

CASE 3073: (De Novo) (Continued from September 24, 1987, Commission Hearing)

Application of Mallon Oil Company for the reinstatement of oil production allowables and an exception to the provisions of Division General Rule 302 for certain wells located in the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order reinstating the oil allowables which should have been assigned to the following described wells, all in Township 25 North, Range 2 West, Gavilan-Mancos Oil Pool, for the months of January, February, March and April, 1986. Applicant further seeks an exemption to the provisions of Division General Rule 502 which limit the period of time an operator is given to make up any overproduction of oil and casinghead gas:

Howard Federal "1" Well No. 8 located in Unit H of Section 1;
Howard Federal "1" Well No. 11 located in Unit K of Section 1;
Fisher Federal "2" Well No. 1 located in Unit A of Section 2;
Ribeyowids Federal "2" Well No. 16 located in Unit P of Section 2; and,
Johnson Federal "12" Well No. 5 located in Unit E of Section 12.

Upon application of Mallon Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 3951: (Continued from September 24, 1987, Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division by Division Order No. R-8124, dated January 16, 1986, issued in Case 3745, authorized the applicant to conduct a long-term reservoir pressure test in the Mancos formation using certain wells in Rio Arriba County and further authorized the shut-in of certain wells and provided six months after completion of the test during which certain accumulated underproduction can be made up. Applicant, in the above-styled cause, now seeks the amendment of said Order No. R-8124 to provide for twelve months after completion of the reservoir pressure test during which to make up the accumulated underproduction of certain wells resulting from the test. Applicant further requests that all other provisions in said Order No. R-8124 remain in full force and effect.

CASE 3111: (Continued from September 24, 1987, Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area as promulgated by Division Order No. R-3401, as amended, to include certain lands in Townships 24, 25, and 26 North, Range 1 West.

CASE 3098: (De Novo)

Application of Curtis J. Little for the promulgation of special pool rules for the Ojito Gallup-Dakota Oil Pool or, in the alternative, to abolish the Ojito Gallup-Dakota Oil Pool and to concomitantly expand the West Lindrith Gallup-Dakota Oil Pool, Rio Arriba and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks to establish special rules and regulations for the Ojito Gallup-Dakota Oil Pool including a provision for 160-acre spacing. IN THE ALTERNATIVE, the applicant seeks to abolish said Ojito Gallup-Dakota Oil Pool and to concomitantly expand the horizontal limits of the West Lindrith Gallup-Dakota Oil Pool to include the horizontal extent of the abolished pool plus the E/2 NE/4 of Section 21, Township 25 North, Range 3 West, Rio Arriba County, New Mexico.

Upon application of Curtis J. Little, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9226: (Continued from September 23, 1987, Examiner Hearing)

In the matter called by the Oil Conservation Division on its own motion to amend the Special Pool Rules for the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as promulgated by Division Order No. R-4314, to reconsider the well location requirements poolwide, to restate the allowable in the pool to reflect the daily oil allowable for a 160-acre unit in the depth range of this pool to 382 BOPD as promulgated by Division General Rule 505, and to create a buffer zone in those sections that adjoin the Gavilan-Mancos Oil Pool to the east (Sections 1, 12, 13, 24, 25 and 36, Township 25 North, Range 3 West, Rio Arriba County) with any additional provisions which may be necessary and/or advisable to protect correlative rights along the common boundary of the two pools. Said area is situated 10 to 20 miles west-northwest of Lindrith, New Mexico.

CASE 9227: (Continued from September 23, 1987, Examiner Hearing)

In the matter called by the Oil Conservation Division on its own motion to amend the Special Pool Rules for the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, as promulgated by Division Order No. R-7407, as amended, to create a buffer zone utilizing those existing proration units in Sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31 and 32, Township 25 North, Range 2 West, that adjoin the West Lindrith Gallup-Dakota Oil Pool with any additional provisions which may be necessary and/or advisable to protect correlative rights along the common boundary of the two pools. Said area is situated 4 to 9 miles northwest of Lindrith, New Mexico.

CASE 9228: (Continued from September 23, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order abolishing and extending certain pools in Rio Arriba and Sandoval Counties, New Mexico:

(a) ABOLISH the Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, in order that the productive acreage may be included in the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico.

(b) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Sections 1 through 18: All
Section 19: NE/4
Section 20: N/2
Section 21: N/2
Section 23: NE/4 and S/2
Sections 24 through 26: All
Section 34: S/2
Sections 35 and 36: All

CASE 9229: (Continued from September 23, 1987, Examiner Hearing)

Application of Mesa Grande, Ltd. for an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying a certain 640-acre tract of land in 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 all of Section 20, Township 25 North, Range 2 West, to form a standard 640-acre oil spacing and proration unit in said pool. Said unit is to be dedicated to the Sun Exploration and Production Company Loddy Well No. 1 located 1750 feet from the North and West lines (Unit F) of said Section 20 which is presently completed in and producing from the Gavilan-Mancos Oil Pool and dedicated to a previously approved 320-acre non-standard oil spacing and proration unit (see Rule 2(a) as promulgated by Division Order No. R-7407-E) underlying the N/2 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. Applicant further requests that Sun Exploration and Production Company remain as operator of the well and that the effective date of any order issued in this case be retroactive to June 3, 1987. Said well is located approximately 5.5 miles north-northwest of Lindrith, New Mexico.

DOCKET: COMMISSION HEARING - THURSDAY - NOVEMBER 19, 1987

OIL CONSERVATION COMMISSION - 9:00 AM MORGAN HALL,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 9134: (Readvertised)

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 9226: (Readvertised)

In the matter called by the Oil Conservation Division on its own motion to amend the Special Pool Rules for the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as promulgated by Division Order No. R-4314, to reconsider the well location requirements poolwide, to restate the allowable in the pool to reflect the daily oil allowable for a 160-acre unit in the depth range of this pool to 382 BOPD as promulgated by Division General Rule 505, and to create a buffer zone in those sections that adjoin the Gavilan-Mancos Oil Pool to the east (Sections 1, 12, 13, 24, 25 and 36, Township 25 North, Range 3 West, Rio Arriba County) with any additional provisions which may be necessary and/or advisable to protect correlative rights along the common boundary of the two pools. Said area is situated 10 to 20 miles west-northwest of Lindrith, New Mexico.

CASE 9227: (Readvertised)

In the matter called by the Oil Conservation Division on its own motion to amend the Special Pool Rules for the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, as promulgated by Division Order No. R-7407, as amended, to create a buffer zone utilizing those existing proration units in Sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31, and 32, Township 25 North, Range 2 West, that adjoin the West Lindrith Gallup-Dakota Oil Pool with any additional provisions which may be necessary and/or advisable to protect correlative rights along the common boundary of the two pools. Said area is situated 4 to 9 miles northwest of Lindrith, New Mexico.

CASE 9095: (De Novo) (Readvertised)

Application of Curtis J. Little for the promulgation of special pool rules for the Ojito Gallup-Dakota Oil Pool or, in the alternative, to abolish the Ojito Gallup-Dakota Oil Pool and to concomitantly expand the West Lindrith Gallup-Dakota Oil Pool, Rio Arriba and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks to establish special rules and regulations for the Ojito Gallup-Dakota Oil Pool including a provision for 160-acre spacing. IN THE ALTERNATIVE, the applicant seeks to abolish said Ojito Gallup-Dakota Oil Pool and to concomitantly expand the horizontal limits of the West Lindrith Gallup-Dakota Oil Pool to include the horizontal extent of the abolished pool plus the E/2 NE/4 of Section 21, Township 25 North, Range 3 West, Rio Arriba County, New Mexico. Upon application of Curtis J. Little, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9225: (Readvertised)

Application of Mesa Grande, Ltd. for an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying a certain 640-acre tract of land in 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 all of Section 20, Township 25 North, Range 2 West, to form a standard 640-acre oil spacing and proration unit in said pool. Said unit is to be dedicated to the Sun Exploration and Production Company Loddy Well No. 1 located 1750 feet from the North and West lines (Unit F) of said Section 20 which is presently completed in and producing from the Gavilan-Mancos Oil Pool and dedicated to a previously approved 320-acre non-standard oil spacing and proration unit (see Rule 2(a) as promulgated by Division Order No. R-7407-E) underlying the W/2 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. Applicant further requests that Sun Exploration and Production Company remain as operator of the well and that the effective date of any order issued in this case be retroactive to June 8, 1987. Said well is located approximately 5.5 miles north-northwest of Lindrith, New Mexico.

CASE 9236: (Readvertised)

Application of Mesa Grande Resources, Inc. for compulsory pooling and a non-standard oil proration unit, 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 all of Irregular Section 1, Township 24 North, Range 2 West, forming a non-standard 650.22-acre oil spacing and proration unit to be dedicated to the existing Federal Invader Well No. 1 located at a standard location 1040 feet from the North line and 850 feet from the West line (Unit D) of said Section 1. 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 the applicant as operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 3.5 miles northeast of Lindrith, New Mexico.

CASE 9124: (Continued from December 16, 1987, Examiner Hearing)

Application of Rocanville Corporation for a non-standard gas proration unit and for an exception to Rule 5(a)(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 $\frac{1}{4}$ of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to dedicated to the applicant's Fairfield Well No. 1, located 1100 feet from the North line and 993 feet from the East line (Unit A) of said Section 14. Applicant further seeks an exception to Rule 5(a)(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order 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 9293: 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 a gas pool for Wolfcamp production and designated as the Alacran Hills-Wolfcamp Gas Pool. The discovery well is the BHP Petroleum Co. Inc. Cerf Federal Com Well No. 1 located in Unit C of Section 10, Township 31 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 31 SOUTH, RANGE 27 EAST, NMPM
Section 10: N $\frac{1}{2}$

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bore Spring production and designated as the Ingle Wells-Bore Spring Pool. The discovery well is the Santa Fe Energy Partners L.P. Triple S 33 Federal Well No. 1 located in Unit C of Section 33, Township 23 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 33: NE $\frac{1}{4}$

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Poker Lake-Delaware Pool. The discovery well is the Bass Enterprises Production Company Poker Lake Unit Well No. 68 located in Unit E of Section 20, Township 24 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 20: NE $\frac{1}{4}$

- (d) EXTEND the Artesia Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 25: S $\frac{1}{2}$

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

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 1: S $\frac{1}{2}$

- (f) EXTEND the Four Ranch Pre-Permian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 11: E $\frac{1}{2}$

- (g) EXTEND the South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 20 EAST, NMPM
Section 2: SW $\frac{1}{4}$
Section 6: SW $\frac{1}{4}$

TOWNSHIP 3 SOUTH, RANGE 25 EAST, NMPM
Section 24: E $\frac{1}{2}$

- (h) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 21 EAST, NMPM
Section 35: SW $\frac{1}{4}$

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

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 7: E/2
Section 8: N/2

(j) EXTEND the Shugart Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM
Section 2: N/2

Docket No. 3-88

DOCKET: COMMISSION HEARING - THURSDAY - JANUARY 21, 1988

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

CASE 9220: (De Novo)

Application of Basin Disposal, Inc. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Mesaverde formation in a perforated interval to be determined after drilling and running logs in its proposed disposal well to be located 2207 feet from the North line and 1870 feet from the West line (Unit F) of Section 3, Township 29 North, Range 11 West. Said well is approximately 2.5 miles North of Bloomfield, New Mexico. Upon application of various landowners this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9095: (De Novo) (Continued from November 19, 1987, Commission Hearing.)

Application of Curtis J. Little for the promulgation of special pool rules for the Ojito Gallup-Dakota Oil Pool or, in the alternative, to abolish the Ojito Gallup-Dakota Oil Pool and to concomitantly expand the West Lindrith Gallup-Dakota Oil Pool, Rio Arriba and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks to establish special rules and regulations for the Ojito Gallup-Dakota Oil Pool including a provision for 160-acre spacing. IN THE ALTERNATIVE, the applicant seeks to abolish said Ojito Gallup-Dakota Oil Pool and to concomitantly expand the horizontal limits of the West Lindrith Gallup-Dakota Oil Pool to include the horizontal extent of the abolished pool plus the E/2 NE/4 of Section 21, Township 25 North, Range 3 West, Rio Arriba County, New Mexico. Upon application of Curtis J. Little, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9225: (Continued from November 19, 1987, Commission Hearing.)

Application of Mesa Grande, Ltd. for an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying a certain 640-acre tract of land in 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 all of Section 20, Township 25 North, Range 2 West, to form a standard 640-acre oil spacing and proration unit in said pool. Said unit is to be dedicated to the Sun Exploration and Production Company Loddy Well No. 1 located 1750 feet from the North and West lines (Unit F) of said Section 20 which is presently completed in and producing from the Gavilan-Mancos Oil Pool and dedicated to a previously approved 320-acre non-standard oil spacing and proration unit (see Rule 2(a) as promulgated by Division Order No. R-7407-E) underlying the W/2 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. Applicant further requests that Sun Exploration and Production Company remain as operator of the well and that the effective date of any order issued in this case be retroactive to June 8, 1987. Said well is located approximately 5.5 miles north-northwest of Lindrith, New Mexico.

CASE 9236: (Continued from November 19, 1987, Commission Hearing.)

Application of Mesa Grande Resources, Inc. for compulsory pooling and a non-standard oil proration unit, 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 all of Irregular Section 1, Township 24 North, Range 2 West, forming a non-standard 650.22-acre oil spacing and proration unit to be dedicated