

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 14, 1972

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for December, 1972, from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico for December, 1972.
- (3) Consideration of purchasers' nominations for the one-year period beginning January 1, 1973, for both of the above areas.

CASE 4608: (Reopened) (Continued from October 4, 1972)

In the matter of Case 4608 being reopened pursuant to the provisions of Order No. R-4213 which order established special rules and regulations for the Haystack Siluro-Devonian Pool, Chaves County, New Mexico, including a provision for 80-acre spacing units. All interested persons may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4855: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of oil production from the Cary-Montoya and South McCormack-Silurian Oil Pools in the wellbore of its R. E. Cole (NCT-A) Well No. 10 in Unit E of Section 16, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 4856: Application of Gulf 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 Queen formation through three wells on its Federal Littlefield "AB" Lease in Section 22, Township 18 South, Range 31 East, Eddy County, New Mexico.

CASE 4857: Application of Perry R. Bass for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for his Big Eddy Well No. 7 located 660 feet from the South line and 1980 feet from the East line of Section 19, Township 20 South, Range 31 East, Maroon Cliffs-Morrow Gas Pool, Eddy County, New Mexico, with the E/2 of said Section 19 to be dedicated to the well.

CASE 4858: Application of Continental Oil Company for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the two following Blinebry Gas Pool non-standard gas proration units in Township 21 South, Range 37 East:

A 120-acre unit comprising the N/2 SW/4 and the SW/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 11 located in Unit L of said Section 21, and a 160-acre unit comprising the NW/4 SE/4, S/2 SE/4 and SE/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 8 located in Unit O of said Section 21.

CASE 4859: Application of Continental Oil Company for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the two following Blinebry Gas Pool non-standard proration units in Township 21 South, Range 37 East:

An 80-acre unit comprising the SW/4 NW/4 of Section 13 and the SE/4 NE/4 of Section 14, to be dedicated to applicant's Lockhart B-14 "A" Well No. 1 located in Unit H of Section 14, and a 160-acre unit comprising the NW/4 SE/4, N/2 SW/4, and SW/4 SW/4 of Section 13, to be simultaneously dedicated to applicant's Lockhart B-13 "A" Wells Nos. 1 and 8 located in Units M and L, respectively, of said Section 13.

CASE 4860: Application of Craig Folsom for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well to test the Queen formation at an unorthodox oil well location 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

CASE 4861: Application of Cities Service Oil Company for the amendment of Order R-4239, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4239, which order pooled all mineral interests in the South Carlsbad-Morrow Gas Pool underlying the N/2 of Section 19, Township 22 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 2173 feet from the North line and 1200 feet from the East line of said Section 19 and provided \$60.00 per month as the charge for supervision (combined fixed rates). Applicant proposes that said order be amended to provide for the drilling of a well on the pooled unit at a standard well location and that \$200.00 a month be established as the charge for supervision.

CASE 4862: Application of Adobe Oil Company for a non-standard gas proration unit and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 520-acre non-standard

(Case 4862 continued from Page 2)

gas proration unit comprising the NE/4, SE/4, E/2 SW/4, N/2 NW/4, and SE/4 NW/4 of Section 11, Township 23 South, Range 24 East, Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools in Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 320 feet from the South and East lines of said Section 11.

CASE 4863: Application of C & K Petroleum Inc. for a non-standard gas proration unit and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 225.59-acre non-standard West Atoka-Morrow gas proration unit in Section 18, Township 18 South, Range 26 East, comprising the SW/4, the SW/4 SE/4, and that portion of the NW/4 SE/4 described as follows:

Beginning at the Northwest corner of said NW/4 SE/4, thence South 1320 feet, thence East 1193.4 feet, thence North 639 feet, thence West 242.2 feet, thence North 30 degrees West, 452.6 feet, thence West 267 feet, thence North 8 degrees East, 267 feet to the North line of said NW/4 SE/4, thence West 507.4 feet to the point of beginning.

Applicant further seeks authority to drill a well for said unit at an unorthodox location 990 feet from the South and West lines of said Section 18.

CASE 4864: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Chaves, Eddy and Lea Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Canyon production and designated as the South Carlsbad-Canyon Gas Pool. The discovery well is the Phillips Petroleum Company Drag B No. 1 located in Unit K of Section 18, Township 23 South, Range 27 East, NMPM. Said pool described as:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 18: S/2

(b) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Hat Mesa-Morrow Gas Pool. The discovery well is the Phillips Petroleum Company Hat Mesa No. 1 located in Unit G of Section 11, Township 21 South, Range 32 East, NMPM. Said pool described as:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 11: E/2

(Case 4864 continued from Page 3)

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Rocky Arroyo-Morrow Gas Pool. The discovery well is the El Paso Natural Gas Company Rocky Arroyo No. 1 located in Unit J of Section 8, Township 22 South, Range 22 East, NMPM. Said pool described as:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 8: E/2
Section 17: N/2

(d) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Rocky Arroyo-Wolfcamp Gas Pool. The discovery well is the El Paso Natural Gas Company Rocky Arroyo No. 1 located in Unit J of Section 8, Township 22 South, Range 22 East, NMPM. Said pool described as:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 8: SE/4

(e) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Lower Pennsylvanian production and designated as the South Sand Dunes-Lower Pennsylvanian Gas Pool. The discovery well is the El Paso Natural Gas Company Sundance Federal No. 1 located in Unit F of Section 4, Township 24 South, Range 31 East, NMPM. Said pool described as:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 4: N/2

(f) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Winchester-Morrow Gas Pool. The discovery well is the Penroc Oil Corporation Dero Federal No. 1 located in Unit P of Section 35, Township 19 South, Range 28 East, NMPM. Said pool described as:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 35: S/2

(g) Extend the Blinebry Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 25: SW/4

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

(Case 4864, Paragraph (h) continued from Page 4)

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM

Section 7: S/2

Section 18: N/2

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

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM

Section 18: S/2

(j) Extend the East Chisum-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM

Section 16: NW/4 NE/4

(k) Extend the North Eunice-San Andres Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 17: NW/4

Section 18: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 7: SE/4

(m) Extend the Haystack-Cisco Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 27 EAST, NMPM

Section 9: All

Section 16: N/2

(n) Extend the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 5: SW/4

Section 6: S/2

(o) Extend the Red Lake Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 23: SE/4 NW/4, NE/4 SW/4, and
N/2 SE/4

Section 24: SE/4 and N/2 SW/4

(Case 4864 continued from Page 5)

(p) Extend the East Shoebar-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 29: NW/4

(q) Extend the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 36: NW/4

(r) Extend the West Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 30: NE/4

(s) Extend the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM
Section 2: W/2
Section 11: All

(t) Extend the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 32: All