

Dockets Nos. 25-85 and 26-85 are tentatively set for August 14 and 28, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 31, 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 8653: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit El-My-Ri Oil Company and other interested parties to appear and show cause why the Martin Well No. 3 located 2190 feet from the South and East lines of Section 34, Township 30 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8654: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Carroll & Cornell and all other interested parties to appear and show cause why the Cornell (Federal Lease) Well No. 9 located 1650 feet from the South line and 330 feet from the West line of Section 12, Township 29 North, Range 12 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8655: Application of Marshall R. Young Oil Company for a unit agreement, Grant County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Saltys Unit Area comprising 23,822.78 acres, more or less, of State, Federal, and Fee lands in Townships 25 and 26 South, Ranges 14, 15, and 16 West.

CASE 8656: Application of Marshall R. Young Oil Company for a unit agreement, Grant County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Cedar Mountain Unit Area comprising 25,029.59 acres, more or less, of State and Federal lands in Townships 26 and 27 South, Range 14 West.

CASE 8657: Application of J. M. Huber 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 N/2 SW/4 of Section 32, Township 12 South, Range 36 East, Tatum-Wolfcamp Pool, to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre units, 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 8658: Application of Haseloff Corporation for an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1310 feet from the South and West lines of Section 13, Township 7 South, Range 33 East, Chaveroo-San Andres Pool, the SW/4 SW/4 (Unit M) of said Section 13 to be dedicated to the well.

CASE 8659: Application of Santa Fe Energy 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 San Andres formation in the perforated interval from approximately 4985 feet to 5020 feet in its SFPRR Well No. 15 located 800 feet from the North line and 2121 feet from the East line (Unit B) of Section 34, Township 9 South, Range 37 East, West Sawyer-San Andres Pool.

CASE 8660: Application of Soco Pipeline Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation in the perforated interval from 3449 feet to 3459 feet in the ARCO Oil and Gas Company Panco Federal Well No. 4 located 2310 feet from the North and West lines of Section 23, Township 18 South, Range 31 East, Shugart Yates-Seven Rivers-Queen-Crayburg Pool.

CASE 8661: Application of McCasland Oil Disposal System Partnership for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates formation in the perforated interval from 3824 feet to 3918 feet in the Alpha Twenty-One Production Company Steve State Well No. 1 located 1980 feet from the North line and 2310 feet from the West line of Section 1, Township 22 South, Range 35 East, Jalmat Gas Pool.

CASE 8652: (Continued from July 31, 1985, Examiner Hearing)

Application of Gulf Oil Corporation to amend Division Order No. R-7924, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7924 to authorize an unorthodox gas well location 1440 feet from the North line and 1310 feet from the West line of Section 15, Township 21 South, Range 36 East, Eumont Gas Pool.

- CASE 8662: Application of Rio Pecos Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North and West lines of Section 34, Township 16 South, Range 34 East, to test the Morrow formation, South Kemnitz Atoka-Morrow Gas Pool, the W/2 of said Section 34 to be dedicated to the well.
- CASE 8663: Application of Rio Pecos 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 1470 feet from the North line and 660 feet from the West line of Section 27, Township 16 South, Range 37 East, Casey-Strawn Pool, the S/2 NW/4 of said Section 27 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit.
- CASE 8664: Application of Cities Service Oil and Gas Corporation for compulsory pooling, Harding County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Bravo Dome Carbon Dioxide Area underlying all of Section 30, Township 18 North, 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 8665: Application of Mewbourne Oil Company for a non-standard proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard proration unit comprising the N/2 of Section 13, Township 23 South, Range 24 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1980 feet from the West line of said Section 13, to test the Morrow and Atoka formations, Rock Tank-Lower and Upper Morrow Gas Pools.
- CASE 8666: Application of Amoco Production Company for NGPA Wellhead Price Ceiling Category Determination, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the determination that its Sammons Gas Com "I" Well No. 1 located 945 feet from the North line and 1580 feet from the East line (Unit B) of Section 6, Township 31 North, Range 10 West, Cedar Hill-Fruitland Basal Coal Gas Pool, meets the NGPA well category criteria for Section 107, High Cost Occluded Gas Produced from Coal Seams, under Section 107 of the Natural Gas Policy Act of 1978.
- CASE 8545: (Continued from July 2, 1985, Examiner Hearing)
- Application of Myco Industries for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the perforated interval from 13,820 feet to 14,200 feet in the Shell Oil Company Big Eddy Unit Well No. 1 located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 36, Township 21 South, Range 28 East.
- CASE 8667: Application of ARCO Oil and Gas 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 2310 feet from the North and West lines of Section 24, Township 17 South, Range 38 East, South Knowles-Devonian Pool, the S/2 NW/4 of said Section 24 to be dedicated to the well.
- CASE 8668: Application of Doyle Hartman 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 Langlie-Mattix Pool underlying the SE/4 SE/4 of Section 23, Township 25 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.
- CASE 8669: Application of Doyle Hartman for an unorthodox gas well location, simultaneous dedication, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its Olsen-Blinebry Well No. 2 to be located at an unorthodox gas well location 500 feet from the South and West lines (Unit M) of Section 29, Township 23 South, Range 37 East, Jalmar Gas Pool, is necessary to effectively and efficiently drain that portion of the previously approved 160-acre non-standard proration unit consisting of the SW/4 of said Section 29 which cannot be so drained by the existing Olsen-Blinebry Well No. 1 located 1650 feet from the South line and 990 feet from the West line (Unit L) of said Section 29. Applicant further seeks approval for the simultaneous dedication of said 160-acre unit to both of the above-described wells.

CASE 8670: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider an order creating, contracting vertical and horizontal limits, redesignating, and extending certain pools in Chaves, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Mississippian production and designated as the Northeast Eidson-Mississippian Pool. The discovery well is the Mesa Petroleum Co. Townsend State Com Well No. 1 located in Unit J of Section 3, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 3: Lots 9, 10, 15, and 16

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Ellenburger production and designated as the East Fowler-Ellenburger Pool. The discovery well is the Amoco Production Company State MP Well No. 1 located in Unit D of Section 17, Township 24 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
Section 17: NW/4

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Southeast Knowles-Wolfcamp Pool. The discovery well is the ARCO Oil and Gas Company Emma Lawrence Well No. 1 located in Unit I of Section 23, Township 17 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 38 EAST, NMPM
Section 23: SE/4

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the SRR-Morrow Gas Pool. The discovery well is the Spence Energy Company State 14 Well No. 1 located in Unit M of Section 14, Township 9 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 14: W/2

(e) CONTRACT the Casey-Strawn Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 27: NW/4

(f) CONTRACT the vertical limits of the SRR-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the Morrow formation and redesignate said pool as the SRR-Upper Pennsylvanian Pool.

(g) EXTEND the North Anderson Ranch-Cisco Canyon Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 2: Lots 9, 10, 15, and 16

(h) EXTEND the North Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 1: Lots 11, 12, 13, and 14

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 11: S/2
Section 14: NE/4

(j) EXTEND the Double X-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 2: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 25: NE/4

- (l) EXTEND the Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 20: S/2 and NE/4
Section 21: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 5: NW/4
Section 6: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 22: SW/4
Section 27: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 24: NW/4

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

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 19: NW/4

- (q) EXTEND the Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 20: S/2
Section 21: S/2

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 10: N/2

- (r) EXTEND the Siete-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 16: NE/4

- (s) EXTEND the Tobac-Pennsylvanian Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4
Section 27: SE/4

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

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 9: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 8: SE/4

CASE 8671: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider an order contracting and extending certain pools in Eddy County, New Mexico:

- (a) CONTRACT the Buffalo Valley-Pennsylvanian Gas Pool in Eddy County, New Mexico, by the deletion of the following described area:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 36: All

- (b) EXTEND the Artesia Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 6: S/2
Section 7: N/2

- (c) EXTEND the Carlsbad-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 22: All

Section 26: All

Section 27: All

- (d) EXTEND the Diamond Mound Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM

Section 36: All

- (e) EXTEND the North Hackberry Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

Section 20: NE/4

- (f) EXTEND the East Indian Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM

Section 10: SW/4

- (g) EXTEND the Red Bluff-Delaware Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 28 EAST, NMPM

Section 2: All

Section 3: S/2