

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

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70 JUN

IN THE MATTER OF THE APPLICATION OF  
BENSON-MONTIN-GREER DRILLING CORPORATION  
FOR AN ORDER EXTENDING THE HORIZONTAL  
LIMITS OF THE WEST PUERTO CHIQUITO MANCOS  
OIL POOL, CONTRACTING THE HORIZONTAL  
LIMITS OF THE EAST PUERTO CHIQUITO MANCOS  
OIL POOL, AND EXPANDING THE UNIT AREA OF  
THE CANADA OJITOS UNIT IN RIO ARRIBA  
COUNTY, NEW MEXICO.

NO. 4374

A P P L I C A T I O N

Comes now the Applicant in the above styled and numbered cause and respectfully makes Application to the Commission to extend the present horizontal limits of the West Puerto Chiquito Mancos Oil Pool in Rio Arriba County, New Mexico, to include the acreage described in Schedule "A" attached hereto and made a part hereof.

Applicant further requests the Commission to delete from the present horizontal limits of the East Puerto Chiquito Mancos Oil Pool in Rio Arriba County, New Mexico, the acreage described in Schedule "B" attached hereto and made a part hereof.

Applicant further requests the Commission to expand the unit area of the Canada Ojitos Unit in Rio Arriba County, New Mexico to include the acreage described in Schedule "C" attached hereto and made a part hereof.

In support of the foregoing Application, Applicant would show the Commission that based upon presently available data and geological inference, it is probable that the areal extent of the West Puerto Chiquito Mancos Oil Pool includes all or a substantial portion of the acreage described on Schedule "A" attached hereto, and that unless such additional area is spaced, developed and operated under

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Date 6-18-70

the present Special Pool Rules for the West Puerto Chiquito Mancos Oil Pool, there is a grave risk that millions of barrels of oil will be rendered unrecoverable and thus wasted.

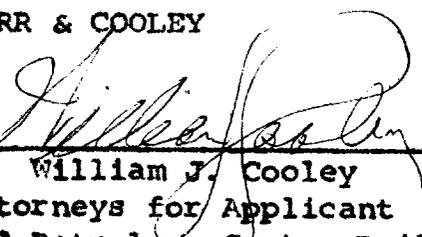
That based upon presently available data and geological inference, it is also probable that the acreage described on Schedule "B" is located in and constitutes a part of the common source of supply known as the West Puerto Chiquito Mancos Oil Pool, rather than the East Puerto Chiquito Mancos Oil Pool, and should therefore be deleted from the horizontal limits of the East Puerto Chiquito Mancos Oil Pool.

That the acreage described on Schedule "C" should be included in the unit area of the Canada Ojitos Unit in order to promote more orderly and efficient development and operation of said acreage under the terms of the Canada Ojitos Unit Agreement and Operating Agreement and protect the correlative rights of all the owners of said lands.

That approval of the foregoing Application will not violate the correlative rights of any operator in either of the above-referred pools, and will directly lead to much greater ultimate recovery of the oil in place in said pools.

Respectfully submitted,

BURR & COOLEY

BY 

William J. Cooley

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Farmington, New Mexico 87401

**SCHEDULE "A"**

**AREA OF PROPOSED EXPANSION OF WEST PUERTO CHIQUITO  
MANCOS OIL POOL, RIO ARriba COUNTY, NEW MEXICO**

**SCHEDULE "B"**

**AREA OF PROPOSED CONTRACTION OF EAST PUERTO CHIQUITO  
MANCOS OIL POOL, RIO ARriba COUNTY, NEW MEXICO**

SCHEDULE "C"

AREA OF PROPOSED EXPANSION OF UNIT AREA OF CANADA  
OJITOS UNIT, RIO ARRIBA COUNTY, NEW MEXICO

Township 26 North, Range 1 East:

Section 20 - W/2 ✕  
Section 29 - All -  
Section 32 - All -  
Section 33 - W/2 ✕

Township 25 North, Range 1 East:

Section 4 - W/2 ✕  
Section 5 - All -  
Section 8 - All -  
Section 9 - W/2 ✕  
Section 17 - All -  
Section 20 - All -  
Section 29 - W/2 ✕

Township 24 North, Range 1 West:

Section 1 - All -  
Section 2 - All -  
Section 3 - All -  
Section 4 - All -  
Section 8 - E/2 ✕  
Section 9 - All -  
Section 10 - All -  
Section 11 - All -  
Section 12 - All -  
Section 13 - All -  
Section 14 - All -  
Section 15 - All -  
Section 16 - All -  
Section 17 - E/2 ✕  
Section 23 - All -  
Section 24 - All -

Township 24 North, Range 1 East:

Section 6 - All -  
Section 7 - All -  
Section 8 - W/2 ✕  
Section 17 - W/2 ✕  
Section 18 - All -  
Section 19 - All -  
Section 20 - W/2 ✕

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 1, 1970

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4354: (Continued from the May 13, 1970, Examiner Hearing)

Application of Michael P. Grace and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 11, Township 23 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, said acreage to be dedicated to a well to be drilled in either the NE/4 NW/4 or the NW/4 NE/4 of said Section 11. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4165: (Reopened):

In the matter of Case No. 4165 being reopened pursuant to the provisions of Order No. R-3795, which order established 160-acre spacing units and an 80-acre proportional factor of 4.77 for the East Bagley-Pennsylvanian Pool, Lea County, New Mexico. All interested parties may appear and show cause why the said pool should not be developed on less than 160-acre spacing units and to show cause why the 80-acre proportional factor of 4.77 should or should not be retained.

CASE 4173: (Reopened):

In the matter of Case No. 4173 being reopened pursuant to the provisions of Order No. R-3811, which order established 80-acre spacing units and a limiting gas-oil ratio of 4000 cubic feet of gas per barrel of oil for the Hobbs-Drinkard Pool, Lea County, New Mexico. All interested parties may appear and show cause why the said pool should not be developed on 40-acre spacing units and why the limiting gas-oil ratio should not revert to 2000 to one.

CASE 4371: Application of Betty Oil Company for a waterflood expansion and amendment of Order No. R-2966, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Justis-McKee Unit Waterflood Project, Justis-McKee Pool, by the conversion to water injection of four additional wells in Units B and H of Section 24, Township 25 South, Range 37 East, and Units D and M of Section 19, Township 25 South, Range 38 East, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2966, as amended, to permit administrative approval for the drilling or conversion of additional injection wells at orthodox or unorthodox locations without a showing of well response.

CASE 4372: Application of International Hydrocarbons Incorporated for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for a well to be drilled 990 feet from the North and West lines of Section 8, Township 26 South, Range 33 East, Red Hills-Wolfcamp Gas Pool, Lea County, New Mexico.

CASE 4373: Application of Benson-Montin-Greer Drilling Corporation for pool redelineation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of certain pool boundaries to include the deletion of the following-described acreage from the East Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico.

TOWNSHIP 26 NORTH, RANGE 1 EAST

Section 20: W/2  
Section 29: All  
Section 32: All  
Section 33: W/2

TOWNSHIP 25 NORTH, RANGE 1 EAST

Section 4: W/2  
Section 5: All  
Section 8: All  
Section 9: W/2  
Section 17: All  
Section 20: All  
Section 29: W/2

and for the extension of the West Puerto Chiquito-Mancos Oil Pool to include the above-described acreage and the following-described acreage in said county:

(Case 4373 continued)

TOWNSHIP 24 NORTH, RANGE 1 WEST

Sections 1 through 36 - All

TOWNSHIP 24 NORTH, RANGE 1 EAST

Section 6: All

Section 7: All

Section 8: W/2

Section 17: W/2

Section 18: All

Section 19: All

Section 20: W/2

Section 30: All

CASE 4374: Application of Benson-Montin-Greer Drilling Corporation for expansion of a unit area, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand the Canada Ojitos Unit Area, authorized by Order No. R-2544, to include some 20,480 additional acres, more or less, of Federal, State and Fee lands in Township 24 North, Ranges 1 East and 1 West, Township 25 North, Ranges 1 East and 1 West; and Township 26 North, Range 1 East, Rio Arriba County, New Mexico.

CASE 4366: (Readvertised)  
Application of Mobil Oil Corporation for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools in the well-bore of its Bridges State Well No. 109, a triple completion, located in Unit N of Section 24, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4375: Application of Pan American Petroleum Corporation for an exception to Rule 104 C. I, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception Rule 104 C. I of the Commission Rules and Regulations to permit the completion within 660 feet of another producing

CASE 4375 - Continued from Page 3 -

well of its Byers "A" Well No. 1 which is being directionally drilled in Unit C of Section 5, Township 19 South, Range 38 East, Hobbs Pool, Lea County, New Mexico, pursuant to Order No. R-3973.

CASE 4376: Application of Pan American Petroleum Corporation for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Lusk "A" Lease comprising the NE/4 of Section 6, Township 15 South, Range 30 East, Double L-Queen Pool, Chaves County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells on said lease in an unlined surface pit.

CASE 4377: Application of Champlin Petroleum Company for a unit agreement, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of the State 32-7-33 Unit Area comprising 640 acres, more or less, of State lands in Section 32, Township 7 South, Range 33 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.

CASE 4378: Application of Champlin Petroleum Company for a waterflood expansion and amendment of Order No. R-3550, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its State 32 Waterflood Project, Chaveroo-San Andres Pool, by the conversion of water injection of one additional well located in Unit B of Section 32, Township 7 South, Range 33 East, Roosevelt County, New Mexico. Applicant further seeks the amendment of Order No. R-3550 to permit administrative approval for the drilling or conversion of additional injection wells without a showing of well response.

CASE 4379: Application of Hal M. Stierwalt for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, for himself and as agent for Southern Union Production Company, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico. Said exception would be for eight of Stierwalt's wells and four of Southern Union Production Company's wells located in Sections 1 and 2 of Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said wells in unlined surface pits located in the vicinity of said wells.

CASE 4380: Application of Shenandoah Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Shugart Pool, Eddy County, New Mexico, by the injection of water into the Yates and Queen formations through its Shugart "B" Well No. 1 located in the SW/4 SE/4 of Section 33, Township 18 South, Range 31 East.