

at Nos. 4-85 and 5-85 are tentatively set for January 30 and February 13, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 16, 1985

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

The following cases will be heard before Gilbert P. Quintana, Examiner, or Michael E. Stogner, Alternate Examiner.

CASE 8440: (Continued and Readvertised)

Application of Conoco Inc. to amend Administrative Division Order DHC-417, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Administrative Division Order DHC-417 to allow its State H-35 Well No. 9 located in Unit H of Section 35, Township 17 South, Range 34 East, to produce approximately 120 more barrels of water per day than presently allowed.

CASE 8437: (Continued from December 19, 1984, Examiner Hearing)

Application of Champlin Petroleum Company for two waterflood projects, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its State 5-8-33 Lease by the injection of water into the San Andres formation through the perforated interval from 4223 feet to 4401 feet in its State 5-8-33 Well No. 5 located 1980 feet from the North and East lines (Unit G) of Section 5, and to also institute a waterflood project on its State 5-A Lease by the injection of water into the San Andres formation through the perforated interval from 4216 feet to 4398 feet in its State 5-A Well No. 1 located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 5, both wells located in Township 8 South, Range 33 East, NMPM, Chaveroo-San Andres Pool, Chaves County.

CASE 8448: Gary-Williams Oil Producer, Inc. for pool extension, amendment of Division Order No. R-7471 and for twelve non-standard oil proration units, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Rio Puerco-Mancos Oil Pool to include Sections 3, 4, 5, 8, 9, 10, 15, 16, and 17 of Township 20 North, Range 2 West, Sections 19 through 22 and 27 through 34 of Township 21 North, Range 2 West, Sections 21 through 28 of Township 20 North, Range 3 West, and Sections 25, 26, 35 and 36 of Township 21 North, Range 3 West and the amendment of the SPECIAL RULES AND REGULATIONS FOR THE RIO PUERCO-MANCOS OIL POOL, as promulgated in Division Order No. R-7471, to further restrict the well location requirements. Applicant further seeks approval of twelve non-standard oil proration and spacing units, all within the above-described pool extension area and necessitated by irregularities in section sizes and shapes, each comprised of various contiguous lots and/or tracts in Sections 3, 4, and 5 of Township 20 North, Range 2 West and Sections 19, 30, and 31 of Township 21 North, Range 2 West.

CASE 8449: Application of Tenneco Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin Dakota Gas Pool underlying the N/2 of Section 11, Township 29 North, Range 10 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 8450: Application of Robert E. Chandler Corporation 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 the Blinbry formation underlying a non-standard oil proration unit, consisting of approximately 25.9 acres, comprising Lot 4 of Section 29, Township 18 South, Range 39 East, NMPM, East Hobbs-Blinebry Pool, 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 8451: Application of Robert L. Bayless for an unorthodox well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 560 feet from the South line and 890 feet from the West line of Section 16, Township 23 North, Range 4 West, NMPM, Ballard Pictured Cliffs Gas Pool, the SW/4 of said Section 16 to be dedicated to the well.

CASE 8452: Application of Spence Energy Company 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 and East lines of Section 25, Township 9 South, Range 32 East, South Flying "M"-Pennsylvanian Pool, the N/2 SE/4 of said Section 25 to be dedicated to the well.

CASE 8453: Application of Chama Petroleum 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 660 feet from the North line and 1980 feet from the West line of Section 10, Township 20 South, Range 25 East, Pennsylvanian formation, the W/2 of said Section 10 to be dedicated to the well.

CASE 8445: (Continued from January 3, 1985, Examiner Hearing)

Application of GeoEngineering, Inc. for an exception to General Rules 104-F and 104 C.I., McKinley County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rules 104-F and 104 C.I. of the Division's General Rules and Regulations within portions of Sections 20, 21, 22, 27, 28, 29, and 30, all in Township 20 North, Range 9 West, to provide for Mesaverde oil wells to be located not nearer than 10 feet to the quarter-quarter section line nor nearer than 165 feet to lands owned by an offset operator and to also permit applicant to develop the Mesaverde formation within said area with more than four wells on each 40-acre tract.

CASE 8323: (Reopened)

Application of Blanco Engineering, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Atoka Penn formation in the perforated interval from 9,094 feet to 9,116 feet in its Pan American Flint Gas Com Well No. 1 located in Section 22, Township 18 South, Range 26 East.

CASE 8454: Application of TXO Production Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Morrow formation underlying the S/2 of Section 2, Township 22 South, Range 27 East, to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the South and East lines of said Section 2, East Carlsbad-Morrow Gas Pool. 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 8455: Application of TXO Production Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 14, Township 22 South, Range 27 East, to be dedicated to a well to be drilled at an unorthodox gas well location 1907 feet from the North line and 635 feet from the West line of said Section 14. 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 8456: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the South Hackberry-Bone Spring Pool. The discovery well is the Perry R. Bass Big Eddy Unit Well No. 33 located in Unit P of Section 4, Township 20 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 31 EAST, NMPM  
Section 4: SE/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Scoggin Draw-Strawn Gas Pool. The discovery well is the Amoco Production Company Federal DH Gas Com Well No. 1 located in Unit M of Section 11, Township 18 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 11: S/2

- (c) EXTEND the East Avalon-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 25: S/2  
Section 26: S/2  
Section 35: N/2

1 STATE OF NEW MEXICO  
2 ENERGY AND MINERALS DEPARTMENT  
3 OIL CONSERVATION DIVISION  
4 STATE LAND OFFICE BUILDING  
5 SANTA FE, NEW MEXICO

6 16 January 1985

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Application of Robert L. Bayless CASE  
10 for an unorthodox well location, 8451  
11 Rio Arriba County, New Mexico.

12 BEFORE: Gilbert P. Quintana, Examiner

13 TRANSCRIPT OF HEARING

14 A P P E A R A N C E S

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16  
17 For the Oil Conservation Division: Jeff Taylor  
18 Attorney at Law  
19 Legal Counsel to the Division  
20 State Land Office Bldg.  
21 Santa Fe, New Mexico 87501

22 For the Applicant: Robert L. Bayless, Pro Se  
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I N D E X

ROBERT L. BAYLESS, Pro Se 3

E X H I B I T S

Bayless Exhibit A, Plat 3  
Bayless Exhibit B, Isopach 3  
Bayless Exhibit C, Correspondence 4

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3 MR. QUINTANA: We'll call next  
4 Case 8451.

5 MR. TAYLOR: The application of  
6 Robert L. Bayless for an unorthodox well location, Rio Ar-  
7 riba County, New Mexico.

8 MR. BAYLESS: I'm Robert L.  
9 Bayless. I'm appearing on my own behalf, an independent  
10 producer in Farmington, New Mexico.

11 I've appeared before your exam-  
12 iners before.

13 MR. QUINTANA: You may proceed,  
14 Mr. Bayless.

15 MR. BAYLESS: I'd like to in-  
16 troduce Exhibit A and it is a plat of the acreage we are  
17 asking for an unorthodox location for a Pictured Cliff for-  
18 mation gas well.

19 Exhibit B is an Isopach of the  
20 Pictured Cliff formation.

21 If you will -- well, excuse me.

22 I also have certified letters,  
23 return receipts, and so forth, for the offsetting acreage  
24 holders. I'm led to believe that this is not necessary for  
25 this hearing. If you would like them I will introduce them.  
Otherwise I will not.

MR. QUINTANA: Please introduce

1  
2 them.

3 MR. BAYLESS: Exhibit C. Okay,  
4 the gist of this case is that there was a Dakota well drill-  
5 led, if you'll look on the geologic map, called MW No. 33.

6 Based -- this was not drilled  
7 ourselves. Another operator drilled this well.

8 Based on the logs there and our  
9 general knowledge of the area, we wish to offset -- drill  
10 very close to it with a Pictured Cliff well, which we mark  
11 as 398 B 1.

12 Our -- this location is too  
13 close to the quarter section line. It's 560 feet. You will  
14 note from our plat map that I have the acreage immediately  
15 to the south and this would be the direction that we are  
16 crowding.

17 Our rationale for not moving  
18 the other direction from the No. 33 is twofold:

19 A, geologically, based on the  
20 other wells we've drilled in the area, we would like to move  
21 to the south.

22 And B, the operator of this MW  
23 33 Well decided to use that particular well for his yard,  
24 and so he constructed a wire fence, approximately 250 to 300  
25 feet square, around this drill site and uses it for pipe  
storage, et cetera.

I'm sure that there could be  
some way that we could be drilling inside his yard or ask

1  
2 him to move it, but it seemed more feasible to move our lo-  
3 cation to the south there by 100 and some feet from his --  
4 from his yard.

5 And that's what we have done,  
6 and we request this unorthodox location as shown on your  
7 map.

8 I don't have anything, really,  
9 to add unless you have some questions. I perhaps went over  
it fairly quickly.

10 MR. QUINTANA: Bear with us a  
11 few seconds.

12 So the only offset operators  
13 were W. B. Martin and Conoco and they've been notified of  
14 this hearing?

15 MR. BAYLESS: Yes, you have  
16 registered letters with receipts attached.

17 The -- and the acreage owner  
18 that we are actually moving close -- closer to than the nor-  
mal spacing is myself.

19 MR. QUINTANA: Yourself. And  
20 specifically you're moving closer because of topographical  
21 conditions?

22 MR. BAYLESS: Yes. Well, let  
23 me -- I want to make sure I don't mislead you.

24 It's the fence that's in our  
way and I presume that could be considered topographic.

25 MR. QUINTANA: Are there any

1 questions of Mr. Bayless?

2  
3 If not you may be excused and  
4 the case will be taken under advisement.

5 MR. BAYLESS: Thank you, sir.

6 (Hearing concluded.)  
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## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY  
that the foregoing Transcript of Hearing before the Oil Con-  
servation Division was reported by me; that the said tran-  
script is a full, true, and correct record of the hearing,  
prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 0451  
heard by me on JAN. 16 1985.  
Gilbert P. Quintana Examiner  
Oil Conservation Division