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Docket No. 32-86

DOCKET: COMMISSION HEARING - THURSDAY - OCTOBER 23, 1986  
OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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- CASE 9009: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 0.1 to define fresh water in a manner consistent with the designation of the State Engineer.
- CASE 9010: In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of a new Rule 118. The Division seeks the adoption of said rule to provide for the regulation of hydrogen sulfide gas in such a manner as to avoid endangering human life.
- CASE 9011: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 402. The Division seeks to eliminate the need for filing Form C-125 with Division district offices.
- CASE 9012: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 701.D. The Division seeks to amend said rule to eliminate the requirement for a hearing when a disposal well is to be located within 2 miles of oil or gas production in the same formation.
- CASE 9013: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 704. The Division seeks the amendment of said rule to provide for the conducting of step-rate tests, requests for injection pressure limit increases, and notice to the Division.
- CASE 9014: In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of a new Rule 1207(a)1.(ii). The Division seeks the adoption of said rule to provide for approval of unopposed compulsory pooling applications without oral testimony and based on information submitted with the application.
- CASE 9015: In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of new Rules 315, 413, and 903 to establish a gas priority production schedule. The Division seeks adoption of a hierarchy of classes of gas production in times of severely restricted demand for gas from New Mexico wells.  
Also to be considered will be the application of such rules to purchasers with marketing affiliates.
- CASE 9016: In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of a new Rule 414 to regulate sales of gas by separate owners in a well. The Division seeks the adoption of a rule to prohibit such sales in the absence of agreements or conditions which protect the correlative rights of all the owners in any affected well.
- CASE 9017: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 902. The Division seeks the amendment of said rule to provide for notice by purchasers to producers when such purchasers are unable to take gas in accordance with the provisions of such rule.
- CASE 9018: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Order No. R-8170. The Division seeks the amendment of Rule 10(a), 11(a), and 11(b) of the General Rules for the Prorated Gas Pools of New Mexico to provide for two-year balancing periods and for a twelve times overproduced limit for the prorated gas pools of northwest New Mexico.
- CASE 8960: (De Novo) (Continued from September 18, 1986, Commission Hearing)  
Application of Marathon Oil Company 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 Siluro-Devonian formation underlying the SE/4 SE/4 of Section 14, Township 16 South, Range 38 East, to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing, 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 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. Upon application of Marathon Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
Section 21: NE/4  
Section 22: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM  
Section 36: NE/4

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM  
Section 31: NW/4

- (i) EXTEND the Kemnitz-Lower Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 33: NE/4  
Section 34: NW/4

- (j) EXTEND the South Kemnitz-Upper Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 33: E/2  
Section 34: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
Section 35: SE/4

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM  
Section 2: NE/4

- (l) EXTEND the East Lusk-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 2: NW/4  
Section 3: E/2

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

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

- (n) EXTEND the Querecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 22: SE/4

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

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM  
Section 9: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM  
Section 14: S/2  
Section 23: NE/4

- (i) EXTEND the East Morton-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 35 EAST, NMPM  
Section 33: NE/4

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

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM  
Section 33: S/2

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM  
Section 4: NW/4  
Section 5: N/2

- (k) EXTEND the Northwest Shoe Bar-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM  
Section 15: N/2

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 12: NW/4

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Docket No. 36-86

DOCKET: COMMISSION HEARING - THURSDAY - NOVEMBER 20, 1986  
OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 9010: (Continued from October 23, 1986, Commission Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of a new Rule 118. The Division seeks the adoption of said rule to provide for the regulation of hydrogen sulfide gas in such a manner as to avoid endangering human life.

CASE 9012: (Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rules 701 B and D. The Division seeks the amendment of said rules to: (1) eliminate the requirement for a hearing when a disposal well is to be located within 2 miles of oil or gas production in the same formation and to expand notification requirements for commercial disposal wells.

CASE 9015: (Continued from October 23, 1986, Commission Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of new Rules 315, 413, and 903 to establish a gas priority production schedule. The Division seeks adoption of a hierarchy of classes of gas production in times of severely restricted demand for gas from New Mexico wells. Also to be considered will be the application of such rules to purchasers with marketing affiliates.

CASE 9016: (Continued from October 23, 1986, Commission Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of a new rule 414 to regulate sales of gas by separate owners in a well. The Division seeks the adoption of a rule to prohibit such sales in the absence of agreements or conditions which protect the correlative rights of all the owners in any affected well.

CASE 9017: (Continued from October 23, 1986, Commission Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 902. The Division seeks the amendment of said rule to provide for notice by purchasers to producers when such purchasers are unable to take gas in accordance with the provisions of such rule.

CASE 9018: (Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Order No. R-8170. The Division seeks the amendment of Rule 10(a), 11(a), and 11(b) of the General Rules for the Prorated Gas Pools of New Mexico to provide for two-year balancing periods and for a twelve times overproduced limit for the prorated gas pools of northwest New Mexico. Further to be considered is creation of a Gas Bank wherein gas allowable may be deposited for later use.

CASE 9039: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 1220 to reflect that only parties of record shall have the right, as provided by law, to apply for a de novo hearing before the Oil Conservation Commission.

CASE 9003: (Continued from October 8, 1986, Examiner Hearing)

Application of Pennzoil Company for an unorthodox oil well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 150 feet from the South line and 1980 feet from the East line of Section 4, Township 17 South, Range 37 East, Shipp-Strawn Pool, and the simultaneous dedication of the W/2 SE/4 of said Section 4 to the well and to the existing Vierson Well No. 2 located in Unit O.