

Dockets Nos. 34-83 and 35-83 are tentatively set for October 12 and October 26, 1983. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 28, 1983

9 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 Richard L. Stamets, Alternate Examiner:

CASE 7963: Application of Sun Exploration and Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Abo oil well location 200 feet from the North and West lines of Section 10, Township 23 South, Range 36 East, the NW/4 NW/4 of said Section 10 to be dedicated to the well.

CASE 7964: Application of Sun Exploration and Production Company for amendment of Division Order R-7313, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-7313 to inject into the open hole intervals from 2986 feet to 3004 feet and 3050 feet to 3060 feet in its Jennings "B" Federal Well No. 2 located in Section 15, Township 19 South, Range 32 East, Northeast Lusk Field.

In the absence of objection, said application will be granted.

CASE 7965: Application of Hicks Oil & Gas Company for the amendment of Division Order No. R-1069-B, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-1069-B, Rule 2 of the Special Rules governing the Bisti-Lower Gallup Oil Pool, to provide for 80-acre proration units comprising either the N/2, S/2, E/2 or W/2 of any quarter section in Section 2, Township 25 North, Range 13 West.

CASE 7966: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Undesignated Gallup production in the wellbore of its Mother Lode Well No. 1 located 1730 feet from the North line and 860 feet from the East line of Section 3, Township 24 North, Range 2 West.

CASE 7967: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Undesignated Gallup production in the wellbore of its E. T. Well No. 1 located 1100 feet from the North line and 1600 feet from the West line of Section 28, Township 25 North, Range 2 West.

CASE 7968: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Undesignated Gallup production in the wellbore of its Wright Way Well No. 1 located 950 feet from the North line and 1680 feet from the West line of Section 2, Township 24 North, Range 2 West.

CASE 7946: (Continued from September 14, 1983, Examiner Hearing)

Application of Jerome P. McHugh for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 27, Township 25 North, Range 2 West, and all mineral interests in the Gallup formation underlying the NE/4 SE/4 of said Section 27, to be dedicated to a well to be drilled at a standard 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.

CASE 7969: Application of Yates Petroleum Corporation for amendment of Division Order R-7293, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-7293 to inject into the open hole interval from 10,420 feet to 10,740 feet in its Midwest "XV" State Well No. 1 located in Section 19, Township 14 South, Range 33 East.

In the absence of objection, said application will be granted.

CASE 7945: (Continued and Readvertised)

Application of J. Cleo Thompson for statutory unitization, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of a secondary recovery project, all mineral interests in the Grayburg-San Andres formation underlying the West Square Lake Unit Area encompassing 3,500 acres, more or less, of State and Federal lands underlying portions of Sections 26, 32, 33, 34, 35 and 36 of Township 16 South, Range 30 East, and Sections 2 and 4 of Township 17 South, Range 30 East. The unitized interval would be the Grayburg-San Andres formation between the depths of 2818 feet and 3150 feet in Newmont Oil Company's Etz "C" No. 1 Well located in Section 34, Township 16 South, Range 30 East. 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 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 7970: Application of Belco Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the W/2 SW/4 of Section 18, Township 17 South, Range 39 East, South Knowles-Devonian Pool, to be dedicated to a well to be drilled at a standard 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.

CASE 7971: Application of Tenneco Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota and Mesaverde formations underlying the E/2 of Section 2, Township 30 North, Range 9 West, to be dedicated to a well to be drilled at a standard 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.

CASE 7955: (Continued from September 14, 1983, Examiner Hearing)

Application of Bliss Petroleum, Inc. for the rescission of Order No. R-2789, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-2789 which approved the South Penrose Skelly Unit.

Dockets Nos. 11-84 and 12-84 are tentatively set for March 14 and March 28, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 29, 1984

8 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 Richard L. Stamets, Alternate Examiner:

- CASE 8079: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Floyd E. Sherrell, American Manufacturers Mutual Insurance Company, and all other interested parties to appear and show cause why the Floyd Sherrell Well No. 1 located in Unit K of Section 32, Township 17 South, Range 26 East, Eddy County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 8080: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Gerald J. Prom, Western Surety Company, and all other interested parties to appear and show cause why the Crown Point Well No. 1 located in Unit F of Section 18, Township 18 North, Range 13 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 8081: Application of Amoco Production Company for an unorthodox injection well location and directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the directional drilling at an unorthodox surface location 1978 feet from the North line and 1223 feet from the West line of Section 10, Township 19 South, Range 38 East, to an orthodox bottomhole location within 100 feet of a point 1980 feet from the North and West lines of said Section 10.
- CASE 8082: Application of Amoco Production Company for amendment of Division Order No. R-4934, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-4934 which authorized the Amoco South Hobbs Grayburg-San Andres Pressure Maintenance Project to provide administrative approval procedures for unorthodox locations closer than 330 feet to the outer unit boundary when covered by a lease-line agreement, directional drilling, and a water injection credit allowable.
- CASE 7945: (Reopened and Readvertised)
- Application of J. Cleo Thompson and James Cleo Thompson, Jr., a Partnership, for statutory unitization, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of a secondary recovery project, all mineral interests in the Grayburg-San Andres formation underlying the West Square Lake Unit Area encompassing 3,500 acres, more or less, of State and Federal lands underlying portions of Sections 26, 32, 33, 34, 35 and 36 of Township 16 South, Range 30 East, and Sections 2 and 4 of Township 17 South, Range 30 East. The unitized interval would be the Grayburg-San Andres formation between the depths of 2818 feet and 3150 feet in Newmont Oil Company's Etz "C" Well No. 1 located in Section 34, Township 16 South, Range 30 East. 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 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 8065: (Continued and Readvertised)
- Application of Robert E. Boling for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp and Pennsylvanian formations in the perforated interval from 8650 feet to 9000 feet in the Empire 22 Federal Well No. 1 located 1980 feet from the South and West lines of Section 22, Township 18 South, Range 29 East.
- CASE 8083: Application of Geo-Engineering for an unorthodox well location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 2010 feet from the North line and 1360 feet from the East line of Section 28, Township 20 North, Range 9 West, Chaco Wash-Mesaverde Pool.
- CASE 8084: Application of Bass Enterprises Production Company for amendment of Division Order No. R-5693, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-5693, as amended, which authorizes salt water disposal in the Big Eddy Unit Well No. 56 located in Unit G of Section 35, Township 21 South, Range 28 East, Indian Flats-Delaware Pool. Applicant seeks to delete the requirement for the annual temperature and noise log on Big Eddy Well No. 41 located in Unit J of said Section 35.

- CASE 8085: Application of A. M. Kalaf and George Kalaf for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the East Puerto Chiquito-Mancos Pool underlying the SE/4 of Section 4, Township 25 North, Range 1 East, to be dedicated to a well to be drilled at a standard 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.
- CASE 8086: Application of Alpha Twenty-One Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation in the perforated interval from 3761 feet to 3896 feet in its Buckskin Federal Well No. 2 located 554 feet from the South line and 1874 feet from the West line of Section 18, Township 24 South, Range 38 East, Dollarhide-Queen Pool.
- CASE 8087: Application of Union Oil Company of California for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow well location 2050 feet from the South line and 825 feet from the West line of Section 27, Township 24 South, Range 26 East, White City-Pennsylvanian Gas Pool, all of said Section 27 to be dedicated to the well.
- CASE 8088: Application of Llano, Inc. for special well testing requirements or expansion of its gas storage project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order requiring testing of the Morrow formation at Llano's option by use of a Repeat Formation Tester in the L & B Oil Company's Federal Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the East line of Section 5, Township 22 South, Range 34 East. In the alternative, applicant seeks the extension of its gas storage project to include the Morrow formation under all of said Section 5.
- CASE 8089: Application of Pennzoil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 1330 feet from the North line and 1650 feet from the East line of Section 16, Township 16 South, Range 37 East, Northeast Lovington-Strawn Pool, the W/2 NE/4 of said Section 16 to be dedicated to the well.
- CASE 8090: Application of Hixon Development Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 1090 feet from the South line and 1550 feet from the West line of Section 15, Township 25 North, Range 12 West, Bisti-Lower Gallup Pool.
- CASE 8091: Application of Reeves Drilling and Petroleum Corp. for amendment of Division Order No. R-2565, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-2565 to rescind the 160-acre spacing provisions for the East Puerto Chiquito-Mancos Oil Pool and return the pool to 40-acre spacing.
- CASE 8092: Application of H. L. Brown for an unorthodox gas well location, Lea County, New Mexico. Applicant in the above-styled cause, seeks approval of an unorthodox Wolfcamp and Pennsylvanian well location 660 feet from the South and East lines of Section 32, Township 15 South, Range 32 East, the S/2 of said Section 32 to be dedicated to the well.
- CASE 8093: Application of Consolidated Oil & Gas Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Glorieta formation in the perforated interval from 6585 feet to 6990 feet in its Midway State Well No. 1 located 330 feet from the South and East lines of Section 8, Township 17 South, Range 37 East.
- CASE 8094: Application of Zia Energy Inc. for a non-standard gas proration unit, unorthodox gas well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 280-acre non-standard proration unit comprising the SW/4, E/2 NW/4, and SW/4 NW/4 of Section 20, Township 22 South, Range 36 East, Jalmat Gas Pool, to be simultaneously dedicated to a well to be drilled at an unorthodox location 660 feet from the South and West lines in said Section 20 and its existing Cities Federal Well No. 1.
- CASE 8095: Application of Cities Service Oil & Gas Corporation for amendment of Division Order No. R-4808, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-4808, which authorized the Empire-Abo Pressure Maintenance Project to abolish the present maximum daily project allowable and to establish a new maximum daily project allowable of 4 MMcf per day.

- CASE 8096:** Application of Conoco Inc. for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the E/2 W/2 and W/2 E/2 of Section 19, Township 25 South, Range 37 East, Jalmat Gas Pool, to be simultaneously dedicated to its Sholes B-19 Well No. 2 located in Unit C and its Sholes B-19 Well No. 4 located in Unit K of said Section 19.
- CASE 8097:** Application of Anadarko 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 4750 feet below the surface underlying the SW/4 SE/4 of Section 31, Township 18 South, Range 39 East, Foster Field, said unit to be dedicated to a well to be drilled at a standard 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.
- CASE 8098:** Application of Tenneco Oil Company for compulsory pooling and dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying the W/2 and in the Chacra formation underlying the SW/4 of Section 19, Township 26 North, Range 6 West, to be dedicated to a well to be drilled and dually completed at a standard 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.
- CASE 8099:** Application of John S. Goodrich, Inc. for compulsory pooling or non-standard proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Southeast Chaves Queen Gas Area underlying the W/2 of Section 4, Township 13 South, Range 31 East, to be dedicated to a well to be drilled at a standard 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. In the alternative, applicant seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of said Section 4.
- CASE 8070:** (Continued from February 15, 1984, Examiner Hearing)
- Application of Robert M. Edsel Inc. for directional drilling, non-standard proration unit, creation of a new oil pool, and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the directional drilling of its Scott Well No. 2 from a surface location 2310 feet from the South line and 1980 feet from the West line of Section 1, Township 15 South, Range 36 East, to a bottomhole location in the Wolfcamp formation at an approximate vertical depth of 10,800 feet within a 100 foot radius of a point 3370 feet from the South line and 1670 feet from the West line of said Section 1 and for approval of a non-standard 80-acre proration and spacing unit consisting of the SE/4 NW/4 and the NE/4 SW/4 of said Section 1. Applicant further seeks the creation of a new Wolfcamp oil pool with special pool rules including a provision for 80-acre spacing and proration units.
- CASE 8100:** Application of Energy Reserves Group, Inc. for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in formations underlying the S/2 of Section 10, Township 6 South, Range 33 East, as follows: NW/4 SE/4 San Andres, Granite Wash, and Fusselman; S/2 Cisco, or in the alternative, NE/4 SE/4 San Andres, Granite Wash, and Fusselman; SE/4 Cisco; said units to be dedicated to a well to be drilled at a standard 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.
- CASE 8071:** (Continued from February 15, 1984, Examiner Hearing)
- Application of Superior Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bone Springs formation underlying the E/2 SE/4 and all mineral interests in all other formations from the surface through the Wolfcamp formation underlying the NE/4 SE/4 of Section 17, Township 19 South, Range 35 East, to be dedicated to a well to be drilled at a standard 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.

CASE 8101: Application of OGR Operating Company, Inc. for creation of a new pool and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool in Township 6 South, Range 34 East, for the production of oil from the Fusselman formation and the promulgation of temporary special pool rules including a provision for 80-acre spacing.

CASE 8102: Application of OGR Operating Company, Inc. for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Fusselman formation to form two standard 80-acre proration units in Section 9, Township 6 South, Range 34 East, the first being the W/2 NW/4 and the second being the E/2 NW/4, each unit to be dedicated to a well to be drilled at a standard 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.

CASE 8069: (Continued and Readvertised)

Application of Anadarko Production Company for five unorthodox well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of five unorthodox well locations in its Burnham Unit in the Square Lake Grayburg-San Andres Pool at the following locations all within Section 2, Township 17 South, Range 30 East:

- Well No. 5-3 2630 FSL and 1200 FWL
- Well No. 2-4 2630 FSL and 2630 FEL
- Well No. 6-4 1310 FSL and 2630 FWL
- Well No. 2-5 2630 FSL and 1290 FEL
- Well No. 4-2 1210 FSL and 1220 FEL

DOCKET: COMMISSION HEARING - WEDNESDAY - MARCH 7, 1984

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205, STATE LAND
OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 8103: Application of DEPCO, Inc. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe Office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8104: Application of Tenneco Oil Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico and the Catclaw Draw Field of Southeast New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe Office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

- CASE 8105: Application of Conoco Inc. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe Office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.
- CASE 8106: Application of Caulkins Oil Co. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe Office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.
- CASE 8107: Application of Energy Reserves Group for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe Office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.
- CASE 8108: Application of Southern Union Exploration Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe Office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.
- CASE 8109: Application of Amoco Production Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of the wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe Office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.
- CASE 8110: Application of Union Texas Petroleum Corporation for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of the wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe Office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.
- CASE 8111: Application of Southland Royalty Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of the wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe Office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

Dockets Nos. 30-83 and 31-83 are tentatively set for September 14 and September 28, 1983. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 31, 1983

9 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 Richard L. Stamets, Alternate Examiner:

- CASE 7944: Application of Exxon Corporation for a unit agreement, Dona Ana County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Mason Draw Unit Area, comprising 24,870.44 acres, more or less, of State and Federal lands in Townships 22 and 23 South, Ranges 3 and 4 West.
- CASE 7945: Application of J. Cleo Thompson for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Square Lake Unit Area, comprising 3,500 acres, more or less, of State and Federal lands in Townships 16 and 17 South, Range 30 East.
- CASE 7946: Application of Jerome P. McHugh for compulsory pooling, Rio Arriba County, New Mexico. Applicant in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 27, Township 25 North, Range 2 West, and all mineral interests in the Gallup formation underlying the NE/4 SE/4 of said Section 27, to be dedicated to a well to be drilled at a standard 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.
- CASE 7947: Application of BBC Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the disposal of produced salt water into the Delaware formation in the perforated interval from 3,300 feet to 4,600 feet in its Ross Draw Federal Well No. 1 located 660 feet from the North line and 1980 feet from the West line of Section 33, Township 26 South, Range 30 East. Applicant further seeks to have itself, or in the alternative, Stateline, Ltd., a New Mexico limited partnership, named as operator of this injection well.
- CASE 7933: (Continued from August 17, 1983, Examiner Hearing)
- Application of New Tex Oil Company for the amendment of Order No. R-4053, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks amendment to Division Order No. R-4053 limiting the injection of produced salt water to an amount not in excess of 1,500 barrels per month in the Ford Chapman Gulf Pipkin Federal Well No. 1 located 330 feet from the South line and 605 feet from the East line of Section 34, Township 26 South, Range 29 East.
- CASE 7948: Application of Bison Petroleum Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 1980 feet from the South line and 1485 feet from the West line of Section 34, Township 13 South, Range 30 East, SE Chaves Queen Gas Area, the NE/4 SW/4 of said Section 34 to be dedicated to the well.
- CASE 7949: Application of Southland Royalty Company for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Point Lookout formation in the perforated interval from 4,225 feet to 4,300 feet in its McGrath Well No. 4 located 800 feet from the North line and 1730 feet from the East line of Section 34, Township 30 North, Range 12 West.
- CASE 7950: Application of Alpha Twenty-One Production Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of special pool rules for the Moore-Permo-Pennsylvanian Pool establishing a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil.
- CASE 7936: (Continued from August 17, 1983, Examiner Hearing)
- Application of Hilliard Oil & Gas Inc. for temporary special pool rules, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special pool rules for the Cedar Point-Strawn Pool to provide for 80-acre proration units and specified orthodox well locations in order to assure orderly development of the pool and protect correlative rights. Applicant requests that the temporary special rules and regulations be established for a one-year period.

- CASE 7951: Application of Marbob Energy Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 330 feet from the North line and 1295 feet from the East line of Section 27, Township 17 South, Range 28 East, Red Lake Queen Grayburg San Andres Pool, the NE/4 NE/4 of said Section 27 to be dedicated to the well.
- CASE 7952: Application of Inexco Oil Company for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Mississippian formation underlying the SE/4 SW/4 and the SW/4 SE/4 of Section 13, Township 15 South, Range 37 East, to be dedicated to its Norris Well No. 2 to be drilled at an unorthodox location 800 feet from the South line and 2550 feet from the West line of said Section 13. 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.
- CASE 7953: Application of Chama Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the N/2 of Section 27, Township 19 South, Range 25 East, to be dedicated to a well to be drilled at a standard 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.

Dockets Nos. 33-83 and 34-83 are tentatively set for October 12 and October 26, 1983. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 14, 1983

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

The following cases will be heard before Richard L. Stamets, Examiner, or Michael E. Stogner, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1983, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for October, 1983, from four prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico.

CASE 7945: (Continued from August 31, 1983, Examiner Hearing)

Application of J. Cleo Thompson for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Square Lake Unit Area, comprising 3,500 acres, more or less, of State and Federal lands in Townships 16 and 17 South, Range 30 East.

CASE 7954: Application of Moroilco Inc. for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated intervals from 3857 feet to 3862 feet and 3880 feet to 3896 feet in its Miller Federal Well No. 2 located 1980 feet from the South line and 660 feet from the East line of Section 33, Township 7 South, Range 31 East.

CASE 7946: (Continued from August 31, 1983, Examiner Hearing)

Application of Jerome P. McHugh for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 27, Township 25 North, Range 2 West, and all mineral interests in the Gallup formation underlying the NE/4 SE/4 of said Section 27, to be dedicated to a well to be drilled at a standard 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.

CASE 7934: (Continued and Readvertised)

Application of Yates Petroleum Corporation for infill findings and amendment of Orders R-3169 and R-3169-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that 90 wells drilled as second or subsequent wells on proration units in the Eagle Creek-San Andres Pool, Eddy County, New Mexico, were infill wells necessary for the effective and efficient drainage of reserves under the proration unit. Applicant also seeks the amendment of Division Order Nos. R-3169 and R-3169-A, Eagle Creek-San Andres Pool, to permit the optional drilling and production of more than one well on a proration unit, such wells being necessary to effectively and efficiently drain the reserves under said proration unit.

CASE 7935: (Continued and Readvertised)

Application of Yates Petroleum Corporation for a waterflood project and unorthodox injection well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project to facilitate the study of future unitization of the Eagle Creek-San Andres Field for secondary recovery and to inject water into the San Andres formation in four wells and to drill one producing well all to be drilled at unorthodox locations in the W/2 of Section 23, Township 17 South, Range 25 East.

CASE 7956: 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 from the surface through the base of the Morrow formation underlying the N/2 of Section 12, Township 18 South, Range 25 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North and East lines of said Section 12. 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.

CASE 7947: (Continued from August 31, 1983, Examiner Hearing)

Application of BBC Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the disposal of produced salt water into the Delaware formation in the perforated interval from 3,300 feet to 4,600 feet in its Ross Draw Federal Well No. 1 located 660 feet from the North line and 1980 feet from the West line of Section 33, Township 26 South, Range 30 East. Applicant further seeks to have itself, or in the alternative, Stateline, Ltd., a New Mexico limited partnership, named as operator of this injection well.

CASE 7957: Application of Coastal Oil & Gas Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location in the NE/4 NW/4 of Section 4, Township 10 South, Range 33 East, the NE/4 NW/4 of said Section 4 to be dedicated to the well. Special Pool Rules for the Flying "M"- San Andres Pool are applicable to this Section and require that wells be drilled in the NW/4 or SE/4 of the quarter-quarter section.CASE 7936: (Continued from August 31, 1983, Examiner Hearing)

Application of Hilliard Oil & Gas Inc. for temporary special pool rules, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special pool rules for the Cedar Point-Strawn Pool to provide for 80-acre proration units and specified orthodox well locations in order to assure orderly development of the pool and protect correlative rights. Applicant requests that the temporary special rules and regulations be established for a one-year period.

CASE 7952: (Continued and Readvertised)

Application of Inexco Oil Company for compulsory pooling, unorthodox location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface to the top of the Mississippian formation underlying a non-standard proration unit comprising the SE/4 SW/4 and SW/4 SE/4 of Section 13, Township 17 South, Range 37 East. at an unorthodox location 800 feet from the South line and 2,550 feet from the West line of said Section 13. 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.

CASE 7473: (Reopened)
(This Case will be continued to October 12, 1983)

In the matter of Case 7473 being reopened pursuant to the provisions of Order No. R-7211, Lea County, New Mexico. The operator of the South Humble City-Strawn Pool should appear and present evidence as to the proper spacing and operation of wells therein.

CASE 7958: Application of Reading and Bates Petroleum Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface to the base of the Atoka formation underlying the SE/4 of Section 24, Township 16 South, Range 35 East, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the South and East lines of this Section. 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.CASE 7959: Application of Southland Royalty Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface to the base of the Pictured Cliffs formation underlying the SW/4 of Section 10, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard 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.CASE 7955: Application of Bliss Petroleum, Inc. for the rescission of Order No. R-2789, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-2789 which approved the South Penrose Skelly Unit.

CASE 7960: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning a discovery allowable, and extending certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Diamondtail-Atoka Gas Pool. The discovery well is the Superior Oil Company Triste Draw Gulf Federal Well No. 1 located in Unit N of Section 11, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 11: S/2

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the West McDonald-Pennsylvanian Pool. The discovery well is the Harvey E. Yates Company Richardson Fee Well No. 3 located in Unit D of Section 5, Township 14 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM
Section 5: NW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the West Pearl-San Andres Pool. Further, to assign approximately 28,085 barrels of discovery allowable to the discovery well the Gulf Oil Corporation Lea AQ State Well No. 1 located in Unit A of Section 32, Township 19 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 32: NE/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Northwest Red Hills-Atoka Gas Pool. The discovery well is The Superior Oil Company Paduca Federal Unit Com Well No. 1 located in Unit H of Section 22, Township 25 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 32 EAST, NMPM
Section 22: E/2

- (e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Red Tank-Morrow Gas Pool. The discovery well is The Superior Oil Company Connally Federal Well No. 1 located in Unit J of Section 15, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 15: S/2

- (f) EXTEND the Angell Ranch Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 15: All
Section 16: All

- (g) EXTEND the Avalon-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 4: All
Section 9: N/2

- (h) EXTEND the Bear Draw Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 21: S/2

- (i) EXTEND the South Brunson-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 31: NW/4

- (j) EXTEND the East Burton-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 16: SW/4
Section 21: NW/4

- (k) EXTEND the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 15: All
Section 16: All

- (l) EXTEND the East Eagle Creek Atoka-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 15: All

- (m) EXTEND the Elkins-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM
Section 16: SW/4

- (n) EXTEND the Flying M-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 9: NE/4
Section 10: N/2

- (o) EXTEND the Jenkins-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM
Section 30: NE/4

- (p) EXTEND the Lovington-Paddock Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 30: NE/4

- (q) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 30: NE/4

- (r) EXTEND the Morton-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 18: NE/4

- (s) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 22 EAST, NMPM
Section 1 through 4: All
Sections 9 through 16: All
Sections 21 through 28: All
Sections 33 through 36: All

TOWNSHIP 6 SOUTH, RANGE 23 EAST, NMPM
Section 7: All
Section 18: All
Section 19: All
Section 30: All
Section 31: All

TOWNSHIP 7 SOUTH, RANGE 22 EAST, NMPM
Section 3: All
Section 4: All
Sections 9 through 11: All
Sections 14 through 16: All
Sections 21 through 28: All
Sections 33 through 36: All

TOWNSHIP 7 SOUTH, RANGE 23 EAST, NMPM
Section 15: W/2

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPM

Sections 1 through 4: All
Sections 9 through 11: All
Section 12: SW/4
Section 13: W/2
Sections 14 through 16: All
Sections 21 and 22: All
Section 23: W/2 and NE/4
Section 24: NW/4

TOWNSHIP 9 SOUTH, RANGE 22 EAST, NMPM

Section 1: E/2
Section 12: E/2
Section 13: E/2
Section 24: E/2

TOWNSHIP 9 SOUTH, RANGE 23 EAST, NMPM

Section 6: W/2
Section 7: All
Section 18: W/2
Section 19: W/2

(t) EXTEND the Scharb-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 4: NW/4

(u) EXTEND the Springer Basin-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM

Section 11: S/2

(v) EXTEND the North Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 10: S/2 S/2
Section 15: NE/4

Docket No. 31-83

DOCKET: COMMISSION HEARING - FRIDAY - SEPTEMBER 16, 1983

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 7925: (Rehearing)

Application of Chama Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface to the base of the Mississippian formation underlying the E/2 of Section 22, Township 19 South, Range 25 East, to be dedicated to a well to be re-entered at a standard location thereon. Also to be considered will be the cost of re-entering 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 re-entering said well. Upon application of Anadarko Production Company and Chama Petroleum Company, this case is being reopened for rehearing.

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 22, 1983

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

CASE 7961: Application of Bass Enterprises Production Company for an unorthodox location and to form a drilling island, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 560 feet from the North line and 660 feet from the West line of Section 4, Township 21 South, Range 30 East, for a well to be drilled to test the Morrow formation at approximately 13,000 feet below the surface. Applicant further seeks the establishment of a drilling island with a 250 foot radius around this unorthodox location for the drilling of additional wells at a future date.

CASE 7891: (Reopened)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider certain amendments to the Geothermal Rules and Regulations. This case is being reopened by the Commission to consider the adoption of a distinctive rule numbering system to comply with State Record Center requirements. In addition, the Commission will consider any supplementary comments of the rule amendments considered at its hearing on June 1, 1983, dealing with certain proposed amendments to definitions and bonding requirements and the addition of a class of well known as a thermal gradient well. Copies of all rule changes and forms as presently proposed are available for inspection during normal business hours at the main office of the Oil Conservation Division, State Land Office Building, Santa Fe, and at the Division's District Offices in Artesia, Aztec and Hobbs.

CASE 7962: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider certain amendments to Rule 902 of the Oil and Gas Rules and Regulations. The Commission will consider proposed amendments to Rule 902 to extend the coverage of this Ratable Take rule to include casinghead gas produced from oil wells. This proposed rule change is in conformance with amendments made to the Oil and Gas Act by the New Mexico Legislature. Copies of the proposed rule changes are available for inspection during normal business hours at the main office of the Oil Conservation Division, State Land Office Building, Santa Fe, and at the Division's District Offices in Artesia, Aztec and Hobbs.

Dockets Nos. 12-84 and 13-84 are tentatively set for March 28 and April 10, 1984. Applications for hearing must be heard at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 14, 1984

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

The following cases will be heard before Richard L. Stamets, Examiner, or Michael E. Stogner, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for April, 1984, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for April, 1984, from four prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico.

CASE 8079: (Continued from February 29, 1984, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Floyd E. Sherrell, American Manufacturers Mutual Insurance Company, and all other interested parties to appear and show cause why the Floyd Sherrell Well No. 1 located in Unit K of Section 32, Township 17 South, Range 26 East, Eddy County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8050: (Continued from February 15, 1984, Examiner Hearing)

Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the East Bradley Unit Area comprising 3,840 acres, more or less, of State and Federal lands in Township 26 South, Range 34 East.

CASE 8112: Application of Amoco Production Company for a non-standard proration unit and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 100-acre non-standard proration unit comprising the N/2 NE/4 of Section 3, Township 16 South, Range 32 East, North Anderson Ranch-Wolfcamp Pool, for a well to be drilled at an unorthodox location 1320 feet from the North line and 660 feet from the East line of said Section 3.

CASE 7945: (Continued from February 29, 1984, Examiner Hearing)

Application of J. Cleo Thompson and James Cleo Thompson, Jr., a Partnership, for statutory unitization, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of a secondary recovery project, all mineral interests in the Grayburg-San Andres formation underlying the West Square Lake Unit Area encompassing 3,500 acres, more or less, of State and Federal lands underlying portions of Sections 26, 32, 33, 34, 35 and 36 of Township 16 South, Range 30 East, and Sections 2 and 4 of Township 17 South, Range 30 East. The unitized interval would be the Grayburg-San Andres formation between the depths of 2818 feet and 3150 feet in Newmont Oil Company's Etz "C" Well No. 1 located in Section 34, Township 16 South, Range 30 East. 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 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 8113: Application of Don Stuckey for a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard gas proration unit comprising the N/2 of Section 5, Township 20 South, Range 25 East, Dagger Draw Upper Pennsylvanian Field.

CASE 8114: Application of Samedan Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wantz-Abo and Drinkard production in the wellbore of its Parks "A" Well No. 3 located 660 feet from the South and East lines of Section 14, Township 22 South, Range 37 East.

- CASE 8115: Application of Phillips Oil Company for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 330 feet from the South line and 1200 feet from the East line of Section 14, Township 16 South, Range 30 East, Henshaw-Wolfcamp Pool.
- CASE 8116: Application of Rio Pecos Corporation for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 660 feet from the North line and 1310 feet from the West line of Section 27, Township 16 South, Range 37 East, Casey-Strawn Pool.
- CASE 8051: (Continued from February 1, 1984, Examiner Hearing)
- Application of Amerind Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the E/2 SW/4 of Section 21, Township 16 South, Range 37 East, to be dedicated to a well to be drilled at a standard 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.
- CASE 8052: (Continued from February 1, 1984, Examiner Hearing)
- Application of Amerind Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 SW/4 of Section 21, Township 16 South, Range 37 East, to be dedicated to a well to be drilled at a standard 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.
- CASE 8095: (Continued from February 29, 1984, Examiner Hearing)
- Application of Cities Service Oil & Gas Corporation for amendment of Division Order No. R-4808, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-4808 which authorized the Empire-Abo Pressure Maintenance Project to abolish the present maximum daily project allowable and to establish a new maximum daily project allowable of 4 MMcf per day.
- CASE 8098: (Continued from February 29, 1984, Examiner Hearing)
- Application of Tenneco Oil Company for compulsory pooling and dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying the W/2 and in the Chacra formation underlying the SW/4 of Section 19, Township 26 North, Range 6 West, to be dedicated to a well to be drilled and dually completed at a standard 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.
- CASE 8099: (Continued from February 29, 1984, Examiner Hearing)
- Application of John S. Goodrich, Inc. for compulsory pooling or non-standard proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Southeast Chaves Queen Gas Area underlying the W/2 of Section 4, Township 13 South, Range 31 East, to be dedicated to a well to be drilled at a standard 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. In the alternative, applicant seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of said Section 4.
- CASE 8069: (Continued and Readvertised)
- Application of Anadarko Production Company for five unorthodox well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of five unorthodox well locations in its Burnham Unit in the Square Lake Grayburg-San Andres Pool at the following locations all within Section 2, Township 17 South, Range 30 East:
- | | |
|--------------|-----------------------|
| Well No. 5-3 | 2630 FSL and 1200 FWL |
| Well No. 3-4 | 2650 FSL and 2630 FEL |
| Well No. 6-4 | 1310 FSL and 2630 FWL |
| Well No. 2-5 | 2630 FSL and 1290 FEL |
| Well No. 4-2 | 1210 FSL and 1220 FEL |

CASE 8070: (Continued from February 29, 1984, Examiner Hearing)

Application of Robert M. Edsel, Inc. for directional drilling, non-standard proration unit, creation of a new oil pool, and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the directional drilling of its Scott Well No. 2 from a surface location 2310 feet from the South line and 1980 feet from the West line of Section 1, Township 15 South, Range 36 East, to a bottomhole location in the Wolfcamp formation at an approximate vertical depth of 10,800 feet within a 100 foot radius of a point 3370 feet from the South line and 1670 feet from the West line of said Section 1 and for approval of a non-standard 80-acre proration and spacing unit consisting of the SE/4 NW/4 and the NE/4 SW/4 of said Section 1. Applicant further seeks the creation of a new Wolfcamp oil pool with special pool rules including a provision for 80-acre spacing and proration units.

CASE 8124: Application of Robert M. Edsel, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the SE/4 NW/4 and NE/4 SW/4 of Section 1, Township 15 South, Range 36 East, to be dedicated to a well to be drilled at a standard 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.

CASE 8102: (Continued from February 29, 1984, Examiner Hearing)

Application of OGR Operating Company, Inc. for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Fusselman formation to form two standard 80-acre proration units in Section 9, Township 6 South, Range 34 East, the first being the W/2 NW/4 and the second being the E/2 NW/4, each unit to be dedicated to a well to be drilled at a standard 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.

CASE 8117: Application of Slayton Oil Corporation for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 70.57-acre non-standard proration unit comprising Lots 8 and 9 of Section 18, Township 29 North, Range 14 West, Cha Cha Gallup Oil Pool.

CASE 8118: Application of Slayton Oil Corporation for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 94.65-acre non-standard proration unit comprising Lots 6, 10, and 11 of Section 18, Township 29 North, Range 14 West, Cha Cha Gallup Oil Pool.

CASE 8119: Application of Elk Oil Company for amendment of Division Order R-1011, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-1011 to allow for drilling and proration units to be located on the E/2, W/2, N/2 or S/2 in the Kemnitz-Wolfcamp Pool.

CASE 8120: Application of Santa Fe Energy Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 990 feet from the North line and 1330 feet from the West line of Section 27, Township 22 South, Range 27 East, the N/2 of said Section 27 to be dedicated to the well.

CASE 8121: Application of Mesa Grande Resources, Inc. for compulsory pooling and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the Mesaverde formation to the base of the Dakota formation underlying the W/2 of Section 23, Township 25 North, Range 2 West, and for downhole commingling production from the base of the Mesaverde to the base of the Dakota in the wellbore of a well to be drilled at a standard 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.

CASE 8122: Application of Atlantic Richfield Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of all Kutz-Gallup Oil and Basin-Dakota Gas production underlying Sections 3 and 10 in Township 27 North, Range 11 West, and Sections 27 through 29, and 32 through 34 in Township 28 North, Range 11 West.

CASE 8123: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider:
The contraction of the Los Medanos-Atoka Gas Pool in Eddy County.

Dockets Nos. 17-84 and 18-84 are tentatively set for April 25 and May 9, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 11, 1984

8:00 a.m. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner or Michael E. Stogner, Alternate Examiner:

- CASE 8136: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Bloomfield Oil and Gas Company and all other interested parties to appear and show cause why the Burgin Well No. 9 located 2430 feet from the North line and 1920 feet from the East line of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 8137: Application of El Paso Natural Gas Company for amendment of Division Order R-6175-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-6175-A to include the E/2 of Section 32, Township 25 South, Range 24 East, as part of the Washington Ranch Storage Project area.
- CASE 8120: (Continued from March 14, 1984, Examiner Hearing)
- Application of Santa Fe Energy Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 990 feet from the North line and 1330 feet from the West line of Section 27, Township 22 South, Range 27 East, the N/2 of said Section 27 to be dedicated to the well.
- CASE 8138: Application of Marbob Energy Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1165 feet from the South line and 978 feet from the East line of Section 27, Township 17 South, Range 28 East, Red Lake Queen-Grayburg-San Andres Pool, the SE/4 SE/4 of said Section 27 to be dedicated to the well.
- CASE 7945: (Continued from March 14, 1984, Examiner Hearing)
- Application of J. Cleo Thompson and James Cleo Thompson, Jr., a Partnership, for statutory unitization, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of a secondary recovery project, all mineral interests in the Grayburg-San Andres formation underlying the West Square Lake Unit Area encompassing 3,500 acres, more or less, of State and Federal lands underlying portions of Sections 26, 32, 33, 34, 35 and 36 of Township 16 South, Range 30 East, and Sections 2 and 4 of Township 17 South, Range 30 East. The unitized interval would be the Grayburg-San Andres formation between the depths of 2818 feet and 3150 feet in Newmont Oil Company's Etz "C" Well No. 1 located in Section 34, Township 16 South, Range 30 East. 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 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 8139: Application of BBC, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the open-hole interval from 2,800 feet to 3,750 feet in its SWD Well No. 1 located 660 feet from the South line and 1980 feet from the East line of Section 18, Township 20 South, Range 28 East.
- CASE 8140: Application of C. W. Trainer for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Wolfcamp formation underlying the SW/4 SW/4 of Section 15, Township 19 South, Range 35 East, and the W/2 SW/4 of the section in the Bone Spring formation, to be dedicated to a well to be drilled at a standard 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.

CASE 81-1: Application of C. W. Trainer for compulsory pooling Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Wolfcamp formation underlying the NW/4 NE/4 of Section 22, Township 19 South, Range 35 East, and the W/2 NE/4 of the section in the Bone Spring formation, to be dedicated to a well to be drilled at a standard 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.

CASE 81-2: Application of W. B. Martin & Associates, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation down to and including the base of the Dakota formation to be dedicated to the following described wells on the Martin-Whittacker Lease at standard locations thereon, all in Township 23 North, Range 4 West:

- No. 35 - NE/4 in the Mesaverde and NE/4 NE/4 in the South Lindrith Gallup-Dakota, Section 15;
- No. 28 - NW/4 in the Mesaverde and NE/4 NW/4 in the South Lindrith Gallup-Dakota, Section 15;
- No. 29 - SW/4 in the Mesaverde and SW/4 SW/4 in the South Lindrith Gallup-Dakota, Section 15;
- No. 30 - SE/4 in the Mesaverde and SW/4 SE/4 in the South Lindrith Gallup-Dakota, Section 15;
- No. 31 - NE/4 in the Mesaverde and NE/4 NE/4 in the South Lindrith Gallup-Dakota, Section 16;
- No. 32 - NW/4 in the Mesaverde and NE/4 NW/4 in the South Lindrith Gallup-Dakota, Section 16;
- No. 33 - SW/4 in the Mesaverde and SW/4 SW/4 in the South Lindrith Gallup-Dakota, Section 16;
- No. 34 - SE/4 in the Mesaverde and SW/4 SE/4 in the South Lindrith Gallup-Dakota, Section 16.

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, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 8130: (Continued from March 28, 1984, Examiner Hearing)

Application of Martindale Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Hobbs Pool in Township 18 South, Range 39 East, including a gas-oil ratio limitation of 5,000 cubic feet of gas per barrel of oil. A retroactive effective date is also sought for such special pool rules to remedy current overproduction in this pool.

CASE 8095: (Continued from March 14, 1984, Examiner Hearing)

Application of Cities Service Oil & Gas Corporation for amendment of Division Order No. R-4808, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-4808 which authorized the Empire-Abo Pressure Maintenance Project to abolish the present maximum daily project allowable and to establish a new maximum daily project allowable of 4 mscf per day.

- CASE 8143: Application of Marline Petroleum Corporation for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 7,000 cubic feet of gas per barrel of oil for the East Bishop-Canyon Pool and the cancellation of accrued overproduction.
- CASE 8144: Application of Zia Energy, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers-Queen formations in the open-hole interval from 3650 feet to 3800 feet in its Cities Federal Well No. 1 located 2301 feet from the South line and 330 feet from the West line of Section 20, Township 22 South, Range 36 East.
- CASE 8145: Application of Zia Energy, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers-Queen formations in the open-hole interval from 3650 feet to 3801 feet in its Closson Well No. 3 located 660 feet from the North line and 330 feet from the West line of Section 20, Township 22 South, Range 36 East.
- CASE 8146: Application of OGR Operating Company, Inc. for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Fusselman formation underlying the S/2 NW/4 of Section 9, Township 6 South, Range 34 East, to be dedicated to a well to be drilled at a standard 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.
- CASE 8070: (Continued from March 14, 1984, Examiner Hearing)
- Application of Robert M. Edsel, Inc. for directional drilling, non-standard proration unit, creation of a new oil pool, and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the directional drilling of its Scott Well No. 2 from a surface location 2310 feet from the South line and 1980 feet from the West line of Section 1, Township 15 South, Range 36 East, to a bottomhole location in the Wolfcamp formation at an approximate vertical depth of 10,800 feet within a 100 foot radius of a point 3370 feet from the South line and 1670 feet from the West line of said Section 1 and for approval of a non-standard 80-acre proration and spacing unit consisting of the SE/4 NW/4 and the NE/4 SW/4 of said Section 1. Applicant further seeks the creation of a new Wolfcamp oil pool with special pool rules including a provision for 80-acre spacing and proration units.
- CASE 8124: (Continued from March 14, 1984, Examiner Hearing)
- Application of Robert M. Edsel, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the SE/4 NW/4 and NE/4 SW/4 of Section 1, Township 15 South, Range 36 East, to be dedicated to a well to be drilled at a standard 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.
- CASE 8147: Application of Getty Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Glorieta and Blinebry production in the wellbore of its State "BA" Well No. 5 located 660 feet from the North line and 560 feet from the West line of Section 36, Township 17 South, Range 34 East, Vacuum Field.
- CASE 8148: Application of Union Texas Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of all Blanco-Mesaverde, undesignated Gallup, Ojito Gallup-Dakota, and Basin-Dakota production underlying portions of Sections 2, 3, 4, 8, and 9 of Township 25 North, Range 3 West.
- CASE 8149: Application of Union Texas Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of all Blanco-Mesaverde, Tapacito-Gallup Associated, and Basin-Dakota production underlying Sections 25, 26, 35 and 36 of Township 26 North, Range 5 West.
- CASE 8150: Application of Union Texas Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco-Mesaverde, Tapacito-Gallup Associated, and Basin-Dakota production in the wellbore of its Jicarilla "H" Well No. 7-E located 790 feet from the North and West lines of Section 19, Township 26 North, Range 4 West. Applicant also seeks an administrative procedure for downhole commingling in the subject pools without a public hearing.

- (o) EXTEND the Chaveroo-San Andres Pool in Roosevelt and Chaves Counties, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 34 EAST, NMPM

Section 8: SE/4

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM

Section 10: SW/4

- (p) EXTEND the Dagger Draw-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 32: S/2

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 5: W/2

- (q) EXTEND thw West Dark Canyon-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM

Section 13: E/2

Section 24: NE/4

- (r) EXTEND the Diamond Mound Atoka-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM

Section 33: W/2

- (s) EXTEND the Double X-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM

Section 22: SW/4

- (t) EXTEND the Eagle Creek-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM

Section 31: NE/4

Section 32: NW/4

- (u) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 2: N/2

- (v) EXTEND the South Empire-Wolfcamp Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 36: E/2 SE/4

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 1: NE/4

- (f) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the South Red Bluff-Bone Spring Pool. The discovery well is the Maddox Energy, Flower Draw 2 State Well No. 1 located in Unit G of Section 2, Township 26 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 28 EAST, NMPM

Section 2: NE/4

- (g) EXTEND the vertical limits of the East Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include the Atoka formation and re-designate pool as the East Atoka Atoka-Morrow Gas Pool.
- (h) EXTEND the vertical limits of the Springer Basin-Morrow Gas Pool in Chaves County, New Mexico to include the Atoka formation and redesignate pool as the Springer Basin Atoka-Morrow Gas Pool.
- (i) EXTEND the Airstrip-Upper Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 36: NW/4

- (j) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 2: SE/4

- (k) EXTEND the Bell Lake-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM

Section 25: SE/4

- (l) EXTEND the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 15: W/2

Section 22: N/2

- (m) EXTEND the Byrnes Tank-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM

Section 5: S/2

Section 8: W/2

- (n) EXTEND the Bull's Eye-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM

Section 25: E/2

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM

Section 7: S/2 S/2

- (o) EXTEND the Chaveroo-San Andres Pool in Roosevelt and Chaves Counties, New Mexico, to include therein:
- TOWNSHIP 7 SOUTH, RANGE 34 EAST, NMPM
- Section 8: SE/4
- TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
- Section 10: SW/4
- (p) EXTEND the Dagger Draw-Strawn Gas Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
- Section 32: S/2
- TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
- Section 5: W/2
- (q) EXTEND thw West Dark Canyon-Delaware Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
- Section 13: E/2
Section 24: NE/4
- (r) EXTEND the Diamond Mound Atoka-Morrow Gas Pool in Chaves County, New Mexico, to include therein:
- TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
- Section 33: W/2
- (s) EXTEND the Double X-Delaware Pool in Lea County, New Mexico, to include therein:
- TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
- Section 22: SW/4
- (t) EXTEND the Eagle Creek-San Andres Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
- Section 31: NE/4
Section 32: NW/4
- (u) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
- Section 2: N/2
- (v) EXTEND the South Empire-Wolfcamp Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
- Section 36: E/2 SE/4
- TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
- Section 1: NE/4

- (w) EXTEND the South Kemnitz Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 27: N/2

- (x) EXTEND the North Loving-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 21: W/2

- (y) EXTEND the Pearl-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 14: SE/4

- (z) EXTEND the Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM

Section 4: N/2

- (aa) EXTEND the Scharb-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 3: SW/4

Section 5: NE/4

- (bb) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM

Section 18: SE/4

Docket No. 15-84

DOCKET: COMMISSION HEARING - THURSDAY - APRIL 12, 1984

OIL CONSERVATION COMMISSION-9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 7827: (De Novo)

Application of Millard Deck Estate for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Langlie-Mattix and Jalmat production in the wellbore of the following three wells: Possh Wells Nos. 1 in Unit C; 3 in Unit k; and 4 in Unit B, all located in Section 36, Township 24 South, Range 36 East.

Upon application of Doyle Hartman, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8088: (Continued from March 29, 1984, Commission Hearing)

Application of Llano, Inc. for special well testing requirements or expansion of its gas storage project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order requiring testing of the Morrow formation at Llano's option by use of a Repeat Formation Tester in the L & B Oil Company's Federal Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the East line of Section 5, Township 22 South, Range 34 East. In the alternative, applicant seeks the extension of its gas storage project to include the Morrow formation under all of said Section 5.

CASE 8049: (Continued from March 29, 1984, Commissioner Hearing)

Application of Western Oil Producers, Inc. for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 330 feet from the South line and 330 feet from the East line of Section 4, Township 19 South, Range 35 East, and simultaneous dedication of the S/2 SE/4 of said Section 4 to the well in the Scharb-Bone Springs Pool. At the request of Western Oil Producers, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8155: Application of Jack J. Grynberg for compulsory pooling, unorthodox location, and simultaneous dedication, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through and including the Ordovician formation underlying the W/2 of Section 18, Township 9 South, Range 27 East. 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. Applicant further seeks approval of an unorthodox well location 660 feet from the South and West lines of said Section 18, the W/2 of the section to be simultaneously dedicated to this well and to the Seymour State Com Well No. 1.

CASE 8156: Application of TXO Production Corp. for permission to drill in the Potash-Oil Area, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to drill a well located 2310 feet from the North line and 1650 feet from the East line of Section 16, Township 20 South, Range 32 East, which area is within the designated potash area as established and regulated by Order No. R-111-A. Applicant proposes to drill the well to a depth of 2700 feet to test the Yates formation.

CASE 8057: (De Novo)

Application of Belco Development Corporation for an unorthodox location and directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the directional drilling of a well at an unorthodox surface location 660 feet from the South line and 100 feet from the West line of Section 8, Township 23 South, Range 31 East, with deviation commencing at a depth of approximately 8430 feet, to a bottomhole location in the Wolfcamp and Pennsylvanian formations within a 100 foot radius of a point 660 feet from the South line and 1980 feet from the East line of Section 7, Township 23 South, Range 31 East. Upon application of Noranda Exploration, Inc. and Permian Potash, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8109: (Continued from March 29, 1984, Commission Hearing)

Application of Amoco Production Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of the wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in Order R-5436 will be granted.

CASE 8132: (Continued from March 29, 1984, Commission Hearing)

Application of Amoco Production Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of the wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8111: (Continued from March 29, 1984, Commission Hearing)

Application of Southland Royalty Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8133: (Continued from March 29, 1984, Commission Hearing)

Application of Gulf Oil Exploration for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8134: (Continued from March 29, 1984, Commission Hearing)

Application of Ladd Petroleum Corp. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota Pool of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8135: (Continued from March 29, 1984, Commission Hearing)

Application of Veryl F. Moore for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Pictured Cliffs formation of Northwest New Mexico as provided in Section 62-7-5, NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe Office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8104: (Continued from March 29, 1984, Commission Hearing)

Application of Tenneco Oil Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico and the Catclaw Draw Field of Southeast New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8105: (Continued from March 29, 1984 Commission Hearing)

Application of Conoco Inc. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 18, 1984

8:00 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Michael E. Stogner, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for May, 1984, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for May, 1984, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.