARY ANTHONY, et al  
P. O. BOX 398  
JAL, NM 88252

LEASE HOLDERS WITHIN ONE-HALF MILE

AMBETT OIL CO.  
P. O. BOX 755  
HOBBS, NEW MEXICO 88241

AMOCO  
P. O. BOX 4072  
ODESSA, TEXAS 79760

APPLICATION FOR AUTHORIZATION TO INJECT

I. Purpose:  Secondary Recovery  Pressure Maintenance  Disposal  Storage  
Application qualifies for administrative approval?  yes  no

II. Operator: Southwest Royalties, Inc.

Address: PO Box 11390 Midland, TX 79702

Contact party: James Blount Phone: 915 686-9927

III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project?  yes  no  
If yes, give the Division order number authorizing the project R-10314

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

\* VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

\*VIII. — Attach appropriate geological data on the injection zone including appropriate hydrologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

\* X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)

\* XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: James Blount Title Area Supervisor

Signature: James Blount Date: 2-25-97

\* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

## III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

## XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

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NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.





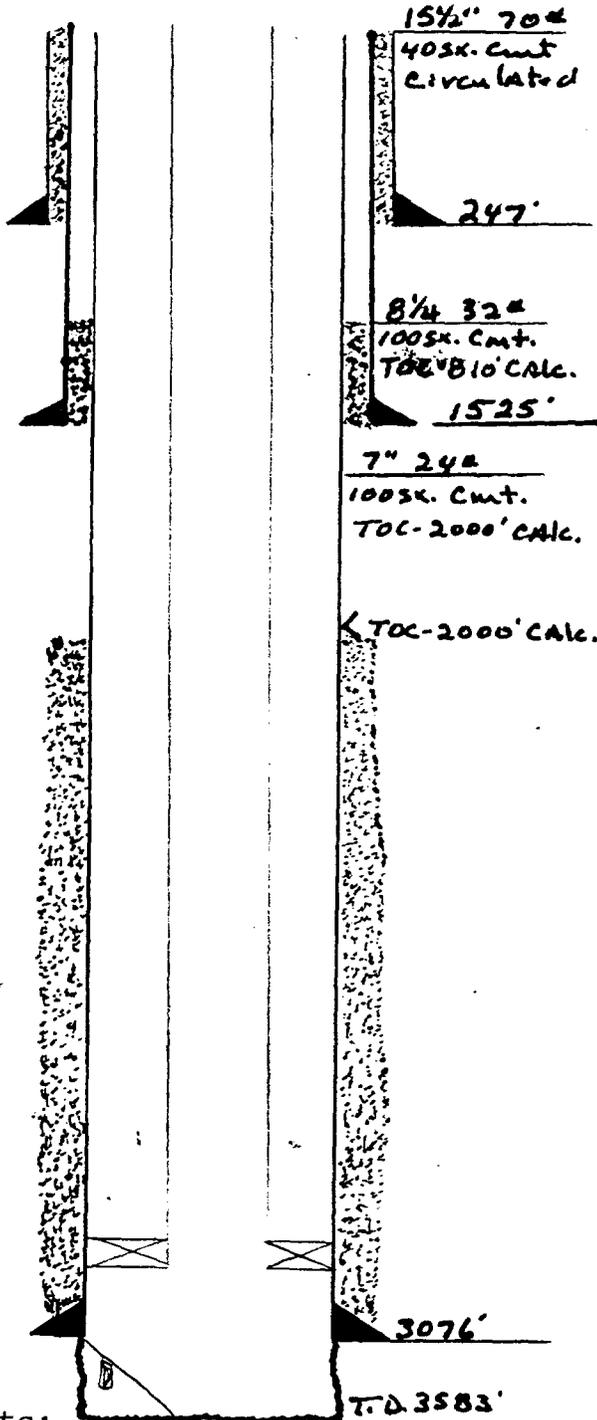
SOUTHWEST ROYALTIES, INC.  
Well History Summary Sheet

Operator SWR Well Name & # M<sup>c</sup>Callister - A-2 Lease # \_\_\_\_\_  
Location 330'BNL-990'REL, Sec. 24 T-26S, R-37E County Lea State N.Mex.  
Spud Date 8-6-33 Compl. Date 10-16-33 TD 3583' PBTD \_\_\_\_\_  
Type Well: Oil \_\_\_\_\_ Gas \_\_\_\_\_ Other SWD Field Jalmat

WELL HISTORY

Injection Equip: ?

DRILL - COMPLETE IN 1933.  
1PF 7-4 PD FROM OH 3076-3226'  
PUT ON PUMP 9/42  
7/46 PLUG BACK w/ PLASTIC TO 3217'  
ACIDIZE w/3000 gal 15% HCL, 516 CW  
6/65 PERF 3045-63' ACIDIZE w/3000 gal  
P-4 RD, 590 CW  
8/70 CONVERT TO SWD, HIT FILL @  
3298'. COULD NOT WASH OUT.  
2/91 DRILLED TO 3127' - DRILLING ON METAL  
MILLED TO 3144' - APPEARED TO BE  
CUTTING ON TCG  
ATTEMPTED TO WASH WITH - NO SUCCESS  
RTH w/ UNI VI PKR + 3 1/2" TCG TO  
3003'  
3/94 MILL ON FISH, LATCHED FISH @ 3163'  
POOH w/ PKR MANDREL, MILLED ON  
FISH, TOF @ 3165'. SPOT 25 SX C/C.  
4/94 PLUG BACK w/ CMT & WHIPSTOCK TO 3094'.  
DRILL OUT w/ 4 3/4" BIT TO 3452'  
8/74 DRILL 6" HOLE TO 3583'.  
SET PKR @ 3040', ACIDIZE ZONE w/  
15,200 gal 15% + ROCKSALT  
5/96 SET 7" AD-1 PKR @ 3011' w/ 4 1/2" TCG



4 1/2" TCG

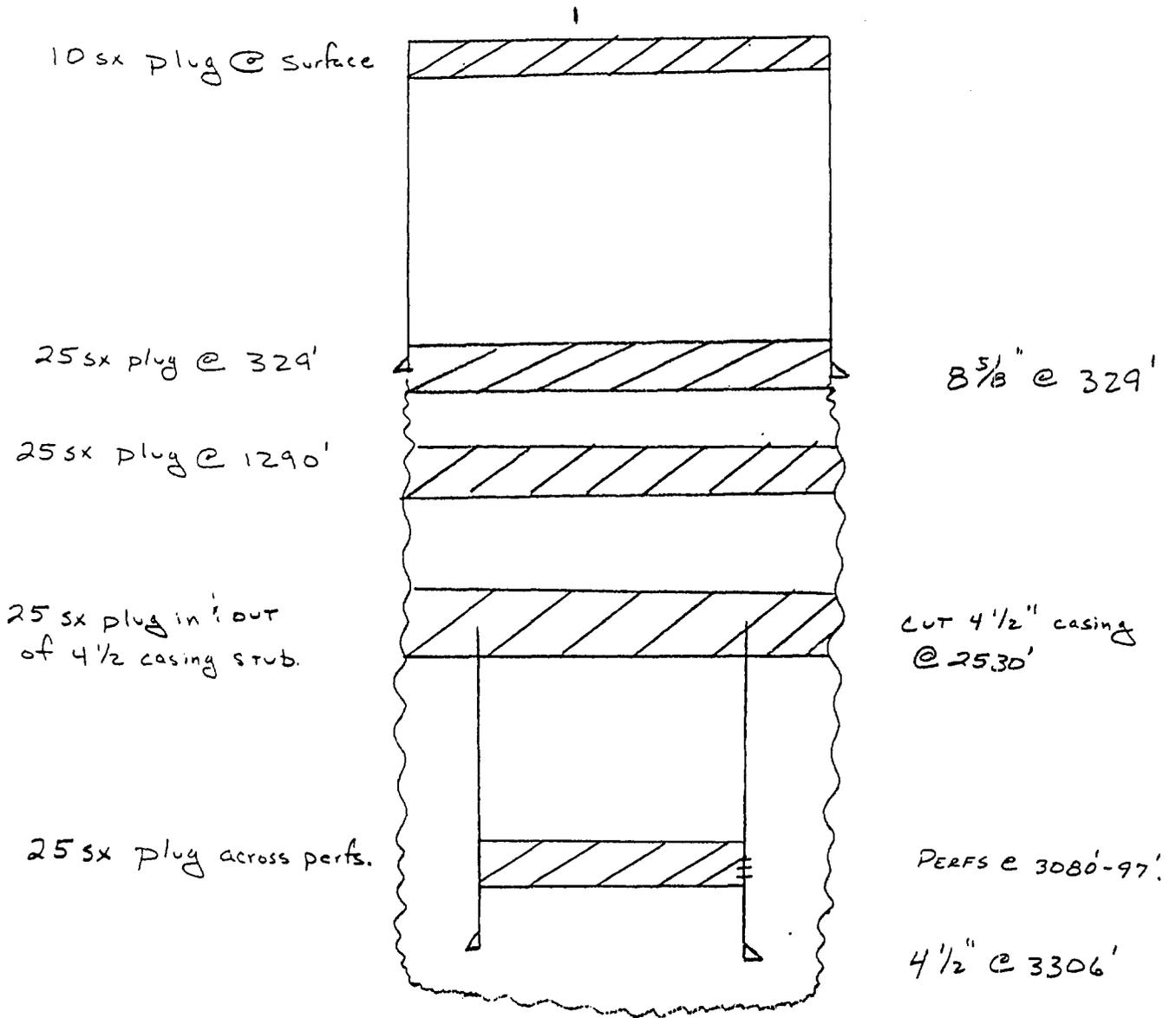
Comments:

FISH @ 3165'. SIDETRACKED w/ 6" HOLE TO 3583'

FARNSWORTH A-8

1650' FSL & 330' FEL

Section 13-T26S-R36E



P & A : 7/63

FARNSWORTH A-B

1650' FSL † 330' FEL

Type: P & A

Date Plugged: 7/63

Section 13 T26S R36E

Date Drilled: 2/63

Total Depth: 3306'

CASING RECORD

SIZE	DEPTH	SACKS CEMENT
8 5/8"	329	100
4 1/2"	3306	200

Plugging Record:

1. spotted 25 sx cement plug across perforations @ 3080-97'
2. pulled 4 1/2" casing from 2530'.
3. spotted 25 sx plug in and out of stub.
4. spotted <sup>25 sx</sup> plugs @ 1290' and 329'
5. spotted 10 sx cement plug at surface & installed marker.



OPERATOR SW Royalties  
 FIELD Galveston  
 ELEVATION KB 2954' DF \_\_\_\_\_ GL \_\_\_\_\_  
 TD 3223 PBD 3209 COMPL 6/17/41  
 (Date)

LEASE & WELL NO. Farmworth A Federal 1167  
 LOCATION 660 FS + 990 FWL (72+JN)  
 SEC 18 T 36 R 37  
 BEK 36 SURVEY 27  
 COUNTY LEA STATE NM

AVAILABLE DATA

LOGS:  
 SAMPLE LOGS: YES  
 CORE: NA  
 DST: SEE BELOW

SUMMARY OF GEOLOGY & DRILLING & COMPLETION & REMEDIAL WORK

T VATES = 2790'  
 T. 7-R = 2980'

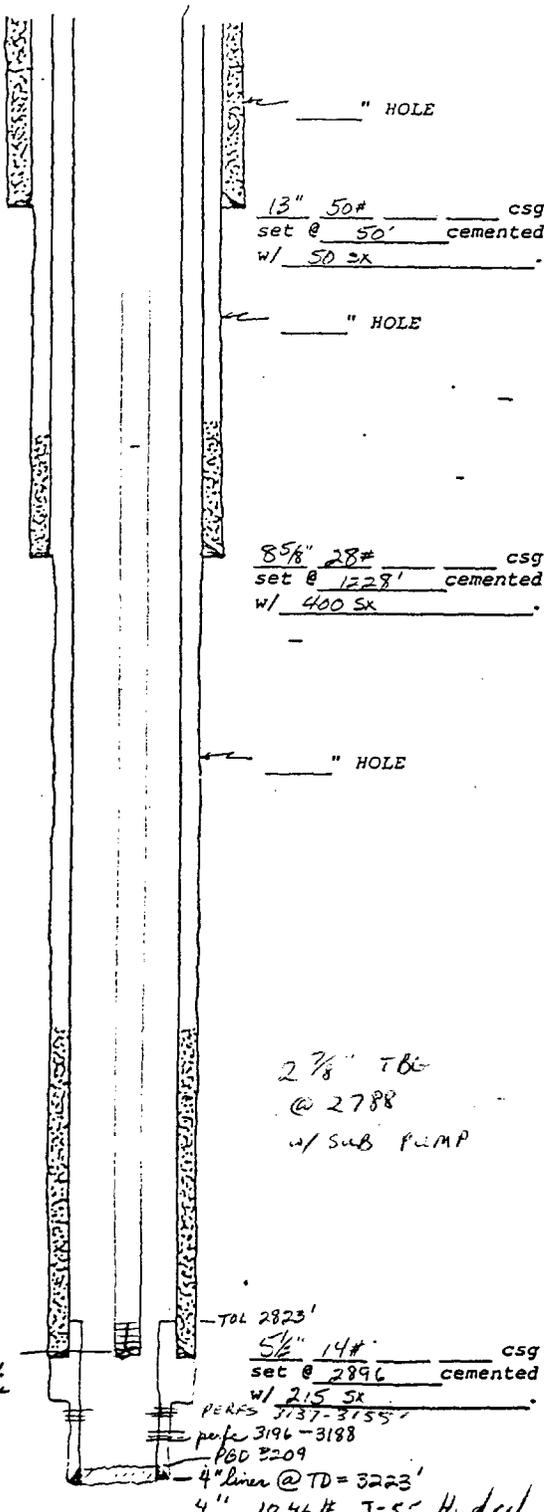
TST's 2926-2905 - Flow trace gas, Per 10' DM anal  
 2926-2965 - Flow gas 210 70 MD, Rec 400' DM anal  
 Had sig dip break + lost wire 2784-86' No test taken

IP On 6/17/41 well was grased @ 29870 MCF/D at surface  
 and sand w. oil. Oil cut increased over time.  
 8/29/41 test showed 56 BO + 173 MCF (COR 3246)

1/24/41 RHP = 1209 @ 2939'  
 2/24/46 RHP = 1215 @ 2954' TST 25 BO, 23 MCF + 0 BW on 7/4" CH  
 3/19/47 RHP = 1148 @ 2944'  
 3/15/48 RHP = 1194 @ 2944' TST 23 BO, 15 MCF + 0 BW on 8/4" CH  
 3/14/49 RHP = 1145 @ 2944'

1/15/54, Deepened well from 2986-3223. Run 400'  
 4" liner from 2823'-3223' + cut w/ 150 SX  
 Perf 3196'-3188', acid w/ 750 gal. Prod 64 BO  
 reduction on 12 1/4" CH + GOR = 263. PBD 3209.  
 Product before was 100% water.

6/62 INPE  
 11/62 Note in WF that 2 1/2" slip stick in top of liner  
 + unable to pull. Dred hole in well being.  
 11/78 Rods repaired (should be free 12/31/9.)



2 7/8" TBC  
 @ 2788  
 w/ SUB PUMP

TOL 2823'  
 5 1/2" 14# csg  
 set @ 2896' cemented  
 w/ 2.15 SX  
 PERFS 3137-3155'  
 perf 3196-3188  
 PBD 3209  
 4" liner @ TD = 3223'  
 4" 10.46# J-55 Hy drill

2 1/2" slip  
 @ 2848'  
 the stick  
 30 TOL.

CURRENT STATUS: Prod

EL PASO NATURAL GAS #1

1980' FSL & 1650' FEL

Type: oil

Casing Record:

SIZE	DEPTH
8 5/8	352
4 1/2	4699

Completion:

12/62 Perf @ 3206-10.

Section 13 T26S R36E

Date Drilled: 12/62

Total Depth: 3259'

SACKS CEMENT

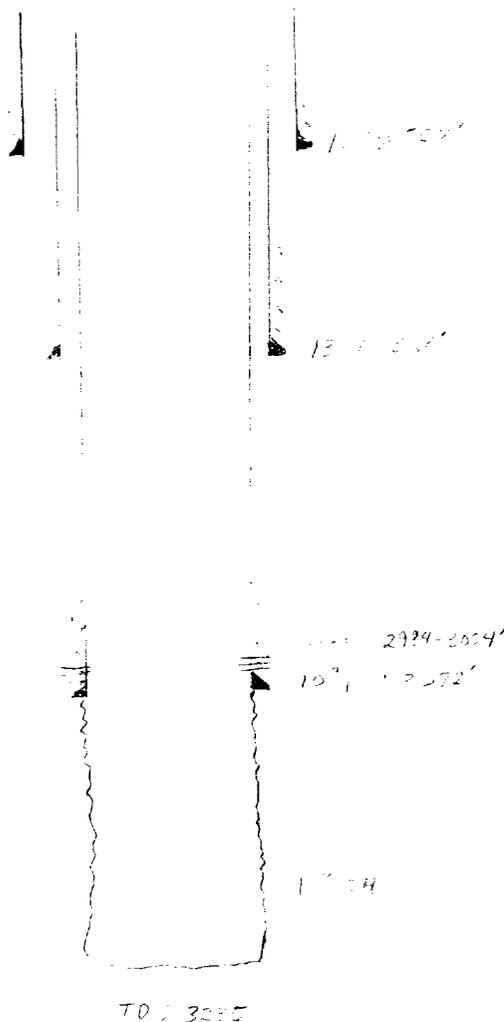
200

450

INJECTION WELL DATA SHEET

Southwest Royalties, Inc.		Farnsworth A	API 30 025 09855	
OPERATOR		LEASE		
2	990' FEL & 330' FSL	13	26S	36E
WELL NO.	FOOTAGE LOCATION	SECTION	TOWNSHIP	RANGE

Schematic



Tabular Data

Surface Casing

Size 16 " Cemented with 25 sx.  
 TOC 500 feet determined by calculation  
 Hole size ±19"

Intermediate Casing

Size 13 " Cemented with 111 sx.  
 TOC 930 feet determined by calculation  
 Hole size ±15"

Long string

Size 10-3/4 " Cemented with 75 sx.  
 TOC 2610 feet determined by calculation  
 Hole size ±12"

Total depth 3130'

Injection interval

2984 feet to 3460 feet  
 (perforated or open-hole, indicate which)

Tubing size 4-1/2" lined with Plastic Coated set in a  
 Baker Model AD-1 (Tension) packer at 2950 feet  
 (brand and model)

(or describe any other casing-tubing seal).

Other Data

- Name of the injection formation Yates Seven Rivers
- Name of Field or Pool (if applicable) Scarborough Yates Seven Rivers
- Is this a new well drilled for injection?  Yes  No  
 If no, for what purpose was the well originally drilled? oil

- Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used) No other perforations  
Produced through perfs from 2984-3054' & OH intervals between 3072-3235'.

- Give the depth to and name of any overlying and/or underlying oil or gas zones (pools) in this area. No known underlying oil & gas zones.  
No known overlying oil & gas zones.

AFFIDAVIT OF PUBLICATION

State of New Mexico,  
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1 weeks.

Beginning with the issue dated

February 28, 1997

and ending with the issue dated

February 28, 1997

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 28th day of

February, 1997

Jodi Henson

Notary Public.

My Commission expires  
October 18, 2000  
(Seal)

LEGAL NOTICE  
February 28, 1997  
APPLICATION TO AMEND  
AUTHORIZATION TO  
INJECT

Southwest Royalties, Inc., PO Box 11390, Midland TX. 79702, (915) 686-9927, is seeking administrative approval from the New Mexico Oil Conservation Division to amend the authorization to inject on the Farnsworth A #2, salt water injection well for pressure maintenance located at 330 FSL & 990 FEL Sec. 13, T26S, R36E, Eddy County, New Mexico. The proposed injection zone is the Yates and Seven Rivers formation of the Scarborough Yates Seven River Pool with perforations between 2984' to 3054' and the open hold interval 3072 to 3450'. Southwest Royalties, Inc., intends to inject a maximum of 12,000 BWPD at 200 psi.

Interested parties must file objections or requests for hearing with the Oil Conservation Division: PO Box 2088, Santa Fe, New Mexico, 87501 within 15 days.  
#15060

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

01101469000      01506066  
Southwest Royalties, Inc.  
P.O. Box 11390  
a/c 476043  
Midland, TX 79702

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 11003  
ORDER NO. R-10314

APPLICATION OF HAL J. RASMUSSEN  
OPERATING, INC. FOR A PRESSURE  
MAINTENANCE PROJECT, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 4, 1994 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 13th day of February, 1995 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant in this matter, Hal J. Rasmussen Operating, Inc. ("Rasmussen"), owns and operates the Farnsworth "A" Federal Lease comprising the E/2 E/2 of Section 13, Township 26 South, Range 36 East, NMPM, and Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 18, Township 26 South, Range 37 East, NMPM, both in Lea County, New Mexico. There are currently three Scarborough-Yates Seven Rivers Pool producing oil wells within said lease with an average rate of production of approximately 70 barrels of oil per day. There have been a total of twelve wells producing from the Scarborough-Yates Seven Rivers Pool on said lease and cumulative production as of December 31, 1993 from the lease was 2,800,927 barrels of oil. Immediately to the south of this lease in Section 19, Township 26 South, Range 37 East, NMPM, Rasmussen operates the (Continental) Scarborough Eaves (Lease) Pressure Maintenance Project (approved by Division Order No. R-3487-A, dated September 8, 1969, and expanded by Division Order No. R-6277, dated March 11, 1980) and

the (Continental) McCallister "A" Scarborough (Lease) Pressure Maintenance Project (approved by Division Order No. R-4026, dated September 10, 1970) in Section 24, Township 26 South, Range 36 East, NMPM.

(3) At this time the applicant seeks authority to institute a pressure maintenance project on the above-described Farnsworth "A" Federal Lease by the injection of water into the Seven Rivers formation of the Scarborough-Yates Seven Rivers Pool, through the open hole interval from approximately 3150 feet to 3350 feet in its Farnsworth "A" Federal Well No. 1 (API No. 30-025-09854), located 990 feet from the North line and 330 feet from the East line (Unit A), and through the open hole interval from approximately 3230 feet to 3380 feet in its Farnsworth "A" Federal Well No. 2 (API No. 30-025-09855), located 330 feet from the South line and 990 feet from the East line (Unit P), both in said Section 13. Both wells are currently shut-in and both were Scarborough-Yates Seven Rivers oil producing wells within the subject lease.

(4) The proposed pressure maintenance project will essentially serve as an extension to the two existing projects to the south. It is Rasmussen's intent to inject up to 10,000 barrels of water per day. Initially injection will be on a vacuum and should pressure increase within the injection zone the pressure will be maintained within the Division's guideline of 0.2 psi per foot of depth.

(5) Produced water from the Farnsworth "A" Federal and Eaves "A" Leases would be the initial source of injection water into the proposed project.

(6) Pursuant to General Rule 701.E, the proposed project should be classified as a pressure maintenance project and governed accordingly.

(7) The proposed leasewide pressure maintenance project should result in the recovery of otherwise unrecoverable oil thereby preventing waste, exhibits sound engineering practices, is in the best interest of conservation, and will not impair correlative rights.

(8) The area for said project should incorporate the applicant's Farnsworth "A" Federal Lease as described in Finding Paragraph No. (2), above and designated the "*Farnsworth "A" Federal (Lease) Pressure Maintenance Project*".

(9) The project allowable should be equal to top unit allowable for the Scarborough-Yates Seven Rivers Pool (128 barrels of oil per day) times the number of developed (production or injection) proration units within the project area.

(10) The transfer of allowable between wells within the project area should be permitted.

(11) The applicant submitted data on the proposed injection wells, water wells in the area, and all other wells (including plugged wells) which penetrate the zone of interest within the 1/2-mile "area-of-review" of both of the proposed injection wells. This data shows that wells in the area are cased and plugged so as to protect fresh water and prevent fluid migration from the injection zone, and includes testimony indicating no evidence of open faults or any other hydrologic connection between the injection zone and the fresh water resources in the area.

(12) The operator should take all steps to ensure that the injected water enters only the proposed injection interval and is not permitted to escape into other formations or onto the surface from injection, production or plugged and abandoned wells.

(13) Injection into each well should be accomplished through either 5-inch or 5 1/2-inch plastic-lined or plastic-coated tubing installed in a packer set no higher than 100 feet above the top of the open hole; the casing-tubing annulus in each well should be filled with an inert fluid; and a pressure gauge or approved leak-detection device should be attached to the annulus in order to determine leaks in the casing, tubing or packer.

(14) The injection wells or pressurization system for each well should be so equipped as to limit injection pressure at the wellhead to no more than 630 psi, however the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

(15) Prior to commencing injection operations, the casing in each of the subject wells should be pressure tested throughout the interval, from the surface down to the proposed packer-setting depth, to assure integrity of such casing.

(16) The operator should give advance notice to the supervisor of the Hobbs District Office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity pressure-test in order that the same may be witnessed.

(17) The subject application should be approved and the project should be governed by the provisions of Rules 701 through 708 of the Division Rules and Regulations.

**IT IS THEREFORE ORDERED THAT:**

(1) The applicant, Hal J. Rasmussen Operating, Inc. ("Rasmussen"), is hereby authorized to institute a pressure maintenance project on its Farnsworth "A" Federal Lease by the injection of water into the Seven Rivers formation of the Scarborough-Yates Seven Rivers Pool through the existing Farnsworth "A" Federal Well No. 1 (API No. 30-025-09854), located 990 feet from the North line and 330 feet from the East line (Unit A) and Farnsworth "A" Federal Well No. 2 (API No. 30-025-09855), located 330 feet from the South line and 990 feet

from the East line (Unit P), both in Section 13, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) The pressure maintenance project, hereby designated the "*Farnsworth "A" Federal (Lease) Pressure Maintenance Project*", shall be comprised of the following described area in Lea County, New Mexico:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 13: E/2 E/2

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM  
Section 18: Lots 1 through 4 and E/2 W/2

(3) The allowable for the project area shall be any amount up to and including a volume equal to the top unit allowable for the Scarborough-Yates Seven Rivers Pool (128 barrels of oil per day) times the number of proration units (producing or injection) within the project area.

FURTHER: The allowable assigned to the project area may be produced from any well or wells within the project area in any proportion.

(4) Injection into the Farnsworth "A" Federal Well No. 1 shall be through 5-inch internally plastic lined or coated tubing with injection into the open hole interval from approximately 3150 feet to 3350 feet.

(5) Injection into the Farnsworth "A" Federal Well No. 2 shall be through 5 1/2-inch internally plastic lined or coated tubing with injection into the open hole interval from approximately 3230 feet to 3380 feet.

(6) The tubing string in each well shall be installed in a packer set no higher than 100 feet above the top of the open hole; the casing-tubing annulus in each injection well shall be filled with an inert fluid; and a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak-detection device in order to determine leakage in the casing, tubing or packer.

(7) Each injection well or pressurization system for each well shall be equipped with a pressure-limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 630 psi.

(8) The Division Director shall have the authority to administratively authorize an increase in the injection pressure limitation placed upon any well upon a proper showing by the

operator that such higher pressure will not result in the migration of the injected waters from the Seven Rivers formation.

(9) Prior to commencing injection operations, the casing in each of the subject wells shall be pressure tested to assure the integrity of such casing in a manner that is satisfactory to the supervisor of the Division's Hobbs District Office.

(10) The operator shall notify the supervisor of the Hobbs District Office of the Division in advance of the date and time of the installation of injection equipment and of the mechanical integrity pressure-test in order that the same may be witnessed.

(11) The operator shall immediately notify the supervisor of the Division's Hobbs District Office of the failure of the tubing, casing or packer, in either of said injection wells or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(12) Should it become necessary, the supervisor of the Hobbs District Office of the Division or the Director may at any time order a decrease of the injection pressure on any of the subject injection wells.

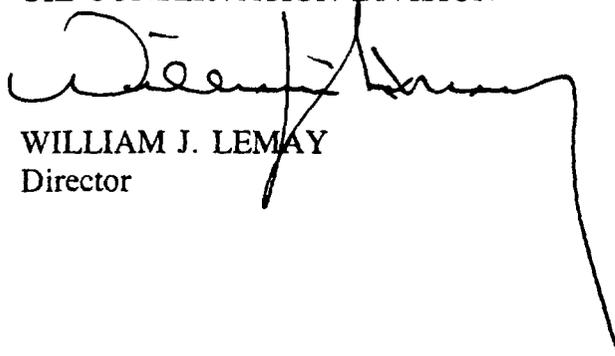
(13) Said pressure maintenance project shall be governed by the applicable provisions of Rules 701 through 708 of the Division Rules and Regulations.

(14) Monthly progress reports shall be submitted to the Division in accordance with Rules 706 and 1115.

(15) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

**DOCKET: EXAMINER HEARING - THURSDAY - JUNE 23, 1994**  
**8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING**  
**SANTA FE, NEW MEXICO**

Dockets Nos. 20-94 and 21-94 are tentatively set for July 7, 1994 and July 21, 1994. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 10976:** (Continued from June 9, 1994, Examiner Hearing.)

**Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 32, Township 17 South, Range 31 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard gas well 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 1.5 miles southwest of the junction of U.S. Highway 82 and State Road 529.

**CASE 11002:** **Application of West Largo Corporation for compulsory pooling, Sandoval County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Rusty-Chacra Pool underlying the SW/4 of Section 4, Township 21 North, Range 6 West, forming a standard 160-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard gas well 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 9 miles south of Counselor, New Mexico.

**CASE 11003:** **Application of Hal J. Rasmussen Operating, Inc. for a pressure maintenance project, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Farnsworth A Lease in Section 13, Township 26 South, Range 36 East, by the injection of water into the Seven Rivers formation, Scarborough Yates-Seven Rivers Pool, through its Farnsworth A Wells No. 1 and 2 located in Units A and P, respectively, of said Section 13. Said project is located approximately 4 miles south-southwest of Jal, New Mexico.

**CASE 11004:** **Application of Yates Petroleum Corporation for thirteen unorthodox infill gas well locations, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks approval of thirteen certain Pecos Slope-Abo Gas Pool infill gas well locations all located within its pilot enhanced gas recovery project, which was the subject of Division Order No. R-9976 and in Division Case No. 10981, comprising portions of Townships 5, 6, and 7 South, Ranges 25 and 26 East.

**CASE 11005:** **Application of Texaco Exploration and Production Inc. for pool reclassification, vertical extension, horizontal contraction and expansion, special pool rules, and for a special depth bracket allowable, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks to extend the vertical limits of the North Teague-Lower Paddock-Blinbry Gas Pool, presently comprising the N/2 of Section 9, Township 23 South, Range 37 East, to include the Tubb, Drinkard and Abo formations. Applicant also seeks to reclassify said pool as an oil pool and to contract its horizontal limits to delete the E/2 NE/4 of said Section 9 and to expand said boundary to include the N/2 SW/4 of said Section 9 and the E/2 NE/4 of offsetting Section 8. Further, the applicant seeks the promulgation of special pool rules including a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil and the assignment of a special depth bracket allowable of 400 barrels of oil per day. Said pool is located approximately 8 miles south of Eunice, New Mexico.

**CASE 10994:** (Continued from June 9, 1993, Examiner Hearing.)

**Application of Enserch Exploration, Inc. for the assignment at a special depth bracket oil allowable, Roosevelt County, New Mexico.** Applicant, in the above-styled cause, seeks a special depth bracket oil allowable, pursuant to General Rule 505(d), of 500 barrels of oil per day for the South Peterson-Fusselman Pool, which is located in portions of Townships 5 and 6 South, Ranges 32 and 33 East, being approximately 14 miles east of Kenna, New Mexico.

**CASE 11006:** **Application of Maralex Resources, Inc. for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, NE/4, E/2 NW/4 of Section 19, Township 30 North, Range 11 West, forming a standard 327.10-acre gas spacing and proration unit for said pool. Said well is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 19. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 2.5 miles south of the Aztec, New Mexico Municipal Airport.

**CASE 11007:** **Application of Maralex Resources, Inc. for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 3, 4 and 5 and the E/2 SW/4, N/2 SE/4 and SW/4 SE/4 of Section 19, Township 30 North, Range 11 West, forming a standard 326.26-acre gas spacing and proration unit for said pool. Said well is to be dedicated to a well to be drilled at a standard coal gas well 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 2.5 miles south of the Aztec, New Mexico Municipal Airport.

**CASE 11008:** **Application of GECKO, Inc. for an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location to be drilled 714 feet from the North line and 1109 feet from the West line (Unit E) of Section 36, Township 16 South, Range 37 East, to test the Shipp-Strawn Pool, the S/2 NW/4 of said Section 36 to be dedicated to said well to form a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 5.5 miles north of Humble City, New Mexico.

**CASE 11009:** **Application of GECKO, Inc. for an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location to be drilled 555 feet from the South line and 1648 feet from the West line (Unit N) of Section 26, Township 16 South, Range 37 East, Casey-Strawn Pool. The S/2 SW/4 of said Section 26 is to be dedicated to said well to form a standard 80-acre oil spacing and proration for said pool. Said unit is located approximately 6.5 miles north of Humble City, New Mexico.

**CASE 10996:** (Continued from June 9, 1994, Examiner Hearing.)

**Application of Anadarko Petroleum Corporation for compulsory pooling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 22, Township 18 South, Range 32 East, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to its existing Querecho Plains Unit Well No. 1 which was drilled at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 22. Also to be considered will be the valuation of the existing wellbore and the cost of recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in recompleting said well. Said unit is located approximately 8 miles south-southwest from Maljamar, New Mexico.

**CASE 10962:** (Continued from June 9, 1994, Examiner Hearing.)

**Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NE/4 SE/4 of Section 30, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled and completed at a standard oil well location in the NE/4 SE/4 of said Section 30. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 10 miles east of Loving, New Mexico.

**CASE 11010:** **Application of Nearburg Exploration Company 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 Wolfcamp formation to the base of the Morrow formation, underlying the S/2 of Section 22, Township 19 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Cemetery-Morrow Gas Pool. Said unit is to be dedicated to its B&B Well No. 2 to be drilled and completed at a standard gas well location (Unit O) in 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6 miles west of Lakewood, New Mexico.

**DOCKET: EXAMINER HEARING - THURSDAY - JULY 21, 1994**  
**8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING**  
**SANTA FE, NEW MEXICO**

Dockets Nos. 22-94 and 23-94 are tentatively set for August 4, 1994 and August 18, 1994. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 11003:** (Continued from June 23, 1994, Examiner Hearing.)

**Application of Hal J. Rasmussen Operating, Inc. for a pressure maintenance project, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Farnsworth A Lease in Section 13, Township 26 South, Range 36 East, by the injection of water into the Seven Rivers formation, Scarborough Yates-Seven Rivers Pool, through its Farnsworth A Wells No. 1 and 2 located in Units A and P, respectively, of said Section 13. Said project is located approximately 4 miles south-southwest of Jal, New Mexico.

**CASE 11019:** **Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks authorization to drill a well at an unorthodox gas well location 330 feet from the South line and 950 feet from the West line (Lot 4-Unit M) of Irregular Section 7, Township 22 South, Range 31 East, to test the Undesignated Cabin Lake-Morrow Gas Pool. Lots 3 and 4, the E/2 SW/4 and the SE/4 (S/2 equivalent) of said Section 7 are to be dedicated to said well to form a 319.81-acre gas spacing and proration unit. Said unit is located approximately 19 miles northeast by east of Malaga, New Mexico.

**CASE 11020:** **Application of Paloma Resources, Inc. for simultaneous dedication of, in the alternative, pool creation, pool contraction and for two non-standard gas proration units, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks an exception to Division General Rule 104.C(2) as outlined in Division Memorandum dated August 30, 1990, to authorize the concurrent production of its Peery Federal Well No. 2, located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 29, Township 15 South, Range 30 East, and its Peery Federal Well No. 3, located 1820 feet from the South line and 2140 feet from the West line (Unit K) of said Section 29 and the simultaneous dedication of said wells to a standard 320-acre gas spacing and proration unit comprising the S/2 of said Section 29 for production from the Little Lucky Lake-Morrow Gas Pool. IN THE ALTERNATIVE, the applicant seeks the contraction of the Little Lucky Lake-Morrow Gas Pool by deleting the SE/4 of said Section 29 from said pool and the concomitant creation of a new Morrow gas pool to comprise said acreage. Further, the applicant requests the formation of two non-standard 160-acre gas spacing and proration units for Morrow gas production from the SE/4 and SW/4 of said Section 29. Said area is located approximately 11.5 miles north by east of Loco Hills, New Mexico,

**CASE 11021:** **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 22, Township 20 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Cemetery-Morrow Gas Pool or the Undesignated West Bubbling Springs-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles south of Lakewood, New Mexico.

**CASE 11022:** **Application of Bass Enterprises Production Co., for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 12, Township 22 South, Range 30 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Northeast Livingston Ridge-Atoka Gas Pool and Undesignated Cabin Lake-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6 miles east of the IMC Potash Mine and Mill.

**CASE 10994:** (Continued from June 23, 1994, Examiner Hearing.)

**Application of Enserch Exploration, Inc. for the assignment at a special depth bracket oil allowable, Roosevelt County, New Mexico.** Applicant, in the above-styled cause, seeks a special depth bracket oil allowable, pursuant to General Rule 505(d), of 500 barrels of oil per day for the South Peterson-Fusselman Pool, which is located in portions of Townships 5 and 6 South, Ranges 32 and 33 East, being approximately 14 miles east of Kenna, New Mexico.

- CASE 11023:** **Application of AnSon Gas Corporation 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 Strawn formation, underlying the SE/4 NW/4 (Unit F) of Section 33, Township 16 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent. Said unit is to be dedicated to the proposed Mary "33" Well No. 1 to be drilled at a standard oil well 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles north-northwest of Knowles, New Mexico.
- CASE 11024:** **Application of AnSon Gas Corporation 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 Strawn formation, underlying the NE/4 SW/4 (Unit K) of Section 33, Township 16 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent. Said unit is to be dedicated to the proposed Lawrence "33" Well No. 1 to be drilled at a standard oil well 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles north-northwest of Knowles, New Mexico.
- CASE 11025:** **Application of AnSon Gas Corporation 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 Strawn formation, underlying the NW/4 SE/4 (Unit J) of Section 33, Township 16 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent. Said unit is to be dedicated to the proposed Anderson "33" Well No. 1 to be drilled at a standard oil well 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles north-northwest of Knowles, New Mexico.
- CASE 11026:** **Application of AnSon Gas Corporation 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 Strawn formation, underlying the NW/4 NE/4 (Unit B) of Section 8, Township 17 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent. Said unit is to be dedicated to the proposed Schaap "8" Well No. 1 to be drilled at a standard oil well 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 2.5 miles west-northwest of Knowles, New Mexico.
- CASE 11027:** **Application of Enron Oil & Gas Company for unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authorization to drill a well at an unorthodox oil well location 990 feet from the South and West lines (Unit M) of Section 7, Township 25 South, Range 34 East, to test the Undesignated Red Hills-Bone Spring Pool. The W/2 SW/4 of said Section 7 is to be dedicated to said well forming a standard 80-acre spacing and proration unit for said pool. Said unit is located approximately 19 miles west by north of Jal, New Mexico.
- CASE 11028:** **Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle South Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com Well No. 47, located 1760 feet from the South line and 835 feet from the West line (Unit L) of Section 2, Township 27 North, Range 8 West, which is located approximately 13 miles southeast by east of Blanco, New Mexico.
- CASE 11029:** **Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "G" Well No. 2A, located 1650 feet from the South and East lines (Unit J) of Section 32, Township 29 North, Range 8 West, which is located approximately 8 miles east-southeast of Blanco, New Mexico.
- CASE 11030:** **Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "R" Well No. 14, located 940 feet from the South line and 990 feet from the West line (Unit M) of Section 36, Township 30 North, Range 9 West, which is located approximately 6 miles east-northeast of Turley, New Mexico.

**DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 4, 1994**  
**8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING**  
**SANTA FE, NEW MEXICO**

Dockets Nos. 24-94 and 25-94 are tentatively set for August 18, 1994 and September 1, 1994. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 9253: (Reopened)**

In the matter of Case No. 9253 being reopened pursuant to the provisions of Division Order No. R-8546, which order created the Santo Nino-Bone Spring Pool in Eddy County, New Mexico, and promulgated Temporary Special Rules and Regulations, including a provision for 80-acre spacing and proration units and designated well locations. All operators in said pool may appear and show cause why the Santo Nino-Bone Spring Pool should not be developed on 40-acre spacing units.

**CASE 10976: (Continued from July 7, 1994, Examiner Hearing.)**

**Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 32, Township 17 South, Range 31 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard gas well 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 1.5 miles southwest of the junction of U.S. Highway 82 and State Road 529.

**CASE 11013: (Continued from July 7, 1994, Examiner Hearing)**

**Application of Baber Well Servicing Company for an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval for its NM "BZ" State NCT-5 Well No. 5 drilled at an unorthodox oil well location 40 feet from the North line and 750 feet from the West line (Unit D) of Section 29, Township 21 South, Range 35 East, as an infill well on an existing 40-acre standard oil proration unit in the North San Simon-Yates Associated Pool, which is currently dedicated to the Pronghorn Management Corporation NM "BZ" State NCT-5 Well No. 1 located at a standard oil well location 660 feet from the North and West lines of said Section 29. Said unit is located approximately 8.5 miles west-southwest of Oil Center, New Mexico. FURTHER, a single operator for the subject 40-acre unit shall be designated by the applicant at the time of the hearing.

**CASE 11046: Application of Primero Operating, Inc. for an unorthodox oil well location, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hi-Way State Well No. 1 which is currently being drilled at an unorthodox oil well location 2417 feet from the South line and 2245 feet from the East line (Unit J) of Section 36, Township 10 South, Range 27 East, to test the Devonian formation. The NW/4 SE/4 of said Section 36 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 11 miles northeast of Bottomless Lake State Park, New Mexico.

**CASE 11003: (Continued from July 21, 1994, Examiner Hearing.)**

**Application of Hal J. Rasmussen Operating, Inc. for a pressure maintenance project, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Farnsworth A Lease in Section 13, Township 26 South, Range 36 East, by the injection of water into the Seven Rivers formation, Scarborough Yates-Seven Rivers Pool, through its Farnsworth A Wells No. 1 and 2 located in Units A and P, respectively, of said Section 13. Said project is located approximately 4 miles south-southwest of Jal, New Mexico.

**CASE 11047: Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill its Johnson "POW" Well No. 1 at an unorthodox coal gas well location 240 feet from the South line and 340 feet from the East line (Unit P) of Section 21, Township 27 North, Range 10 West, NMPM, in the Basin-Fruitland Coal Gas Pool. The E/2 of Section 21 is to be simultaneously dedicated to the above-described well and to the existing Johnson Well No. 2 located 1625 feet from the South line and 1090 feet from the East line (Unit D), for the purpose of conducting a reservoir study within the Basin-Fruitland Coal Gas Pool. Said well is located approximately 11 miles southeast of Bloomfield, New Mexico.

**CASE 11038:** (Continued from July 21, 1994, Examiner Hearing.)

Application of Meridian Oil Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks exceptions from Division General Rule 303(C) to establish on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde and Gallup gas production in the wellbores of existing or future wells drilled anywhere within Sections 26 through 30, 33, 34 and S/2 of 35 in Township 26 North, Range 6 West, said production being portions of the Basin-Dakota Pool, the Blanco Mesaverde Pool and Undesignated Gallup production. The center of said area is located approximately 4 miles southeast of El Paso Natural Gas Company Largo Station, New Mexico.

**CASE 11039:** (Continued from July 21, 1994, Examiner Hearing.)

Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Aztec-Pictured Cliffs Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its existing Fifield Well No. 2, located 1650 feet from the South line and 1090 feet from the East line (Unit D) Section 5, Township 29 North, Range 11 West. Said well is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a 305.92-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool comprising Lots 1 and 2, the S/2 NE/4 and SE/4 (E/2 equivalent) of said Section 5. Said well is located approximately 3.5 miles north northwest of Bloomfield, New Mexico.

**CASE 11042:** (Continued from July 21, 1994, Examiner Hearing.)

Application of Meridian Oil Inc. for salt water disposal, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Jillison Federal SWD Well No. 1 in the SE/4 NW/4 (Unit F) of Section 8, Township 24 North, Range 3 West, for the purpose of disposing produced salt water into the Entrada formation through perforations from approximately 8441 feet to 8683 feet. Said location is approximately 6 miles west-northwest of Lindrieth, New Mexico.

**CASE 11048:** Application of Bass Enterprises Production Co. 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 Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Section 30, Township 23 South, Range 30 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled and completed at a standard gas well 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.0 miles northwest of Poker Lake.

**CASE 10996:** (Continued from July 7, 1994, Examiner Hearing.)

Application of Anadarko Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 22, Township 18 South, Range 32 East, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to its existing Querecho Plains Unit Well No. 1 which was drilled at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 22. Also to be considered will be the valuation of the existing wellbore and the cost of recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in recompleting said well. Said unit is located approximately 8 miles south-southwest from Maljamar, New Mexico.

**CASE 11002:** (Continued from July 7, 1994, Examiner Hearing.)

Application of West Largo Corporation for compulsory pooling, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Rusty-Chacra Pool underlying the SW/4 of Section 4, Township 21 North, Range 6 West, forming a standard 160-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard gas well 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 9 miles south of Counselor, New Mexico.