Dockets West 1--34 and 18-54 are tentatively set for June 20 and July 11, 1964. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE , 1984

3:00 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE SUILDING, SANTA FE, NEW ADDICC

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

- <u>TASE 3198</u>: Application of Eddy County Board of Commissioners to utilize produced water, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to utilize produced water for road building and maintenance on Eddy County roads.
- CASE 3199: Application of Earle M. Craig, Jr. Corp. for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow location 1320 feet from the North and East lines of Section 2, Township 21 South, Range 33 East, Lots 1 through 8 of said Section 2 to be dedicated to the well.
- <u>CASE 3200</u>: 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 in the Wolfcamp through Morrow formations underlying the W/2 of Section 8, Township 17 South, Range 29 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 3182: (Continued from May 9, 1984 Examiner Hearing)

Application of Mesa Petroleum Co. for NGPA determination, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that production from its State Com AJ Well No. 34 is above normal NGPA stripper well levels as a result of the recognized enhanced recovery techniques as defined by 18 CFR 271.803 (a).

CASE 8183: (Continued from May 9, 1984, Examiner Hearing)

Application of Mesa Petroleum Co. for NGPA determination, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that production from its State Com AI WEll No. 33 is above normal NGPA stripper well levels as a result of the recognized enhanced recovery techniques as defined by 18 CFR 271.803 (a).

- CASE 8201: Application of Enserch Exploration, Inc. for a non-standard proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard Morrow proration unit comprising the SW/4, S/2 NW/4, and W/2 SE/4 of Section 13, Township 12 South, Range 31 East.
- CASE 8202: Application of Getty 0il Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Pennsylvanian well location 1320 feet from the South line and 660 feet from the West line of Section 32, Township 21 South, Range 24 East, all of said Section 32 to be dedicated to the well.
- <u>CASE 8203</u>: Application of HNG Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the S/2 of Section 19, Township 24 South, Range 35 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 8180: (Continued and Readvertised)

Application of OGR Operating Company, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the E/2 of Section 17, Township 16 South, Range 34 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.

- <u>CASE 3204</u>: Application of Costa Resources, Inc. for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow well location 1600 feet from the Bouth line and 660 feet from the East line of Section 2, Township 18 South, Mange 28 East, the Bolot said Section 2 to be dedicated to the well.

- ASE 8207: Application of Coastal Oil & Gas Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard oil proration unit comprising the NE/4 SE/4 of Section 6, Township 14 South, Range 33 East, Baum-Upper Pennsylvanian Pool.
- CASE 8208: Application of Coastal Oil & Gas Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 990 feet from the North line and 660 feet from the East line of Section 5, Township 14 South, Range 33 East, Baum-Upper Pennsylvanian Pool, the NE/4 of said Section 5 to be dedicated to the well.
- CASE 3209: Application of Coastal Oil & Gas Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1980 feet from the South line and 990 feet from the East line of Section 27, Township 14 South, Range 32 East, Tulk-Pennsylvanian Pool, the SE/4 of said Section 27 to be dedicated to the well.
- <u>CASE 8210</u>: Application of Coastal Oil & Gas 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 at a depth of 5100 feet to 5500 feet in the following two wells in Township 14 South, Range 32 East: State "27" Well No. 1 located in Unit H of Section 27 and State "22" Well No. 1 located in Unit I of Section 22. Said State "22" Well No. 1 is currently being used to dispose of produced salt water into the Pennsylvanian formation.
- <u>CASE 8211</u>: Application of Penroc Oil Corporation for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Angell Ranch Well No. 1 located in Unit B of Section 33, Township 19 South, Range 28 East, Winchester-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8212: Application of W. A. Moncrief, Jr. for a HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Jurnegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, Mosley Canyon-Strawn Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- <u>CASE 8213</u>: Application of W. A. Moncrief, Jr. for HARDSHIPGAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Marathon State Well No. 1 located in Unit J of Section 11, Township 24 South, Range 24 East, Baldridge Canyon-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8214: Application of W. A. Moncrief, Jr. for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Baldridge Federal Well No. 2 located in Unit B of Section 14, Township 24 South, Range 24 East, Baldridge Canyon-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- <u>CASE 8215</u>: Application of Alpha Twenty-One Production Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its BRC Madera Well No. 1 located in Unit B of Section 29, Township 22 South, Range 27 East, South Carlsbad-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

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- <u>CASE blic: application of M. J. Brannon for HARDSHIP GAS WELL Classifications of Lan Jounty, New Mexico.</u> Applicant, in the above-styled cause, seeks a netermination that its classific Well Would Constant in Cost of Section 20, Township 25 North, Range 9 Ast. Asia-Cost of the a hardship has well mind should be granted priority access to pipeline takes in other to constant.
- <u>DASE S117</u>: optimation of Cartis J. Little for HARDSHIP GAS WELL CLASSIF. ATTICA Set County, New Maxico. optimat, in the above-styled cause, seeks a determination that its Thirds Tom Well No. 2E located in Chit C of Section 11, Township 28 North, Range 13 West, casia-basits cool, is a hardship gas well which should be granted priority access to pipeline takes in order to abold waste.
- <u>CASE 3113</u>: Application of Dinero Operating Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Dimero State Comm. Well No. 1 located in Unit C of Section 16, Township 22 South, Range 28 East, Dublin Ranca-Morrow Das Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 3219: Application of Dinero Operating Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Little Squaw Comm. Well No. 1 located in Unit F of Section 27, Township 22 South, Range 28 East, Dublin Ranch-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 3220: Application of Dinero Operating Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Big Chief Comm. Well No. 4 located in Unit N of Section 15, Township 22 South, Range 28 East, Dublin Ranch-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- <u>CASE 8221</u>: Application of Dinero Operating Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Big Chief Comm Well No. 1 located in Unit F of Section 22, Township 22 South, Range 28 East, Dublin Ranch-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8225: Application of Stevens Operating Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 3400 feet below the surface down to and including the base of the Fusselman formation underlying the N/2 of Section 19, Township 8 South, Range 29 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 3222: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, contracting and extending certain pools in Chaves, Lea, and Roosevelt Counties, New Mexico:
  - (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the Northwest Austin-Mississippian Gas Pool. The discovery well is the Harvey E. Yates Company Duncan Unit Well No. 3 located in Unit N of Section 26, Township 13 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 35 EAST, NMPM Section 26: S/2

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the East Bishop Canyon-San Andres Pool. The discovery well is the Bishop Canyon Uranium Company Forest A Well No. 1 located in Unit A of Section 11, Township 18 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM Section 11: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the West Bishop Canyon-San Andres Pool. The discovery well is the H. L. Brown, Jr. Houston Well No. 1 located in Unit H of Section 9, Township 18 South, Range 38 East, NMPM. Said pool would comprise:

> TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM Section 9: E/2 Section 10: W/2

TREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production and designated as the West Caprock-Morrow Cas Pool. The concern well is the Enserch Exploration, Inc. State 13 Well No. 1 located in Thit 1 of Section 13, Township 12 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 31 EAST, NMPM

Section 13: W/2

E IREATE a new pool in Chaves County, Yew Mexico, classified as an oil pool for Permo Upper Pennsylvanian production and designated as the Cedar Point-Permo Upper Pennsylvanian Pool. Further, to assign approximately 25,050 barrels of discovery allowable to the discovery well the McClellan Oil Corporation McClellan A Federal Well No. 2 located in Unit H of Section 27. Township 15 South, Range 30 East, NMPM. Said pool would comprise:

> TOWNSHIP 15 SOUTH, MANGE 30 CAST, MARM Section 27: NE/4

(f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Queen production and designated as the North Corbin-Queen Gas Pool. The discovery well is the Phillips Oil Company Leamex Well No. 20 located in Unit B of Section 23, Township 17 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM Section 23: NE/4

(g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Southeast Denton-Pennsylvanian Pool. The discovery well is the Newmont Oil Company State 16 Well No. 1 located in Unit K of Section 16, Township 15 South, Range 37 East, NMPM. Said pool would comprise:

> TOWNSHIP 15 SOUTH, RANGE 37 EAST, NMPM Section 16: SW/4

(h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Mescalero Escarpe-Bone Spring Pool. Further, to assign approximately 23,530 barrels of discovery allowable to the discovery well the Cities Service Oil and Gas Corporation State DW Well No. 1 located in Unit J of Section 12, Township 18 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 12: SE/4

(i) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Northeast Salado Draw-Delaware pool. The discovery well is The Superior Oil Company State 36 Well No. 1 located in Unit G of Section 36, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 36: NE/4

(j) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Fusselman production and designated as the Tanneyhill-Fusselman Pool. The discovery well is the Energy Reserves Group, Inc. Miller Well No. 1 located in Unit G of Section 10, Township 6 South, Range 33 East, NMPM. Said pool would comprise:

(k) ABOLISH the Bishop Canyon-San Andres Pool in Lea County, New Mexico, described as:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

Section 9: E/2 Section 10: W/2 and NE/4 Section 11: N/2

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(1) CONTRACT the Rhodes-Yates-Seven Rivers Gas Pool in Lea County, New Mexico, by deletion of the following described area:

> TOWNSHIP 26 SOUTH, RANGE 37 EAST, 1029M Section 21: NE/4 NW/-

(m) ENTEND the Rhodes Yates-Seven Rivers Oil Pool in Lea County, New Mexico, to include therein:

> TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM Section 21: NE/4 NM/4

 (n) EXTEND the Airstrip Upper-Bone Spring Pool in Lea County, New Mexico, to include therein:

> TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM Section 26: SW/4

 EXTEND the Baum Upper-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

> TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM Section 14: SE/4 Section 26: SW/4

(p) EXTEND the Cruz-Delaware Pool in Lea County, New Mexico, to include therein:

> TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM Section 17: NW/4

Section 18: NE/4

(q) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM Section 1: Lots 3, 4, 5, and 6 Section 2: Lots 1, 2, 7, and 8

(r) EXTEND the Feather-Morrow Pool in Lea County, New Mexico, to include therein:

> TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM Section 21: NE/4

(s) EXTEND the West Jal-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM Section 17: NE/4

(t) EXTEND the Many Gates-Wolfcamp Pool in Chaves County, New Mexico, to include therein:

> TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM Section 29: SW/4

(u) EXTEND the West Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

> TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM Section 24: W/2

 (v) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

> TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM Section 11: NW/4 TOWNSHIP 6 SOUTH, RANGE 34 EAST, NMPM Section 18: Lots 1, 2, and NE/4

\* EXTEND the Verecho Plains-Vieen Associated Pool in Lea County, New Mexico, to include therein;

> COMMENTED 13 SOUTH, RANGE 32 EAST, NMPM Section 18: WE.-

 $\pi^{\times}$  -EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

EDWNISHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 19: NW/4

- <u>ERSE 3223</u>: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, redesignating, and extending vertical and horizontal limits of certain pools in Chaves and Eddy Jounties, New Mexico:
  - (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Northwest Fenton-Delaware Pool. The discovery well is Ammex Pet. Inc. - Big Eddy #98 located in Unit F of Section 7, Township 21 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM Section 7: NW/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the West Four Mile-Strawn Gas Pool. The discovery well is Chama Pet. Co. - Crusader Rabbit #1 located in Unit C of Section 8, Township 19 South, Range 26 East, NMPM. Said pool would comprise:

> TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM Section 8: N/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Southeast Loving-Atoka Gas Pool. The discovery well is HNG OIL Co. - Loving 36 State #1 located in Unit N of Section 36, Township 23 South, Range 27 East, NMPM. Said pool would comprise:

> TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM Section 36: S/2

 (d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Ross Draw-Delaware Pool. The discovery well is J. C. Williamson - Ross Draw Unit #2 located in Unit C of Section 34, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM

Section 34: NW/4

(e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the West Ross Draw-Delaware Pool. The discovery well is J. C. Williamson-Abby Federal #1 located in Unit P of Section 28, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM

Section 28: SE/4

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Tecolote Peak-Delaware Gas Pool. The discovery well is Ray Haskins-Aminoil State #1 located in Unit C of Section 22, Township 26 South, Range 28 East, NMPM. Said pool would comprise:

> TOWNSHIP 26 SOUTH, RANGE 28 EAST, NMPM Section 22: NW/4

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- 20 EXELLA the vectoral limits of the West of one was fool in Easy County. New Sector, to include the Campun formation of the Sectorsignade said pool as the West Atoka-Opper Pennsylvanian Castor 1.
- EXTEND the East Avalon-Bone Spring To This line cunty, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 Fort. WPM Section 27: All Section 34: E/2

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TOWNSHIP 21 SOUTH, RANGE 27 EAST, INPA

(j) EWTEND the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM Section 14: S/2 Section 23: All

(k) EXTEND the Esperanza-Delaware Pool in Eddy County, New Mexico, to include therein:

> TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM Section 28: All Section 33: All

 EXTEND the Herradura Bend - Delaware Pool in Eddy County, New Mexico, to include therein:

> TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM Section 36: N/2 TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM Section 31: W/2

 (m) EXTEND the South Loco Hills Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 32: SE/4 and S/2 SW/4

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM Section 5: All

(n) EXTEND the Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

> TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM Section 1: All Section 2: All TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM Section 6: W/2

(o) EXTEND the East Millman-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 18: NE/4

p ENTEND the Red Lake gueen-Grayburg-San Amirus Net in Tidy Jounty, New NewToo, to incluse therein:

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DIMUSHID 17 SOUTH, RANGE 27 EAST, 1993.
Section 13: 0.2
TOURISHIP 17 SOUTH, RANGE 28 EAST, 1993M
Section 7: 0.2
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CITING the Same Aanon-Grayburg Jas Pool in Univer Scunty, New Mexico, to Include therein:

TOIMSHIP 14 SOUTH, RANGE 28 EAST, MERL Section 12: MW/4

(r) EXTEND the Seven Rivers-Yeso Bool in Eddy County, New Mexico, to include therein:

> TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM Section 34: N/2

 (s) EXTEND the North Square Lake-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 11: SE/4 and S/2 SW/4 Section 14: NW/4

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Docket No. 23-84

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 7, 1984

8:00 A.M. - MORGAN HALL STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

<u>CASE 3224</u>: In the matter of the hearing called by the Oil Conservation Division on its own motion to prohibit the disposal of water produced in conjunction with oil and natural gas in unlined pits, on the surface of the ground, in any water course, or in any body of water in McKinley, Rio Arriba, Sandoval, and San Juan Counties, New Mexico. Applicant, in the above-styled cause, proposes that such disposal be prohibited at well sites, tank batteries, pipelines, pipeline stations, plants (processing or treating), or at any location where such waters are collected. Docket Nos. 30-84 and 31-84 are tentatively set for August 8 and August 22, 1984. Applications for nearing must be filed at least 22 days in advance of nearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 25, 1984

3 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:

- <u>CASE 3268</u>: Application of Randolph M. Richardson for a unit agreement, Dona Ana County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sunland Park Unit Agreement comprising 22,284 acres, more or less, of Federal, State, and Fee lands in Townships 26 and 27 South, Ranges 1 West and 1 East.
- <u>CASE 8269</u>: Application of Cibola Energy Corporation for a unit agreement, Lincoln and Otero Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Three Rivers Unit Agreement comprising 24,539.73 acres, more or less, of Federal, State and Fee lands in Townships 9, 10 and 11 South, Ranges 8, 9, and 9½ East.
- <u>CASE 3270</u>: Application of Yates Petroleum Corporation for a non-standard oil proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard proration unit comprising the SW/4 of Section 11, Township 7 South, Range 33 East, in the Bough C formation.
- <u>CASE 3271</u>: Application of Mustard Seed Oil & Chemical Corporation for a non-standard proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NE/4 SE/4 of Section 21, Township 26 North, Range 1 East, East Puerto Chiquito-Mancos Oil Pool.
- CASE 8247: (Continued from July 11, 1984, Examiner Hearing)

Application of Charles B. Gillespie, Jr. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Townsend Wolfcamp (Permo Upper-Penn) formation in the perforated interval from 10546 feet to 10598 feet in its State D Well No. 3 located 3,000 feet from the South line and 330 feet from the West line of Section 1, Township 16 South, Range 35 East.

- <u>CASE 8272</u>: Application of Shell Western E & P, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1285 feet from the South line and 660 feet from the East line of Section 33, Township 23 South, Range 34 East, to test the Ellenburger formation and/or to develop the Antelope Ridge-Devonian Gas Pool.
- <u>CASE 8273</u>: Application of Blanks Energy Corporation for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 330 feet from the South line and 2000 feet from the East line of Section 16, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the W/2 SE/4 of said Section 16 to be dedicated to the well.
- <u>CASE 8274</u>: Application of Blanks Energy Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 660 feet from the North line and 990 feet from the East line of Section 21, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the E/2 NE/4 of said Section 21 to be dedicated to the well.
- CASE 8217: (Continued from July 11, 1984, Examiner Hearing)

Application of Curtis J. Little for HARDSHIP GAS WELL CLASSIFICATION, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Federal Com Well No. 2E located in Unit N of Section 11, Township 28 North, Range 13 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

- <u>CASE 8275</u>: Application of Robert E. Landreth for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow, Atoka, and Strawn formations underlying the N/2 of Section 3, Township 25 South, Range 34 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North and West lines of said Section 3. 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.
- <u>CASE 8276</u>: Application of ARCO 0il and Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry, Drinkard, and Wantz-Abo production in the wellbore of its Roy Barton Well No. 2 located in Unit B of Section 23, Township 21 South, Range 37 East.

CASE 8212: (Continued from July 11, 1984, Examiner Hearing)

Application of W. A. Moncrief, Jr. for a HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Jurnegan State Well No. I located in Unit C of Section 8, Township 24 South, Range 25 East, Mosley Canyon-Strawn Gas Pool, is a nardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8214: (Continued from July 11, 1984, Examiner Hearing)

Application of W. A. Moncrief, Jr. for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Baldridge Federal Well No. 2 located in Unit 8 of Section 14, Township 24 South, Range 24 East, Baldridge Canyon-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 3226: (Continued from July 11, 1984, Examiner Hearing)

Application of Doyle Hartman for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its South Empire State Com Well No. 1 located in Unit M of Section 24, Township 17 South, Range 28 East, South Empire-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

- CASE 3277: Application of Fred G. Yates for compulsory pooling and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface through the Pennsylvanian formation underlying the SW/4 of Section 18, Township 13 South, Range 32 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. Applicant also seeks approval of a 160-acre non-standard proration unit comprising the SW/4 of said Section 18 to be dedicated to this well.
- EASE 8207: (Continued from June 6, 1984, Examiner Hearing)

Application of Coastal Oil & Gas Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard oil proration unit comprising the NE/4 SE/4 of Section 6, Township 14 South, Range 33 East, Baum-Upper Pennsylvanian Pool.

- <u>CASE 8278</u>: Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Gavilan-Mancos Pool to the base of the Dakota producing interval underlying the W/2 of Section 23, Township 25 North, Range 2 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 8243: (Continued from July 11, 1984, Examiner Hearing)

Application of Robert E. Chandler Corp. 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 Drinkard formation underlying the NW/4 NW/4 of Section 12, Township 20 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.

<u>CASE 8279</u>: Application of Phillips Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Ranger Lake-Pennsylvanian Pool in the perforated interval from 10,228 feet to 10,346 feet in its Ranger Well No. 6 located in Unit N of Section 23, Township 12 South, Range 34 East.

## CASE 3170: (Continued from June 20, 1984, Examiner Hearing)

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 11,500 feet or the base of the Strawn, whichever is lower, underlying the N/2 SE/4 of Section 20, Township 16 South, Range 37 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.

- <u>CASE 8280</u>: Application of Gulf Oil Corporation for dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the dual completion of its Artesia State Com Well No. 1 located in Unit G of Section 23, Township 18 South, Range 28 East, to produce oil and gas from the Travis-Upper Pennsylvanian Pool through a string of tubing and gas from the North Turkey Track-Morrow Gas Pool through the casing-tubing annulus.
- CASE 8204: (Continued from July 11, 1984, Examiner Hearing)

Application of Costa Resources, Inc. for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow well location 1600 feet from the South line and 660 feet from the East line of Section 2, Township 18 South, Range 28 East, the S/2 of said Section 2 to be dedicated to the well.

- <u>CASE 8281</u>: Application of Tenneco Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1500 feet from the South line and 1980 feet from the East line of Section 13, Township 24 South, Range 28 East, Pennsylvanian gas pools, the E/2 of said Section 13 to be dedicated to the well.
- <u>CASE 8282</u>: Application of Tenneco Oil Company for seven non-standard proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of seven 160-acre non-standard proration units, Blanco-Mesaverde Pool, comprising the following:

Eaton Com "B" Well No. 1 Township 29 North, Range 11 West Section 25: SE/4

Bruce Sullivan Com "B" Well No. 1 Township 29 North, Range 11 West Section 25: NW/4

Sullivan Frame Com "B" Well No. 1 Township 29 North, Range 10 West Section 30: NW/4

Bunce Com Well No. 1 Township 29 North, Range 10 West Section 19: NW/4

Sullivan Frame "A" Well No. 1-E Township 29 North, Range 10 West Section 30: NE/4  $\,$ 

Sullivan Gas Unit "A" Well No. 1-E Township 29 North, Range 11 West Section 25: SW/4

Marcus G. Eaton Unit "A" Well No. 1-E Township 29 North, Range 11 West Section 25: NE/4

CASE 8245: (Continued from July 11, 1984, Examiner Hearing)

Application of Tenneco Oil Exploration and Production for HARDSHIPGAS WELL CLASSIFICATION, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Dawson Federal Well No. 1 located in Unit D of Section 26, Township 27 North, Range 8 West, Blanco Mesaverde Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

- <u>CASE 3283</u>: Application of Tenneco Oil Exploration and Procuction for HARDSHIP GAS WELL CLASSIFICATION, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Jones Well No. 5 located in Unit A of Section 35, Township 29 North, Range 8 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- <u>CASE 8284</u>: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order reclassifying, contracting and extending certain pools in Chaves, Lea and Roosevelt Counties, New Mexico:
  - (a) RECLASSIFY the Dublin-Devonian Oil Pool in Lea County, New Mexico, to a gas pool because the Petroleum Corporation Tenneco Federal Well No. 1 located in Unit N of Section 12, Township 26 South, Range 37 East, NMPM, the only producing well in the pool is classified as a gas well. The other two wells which produced from this pool have been plugged.

Further, CONTRACT the horizontal limits of said Dublin-Devonian Gas Pool by the deletion of the following described area:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM Section 13: All Section 14: All

(b) EXTEND the Baum-Upper pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM Section 23: NW/4

(c) EXTEND the Cruz-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM Section 17: SW/4 Section 18: SW/4

(d) EXTEND The South Double A-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM Section 30: S/2

(e) EXTEND the E K-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM Section 25: SE/4 TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM Section 29: SW/4

(f) EXTEND The Eunice Monument Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

> TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM Section 32: SE/4 TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM Section 5: E/2

(g) EXTEND The Foster-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM

Section 31: SE/4

(h) EXTEND the Gladiola-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 37 EAST, NMPM Section 36: NE/4 TOWNSHIP 11 SOUTH, RANGE 38 EAST, NMPM Section 31: NW/4 ~

(i) EXTEND the Hobbs-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

Section 30: SE/4

(j) EXTEND the South King-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM

Section 12: NW/4

(k) EXTEND the South Leonard-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 38 EAST, NMPM

Section 18: NW/4

 EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 21: SW/4

(m) EXTEND the Mescalero Escarpe-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 12: SW/4

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 7: SW/4

(n) EXTEND the West Pearl-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 29: SE/4

(o) EXTEND the South Peterson-Fusselman Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM

Section 1: Lots 3 and 4 Section 2: Lots 1, 2, 3, and 4 Section 3: Lots 1 and 2 Section 10: NE/4

(p) EXTEND the South Salt Lake-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM

Section 5: Lots 1, 2, 3, 4, 5, 6, 7, and 8

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 8: 5/2 Section 17: N/2 and SE/4 (r) -EXTEND the Siete-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 3 SOUTH, RANGE 31 EAST, NMPM

Section 17: NW/4 Section 18: NE/4

(s) EXTEND the North Tom-Tom San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM

Section 16: SW/4 Section 17: SE/4

(t) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 3: Lots 11, 12, 13, and 14

(u) EXTEND the North Williams-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM

Section 9: E/2 Section 10: NW/4 Section 16: NE/4

Docket No. 28-84

DOCKET: COMMISSION HEARING - WEDNESDAY - AUGUST I, 1984

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

CASE 8234: (Continued from June 20, 1984, Examiner Hearing)

Application of Anadarko Production Company for salt water disposal and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Upper Pennsylvanian formation in the perforated interval from 7800 feet to 8040 feet in its Dagger Draw SWD Well No. 1 to be located at an unorthodox location 1495 feet from the North line and 225 feet from the West line of Section 22, Township 19 South, . Range 25 East.

CASE 8042: (De Novo)

Application of Northwest Exploration Company for an exception to the special pool rules for the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate its Gavilan Well No. 1 in Unit A and its Gavilan Well No. 1-E in Unit E of Section 26, Township 25 North, Range 2 West, to a standard spacing unit comprised of the N/2 of said Section 26. Applicant further seeks approval for the downhole commingling of Gallup, Mancos and Dakota production in the wellbore of each of said wells. Upon request of Northwest Exploration Company and Mesa Grande Resources, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

<u>CASE 8285</u>: Application of Greenwood Properties, Inc. to vacate and void Division Order No. R-7482, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to vacate and void Division Order No. R-7482 which authorized a 70.57-acre non-standard proration unit for Slayton Oil Corporation comprising Lots 8 and 9 of Section 18, Township 29 North, Range 14 West, Cha Cha-Gallup Oil Pool.

- CASE 3286: Application of Mesa Grande Resources, Inc. for creation of a new oil pool and special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for bil production to be designated as the Gavilan Greenhorn-Graneros-Dakota Oil Pool in Townships 24 and 25 North, Range 2 West, and the promulgation of special pool rules including a provision for 160-acre spacing.
- CASE 8287: Application of Bass Enterprises Production Co. for the amendment of Division Order No. R-111-A, Eddy and Lea Counties, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-111-A, as amended, by the inclusion of an Article whereby the Director of the Oil Conservation Division shall have the authority to grant approval, without notice and hearing, for the directional drilling of wells from orthodox and unorthodox surface locations outside the Potash-Oil Area to orthodox and unorthodox bottomhole locations beneath the Potash-Oil Area provided that the Salado formation is not penetrated therein.
- <u>CASE 8238</u>: Application of Bass Enterprises Production Co. for the approval of drilling islands and special rules for Potash-Oil Area, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of 18 specified drilling islands for the drilling of shallow and deep wells (above or below the base of the Strawn formation) and for special rules to be applied therein including approval of vertical and directional drilling; orthodox and unorthodox surface and bottomhole locations; and special drilling, casing and cementing requirements all within or in the vicinity of the Potash-Oil Area as defined in Division Order R-III-A, as amended.

Docket No. 29-84

## DOCKET: COMMISSION HEARING - FRIDAY - AUGUST 3, 1984

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

- <u>CASE 8289</u>: In the matter of Case 8289 being called by the Oil Conservation Division on its own motion pursuant to the provisions of Division Order No. R-6446-B which approved the Bravo Dome Carbon Dioxide Gas Unit Agreement in Harding, Union, and Quay Counties, New Mexico, to permit Amoco Production Company, the operator of said unit, to review operations and demonstrate to the Commission that its operations within the unit are resulting in the prevention of waste and the protection of correlative rights on a continuing basis.
- CASE 8259: (Continued from July 11, 1984, Examiner Hearing)

Application of Robert N. Enfield for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1,200 feet from the South line and 330 feet from the East line of Section 18, Township 21 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, all of said Section 18 to be dedicated to the well.