

Dockets Nos. 28-86 and 29-86 are tentatively set for September 17 and October 8, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING WEDNESDAY - SEPTEMBER 3, 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 8595: (Continued from August 6, 1986, Examiner Hearing) (OCD - Reopened) (This case will be dismissed.)

In the matter of Case 8595 being reopened pursuant to the provisions of Order No. R-7983 which order promulgated temporary special rules and regulations for the Northeast Caudill-Wolfcamp Pool in Lea County including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing and proration units.

CASE 8982: Application of Frostman Oil 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 San Andres formation in the perforated interval from approximately 3,004 feet to 3,434 feet in its Red Twelve State Well No. 4 located 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 5, Township 17 South, Range 29 East, Cave Grayburg-San Andres Pool.

CASE 8305: (Reopened)

In the matter of Case 8305 being reopened pursuant to the provisions of Order No. R-7660, which order promulgated temporary special rules and regulations for the North Chaveroo Permo-Pennsylvanian Pool in Roosevelt County, including a provision for 160-acre spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 8984: Application of H. E. Prince Construction and Petroleum for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Linda-San Andres Pool in the open-hole interval from approximately 1019 feet to 1071 feet in its Federal Well No. 11 located 1650 feet from the South line and 2310 feet from the West line (Unit K) of Section 33, Township 6 South, Range 26 East.

CASE 8985: Application of Northwest Pipeline Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying the S/2 of Section 24, Township 25 North, Range 2 West, forming a standard 320-acre oil spacing and proration unit to be dedicated to the (Mesa Grande Resources, Inc.) Rucker Lake Well No. 2 located at a previously approved unorthodox location 1450 feet from the South line and 1520 feet from the West line (Unit K) of said Section 24. 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 Mesa Grande Resources, Inc. as operator of the well and a charge for risk involved in drilling said well.

CASE 8936: (Continued from August 6, 1986, Examiner Hearing)

Application of Santa Fe Energy 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 Morrow formation, underlying either the SW/4 NW/4 of Section 33, Township 23 South, Range 31 East, to form a standard 40-acre oil spacing and proration unit within said vertical limits or the W/2 of said Section 33 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, both aforementioned 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 8820: (Continued from August 6, 1986, Examiner Hearing) (Reopened)

Application of Santa Fe Energy Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Strawn, Atoka, and Morrow formations underlying the W/2 of Section 24, Township 22 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit, 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 8972: (Readvertised)

Application of the Estate of Edward Gerber and Iris Gerber Damson for a non-standard gas proration unit and an exception to Rule 5(a)2(2) of Division Order No. R-8170, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SW/4 of Section 32, Township 30 North, Range 7 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard gas well location in said Section 32. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for Prorated Gas Pools in New Mexico as promulgated by Division Order No. R-8170 authorizing a full 320-acre acreage factor to be assigned to said non-standard gas proration unit.

CASE 8971: (Readvertised)

Application of Cinco, Ltd. for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, Rio Arriba County, New Mexico. Applicant, in the above-styled cause seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of Section 32, Township 30 North, Range 7 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard gas well location in said Section 32. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for Prorated Gas Pools in New Mexico as promulgated by Division Order No. R-8170 authorizing a full 320-acre acreage factor to be assigned to said non-standard gas proration unit.

CASE 8849: (Continued from August 6, 1986, Examiner Hearing)

Application of Southland Royalty Company for NGPA Wellhead Price Ceilings 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.

CASE 8986: 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 Eddy, Lea, and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for Montoya production and designated as the North Dead Mans Draw-Montoya Gas Pool. The discovery well is the Marshall Pipe and Supply Company Wendell Best Well No. 1 located in Unit J of Section 27, Township 2 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 2 SOUTH, RANGE 29 EAST, NMPM
Section 27: S/2

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the East El Mar-Delaware Pool. The discovery well is the Exxon Corporation East El Mar Federal Well No. 1 located in Unit O of Section 27, Township 26 South, Range 33 East, NMPM. Said pool would comprise:

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

- (c) EXTEND the Bowers-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 9: NE/4

- (d) EXTEND the South Humble City-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 12: SE/4
Section 13: NE/4

- (e) EXTEND the Humble City-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 9: NE/4
Section 10: NW/4 and S/2
Section 11: SE/4

- (f) EXTEND the Johnson Ranch-Wolfcamp Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 27: N/2

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

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

- (h) EXTEND the Midway-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 13: SE/4

- (i) EXTEND the East Shugart-Delaware Pool in Eddy and Lea Counties, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 18: SW/4
Section 19: NW/4

- (j) EXTEND the Skaggs-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 18: SW/4

- (k) EXTEND the Tubb Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 24: SW/4