

Dockets Nos. 10-86 and 11-86 are tentatively set for March 19 and April 2, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 5, 1986

8:15 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 David R. Catanach, Alternate Examiner:

CASE 8836: Application of the Oil Conservation Division on its own motion to consider establishing six non-standard proration and spacing units for any and all formations and/or pools developed on 320-acre spacing from the base of the Blanco Mesaverde Pool downward in Sections 5 through 8, 17 through 20, and 29 through 32, all in Township 26 North, Range 2 West, Rio Arriba County, New Mexico. Said non-standard units are necessitated for the orderly development of this area due to the irregular sections resulting from survey corrections in the United States Public Lands Survey.

CASE 8837: Application of the Oil Conservation Division on its own motion to consider establishing six non-standard proration and spacing units for all formations and/or pools developed on 160-acre spacing from the base of the Blanco Mesaverde Pool downward in Sections 6, 7, 18, 19, 30, and 31, Township 26 North, Range 2 West, Rio Arriba County, New Mexico. Said non-standard units are necessitated by irregular Sections resulting from survey corrections in the United States Public Lands Survey.

CASE 8838: Application of the Oil Conservation Division on its own motion for exceptions to the Special Rules for the Gavilan-Greenhorn-Graneros-Dakota and Gavilan Mancos Oil Pools as promulgated by Division Order Nos. R-7745 and R-7407, respectively, Rio Arriba County, New Mexico. The OCD seeks exceptions to the spacing and one well per proration unit limitation provisions of the Special Rules and Regulations governing the Gavilan-Greenhorn-Graneros-Dakota and Gavilan-Mancos Oil Pools as promulgated by Division Orders Nos. R-7745 and R-7407, authorizing the establishment of seven non-standard oil spacing and proration units for both pools in Township 25 North, Range 2 West, as described below:

- 1) Lots 3 and 4, S/2 NW/4, SW/4 of Section 5 and all of Section 6 consisting of 505.20 acres, more or less;
- 2) W/2 of Section 8 and all of Section 9 consisting of 505.84 acres, more or less;
- 3) W/2 of Section 17 and all of Section 18 consisting of 506.36 acres, more or less,
- 4) All of Section 19 and the W/2 of Section 20 consisting of 506.76 acres, more or less;
- 5) N/2 of Section 29 and Lots 1 and 2 of Section 30 consisting of 413.59 acres, more or less;
- 6) S/2 of Section 29 and Lots 3 and 4 of Section 30 consisting of 413.73 acres, more or less, and,
- 7) All of Section 31 and the W/2 of Section 32 consisting of 507.88 acres, more or less.

Said units would allow for the orderly development of both pools within the irregular sections along the western side of the subject township resulting from survey corrections in the United States Lands Survey. The OCD proposes to allow two wells to be completed in both pools on each of the above-described units.

All of the above-described acreage is to be dedicated to a single well to be drilled at a standard location in the NW/4 SE/4 (Unit J) of said Section 11. 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 8845: Application of Tenneco Oil Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Blanco-Mesaverde and Otero-Chacra Pools in the wellbores of two wells to be drilled in Section 8, Township 27 North, Range 8 West, and in Section 29, Township 28 North, Range 9 West.

CASE 8846: Application of Tenneco Oil Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Blanco-Mesaverde and Undesignated Otero-Chacra Pools in the wellbores of five wells to be drilled in Sections 18, 20, 21, and 28, Township 27 North, Range 8 West.

CASE 8847: Application of Nearburg Producing Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Atoka and Morrow formations in the wellbore of its Osage-Boyd Com Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 15, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool and Undesignated North Dagger Draw-Upper Pennsylvanian Gas Pool.

CASE 8823: (Continued from February 19, 1986, Examiner Hearing)

Application of Nearburg Producing Company 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 South line and 760 feet from the East line of Section 23, Township 20 South, Range 34 East, Pennsylvanian formation, the S/2 of said Section 23 to be dedicated to the well.

CASE 8848: Application of Amoco Production Company for NGPA Wellhead Price Ceiling Category Determinations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination by the Division that the following three wells in Township 19 South, Range 35 East, Scharb-Bone Springs Pool, meet the NGPA well category criteria for New Onshore Reservoir under Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission:

- 1) Elkan Well No. 3 located 1980 feet from the South and East lines (Unit J) of Section 9;
- 2) Elkan Well No. 4 located 519 feet from the South line and 2121 feet from the West line (Unit N) of Section 9; and,
- 3) State "MX" Well No. 1 located 660 feet from the North line and 710 feet from the West line (Unit D) of Section 15.

CASE 8849: Application of Southland Royalty Company for NGPA Wellhead Price Ceiling Category Determinations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination by the Division that the following four wells in Township 19 South, Range 35 East, Scharb-Bone Springs Pool, meet the NGPA well category criteria for New Onshore Reservoir under Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission:

- 1) Smith "5" Well No. 2 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5;
- 2) Smith "5" Well No. 4 located 2149 feet from the South line and 700 feet from the East line (Unit I) of Section 5;
- 3) Scharb "8" Well No. 2 located 660 feet from the North line and 2180 feet from the East line (Unit B) of Section 8; and,
- 4) Scharb "9" Well No. 4 located 766 feet from the North line and 2086 feet from the West line (Unit C) of Section 9.

- (h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Bone Spring production and designated as the South Yarrow-Bone Spring Gas Pool. The discovery well is the Exxon Corporation South Carlsbad Gas Com 3 Well No. 1, located in Unit C of Section 26, Township 23 South, Range 26 East, NMPM. Said pool would comprise:
- TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
- Section 26: N/2
- (i) EXTEND the Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
- Section 32: SE/4 NW/4  
32: S/2 NE/4  
32: E/2 SW/4  
32: SE/4
- (j) EXTEND the High Lonesome-Queen Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
- Section 18: NW/4 SE/4  
18: E/2 SW/4  
Section 19: NW/4
- (k) EXTEND the North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
- Section 7: S/2  
Section 8: S/2
- (l) EXTEND the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
- Section 7: N/2
- (m) EXTEND the Outpost-Delaware Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
- Section 30: A11  
Section 31: E/2
- (n) EXTEND the Ross Draw-Delaware Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
- Section 33: NE/4
- (o) EXTEND the East Ross Draw-Delaware Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
- Section 22: SE/4  
Section 27: E/2

- (f) EX'END the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 21: N/2 SE/4  
 Section 22: S/2 SW/4, E/2  
 Section 27: N/2 NE/4

- (g) EX'END the Blanco-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM

Section 4: S/2, NW/4  
 Section 5: S/2  
 Section 6: S/2  
 Section 18: S/2

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM

Section 1: S/2  
 Section 10: N/2, SE/4  
 Section 11: A11  
 Section 12: W/2  
 Section 13: S/2, NW/4  
 Section 14: A11  
 Section 15: A11  
 Section 16: SW/4  
 Section 19: E/2  
 Section 20: A11  
 Section 21: W/2  
 Section 22: A11  
 Section 23: A11  
 Section 26: N/2  
 Section 27: N/2  
 Section 28: W/2  
 Section 29: A11  
 Section 30: E/2

TOWNSHIP 31 NORTH, RANGE 8 WEST, NMPM

Section 33: W/2

- (h) EX'END the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Section 3: S/2  
 Section 9: A11  
 Section 10: A11

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM

Section 4: W/2

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 8: A11  
 Section 9: S/2  
 Section 16: A11  
 Section 17: A11  
 Section 20: A11  
 Section 21: A11  
 Section 28: A11  
 Section 29: A11  
 Section 35: A11

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM

Section 15: E/2

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 33: S/2

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 24: NW/4

- (n) EX'END the Laguna Seca-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Section 30: S/2  
Section 31: A11  
Section 32: S/2, NW/4

TOWNSHIP 31 NORTH, RANGE 6 WEST, NMPM

Section 14: E/2  
Section 20: SE/4  
Section 21: S/2  
Section 22: S/2, NE/4  
Section 23: A11  
Section 24: A11  
Section 25: A11  
Section 26: A11  
Section 36: NE/4

- (o) EX'END the South Lindrith Gallup Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM

Section 2: S/2  
Section 13: SW/4  
Section 21: NW/4  
Section 23: NW/4

TOWNSHIP 23 NORTH, RANGE 5 WEST, NMPM

Section 25: E/2  
Section 36: E/2

- (p) EX'END the West Lindrith Gallup Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM

Section 7: S/2  
Section 8: W/2  
Section 17: W/2

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM

Section 1: N/2  
Section 2: N/2

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 15: E/2  
Section 23: NE/4  
Section 24: N/2

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM

Section 33: A11

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8:15 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 David R. Catanach, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for April, 1986, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for April, 1986, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.