

Dockets Nos. 7-85 and 8-85 are tentatively set for February 27 and March 13, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 13, 1985

8:00 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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1985, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1985, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1985, for both of the above areas.

CASE 8466: (Continued from January 30, 1985, Examiner Hearing)

Application of El Paso Natural Gas Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox infill gas well location 1180 feet from the North line and 2440 feet from the East line of Section 9, Township 32 North, Range 7 West, NMPM, Blanco Mesaverde Pool, the previously approved 376.88-acre non-standard proration unit comprising the SE/4, E/2 SW/4 and Lots 1, 2, and 3 of said Section 9 and Lots 3 and 4 and the NW/4 SW/4 of Section 10, Township 32 North, Range 7 West, to be dedicated to the well.

CASE 8475: 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 the surface to the base of the San Andres formation underlying the SE/4 SW/4 of Section 16, 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 8445: (Continued from January 16, 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 8476: Application of Cavalcade Oil 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 Wolfcamp formation underlying the SW/4 NW/4 of Section 18, Township 12 South, Range 38 East, to be dedicated to a well to be re-entered at a standard location thereon. Also to be considered will be the cost of re-entering 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 8477: Application of Cavalcade Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Queen formation underlying the SW/4 of Section 12, Township 18 South, Range 36 East, Arkansas Junction-Queen Gas Pool, 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 operator of the well and a charge for risk involved in drilling said well.

CASE 7936: (Continued from December 19, 1984, Examiner Hearing)

Application of Hilliard Oil & Gas Inc. for temporary special pool rules, Chaves County, New Mexico. In the matter of Case 7936 being reopened pursuant to the provisions of Order No. R-7364 which promulgated temporary pool rules for the Cedar Point-Strawn Pool in Chaves County, including a provision for 80-acre spacing units. All interested parties may appear and show cause why the Cedar Point-Strawn Pool should not be developed on 40-acre proration units.

(Continued from January 30, 1985, Examiner Hearing)

CASE 8472: Application of Inexco Oil Company 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 to the top of the Strawn formation underlying the NW/4 SE/4 of Section 13, Township 17 South, Range 37 East, to form a standard 40-acre oil proration unit to be dedicated to a well to be drilled at a standard oil well location 1980 feet from the South and East lines of said Section 13. Applicant further seeks an order pooling all mineral interests in the Strawn formation underlying the NE/4 SW/4 and NW/4 SE/4 of said Section 13, to form a non-standard 80-acre oil proration unit also to be dedicated to the above-described well. 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 8473: (Continued from January 30, 1985, Examiner Hearing)

Application of MTS Ltd. Partnership for compulsory pooling, a non-standard gas proration unit, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Wolfcamp formation underlying the NE/4 of Section 3, Township 16 South, Range 35 East, to form a standard 160-acre gas proration unit to be dedicated to a well to be drilled at an unorthodox gas well location 3806 feet from the North line and 2193 feet from the East line of said Section 3. Applicant further seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying Lots 1, 2, 7, and 8, and the NE/4 of said Section 3 to form a non-standard 338.59-acre gas proration unit also to be dedicated to the above-described well. 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 8478: Application of BTA Oil Producers for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the NE/4 of Section 25, Township 20 South, Range 34 East, Lea-Pennsylvanian Gas 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 8479: Application of Anadarko Production 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 1980 feet from the South line and 660 feet from the West line of Section 22, Township 21 South, Range 27 East, Burton Flats-Morrow Gas Pool, the S/2 of said Section 22 to be dedicated to the well.

CASE 8480: 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 Abo and Wolfcamp formations in the open hole interval from 5408 feet to 6531 feet in the C. E. LaRue & B. N. Muncy, Jr. Nix & Curtis Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 25, Township 18 South, Range 26 East.

CASE 8481: Application of Texas American Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg and San Andres formations through four certain wells on its Etz State, Etz "B" State, Etz "C" State, and Randel State Leases located in portions of Section 16, Township 17 South, Range 30 East, Grayburg-Jackson Pool.

CASE 8482: Application of Tenneco Oil Exploration and Production 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 Pennsylvanian formation underlying the E/2 of Section 13, Township 24 South, Range 28 East, 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 operator of the well and a charge for risk involved in drilling said well.

CASE 8440: (Continued from January 30, 1985, Examiner Hearing)

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 8450: (Continued from January 30, 1985, Examiner Hearing)

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 Blinebry 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 8483: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider:

The extension of the vertical limits of the East Millman Queen-Grayburg Pool in Eddy County, New Mexico, to include the San Andres formation, the redesignation of said pool as the East Millman Queen-Grayburg-San Andres Pool, and the extension of the horizontal limits thereof.

Docket No. 6-85

DOCKET: COMMISSION HEARING - WEDNESDAY - FEBRUARY 20, 1985

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

CASE 8224: (Readvertised)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to define the vertical and areal extent of aquifers potentially vulnerable to contamination by the surface disposition of water produced in conjunction with the production of oil and gas in McKinley, Rio Arriba, Sandoval and San Juan Counties, New Mexico. Applicant seeks to define such areas and prohibit and/or limit the disposition of such produced waters on the surface of the ground therein at any location where such waters are produced or collected.

NOTE: Case No. 8224 will be heard by the Commission in two parts approximately 30 days apart. At this initial hearing, the Commission will hear the report of the committee which has been studying "vulnerable" aquifers and produced water disposal in the San Juan Basin since July, 1984. It is expected that a member of the OCD staff will also put on testimony and there may be testimony by individual committee members. An opportunity for cross examination and testimony by other interested parties will be provided. The case will be continued and reopened in approximately 30 days for the receipt of new or additional testimony by any participant.

This unusual format is being provided to assure that all participants have a full and complete opportunity to review the recommendations of the committee and to address its report and any other relevant issues or evidence.

CASE 8331: (Continued from January 10, 1985, Commission Hearing)

(De Novo)

Application of Amoco Production Company for an extension of the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Gavilan-Mancos Oil Pool to include Sections 10, 11, 12, 13, 14, 23 and 24 in Township 24 North, Range 2 West. Upon application of Amoco Production Company, this case will be heard De Novo pursuant to the provisions of Division Rule 1220.