

CASE 9709: (Continued from July 26, 1989, Examiner Hearing.)

Application of Pacific Enterprises Oil Company for compulsory pooling, Lea 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 Lots 1 thru 5, the SE/4 NW/4, and the S/2 NE/4 (N/2 equivalent) of Section 6, Township 20 South, Range 34 East, forming a 322.03-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing (which presently includes but is not necessarily limited to the Undesignated Quail Ridge-Morrow Gas Pool and the Undesignated Teas-Pennsylvanian Gas Pool). Applicant also seeks an order pooling all mineral interests from the surface to the top of the Wolfcamp formation underlying Lots 3, 4, and 5, and the SE/4 NW/4 (NW/4 equivalent) of said Section 6, forming a 162.03-acre gas spacing and proration unit for any all formations and/or pools developed on 160-acre spacing. Both units are to be dedicated to a single well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 6. 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. Said well location is approximately 1/2 mile north of Mile Post No. 76 on U.S. Highway 62/180.

CASE 9719: (This Case will be dismissed.)

Application of Mallon Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Brushy Draw-Delaware Pool through the perforated interval from approximately 5593 feet to 5636 feet in its Amoco Federal Well No. 1 located 1665 feet from the South line and 330 feet from the East line (Unit I) of Section 27, Township 26 South, Range 29 East, which is located approximately 3/4 of a mile north of Mile Corner No. 53 located on the Texas/New Mexico Stateline.

CASE 9720: Application of Steve Sell for directional drilling, an unorthodox gas well location, non-standard gas proration unit, and to amend Order No. R-8928, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8928 (which authorized the applicant to directionally drill its Shafer Federal Com. Well No. 1 from a surface location 1327 feet from the South line and 1145 feet from the West line (Unit L) of Section 35, Township 21 South, Range 24 East, to a bottomhole unorthodox gas well location in the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool and Undesignated Indian Basin-Morrow Gas Pool being no closer than 1600 feet from the South line and 800 feet from the West line of Section 35, all of Section 35 to be dedicated to the well forming a 654.47-acre gas proration unit for both pools) by allowing the Shafer Federal Com Well No. 1 to be plugged back to the vertical portion of the wellbore, kicking-off in an east-southeasterly direction, and directionally drilling to a new unorthodox bottomhole location to a depth sufficient to test the Morrow formation within 200 feet of a point 900 feet from the South line and 2500 feet from the East line (Unit O) of said Section 35. Applicant further requests that this well be properly classified as a wildcat well in the Pennsylvanian formations and subject to the Statewide General Rules for such a test. The subject well is to be dedicated to Lots 1 through 6 and the W/2 SW/4 of said Section 35 forming a non-standard 334.47-acre gas spacing and proration unit. This well is located approximately 14 miles west of Carlsbad, New Mexico.

CASE 9721: Application of Marathon Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Blanco-Mesaverde Pool and Basin-Dakota Pool within the wellbore of its Jicarilla Apache Well No. 13E located 1850 feet from the North line and 930 feet from the West line (Unit E) of Section 33, Township 26 North, Range 5 West. Said well is located approximately 11 miles west of the Southern Union Gas Company Ojito Camp.

CASE 9722: Application of Marathon Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Blanco-Mesaverde Pool and Basin-Dakota Pool within the wellbore of its Jicarilla Apache Well No. 14E located 1850 feet from the North line and 1685 feet from the West line (Unit F) of Section 34, Township 26 North, Range 5 West. Said well is located approximately 9.5 miles west of the Southern Union Gas Company Ojito Camp.

CASE 9723: Application of Beach Exploration, Inc. for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Exxon "A" Federal Well No. 3 to be drilled 2410 feet from the North line and 1932 feet from the West line (Unit F) of Section 18, Township 16 South, Range 29 East, Undesignated High Lonesome-Queen Pool, the SE/4 NW/4 of said Section 18 to be dedicated to said well. The proposed well site is located approximately 10.5 miles northwest of Loco Hills, New Mexico.

CASE 8668: (Reopened) (Continued from July 26, 1989, Examiner Hearing.)

In the matter of Case No. 8668 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8031, issued in said Case No. 8668 and dated September 27, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 SE/4 (Unit P) of Section 23, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico.

CASE 8769: (Reopened) (Continued from July 26, 1989, Examiner Hearing.)

In the matter of Case No. 8769 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8091, issued in said Case No. 8769 and dated December 6, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 NE/4 (Unit H) of Section 26, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico.

CASE 9707: (Continued from July 26, 1989, Examiner Hearing.)

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 for an unorthodox coal gas well location for its Heizer Well No. 100 to be drilled 1430 feet from the North line and 2250 feet from the East line (Unit G) of Section 15, Township 32 North, Range 10 West, Basin-Fruitland Coal (Gas) Pool, Lots 1, 2, 3, and 4 and the W/2 E/2 (E/2 equivalent) of said Section 15 to be dedicated to said well forming a standard 311.43-acre gas spacing and proration unit for said pool. Said location is approximately 1 mile south of the Colorado/New Mexico Stateline on U.S. Highway 550.

Docket 24-89

**DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 17, 1989**

**9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO**

CASE 9611: (De Novo) (Continued from July 20, 1989, Commission Hearing.)

Application of The Petroleum Corporation of Delaware for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 1, Township 20 South, Range 29 East, Undesignated East Burton Flat-Morrow Gas Pool, the S/2 of said Section 1 to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately 3.5 miles west of the Eddy Potash Inc. Mine and Refinery. Upon application of The Petroleum Corporation of Delaware, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9617: (De Novo) (Continued from July 20, 1989, Commission Hearing.)

Application of Curry and Thornton for an unorthodox oil well location and a non-standard proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1980 feet from the South line and 2475 feet from the West line (Unit K) of Section 9, Township 14 South, Range 29 East, Undesignated North King Camp-Devonian Pool, the E/2 W/2 of said Section 9 to be dedicated to a well forming a non-standard 160-acre oil spacing and proration unit for said pool. Said location is approximately 17 miles east of Hagerman, New Mexico. Upon application of Santa Fe Exploration Company and Curry and Thornton, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9670: (De Novo)

Application of Stevens Operating Corporation to amend Division Order No. R-8917, directional drilling and an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8917 to allow for re-entry of the currently plugged and abandoned Philtex Honolulu Federal Well No. 1 located 1980 feet from the South and West lines (Unit K) of Section 9, Township 14 South, Range 29 East, NMPM, North King Camp-Devonian Pool, in lieu of drilling a new well at the unorthodox location approved by said order. Applicant further seeks approval to directionally drill said Philtex Honolulu Federal Well No. 1 to a depth of approximately 9894 feet, and to bottom said well at an unorthodox bottomhole location 500 feet west of a point 1980 feet from the South line and 2475 feet from the West line of said Section 9. A 160-acre non-standard proration unit consisting of the E/2 W/2 of said Section 9 (Approved By Order No. R-8917) is to be dedicated to the above described well. Said location is approximately 17 miles east of Hagerman, New Mexico. Upon application of Santa Fe Exploration Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9697: (Continued from July 12, 1989, Examiner Hearing.)

Application of Santa Fe Exploration Company for amendment of the special rules and regulations for the North King Camp-Devonian Pool, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to amend Rule 6 of the Special Rules and Regulations for the North King Camp-Devonian Pool as promulgated by Division Order No. R-8806 by establishing a special depth bracket allowable of 350 barrels of oil per day for the pool (pursuant to General Rule 505[d]). Said pool presently comprises the SE/4 of Section 9, Township 14 South, Range 29 East and is located approximately 17 miles east of Hagerman, New Mexico.

from the surface to the top of the Wolfcamp formation underlying Lots 3, 4, and 5, and the SE/4 NW/4 (NW/4 equivalent) of said Section 6, forming a 162.03-acre gas spacing and proration unit for any all formations and/or pools developed on 160-acre spacing. Both units are to be dedicated to a single well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 6. 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. Said well location is approximately 1/2 mile north of Mile Post No. 76 on U.S. Highway 62/180.

CASE 9710: Application of Mallon Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the Brushy Canyon formation in the perforated interval from approximately 5593 feet to 5636 feet in its Amoco Federal Well No. 1 located 1665 feet from the South line and 330 feet from the East line (Unit I) of Section 27, Township 26 South, Range 29 East, Brushy Draw-Delaware Pool. Said well is located approximately 3/4 of a mile north of Mile Corner No. 53 located on the New Mexico/Texas Stateline.

CASE 8668: (Reopened) (Continued from July 12, 1989, Examiner Hearing.)

In the matter of Case No. 8668 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8031, issued in said Case No. 8668 and dated September 27, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 SE/4 (Unit P) of Section 23, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico.

CASE 8769: (Reopened) (Continued from July 12, 1989, Examiner Hearing.)

In the matter of Case No. 8769 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8091, issued in said Case No. 8769 and dated December 6, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 NE/4 (Unit H) of Section 26, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico.

CASE 9711: 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 Delaware production and designated as the Ingle Wells-Delaware Pool. The discovery well is the Texaco, Inc. Todd 2 State Well No. 1 located in Unit P of Section 2, Township 24 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM  
Section 2: NW/4

- (b) EXTEND the Burton Flat-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 4: E/2

- (c) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 9: W/2

- (d) EXTEND the East Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 11: S/2  
Section 12: S/2

- (e) EXTEND the East Burton Flat-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 17: E/2

- (f) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

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

- (g) EXTEND the Collins Ranch-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM  
Section 34: W/2

- (h) EXTEND the Comanche Springs-PrePermian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM  
Section 36: W/2

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

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM  
Section 27: NE/4  
Section 28: NE/4

- (j) EXTEND the Poor Ranch-PrePermian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM  
Section 35: E/2

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM  
Section 1: N/2

- (k) EXTEND the Poor Ranch-Wolfcamp Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM  
Section 35: E/2

- (l) EXTEND the Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM  
Section 21: All

- (m) EXTEND the East Loving-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 27: SE/4

- (n) EXTEND the Palmillo-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 19: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 36: SW/4

- (p) EXTEND the Red Lake Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 26: N/2

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 26: NW/4  
Section 27: E/2

- (r) EXTEND the North Shugart-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 7: NW/4

CASE 9701: Application of Yates Petroleum Corporation 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 24 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing (which presently includes but is not necessarily limited to the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool and the Undesignated Foster Ranch-Morrow Gas Pool), said unit 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 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. Said well location is approximately 9 miles west-southwest of Seven Rivers, New Mexico.

CASE 9675: (Continued from the June 21, 1989, Examiner Hearing.)

Application of Yates Petroleum 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 Abo formation, underlying the NW/4 of Section 20, Township 6 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre spacing (which includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool) and the NE/4 NW/4 of said Section 20 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on statewide 40-acre spacing. Both aforementioned units are to be dedicated to a well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of 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. Said well location is approximately 8.5 miles east of Milepost No. 137 of U.S. Highway 285.

CASE 8668: (Reopened) (Continued and Readvertised)

In the matter of Case No. 8668 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8031, issued in said Case No. 8668 and dated September 27, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 SE/4 (Unit P) of Section 23, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico.

CASE 8769: (Reopened) (Continued and Readvertised)

In the matter of Case No. 8769 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8091, issued in said Case No. 8769 and dated December 6, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 NE/4 (Unit H) of Section 26, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico.

Docket 21-89

**DOCKET: COMMISSION HEARING - THURSDAY - JULY 20, 1989**

**9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO**

CASE 9611: (De Novo) (Continued from June 15, 1989, Commission Hearing.)

Application of The Petroleum Corporation of Delaware for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 1, Township 20 South, Range 29 East, Undesignated East Burton Flat-Morrow Gas Pool, the S/2 of said Section 1 to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately 3.5 miles west of the Eddy Potash Inc. Mine and Refinery. Upon application of The Petroleum Corporation of Delaware, this case will be heard DeNovo pursuant to the provisions of Rule 1220.

CASE 9619: (De Novo) (Continued from June 15, 1989, Commission Hearing.)

Application of Santa Fe Exploration Company for an unorthodox gas well location, dual completion and compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool and the Undesignated Indian Basin Morrow-Gas Pool, underlying all of Section 8, Township 21 South, Range 23 East, forming a standard 640-acre gas spacing and proration unit for both pools. Production from both zones is to be from a dually completed well to be drilled at an unorthodox gas well location 660 feet from the

South and East lines (Unit P) of said Section 8. 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. Said location is approximately 3.75 miles west-northwest of the Marathon Oil Company Indian Basin Gas Plant. Upon application of Marathon Oil Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9661: (De Novo) (This Case will be continued to August 17, 1989.) (Continued from June 15, 1989, Commission Hearing.)

Application of Hixon Development Company for an unorthodox oil well location and simultaneous dedication, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 330 feet from the South line and 2310 feet from the West line (Unit N) of Section 35, Township 25 North, Range 3 West, West Lindrith Gallup-Dakota Oil Pool, the SW/4 of said Section 35, forming a 160-acre oil spacing and proration unit for said pool, to be simultaneously dedicated to the above described well and to the existing Missy Well No. 2 located 1650 feet from the South and West lines (Unit K) of said Section 35. Said location is approximately 3 miles northwest by west of Lindrith, New Mexico. Upon application of Hixon Development Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9617: (De Novo) (Continued from June 15, 1989, Commission Hearing.)

Application of Curry and Thornton for an unorthodox oil well location and a non-standard proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1980 feet from the South line and 2475 feet from the West line (Unit K) of Section 9, Township 14 South, Range 29 East, Undesignated North King Camp-Devonian Pool, the E/2 W/2 of said Section 9 to be dedicated to a well forming a non-standard 160-acre oil spacing and proration unit for said pool. Said location is approximately 17 miles east of Hagerman, New Mexico. Upon application of Santa Fe Exploration Company and Curry and Thornton, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9124: (Readvertised)

Application of Rocanville Corporation for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the NE/4 of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1, located 1100 feet from the North line and 990 feet from the East line (Unit A) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit.

CASE 9168: (Continued from September 9, 1987, Examiner Hearing)

Application of J. (James) A. Davidson for a determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, as an interested owner in the Marathon Oil Company Benson Well No. 1 located 330 feet from the South line and 990 feet from the East line (Unit P) of Section 14, Township 16 South, Range 38 East (located approximately 2 1/2 miles south of the old Hobbs Army Air Corps Auxiliary Airfield No. 1 on State Highway No. 132), which was drilled pursuant to the compulsory pooling provisions of Division Order No. R-8282, as amended, seeks an order ascertaining the reasonableness of actual well costs for the subject well.

*SE: Hobbs*  
CASE 8668: (Reopened) (Continued from September 9, 1987, Examiner Hearing)

In the matter of Case No. 8668 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8031, issued in said Case No. 8668 and dated September 27, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 SE/4 (Unit P) of Section 23, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico.

CASE 8769: (Reopened) (Continued from September 9, 1987, Examiner Hearing)

In the matter of Case No. 8769 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8091, issued in said Case No. 8769 and dated December 6, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 NE/4 (Unit H) of Section 26, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico.

\*\*\*\*\*

Docket No. 31-87

DOCKET: COMMISSION HEARING - THURSDAY - OCTOBER 15, 1987

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

CASE 9134: (Continued from September 24, 1987, Commission Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 1207(a)7 regarding notice to royalty interest owners.

CASE 9224: (Continued from September 23, 1987, 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 1980 feet from the North line and 990 feet from the East line (Unit H) of Section 7, Township 19 South, Range 27 East, Undesignated McMillan-Upper Pennsylvanian Pool (which is approximately 4.5 miles northeast of Lakewood, New Mexico), the N/2 of said Section 7 to be dedicated to the well.

CASE 8874: (Reopened)

In the matter of Case 8874 being reopened pursuant to the provisions of Division Order No. R-639-C, which order reclassified the Crosby-Devonian Gas Pool in Lea County as an associated pool. Interested parties may appear and show cause why the Crosby-Devonian Associated Pool should not be reclassified as a gas pool to be governed by the rules set forth by Division Orders Nos. R-639, as amended, and R-8170, as amended.

CASE 8802: (Reopened)

In the matter of Case 8802 being reopened pursuant to the provisions of Division Order No. R-8181-B, which order promulgated temporary special rules and regulations for the South Corbin-Wolfcamp Pool in Lea County, including a provision for 80-acre spacing units. Interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 9235: Application of Conoco Inc. for an exception to Division Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-3221, as amended, to permit the disposal of water produced in conjunction with the production of oil and gas from its Buffalo Federal Lease into an unlined pit located in the NW/4 SW/4 of Section 18, Township 18 South, Range 32 East. Said area is located on the Lea County side of the Lea/Eddy County line approximately 3.75 miles south of Mile Post No. 4 located on New Mexico Highway 529.

CASE 9202: (Continued from September 23, 1987, Examiner Hearing)

Application of Meridian Oil Inc. 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 Devonian formation underlying the NE/4 NE/4 (Unit A) of Section 35, Township 18 South, Range 35 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well 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 operator of the well and a charge for risk involved in drilling said well. Said location is approximately one mile north from the junction of New Mexico Highways Nos. 8 and 529.

CASE 9123: (Continued from September 9, 1987, Examiner Hearing)

Application of Curtis J. Little for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the SE/4 of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1-E, located 1850 feet from the South line and 800 feet from the East line (Unit I) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit.



percent penalty to be assessed as a charge for the risk involved in the drilling of said well, \$5,000.00 per month while drilling and \$500.00 per month while producing to be fixed as reasonable charges, and that the applicant be named operator of said well and unit. Said location is approximately 6.5 miles east-southeast of Lovington, New Mexico. IF THERE ARE NO OBJECTIONS THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

CASE 9209: Application of Amerind Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the W/2 SW/4 of Section 27, Township 16 South, Range 37 East, Undesignated Casey-Strawn, Undesignated West Casey-Strawn, and Undesignated Northeast Lovington-Pennsylvanian Pools, forming a standard 80-acre oil spacing and proration unit, to be dedicated to a well 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 operator of the well and a charge for risk involved in drilling said well. Said location is approximately 7 miles southeast of Lovington, New Mexico.

CASE 9210: Application of Pelto Oil Company for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of establishing a secondary recovery project, all mineral interests in the Twin Lakes-San Andres Associated Pool underlying 4863.82 acres, more or less, of State and Fee lands in either all or portions of the following described lands: Sections 25, 26, 35, and 36, Township 8 South, Range 28 East; Sections 30, 31, and 32, Township 8 South, Range 29 East; Sections 1, 2, and 12, Township 9 South, Range 28 East; and Sections 5, 6, 7, 8, and 18, Township 9 South, Range 29 East. The center of said area is approximately 9 miles south of Elkins, New Mexico. Said unit is to be designated the Twin Lakes-San Andres Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in well and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 9211: Application of Pelto Oil Company for a water flood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation in its proposed Twin Lakes-San Andres Unit Area (Division Case No. 9210) underlying portions of Township 8 and 9 South, Ranges 28 and 29 East, Twin Lakes-San Andres Associated Pool. Said area is centered approximately 9 miles south of Elkins, New Mexico.

CASE 9168: (Continued from August 12, 1987, Examiner Hearing)

Application of J. (James) A. Davidson for a determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, as an interested owner in the Marathon Oil Company Benson Well No. 1 located 330 feet from the South line and 990 feet from the East line (Unit P) of Section 14, Township 16 South, Range 38 East (located approximately 2 1/2 miles south of the old Hobbs Army Air Corps Auxiliary Airfield No. 1 on State Highway No. 132), which was drilled pursuant to the compulsory pooling provisions of Division Order No. R-8282, as amended, seeks an order ascertaining the reasonableness of actual well costs for the subject well.

CASE 8668: (Reopened) (This case will be continued to October 7, 1987.)

In the matter of Case No. 8668 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8031, issued in said Case No. 8668 and dated September 27, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 SE/4 (Unit P) of Section 23, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico.

CASE 8769: (Reopened) (This case will be continued to October 7, 1987.)

In the matter of Case No. 8769 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8091, issued in said Case No. 8769 and dated December 6, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 NE/4 (Unit H) of Section 26, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico.

CASE 9212: In the matter of the hearing called by the Oil Conservation Division called on its own motion for an order creating and extending certain pools in Chaves and Lea Counties, New Mexico:

(a) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Abo production and

designated as the Oasis-Abo Gas Pool. The discovery well is the Tom Brown, Inc. Middlebrook "3" Well No. 1 located in Unit K of Section 3, Township 10 South, Range 30 East, NMM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 30 EAST, NMM  
Section 3: SW/4

- (b) EXTEND the North Hume-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15, SOUTH, RANGE 33 EAST, NMM  
Section 36: SW/4

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

TOWNSHIP 25, SOUTH, RANGE 34 EAST, NMM  
Section 3: NE/4

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

TOWNSHIP 24, SOUTH, RANGE 34 EAST, NMM  
Section 27: W/2  
Section 28: N/2

TOWNSHIP 25, SOUTH, RANGE 34 EAST, NMM  
Section 4: S/2  
Section 9: N/2

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

TOWNSHIP 18, SOUTH, RANGE 35 EAST, NMM  
Section 11: SE/4  
Section 14: NE/4

- (f) EXTEND the San Simon-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22, SOUTH, RANGE 35 EAST, NMM  
Section 4: NE/4

- (g) EXTEND the Shipp-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16, SOUTH, RANGE 37 EAST, NMM  
Section 33: SE/4

- (h) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18, SOUTH, RANGE 32 EAST, NMM  
Section 11: NE/4

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, Chaverroo-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 wafer 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, Jalmat 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.