

DOCKET: REGULAR HEARING - WEDNESDAY - DECEMBER 16, 1970

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

- ALLOWABLE: (1) Consideration of the oil allowable for January and February, 1971;
- (2) Consideration of the allowable production of gas for January, 1971, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for January, 1971. Consideration of purchaser's nominations for the six-month period beginning February 1, 1971 for that area.

THE FOLLOWING CASES WILL BE HEARD BEFORE ELVIS A. UTZ,
EXAMINER, OR DANIEL S. NUTTER, ALTERNATE EXAMINER, IN
THE OIL CONSERVATION COMMISSION CONFERENCE ROOM ON THE
SECOND FLOOR OF SAID BUILDING AT 9:30 A.M.

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CASE 4457: (Readvertised from the November 18, 1970, Examiner Hearing)

Application of Tenneco Oil Company for the creation of a new pool, assignment of discovery allowable, and promulgation of special pool rules, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the "D" zone of the Dakota formation for its Don Ne Pah Well No. 1 located in Unit D of Section 18, Township 17 North, Range 8 West, McKinley County, New Mexico, and for the assignment of an oil discovery allowable to said well. Applicant further seeks the promulgation of special rules for said pool, including provisions for 80-acre spacing units with wells to be drilled in either the northwest or southeast quarter-quarter sections.

CASE 4473: Application of Mobil Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Devonian formation in the open-hole interval from 12,226 feet to 12,541 feet in its Cosden-Oil Development Well No. 1 located in Unit C of Section 25, Township 9 South, Range 36 East, Crossroads Siluro-Devonian Pool, Lea County, New Mexico.

CASE 4474: Application of Amini Oil Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the rules governing the North Vacuum-Abo Pool to permit the completion of a well at an off-pattern unorthodox location 2120 feet from the North line and 520 feet from the West line of Section 12, Township 17 South, Range 34 East, Lea County, New Mexico. The S/2 NW/4 of said Section 12 to be dedicated to the well.

CASE 4475: Application of Texas American Oil Corporation for an exception to Order No. R-3221, as amended, Eddy 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. Applicant seeks an exception to the provisions of said order for wells completed in the Sand Dunes-Atoka Gas Pool and the Sand Dunes-Cherry Canyon Pool, Eddy County, New Mexico, to permit the disposal of water produced by said wells in unlined surface pits.

CASE 4476: Application of Hanagan Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Catclaw Draw Unit Area comprising 6,720 acres, more or less, of Federal, State, and Fee lands in Sections 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36, Township 21 South, Range 25 East, Eddy County, New Mexico.

CASE 4472: Southeastern New Mexico nomenclature case calling for an order for the creation of certain new pools and the assignment of oil discovery allowable and the contraction and extension of certain other pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico:

(a) Create a new pool in Roosevelt County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Todd-Wolfcamp Pool comprising the following:

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
SECTION 22: NE/4 SE/4

Further, for the assignment of approximately 38,025 barrels of oil discovery allowable to the discovery well Texaco Inc.'s L.Harris Federal Well No. 1 located in Unit I of said Section 22.

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Bone Spring production and designated as the Black River-Bone Spring Gas Pool. The discovery well is the Pennzoil United, Inc. O'Neill Federal No. 1 located in Unit L of Section 11, Township 24 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
SECTION 11: SW/4

- (c) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Yeso production and designated as the Indian Basin-Yeso Pool. The discovery well is Marathon Oil Company's Indian Basin E No. 2 located in Unit K of Section 27, Township 21 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM
SECTION 27: NE/4 SW/4

- (d) Create a new pool in Lea County, New Mexico, classified as an oil pool for Permo Pennsylvanian production and designated as the East Morton Permo Pennsylvanian Pool. The discovery well is Samedan Oil Corporation's Gulf State No. 1 located in Unit A of Section 4, Township 15 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
SECTION 4: NE/4

- (e) Contract the Square Lake Pool in Eddy County, New Mexico, by the deletion of the following described area:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
SECTION 12: SE/4 SE/4
SECTION 13: N/2

- (f) Extend the Grayburg Jackson Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
SECTION 12: SE/4 SE/4
SECTION 13: N/2

- (g) Extend the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
SECTION 19: W/2

- (h) Extend the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
SECTION 6: W/2

- (i) Extend the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
SECTION 11: All

- (j) Extend the Chaveroo-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
SECTION 23: SW/4

(k) Extend the Double L-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
SECTION 25: SW/4 SE/4

(l) Extend the South McCormack-Silurian Pool In Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 21: NE/4

(m) Extend the South Prairie-Cisco Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
SECTION 20: S/2 SW/4

(n) Extend the Northwest Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 8: NW/4