

Dockets Nos. 29-85 and 30-85 are tentatively set for September 25 and October 9, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 11, 1985

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1985, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for October, 1985, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8673: (Continued from August 14, 1985, Examiner Hearing)

Application of Chevron USA Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Trooper Unit Area comprising 2,880 acres, more or less, of State lands in Township 11 South, Range 35 East.

CASE 8692: Application of Parabo, Inc. 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 4500 feet to 5050 feet in a well to be located 50 feet from the North line and 1892.47 feet from the East line of Section 32, Township 21 South, Range 38 East.

CASE 8693: Application of Parabo, Inc. 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 4500 feet to 5050 feet in a well to be located 50 feet from the North line and 796.07 feet from the East line of Section 32, Township 21 South, Range 38 East.

CASE 8694: Application of Amerind Oil 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 1650 feet from the North line and 1350 feet from the East line of Section 35, Township 14 South, Range 34 East, High Plains-Permo Pennsylvanian Pool, the NE/4 of said Section 35 to be dedicated to the well.

CASE 8684: (Continued and Readvertised)

Application of David Fasken for pool extensions and contractions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Burton Flat-Morrow Gas Pool by the deletion therefrom of all of Section 35, Township 20 South, Range 27 East, and Lots 1 through 16 of Section 1, Township 21 South, Range 26 East, and the concomitant extension of the Avalon-Morrow Gas Pool.

CASE 8635: (Continued from August 14, 1985, Examiner Hearing)

Application of Energy Reserves Group, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Fusselman formation in the perforated interval from 8150 feet to 8220 feet in its McClellan Well No. 1 located 2000 feet from the South line and 1900 feet from the West line of Section 10, Township 6 South, Range 33 East.

CASE 8695: Application of Benson-Montin-Greer Drilling Corp. for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1850 feet from the North line and 870 feet from the West line of Section 6, Township 25 North, Range 1 West, West Puerto Chiquito-Mancos Oil Pool, all of said Section 6 to be dedicated to the well.

CASE 8696: Application of Pennzoil Company for pool creation, special pool rules, assignment of a discovery allowable, and the contraction of the East Lovington-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the East Lovington-Pennsylvanian Pool by either contracting the horizontal or vertical limits underlying the NW/4 NW/4 of Section 4, Township 17 South, Range 37 East, and the creation of a new oil pool for Strawn production comprising all of said Section 4, the promulgation of special pool rules therefor including a provision for 80-acre well spacing and proration units, and the assignment of a discovery allowable to its Viersen Well No. 1 located 2130 feet from the South line and 660 feet from the East line of said Section 4.

CASE 8697: Application of Pennzoil 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 1300 feet from the South line and 1650 feet from the East line of Section 4, Township 17 South, Range 37 East, Strawn formation, the dedicated acreage for the well to be either 40 or 80 acres depending upon the outcome of Division Case No. 8696.

- CASE 8698: Application of TXO Production Corp. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 4825 feet below the surface to the base of the Bone Spring formation at 8800 feet underlying the NE/4 NW/4 of Section 26, Township 18 South, Range 32 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 8699: Application of TXO Production Corp. for amendment of Division Order No. R-7817, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7817, as amended, which subsequently approved an unorthodox gas well location 660 feet from the South and East lines of Section 2, Township 22 South, Range 27 East, to rededicate the E/2 of said Section 2 to the subject well, to compulsorily pool all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying said E/2, and to approve a non-standard proration unit comprising the SE/4 of said Section 4 if Wolfcamp production is established.
- CASE 8700: Application of Jerome P. McHugh for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Basin-Dakota Pool with the exception of the Blanco-Mesaverde Pool underlying the NE/4 of Section 29, Township 31 North, Range 13 West, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing, to be dedicated to a well to be drilled at a standard gas well location thereon. Applicant further seeks an order pooling all mineral interests in the Blanco-Mesaverde and Basin-Dakota Pools underlying the N/2 of said Section 29 forming a standard 320-acre gas spacing and proration unit for both pools to be dedicated to the aforementioned well also 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 8676: (Continued and Readvertised)
- Application of Southland Royalty Company for pool creation, special pool rules, and the contraction of the vertical limits of the Scharb-Wolfcamp Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Scharb-Wolfcamp Pool underlying the SW/4 of Section 33, Township 18 South, Range 35 East, the N/2 and SW/4 of Section 4 and the E/2 of Section 5, Township 19 South, Range 35 East. Applicant further seeks the creation of a new oil pool for Lower Wolfcamp production comprising Sections 28, 29, 32, and 33, Township 18 South, Range 35 East, and Sections 4 and 5, Township 19 South, Range 35 East, and the promulgation of special pool rules therefor including a provision for 80-acre well spacing and proration units.
- CASE 8701: Application of Wayne Newkumet for amendment of Division Order No. R-2874, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 4 of the Special Rules and Regulations for the High Plains-Permo Pennsylvanian Pool as promulgated by Order No. R-2874, as amended, to require that each well be located no nearer than 660 feet to the outer boundary of the proration unit nor nearer than 330 feet to any governmental quarter-quarter section line.
- CASE 8702: Application of M & W of Lovington, Inc. for amendment to Division Order No. R-3616, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-3616 to authorize the disposal of produced salt water into all formations below a packer set at 4100 feet in its previously approved O'Neill State Well No. 1 in Unit L of Section 16, Township 8 South, Range 36 East, South Prairie-Cisco Pool.
- CASE 8703: Application of Chama Petroleum Company 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 Glorieta Yeso formation underlying the NW/4 SE/4 of Section 4, Township 19 South, Range 26 East, to be dedicated to its Bogart Well No. 1 located 1980 feet from the South and East lines of said Section 4. 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 8689: (Continued from August 28, 1985, Examiner Hearing)
- Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying a previously approved 120-acre non-standard proration unit comprising the N/2 NW/4 and SW/4 NW/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to its Justis Christmas Gas Com Well No. 1 located 2225 feet from the North line and 790 feet from the West line of said Section 20. 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 8695: (Continued from the September 11, 1985, Examiner Hearing)

Application of Benson-Montin-Greer Drilling Corp. for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1850 feet from the North line and 870 feet from the West line of Section 6, Township 25 North, Range 1 West, West Puerto Chiquito-Mancos Oil Pool, all of said Section 6 to be dedicated to the well.

CASE 8714: Application of Benson-Montin-Greer Drilling Corporation for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 900 feet from the South line and 1650 feet from the West line of Section 31, Township 26 North, Range 1 West, NMPM, West Puerto-Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, all of said Section 31 to be dedicated to the well.

CASE 8715: Application of Benson-Montin-Greer Drilling Corporation for the amendment of pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool as promulgated by Division Orders Nos. R-2565-B, as amended, and R-6469, as amended, to allow a second well to be drilled on a standard 640-acre spacing and proration unit within a buffer zone and for special location requirements for such infill wells. Further, that the oil allowable assigned to proration units pool-wide, as promulgated by RULE 5 of said Order No. R-6469, be amended and that the allowable be based on the allowable that would be assigned to 320 acres times two.

CASE 8716: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider:

The creation of the following pools:

North San Miguel-Seven Rivers Gas Pool in Township 19 South,
Range 34 East, Lea County;

Southwest Tulk-Wolfcamp Pool in Township 15 South,
Range 31 East, Chaves County;

The Extension of the vertical limits of the West Kemnitz-Lower Wolfcamp Pool in Lea County to include the upper Wolfcamp formation and the redesignation of said pool as the West Kemnitz-Wolfcamp Pool;

The Extension of the North Chaveroo-Permo Pennsylvanian Pool in Roosevelt County;

The Extension of the following pools in Lea County:

Denton-Wolfcamp
Gem-Morrow Gas
East Hightower-Upper Pennsylvanian
West Nadine-Drinkard
Querecho Plains-Upper Bone Spring
Red Hills-Wolfcamp Gas
San Simon-Yates

The Extension of the Little Lucky Lake-Morrow Gas Pool in Chaves County.