

Dockets Nos. 7-88 and 8-88 are tentatively set for March 2 and March 16, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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The following cases will be heard before David R. Catanach, Examiner or Michael E. Stogner, Alternate Examiner:

CASE 9308:

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 23, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the S/2 of said Section 23 to be dedicated to the well. Said location is approximately 4.5 miles east-northeast from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9309:

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the North line and 1980 feet from the East line of Section 34, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the N/2 of said Section 34 to be dedicated to the well. Said location is approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9310:

Application of Sun Exploration and Production 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 either the base of the Morrow formation or to a depth of 13,700 feet, whichever is deeper, underlying the N/2 of Section 26, Township 18 South, Range 33 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools with this vertical extent being developed on 320-acre spacing, 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. Said location is approximately 6 miles west of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 9295: (Continued from February 3, 1988, Examiner Hearing.)

Application of Hixon Development Company for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Special Rules and Regulations for the Gavilan-Mancos Oil Pool as promulgated by Division Order No. R-7407, as amended, to form a non-standard 320-acre oil spacing and proration unit comprising the E/2 of Section 26, Township 26 North, Range 2 West, to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 4.5 miles east-northeast of the Ojito Post Office.

CASE 8371: (Continued and Readvertised)

In the matter of Case No. 8371 being reopened pursuant to the provisions of Division Order No. R-7783 which promulgated temporary special rules and regulations for the Burton Flat-Upper Strawn Pool, Eddy County, New Mexico, including a provision for 160-acre spacing units. Operators in the subject pool may appear and show cause why the Burton Flat-Upper Strawn Pool should not be developed on 40-acre proration units.

CASE 9129: (Continued and Readvertised)

Application of Virginia P. Uhden, Helen Orbesen, and Carroll O. Holmberg to vacate Division Order Nos. R-7588 and R-7588-A, and/or for the formation of six 160-acre gas proration units, San Juan County, New Mexico. Applicants, in the above-styled cause, seek an order vacating the 320-acre spacing provisions of Order Nos. R-7588 and R-7588-A as to applicants from February 1, 1984 through the date notice of 320-acre spacing was provided to applicants, and/or the formation of six 160-acre gas spacing and proration units for said pool in the W/2 of Section 33 and all of Section 28, Township 32 North, Range 10 West. This area encompasses Cedar Hill, New Mexico.

CASE 9305: (Continued from February 3, 1988, Examiner Hearing.)

Application of New Mexico and Arizona Land Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the NW/4 of Section 25, Township 25 North, Range 3 West, forming a standard 160-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil 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. Said unit is approximately 5 miles northwest of Lindrith, New Mexico.

CASE 9306: (Continued from February 3, 1988, Examiner Hearing)

Application of New Mexico and Arizona Land Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the SW/4 of Section 25, Township 25 North, Range 3 West, forming a standard 160-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil 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. Said unit is approximately 5 miles northwest of Lindrith, New Mexico.

CASE 9311:

Application of Texaco Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of special pool rules for the Monument-Abo Pool in Townships 19 and 20 South, Ranges 36 and 37 East, establishing a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil. Said pool is within an area located approximately 2.25 miles west-southwest of Monument, New Mexico.

CASE 9294: (Continued and Readvertised)

Application of Nearburg Producing Company for compulsory pooling, unorthodox gas well location, and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Four Mile Draw-Morrow Gas Pool underlying Lots 1 and 2, the E/2 NW/4, and the NE/4 of Section 7, Township 19 South, Range 26 East, to form a non-standard 318.85-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 7. 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. Said location is approximately 11 miles south of Artesia, New Mexico.

CASE 9312:

Application of Nearburg Producing Company for an unorthodox oil well location and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1000 feet from the South and West lines (Unit M) of irregular Section 19, Township 16 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool, Lot 4 of said Section 19 to be dedicated to said well forming a non-standard 50.35-acre oil spacing and proration unit for said pool. Said location is approximately 4.25 miles southeast of Lovington, New Mexico.

CASE 9313:

Application of Nearburg Producing Company for a non-standard oil proration unit and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1300 feet from the South line and 400 feet from the West line (Unit M) of irregular Section 7, Township 17 South, Range 38 East, Undesignated South Humble City-Strawn Pool, Lots 3 and 4 of said Section 7 to be dedicated to the well forming a non-standard 75.59-acre oil spacing and proration unit for said pool. Said location is approximately 3.5 miles north-northeast of Humble City, New Mexico.

CASE 9314:

Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to re-enter and deepen the Santa Fe Exploration Company Gulf Com. Well No. 1 located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 14, Township 20 South, Range 25 East, to test the Morrow formation. Said well is located approximately 5.5 miles west by south of Seven Rivers, New Mexico.

CASE 9315:

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting the vertical limits, and extending certain pools in Chaves and Lea Counties, New Mexico:

(a) Create a new pool in Chaves County, New Mexico, classified as an oil pool for Devonian production and designated as the Graham Springs-Devonian Pool. The discovery well is the Bell, Foy & Middlebrook, Ltd. Culp Ranch Well No. 1 located in Unit C of Section 11, Township 12 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 30 EAST, NMPM  
Section 11: NW/4

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Lane-Abo Pool. The discovery well is the Bright & Company State K Well No. 2 located in Unit A of Section 2, Township 10 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM  
Section 2: NE/4

(c) Contract the vertical limits of the East Lovington-Pennsylvanian Pool to include only the Cisco and Canyon formations and to redesignate said pool as the East Lovington-Upper Pennsylvanian Pool.

Dockets Nos. 8-88 and 9-88 are tentatively set for March 16 and March 30, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 2, 1988

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 9317: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sunny Side Unit Area comprising 11,189.87 acres, more or less, of State and Fee lands in Township 10 South, Ranges 26 and 27 East. Said area is located approximately 8 miles north-northeast of Bottomless Lake State Park.

CASE 9318: Application of Yates Drilling Company for a secondary recovery project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a secondary recovery project by the injection of water into the Queen formation in its proposed Cactus Queen Unit Area (Division Case No. 9319) underlying portions of Sections 26, 27, 34, and 35, Township 12 South, Range 31 East, Southeast Chaves Queen Gas Area Associated Pool, (which is an area that straddles State Highway No. 172 between Milepost Nos. 26.5 and 27.5).

CASE 9319: Application of Yates Drilling Company for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the Southeast Chaves Queen Gas Area Associated Pool underlying 560 acres, more or less, of State, Federal, and Fee lands in portions of Sections 26, 27, 34, and 35, Township 12 South, Range 31 East. Said area straddles State Highway No. 172 between Milepost Nos. 26.5 and 27.5. Said unit is to be designated the Cactus Queen Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of the credits and charges to be made among the various owners in the unit area for their investment in well and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 9320: Application of Yates Petroleum Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 16, Township 24 South, Range 35 East, Undesignated Cinta Roja-Morrow Gas Pool, all of said Section 16 to be dedicated to the well, forming a standard 640-acre gas spacing and proration unit for said pool. Said location is approximately 6 miles south-southeast of the San Simon Sink.

CASE 9308: (Continued from February 17, 1988, Examiner Hearing)

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 23, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the S/2 of said Section 23 to be dedicated to the well. Said location is approximately 4.5 miles east-northeast from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9309: (Continued from February 17, 1988, Examiner Hearing)

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the North line and 1980 feet from the East line of Section 34, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the N/2 of said Section 34 to be dedicated to the well. Said location is approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9321: Application of Marshall Pipe and Supply Company for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ordovician formation underlying the N/2 of Section 34, Township 2 South, Range 29 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing. Said well is to be drilled at a proposed unorthodox gas well location (to be considered in Case 9309) 330 feet from the North line and 1980 feet from the East line (Unit B) of said Section 34. 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. Said well location is approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9322: Application of Metex Pipe and Supply for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its State "P" Well No. 3 to be drilled 100 feet from the North line and 1520 feet from the East line (Unit B) of Section 24, Township 21 South, Range 34 East, Wilson Yates-Seven Rivers Pool, the NW/4 NE/4 of said Section 24 to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Said location is approximately 1 mile south of NM 176 at Milepost 27.4.

CASE 9323: Application of Ralph E. Williamson for a non-standard oil proration unit and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 56.19-acre non-standard oil spacing and proration unit comprising Lots 8 and 9 of Section 35, Township 26 South, Range 29 East, Brushy Draw-Delaware Pool, to be simultaneously dedicated to its Stateline Federal Well No. 1 located in Lot 8 and to its Stateline Federal Well No. 2 to be located at a previously approved unorthodox location 610 feet from the South line and 990 feet from the West line in Lot 9 of said Section 35. Said unit is located approximately 1 mile east of where the Pecos River crosses the New Mexico/Texas Stateline.

CASE 9324: Application of Amoco Production Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos Oil Pool underlying Lots 3 and 4, S/2 NW/4, and SW/4 of Section 5 and all of Section 6, both in Township 25 North, Range 2 West, which is a non-standard oil spacing and proration unit for said pool previously approved by Division Order No. R-8268. Said unit is to be dedicated to its Hill Trust Federal Com. Well No. 1 to be drilled at a standard location 1660 feet from the North line and 1680 feet from the West line (Unit F) of said Section 5. 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. Said location is approximately 3/4 of a mile west of the Ojito Post Office.

CASE 9314: (Readvertised)

Application of Nearburg Producing Company to Amend Division Order No. R-6933, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to re-enter and deepen to the Morrow formation the Santa Fe Exploration Company Gulf Com. Well No. 1 located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 14, Township 20 South, Range 25 East, previously approved by Division Order No. R-6933, as amended. Applicant also seeks to rescind the production limitation factor provisions of said Order. This well is located approximately 5.5 miles west by south of Seven Rivers, New Mexico.

CASE 9325: Application of Enron Oil & Gas Company for amendment of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend the special pool rules promulgated by Division Order No. R-3161 for the Cinta Roja-Morrow Gas Pool in Township 24 South, Range 35 East, to include a provision for 320-acre infill drilling and appropriate findings relative thereto. Said pool is located approximately 6 miles south-southeast of the San Simon Sink.

CASE 9310: (Continued from February 17, 1988, Examiner Hearing)

Application of Sun Exploration and Production 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 either the base of the Morrow formation or to a depth of 13,700 feet, whichever is deeper, underlying the N/2 of Section 26, Township 18 South, Range 33 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools with this vertical extent being developed on 320-acre spacing, 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. Said location is approximately 6 miles west of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 9303: (Readvertised)

Application of Penroc Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Undesignated Mid Vacuum-Devonian Pool in the perforated interval from 11,850 feet to 12,200 feet in its State "AF" Well No. 2 located 330 feet from the South line and 2130 feet from the East line (Unit O) of Section 8, Township 18 South, Range 35 East. Said well is located approximately 4 miles south-southeast of Buckeye, New Mexico.

CASE 9326: (Continued from March 2, 1988, Examiner Hearing)

Application of Sun Exploration and Production Company 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 all of Section 26, Township 26 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 Wildfire Well No. 1 located 900 feet from the South line and 1650 feet from the West line (Unit N) of said Section 26 which is presently completed in and producing from the Gavilan-Mancos Oil Pool. Also to be considered will be the method for cost allocation and participation 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 the case be retroactive to June 8, 1987. Said well is located approximately 4.5 miles east-northeast of the Ojito Post Office.

CASE 9323: (Continued from March 2, 1988, Examiner Hearing)

Application of Ralph E. Williamson for a non-standard oil proration unit and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 56.19-acre non-standard oil spacing and proration unit comprising Lots 8 and 9 of Section 35, Township 26 South, Range 29 East, Brushy Draw-Delaware Pool, to be simultaneously dedicated to its Stateline Federal Well No. 1 located in Lot 8 and to its Stateline Federal Well No. 2 to be located at a previously approved unorthodox location 610 feet from the South line and 990 feet from the West line in Lot 9 of said Section 35. Said unit is located approximately 1 mile east of where the Pecos River crosses the New Mexico/Texas Stateline.

CASE 9331: Application of Phillips Petroleum Company for a non-standard gas proration unit and unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 22, Township 17 South, Range 35 East, to test the South Shoe Bar-Atoka Gas Pool and the Morrow formation, said well to be dedicated either to a 160-acre non-standard gas proration and spacing unit consisting of the N/2 SW/4 and W/2 NW/4 of said Section 22, or in the alternative, to an 80-acre non-standard gas proration and spacing unit consisting of the W/2 NW/4 of said Section 22. Said location is approximately 3.5 miles Northeast by East of Buckeye, New Mexico.

CASE 9327: (Continued from March 2, 1988, Examiner Hearing)

Application of Dugan Production Corporation for an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying a certain 640-acre tract of land or, in the alternative, for a non-standard 320-acre oil proration unit in said pool and compulsory pooling therein, 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 22, Township 26 North, Range 2 West, to form a standard 640-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to the Amoco Production Company Seifert Gas Com "A" Well No. 1 located 940 feet from the South line and 990 feet from the east line (Unit P) of said Section 22 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 E/2 of said Section 22. Also to be considered will be the cost of participation in the well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Applicant further requests that Amoco Production Company remain as operator of the well and that the effective date of any order issued in the case be made retroactive to June 8, 1987. IN THE ALTERNATIVE, applicant seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying the W/2 of said Section 22, thereby forming a non-standard 320-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in this particular matter 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 unit and a charge for risk involved in drilling said well. This area is located approximately 11 miles north of Lindrith, New Mexico.

CASE 9332: Application of Terra Resources, Inc. for compulsory pooling and an unorthodox gas well location, Chaves 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 the E/2 of Section 22, Township 14 South, Range 27 East, Undesignated Springer Basin Atoka-Morrow Gas Pool, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing to be dedicated to a well to be drilled at an unorthodox gas well location 330 feet from the South and East lines (Unit P) of said Section 22. 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 the risk involved in drilling said well. Said location is approximately 6.5 miles East-Southeast of Hagerman, New Mexico.

CASE 9333: Application of Terra Resources, Inc. for compulsory pooling, unorthodox gas well location, and an exception to special pool rules, Chaves 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 the N/2 of Section 22, Township 15 South, Range 27 East, Undesignated Buffalo Valley-Pennsylvanian Gas Pool, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing to be dedicated to a well to be drilled at an unorthodox gas well location 1650 feet from the North line and 660 feet from the East line (Unit H) of said Section 22. Applicant further seeks exception to the special rules for the Buffalo Valley-Pennsylvanian Gas Pool for the completion of its well in the NE/4 of Section 22 at said unorthodox location. 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 the risk involved in drilling said well. Said location is approximately 10 miles Southeast of Hagerman, New Mexico.

CASE 9334: Application of Union Texas Petroleum for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non standard oil proration unit comprising the N/2 SW/4 of Section 2, Township 25 North, Range 3 West, West Lindrith Gallup-Dakota Oil Pool, to be dedicated to its McCroden "C" Well No. 1 located at a standard location 2146 feet from the South line and 1650 feet from the West line (Unit K) of said Section 2. Said well is located approximately 1.75 miles West by South of the Ojito Post Office.

CASE 8371: (Readvertised)  
In the matter of Case No. 8371 being reopened pursuant to the provisions of Division Order No. R-7783 which promulgated temporary special rules and regulations for the Burton Flat-Upper Strawn Pool, Eddy County, New Mexico, including a provision for 160-acre spacing units. Operators is the subject pool may appear and show cause why the Burton Flat-Upper Strawn Pool should not be developed on 40-acre proration units.

CASE 9294: (Readvertised)  
Application of Nearburg Producing Company for compulsory pooling, unorthodox gas well location, and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Four Mile Draw-Morrow Gas Pool underlying Lots 1 and 2, the E/2 NW/4, and the NE/4 of Section 7, Township 19 South, Range 26 East, to form a non-standard 318.85-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 7. 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. Said location is approximately 11 miles south of Artesia, New Mexico.

CASE 9314: (Continued from March 2, 1988, Examiner Hearing)

Application of Nearburg Producing Company to Amend Division Order No. R-6933, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to re-enter and deepen to the Morrow formation the Santa Fe Exploration Company Gulf Com. Well No. 1 located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 14, Township 20 South, Range 25 East, previously approved by Division Order No. R-6933, as amended. Applicant also seeks to rescind the production limitation factor provisions of said Order. This well is located approximately 5.5 miles west by south of Seven Rivers, New Mexico.

CASE 9324: (Continued from March 2, 1988, Examiner Hearing)

Application of Amoco Production Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos Oil Pool underlying Lots 3 and 4, S/2 NW/4, and SW/4 of Section 5 and all of Section 6, both in Township 25 North, Range 2 West, which is a non-standard oil spacing and proration unit for said pool previously approved by Division Order No. R-8268. Said unit is to be dedicated to its Hill Trust Federal Com. Well No. 1 to be drilled at a standard location 1660 feet from the North line and 1680 feet from the West line (Unit F) of said Section 5. 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. Said location is approximately 3/4 of a mile west of the Ojito Post Office.

CASE 9272: (Continued from March 2, 1988, Examiner Hearing)

In the matter of Case No. 9272 being reopened upon application of Arco Oil and Gas Company to reconsider the provisions of Division Order No. R-8579, issued in said Case No. 9272, which granted the application of Mitchell Energy Corporation to compulsorily pool all mineral interests below the top of the Wolfcamp formation underlying the following described acreage in Section 3, Township 15 South, Range 35 East, Lea County, New Mexico, and in the following described manner:

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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MAR 29 1983

O. C. D.

ARTESIA, OFFICE

Form C-103  
Revised 10-1-78

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.  
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

OIL WELL ☐ GAS WELL ☐ OTHER- Junked Hole

Name of Operator  
Santa Fe Exploration Company (505-623-2733)

Address of Operator  
P.O. Box 1136/Roswell, NM 88201

Location of Well

UNIT LETTER AD FEET FROM THE 660' LINE AND North FEET FROM  
THE 660' LINE, SECTION West 14 TOWNSHIP 20S RANGE 25E NMPM.

15. Elevation (Show whether DF, RT, GR, etc.)

3416' G.L. 3415.9

5a. Indicate Type of Lease

State ☐ Fee ☒

5. State Oil & Gas Lease No.

7. Unit Agreement Name

8. Farm or Lease Name

Gulf Com

9. Well No.

1

10. Field and Pool, or Wildcat  
Undesignated Morrow

12. County

Eddy

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data  
NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK ☐  
TEMPORARILY ABANDON ☐  
PULL OR ALTER CASING ☐

PLUG AND ABANDON ☐  
CHANGE PLANS ☐

OTHER ☐

REMEDIAL WORK ☐  
COMMENCE DRILLING OPNS. ☐  
CASING TEST AND CEMENT JOBS ☐

OTHER ☐

ALTERING CASING ☐  
PLUG AND ABANDONMENT ☒

7. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

3/14/83 TD 445', Drilled to TD 445' with cable rig. 17" hole. No casing set.  
3/19/83 Plugged and Abandoned Junked Hole with 807 sx Class C cmt, TD to surface.  
Installed dry hole marker.

Verbal approval to plug received 3/14/83 in conversation with Les Clemmons  
and Larry Brooks.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Jackie Midkiff  
Jackie Midkiff

TITLE Agent

DATE 3/24/83

APPROVED BY [Signature]

TITLE Geologist

DATE 10/10/82

CONDITIONS OF APPROVAL, IF ANY:

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	<input checked="" type="checkbox"/>
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

**RECEIVED**  
NEW MEXICO OIL CONSERVATION COMMISSION

**MAY 27 1982**

**O. C. D.**  
ARTESIA, OFFICE

Form C-103  
Supersedes Old  
C-102 and C-103  
Effective 1-1-65

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	
7. Unit Agreement Name	
8. Farm or Lease Name GULF COMM	
9. Well No. 1	
10. Field and Pool, or Wildcat Undesignated Morrow	
12. County Eddy	

**SUNDRY NOTICES AND REPORTS ON WELLS**

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.  
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator SANTA FE EXPLORATION CO. ✓	8. Farm or Lease Name GULF COMM
3. Address of Operator P.O. BOX 1136 ROSWELL, NM 88201	9. Well No. 1
4. Location of Well UNIT LETTER <u>AP</u> <u>660</u> FEET FROM THE <u>North</u> LINE AND <u>660</u> FEET FROM THE <u>West</u> LINE, SECTION <u>14</u> TOWNSHIP <u>20S</u> RANGE <u>25E</u> NMPM.	10. Field and Pool, or Wildcat Undesignated Morrow
15. Elevation (Show whether DF, RT, GR, etc.) 3416 G.L.	12. County Eddy

**Check Appropriate Box To Indicate Nature of Notice, Report or Other Data**

**NOTICE OF INTENTION TO:**

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>

**SUBSEQUENT REPORT OF:**

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

SANTA FE

4-19-82 Completed Drilling Pad, moved in Rat Hole Machine, started operations 3:20 P.M. Drilled 40 feet of hole, 18" hle.

4-20-82 Moved in cable tools started 12-1/2" hole at 10:00 a.m.

5-25-82 Drilling with cable tools at 113 feet.

Waiting for approval of Rotary Contractor

COMMUNITIZATION APPROVED N $\frac{1}{2}$ , Sec. 14 BY MINERALS  
MANAGEMENT SERVICE, EFFECTIVE APRIL 1, 1982,  
SCR-273

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED [Signature] TITLE Agent DATE 5-26-82

APPROVED BY [Signature] TITLE OIL AND GAS INSPECTOR DATE MAY 28 1982

CONDITIONS OF APPROVAL, IF ANY:

NO. OF COPIES RECEIVED	
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FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

RECEIVED

APR 12 1982

O. C. D.  
ARTESIA, OFFICE

Form C-101  
Revised 1-1-65

5A. Indicate Type of Lease  
STATE ☐ FEE ☒

5. State Oil & Gas Lease No.  
---

7. Unit Agreement Name  
---

8. Farm or Lease Name  
GULF COM.

9. Well No.  
1

10. Field and Pool, or Wildcat  
Undesignated Morrow

12. County  
Eddy

### APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well

OIL WELL ☐

GAS WELL ☐

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

3. Name of Operator

SANTA FE EXPLORATION COMPANY

(Ph. 505-623-2733)

4. Address of Operator

P. O. Box 1136, Roswell, New Mexico 88201

6. Location of Well

UNIT LETTER AD LOCATED 660' FEET FROM THE north LINE

AND 660 FEET FROM THE West LINE OF SEC. 14 TWP. 20S RGE. 25E NMPM

11. Elevations (Show whether DF, RT, etc.)  
3416' G.L.

21A. Kind & Status Plug. Bond  
New Well Bond

19. Proposed Depth  
10,000'  
21B. Drilling Contractor  
Moranco

19A. Formation  
Morrow

20. Rotary or C.T.  
Rotary  
22. Approx. Date Work will start  
4-14-82

### PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	48.0#	350'	300	Surface
12 1/4"	8 5/8"	24.0#	1400'	800	Surface
7 7/8"	4 1/2"	11.6#	TD	375	8000'

Producing zone will be perforated and stimulated as necessary.

Attached are: 1. Well Location and Acreage Dedication Plat  
2. BOP Sketch

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 10-31-82  
UNLESS DRILLING UNDERWAY

Gas is not dedicated.

Unorthodox well location was approved by NMOCDC Order R-6933.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed James A. Kilauf Title Agent Date 3-29-82

(This space for State Use)

APPROVED BY Mark W. [Signature] TITLE State Engineer DATE 4-19-82

CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.


Operator <b>SANTA FE EXPLORATION COMPANY</b>			Lease <b>GULF COM</b>		Well No. <b>1</b>
Tract Letter <b>D</b>	Section <b>14</b>	Township <b>20 South</b>	Range <b>25 East</b>	County <b>Eddy</b>	
Actual Plot Location of Well:					
<b>660</b> feet from the <b>North</b> line and		<b>660</b> feet from the <b>West</b> line			
Ground Level Elev. <b>3415.9'</b>	Producing Formation <b>Morrow</b>	Pool <b>Undesignated</b>		Dedicated Acreage: <b>320</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes    ☐ No    If answer is "yes," type of consolidation Communitization Agreement is being processed.

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

 <p>S.F. Expl.</p> <p>Mrs. Frank Giovannoni</p> <p>Suburban Propane</p> <p>U.S. (NM-36902)</p>	<p>S.F. Expl.</p> <p>Fred Cole</p> <p>S.F. Expl.</p> <p>Dora Collins</p>	<p>S.F. Expl.</p> <p>J.T. Price</p>
---	--	-------------------------------------

**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*James A. Knauf*  
Name

James A. Knauf

Position  
Agent

Company  
SANTA FE EXPLORATION CO.

Date  
April 11, 1982

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

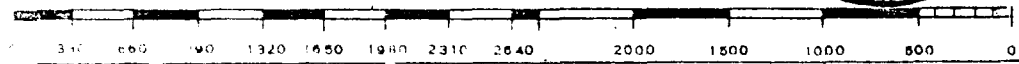
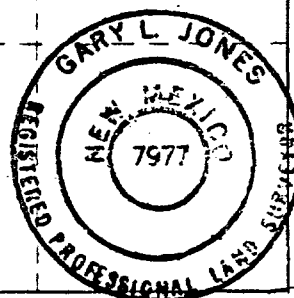
Date Surveyed  
March 24, 1982

Registered Professional Engineer and/or Land Surveyor

*Gary L. Jones*

Certificate No.  
7977

APR 22 1982  
OIL CONSERVATION DIVISION  
SANTA FE

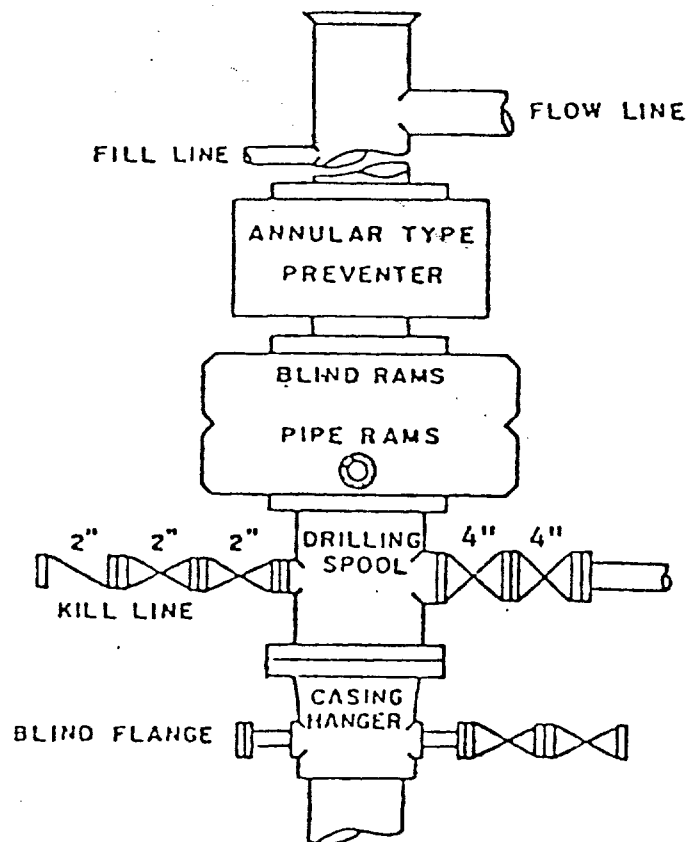


BLOWOUT PREVENTER SKETCH

Santa Fe Exploration Company

Well #1 Gulf

NW $\frac{1}{4}$ NW $\frac{1}{4}$  Sec. 14-20S-25E



900 SERIES



**Petroleum Information.**

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COUNTY	EDDY	TRID Undesignated	STATE	NM
OPR	SANTA FE EXPLORATION CO.		API	30-015-24141
NO	1	LEASE Gulf Com.	MAP	
	Sec 14, T20S, R25E		COORD	
	660 FNL, 660 FWL of Sec			7-1-21 NM
	6 mi SW/Lakewood		SPD	4-20-82
			COMP	4-19-83

CSG

WELL CLASS: INIT D FIN D LSE CODE			
FORMATION	DATUM	FORMATION	DATUM
TD	475 (QUEN)	PBD	

DRY & ABANDONED

CONTR	OPRNTY	3416 GL	sub-s
-------	--------	---------	-------

	F.R. 4-26-82
	PD 10,000 RT (Morrow)
8-31-82	Drlg 200 w/CT
10-26-82	Drlg 280
11-16-82	Drlg 300
12-13-82	Drlg 310
12-21-82	Drlg 420
1-11-83	Drlg 450
2-14-83	Drlg 475
3-15-83	TD 475; Prep D&A
4-19-83	TD 475; D&A
6-27-83	TD 475; Dry & Abandoned
7-2-83	COMPLETION ISSUED

7-1-21 NM  
IC 30-015-70181-82

ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION



GARREY CARRUTHERS  
GOVERNOR

Mr. William F. Carr  
Campbell & Black  
Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico

Re: CASE NO. 9314  
ORDER NO. R-6933-B

Applicant:

Nearburg Producing Company

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florence Davidson

FLORENE DAVIDSON  
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other \_\_\_\_\_