

Dockets Nos. 27-76 and 28-76 are tentatively set for hearing on October 13 and 27, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 29, 1976

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 Richard L. Stamets, Alternate Examiner:

- CASE 5768: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Service Drilling Company, The Travelers Indemnity Company, and all other interested parties to appear and show cause why the Gonzales-Pittman Well No. 1, located in Unit M of Section 24, Township 21 North, Range 21 East, Mora County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5769: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Juanita Frank, The Aetna Casualty and Surety Company, and all other interested parties to appear and show cause why the Greathouse Frank Well No. 2, located in Unit C of Section 10, Township 23 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5770: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit George H. Krause, The Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the Krause Beck Well No. 1, located in Unit J of Section 10, Township 29 North, Range 12 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5771: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 22, Township 17 South, Range 26 East, Eddy County, New Mexico, to be dedicated to its Tom Brown GO Com Well No. 1 to be drilled at an unorthodox location 660 feet from the North line and 1980 feet from the West line 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5772: Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal BZ Well No. 16 to be drilled at a point 1980 feet from the North line and 660 feet from the East line of Section 28, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Morrow formation, the N/2 of said Section 28 to be dedicated to the well.
- CASE 5773: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Millman Unit Area comprising 2,017 acres, more or less, of State lands in Township 19 South, Range 28 East, Eddy County, New Mexico.
- CASE 5774: Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 31, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Mollie Well No. 1 to be drilled at an unorthodox location 1100 feet from the North line and 1500 feet from the East line of said Section 31. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5775: Application of Cities Service Oil Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 30, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Tracy "E" Well No. 1 to be drilled at an unorthodox location 1880 feet from the North line and 660 feet from the West line of said Section 30. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

- CASE 5776: Application of Continental Oil Company for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its James Ranch Unit Well No. 9 to be drilled at a point 1980 feet from the North line and 660 feet from the West line of Section 31, Township 22 South, Range 31 East, Los Medanos-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 31 to be dedicated to the well.
- CASE 5777: Application of Gifford & Mitchell and M. B. Wisenbaker for pool creation, pool rules, and a non-standard gas spacing unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Atoka production for its Horseback Well No. 1 located 1000 feet from the South line and 1980 feet from the East line of Section 33, Township 26 South, Range 36 East, Lea County, New Mexico, the promulgation of pool rules therefor, including a provision for 640-acre spacing and approval for a 589.52-acre non-standard gas spacing unit comprising all of partial Sections 33 and 34 of the aforesaid Township.
- CASE 5778: Application of Gas Company of New Mexico for underground gas storage findings, Eddy County, New Mexico. Applicant, in the above-styled cause, pursuant to Section 65-9-5 NMSA 1953 Comp., seeks a decision from the Commission containing findings as to the propriety of utilization for underground gas storage of the sub-surface strata from the top of the Morrow clastic stratum to the top of the Barnett stratum underlying Sections 15, 16, 17, 20, 21, 22, 27, 28, and 29, Township 16 South, Range 27 East, Eddy County, New Mexico.
- CASE 5779: Application of Agua, Inc. for an extension of time and amendment of Order No. R-4495-A, as amended by R-4495-D, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4495-A, as amended by Order No. R-4495-D to permit disposal, after the current October 1, 1976, deadline, of produced salt water through perforations from 4230 feet to 4320 feet in its SWD Well No. C-2, located in Unit C of Section 2, Township 22 South, Range 32 East, Lea County, New Mexico. Applicant seeks the amendment of said order to permit such disposal for an additional 30-day period or until it is able to get electrical power to its Blinbry-Drinkard SWD System Well No. A-22, located in Unit A of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico, whichever comes later.
- CASE 5262: (Reopened) (Continued from September 1, 1976, Examiner Hearing)
- In the matter of Case 5262 being reopened pursuant to the provisions of Order No. R-4822-B, which order extended the special pool rules for Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico, including a provision for 160-acre spacing and proration units and a special depth bracket allowable of 750 barrels of oil per day. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing and why the special depth bracket allowable should not be rescinded.
- CASE 5736: (Continued from September 1, 1976, Examiner Hearing)
- Application of BCO Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Basin Dakota Gas Pool and Lybrook-Gallup Oil Pool and undesignated Greenhorn and Mancos production in the wellbore of its Dunn Well No. 2, located in Unit F of Section 10, Township 23 North, Range 7 West, Rio Arriba County, New Mexico.

Dockets Nos. 29-76 and 30-76 are tentatively set for hearing on October 27 and November 10, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 13, 1976

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for November, 1976, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for November, 1976, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5773: (Continued from September 29, 1976, Examiner Hearing)

Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Millman Unit Area comprising 2,017 acres, more or less, of State lands in Township 19 South, Range 28 East, Eddy County, New Mexico.

CASE 5783: Application of Palmer Oil and Gas Company for an unorthodox gas well location and a non-standard proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 335.66-acre non-standard proration unit, comprising all of Sections 6 and 7, Township 26 North, Range 2 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1850 feet from the South line and 700 feet from the West line of said Section 7.

CASE 5784: Application of Atlantic Richfield Company for four unorthodox locations and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 320-acre Jalmat gas proration unit comprising the NW/4, SW/4 NE/4, E/2 NE/4, NE/4 SE/4 of Section 35, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to its John P. Combest Wells Nos. 1, 2, 3, and 4 located at unorthodox locations in Units H, G, A, and E, respectively, of said Section 35.

CASE 5785: Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Seven Rivers-Queen formation underlying the NE/4 NE/4, NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4 of Section 19, Township 24 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to form four 40-acre proration units to be dedicated to four oil wells to be drilled at standard locations on said tracts. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 5786: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its New Mexico "BZ" State Lease, Langlie-Mattix Pool, Lea County, New Mexico, by the injection of water into the Seven Rivers-Queen formation through seven injection wells located in Unit L of Section 15 and Units B, D, F, H, J, and P of Section 16, Township 23 South, Range 37 East.

CASE 5787: Application of Boyd Operating Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into the Grayburg-San Andres formation through its Robinson Well No. 8 located in Unit N of Section 25 and its Brinson Wells Nos. 2 and 3 located, respectively, in Units A and G of Section 36, Township 16 South, Range 31 East, Eddy County, New Mexico. Applicant further seeks an administrative procedure for expansion of the project by approval of additional injection and production wells at orthodox and unorthodox locations.

CASE 5574: (Reopened)

In the matter of Case 5574 being reopened pursuant to the provisions of Order No. R-5118 which order established a temporary special depth bracket allowable of 750 barrels of oil per day for the Eagle Mesa-Entrada Oil Pool, Sandoval County, New Mexico. All interested parties may appear and show cause why said special depth bracket allowable should not be rescinded.

CASE 5780: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Northwest Production Corporation, Federal Insurance Company, and all other interested parties to appear and show cause why the Blanco 30-12 Well No. 1, located in Unit A of Section 4, Township 30 North, Range 12 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5781: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Petroleum Development Corporation, American Employers Insurance Company, and all other interested parties to appear and show cause why the San Luis Federal Well No. 1, located in Unit J of Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5782: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit U. S. Frigidice, Inc., Fireman's Fund Indemnity Company, and all other interested parties to appear and show cause why the U. S. Frigidice Well No. 1, Clyde Berlier (Kayser), located in Unit A of Section 14, Township 19 North, Range 21 East, Mora County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5788: Southeastern New Mexico nomenclature case calling for the creation, contraction, extension and abolishment of certain pools in Lea, Eddy, and Roosevelt Counties, New Mexico:

a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Angell Ranch-Morrow Gas Pool. The discovery well is the Penroc Oil Corporation Wright Federal Well No. 1 located in Unit O of Section 6, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 6: All

b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the West Burton Flat-Strawn Gas Pool. The discovery well is the David Fasken El Paso Federal Well No. 3 located in Unit H of Section 1, Township 21 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 1: Lots 1 through 3

c) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for Canyon production and designated as the North Chaveroc-Canyon Gas Pool. The discovery well is the Union Oil Company of California Roberts Well No. 1, located in Unit D of Section 9, Township 7 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM
Section 9: W/2

d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Foster Ranch-Morrow Gas Pool. The discovery well is the Mark Production Company Foster Well No. 1 located in Unit J of Section 21, Township 20 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 21: E/2

e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Cherry Canyon production and designated as the Nash Draw Cherry-Canyon Pool. The discovery well is the Mesa Petroleum Company Nash Unit Well No. 4 located in Unit A of Section 13, Township 23 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 13: NE/4

f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn production and designated as the Ojo Chiso-Strawn Gas Pool. The discovery well is the American Quasar Petroleum Company of New Mexico Ojo Chiso Unit Well No. 1, located in Unit E of Section 23, Township 22 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 23: W/2

g) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Cisco production and designated as the North Vacuum-Cisco Gas Pool. The discovery well is the Marathon Oil

Company State Section 7 Com Well No. 1, located in Unit G of Section 7, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 7: E/2

h) CONTRACT the vertical limits of the Kemnitz-Pennsylvanian Pool in Lea County, New Mexico, to the Cisco formation only, redesignating said pool the Kemnitz-Cisco Pool and redefining said pool to comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 13: N/2 and SE/4

i) CONTRACT the vertical limits of the Sombrero-Pennsylvanian Gas Pool in Lea County, New Mexico, to the Atoka formation only, redesignating said pool the Sombrero-Atoka Gas Pool and redefining said pool to comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 12: W/2
Section 13: W/2 and SE/4

j) ABOLISH the East Shugart-Queen Pool in Lea County, New Mexico, described as:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 6: NE/4

k) ABOLISH the Watkins-Seven Rivers Pool in Eddy and Lea Counties, New Mexico, described as:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 36: E/2

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 31: All

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 6: N/2

l) EXTEND the vertical limits of the Watkins-Grayburg Pool in Lea County, New Mexico, to include the Yates, Seven Rivers, and Queen formations, redesignating said pool the Watkins Yates-Seven Rivers-Queen-Grayburg Pool and redefining said pool to comprise:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 31: NW/4 and S/2

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 6: N/2

m) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 18: SE/4

n) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 1: S/2

o) EXTEND the North Burton Flats-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 10: W/2
Section 15: W/2
Section 16: E/2

p) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 20: E/2

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 3: W/2

- q) EXTEND the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 30: SE/4

- r) EXTEND the Dayton-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 26: SW/4

- s) EXTEND the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 27: NE/4 and N/2 NW/4

- t) EXTEND the Hoag Tank-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 23: All

- u) EXTEND the Middle Lynch Yates -Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 28: N/2 K/2

- v) EXTEND the Maljamar-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 32: W/2

- w) EXTEND the Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 20: SW/4

- x) 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 13: SE/4 SE/4
Section 24: NE/4

- y) EXTEND the Sawyer-San Andres Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 13: SW/4

- z) EXTEND the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 26: NW/4
Section 27: NE/4

- aa) EXTEND the Vacuum-Queen Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 2: SW/4
Section 3: SE/4