

CASE 7990: 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 S/2 NE/4 of Section 14, Township 17 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox location 1900 feet from the North line and 1800 feet from the East line of said Section 14. 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 7991: Application of Robert N. Enfield for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow gas production in the wellbore of its Robert N. Enfield Walters Well No. 1 located in Unit B of Section 7, Township 19 South, Range 27 East.

CASE 7963: (Continued and Readvertised)

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 1260 feet from the North line and 1310 feet from the West line 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 7975: (Continued and Readvertised)

Application of Joe E. Brown for nine unorthodox oil well locations, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of nine unorthodox oil well locations to be drilled on the Farrell Federal Lease as follows:

Well No. 17 1310 FNL and 1310 FEL
 Well No. 18 1310 FNL and 2630 FEL
 Well No. 19 1310 FNL and 1330 FWL
 Well No. 20 2630 FNL and 1310 FWL
 Well No. 21 2630 FSL and 1310 FEL
 Well No. 22 2630 FSL and 2630 FWL
 Well No. 23 1310 FSL and 1310 FWL
 Well No. 24 1310 FSL and 2630 FWL
 Well No. 25 1310 FSL and 1330 FEL

All in Section 28, Township 7 South, Range 33 East.

CASE 7992: 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 Mesaverde formation underlying the E/2 of Section 1, Township 29 North, Range 10 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 7971: (Continued and Readvertised)

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 11 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. Applicant further seeks an order reducing an overriding royalty burden.

Dockets Nos. 38-83 and 39-83 are tentatively set for November 9 and November 22, 1983. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 26, 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 7985: Application of McClellan Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant in the above-styled cause, seeks approval for the Marlisue Queen Unit Area comprising 440 acres, more or less, of State land in Township 14 South, Range 29 East.
- CASE 7986: Application of Parabo, Inc. for an amendment to Division Order No. R-5516, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-5516 to dispose heavy drilling fluids, muds, tailings, cement and cuttings as well as oilfield solid wastes at its previously approved salt water disposal facility located in the SW/4 of Section 29, Township 21 South, Range 38 East, NMPM.
- CASE 7987: Application of Petro Lewis Corporation for amendment to Administrative Order SWD-244, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Administrative Order SWD-244 to inject into the Entrada formation from approximately 5600 feet to 5700 feet through 3 1/2" plastic-lined tubing set in a packer located at approximately 5,550 feet and to equip the injection well or system with a pressure limiting device that will limit the wellhead pressure on the Federal 12C Well No. 1 located in Unit M of Section 12, Township 19 North, Range 4 West, to no more than 1500 psi.
- CASE 7988: Application of Alpha Twenty-One Production Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location of a gas well to be drilled 1650 feet from the North line and 660 feet from the West line of Section 33, Township 25 South, Range 37 East, Jalmat Gas Pool, and that a 440-acre Jalmat gas proration unit be simultaneously dedicated to said well and the existing El Paso Gregory "A" Federal No. 1 and 2 wells in said Section 33.
- CASE 7989: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North line and 1,980 feet from the East line of Section 11, Township 18 South, Range 25 East, to test all formations from the top of the Wolfcamp through the Morrow formations, the E/2 of said Section 11 to be dedicated to the well.
- CASE 7955: (Continued from October 12, 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.
- CASE 7977: (Continued from October 12, 1983, Examiner Hearing)
- 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 N/2 of Section 8, Township 19 South, Range 26 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 7978: (Continued from October 12, 1983, Examiner Hearing)
- Application of Chama Petroleum Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface to the base of the Mississippian formation underlying the S/2 of Section 23, Township 19 South, Range 25 East, to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the South line and 660 feet from the East line of said Section 23. 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. 42-83 and 1-84 are tentatively set for December 15, 1983 and January 4, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 22, 1983

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 8000: Application of Tricon Exploration for a unit agreement, Guadalupe and DeBaca Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of an exploration unit comprising 30,000 acres, more or less, of Federal, State and Fee land in Townships 4 and 5 North, Ranges 19 and 20 East.
- CASE 8001: Application of Santa Fe Exploration Company for amendment of Order No. R-7377, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7377 to include the Devonian formation in the compulsory pooling order. If no objection is made to this application, it will be approved based on the existing record supporting Order R-7377.
- CASE 7985: (Continued from October 26, 1983, Examiner Hearing)
- Application of McClellan Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Marlisue Queen Unit Area comprising 440 acres, more or less, of State land in Township 14 South, Range 29 East.
- CASE 8002: Application of McClellan Oil Corporation for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the perforated interval from 1850 feet to 1950 feet in its Marlisue Queen Unit located in a portion of Section 24, Township 14 South, Range 29 East, containing 440 acres, more or less.
- CASE 8003: Application of Eaton Industries of Houston, Inc., for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1650 feet from the South line and 2290 feet from the East line of Section 27, Township 12 South, Range 37 East, Southwest Gladiola-Devonian Field, the N/2 SE/4 of said Section 27 to be dedicated to the well.
- CASE 8004: Application of Anadarko Production Company for an unorthodox well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location 1370 feet from the South line and 4010 feet from the East line of Section 31, Township 16 South, Range 31 East, and a 30-acre non-standard proration unit comprising the NW/4 SW/4 of said Section 31 to be dedicated to the well, Square Lake Grayburg-San Andres Pool.
- CASE 8005: Application of Anadarko Production Company for two lease line injection wells at unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two lease line injection wells at unorthodox well locations as follows:
- (a) Langlie-Mattix Penrose Sand Unit Well 18-3:
10 feet from the South line and 1310 feet
from the West line of Section 26, Township
22 South, Range 37 East; and
 - (b) Langlie-Mattix Penrose Sand Unit Well 36-7:
990 feet from the North line and 10 feet
from the East line of Section 34, Township
22 South, Range 37 East.
- CASE 8006: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow gas well location 800 feet from the South line and 1600 feet from the West line of Section 7, Township 21 South, Range 22 East, the W/2 of said Section 7 to be dedicated to the well.

- CASE 8007: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 2310 feet from the North line and 660 feet from the West line of Section 12, Township 21 South, Range 21 East, to test the Morrow, Wolfcamp, Strawn, Atoka and Cisco Canyon formations, the W/2 of said Section 12 to be dedicated to the Morrow formation and the N/2 to the Wolfcamp, Strawn, Atoka and Cisco Canyon formations.
- CASE 8008: Application of Merrion Oil & Gas Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying the NW/4 of Section 8, Township 23 North, Range 6 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 8009: Application of Zia Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blinbry formation underlying the SE/4 NE/4 of Section 1, Township 20 South, Range 38 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 8010: Application of Nortex Gas & 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 of Section 25, Township 18 South, Range 32 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 7971: (Continued from November 9, 1983, Examiner Hearing)
- 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 11 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. Applicant further seeks an order reducing an overriding royalty burden.
- CASE 7990: (Continued and Readvertised)
- 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 S/2 NE/4 of Section 14, Township 17 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox location 2340 feet from the North line and 1280 feet from the East line of said Section 14. 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 8011: Application of Doyle Hartman for directional drilling, unorthodox gas well location, non-standard gas spacing unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill his Winningham Well No. 8 from a surface location at a point between 960 feet to 1260 feet from the South line and between 1400 feet to 1700 feet from the East line of Section 19, Township 25 South, Range 37 East, to a bottom hole location within the Langlie Matt: x Pool at an unorthodox location at a point within 100 feet of a point 2380 feet from the South line and 260 feet from the East line of said Section 19. Applicant further proposes to complete said well as a Jalmat oil well at a bottom hole location within 100 feet of a point 1965 feet from the South line and 874 feet from the East line of said Section 19. If the well should be completed as a Jalmat gas well, applicant seeks approval of a 480-acre non-standard proration unit comprising the E/2 SE/4 of said Section 19 and the E/2 and the E/2 NW/4 of Section 30 to be simultaneously dedicated to the Winningham Wells Nos. 1, 2, 3, 7 and 8.

- CASE 8012: Application of Mobil Producing Texas & New Mexico, Inc., for a tertiary oil recovery project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its Bridges State Waterflood Project in the Vacuum Grayburg-San Andres Pool to a polymer-augmented waterflood, and pursuant to Section 212.78 of the U. S. Department of Energy Regulations and Section 4993 of the Internal Revenue Code, seeks certification of said project as a qualified tertiary oil recovery project.
- CASE 8013: Application of Exxon Company 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 perforated interval from 3920 feet to 4200 feet in its Yates Federal "C" Well No. 11 located 660 feet from the South line and 1980 feet from the East line of Section 31, Township 20 South, Range 28 East.
- CASE 8014: Application of Amoco Production Company for creation of a new pool and special field rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas field in Townships 31 and 32 North, Range 10 West, to be designated as the Cedar Hills Main Basal Fruitland Coal Field with special field rules including a provision for 320-acre proration units.
- CASE 8015: Application of Amoco Production Company for NPGA well category determination, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the determination that its Keys Gas Com "G" Well No. 1 in Section 27 and its State Gas Com "BX" Well No. 1 in Section 32, both in Township 32 North, Range 10 West, meet the NPGA well category criteria for Section 107, High Cost, Occluded Natural Gas Produced from Coal Seams, under Section 107 of the Natural Gas Policy Act of 1978.
- CASE 8016: Application of Amoco Production Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the South line and 990 feet from the West line of Section 13, Township 20 South, Range 35 East, to test the Morrow formation, the S/2 of said Section 13 to be dedicated to the well.
- CASE 8017: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, and extending vertical and horizontal limits of certain pools in Chaves and Lea Counties, New Mexico:
- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Northeast Caudill-Wolfcamp Pool. The discovery well is the Enstar Petroleum, Inc. Scott Well No. 1 located in Unit L of Section 1, Township 15 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM
Section 1: SW/4
 - (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the South Lea-San Andres Pool. The discovery well is the Marathon Oil Company Lea Unit Well No. 7 located in Unit N of Section 12, Township 20 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 12: SW/4
 - (c) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Many Gates-Wolfcamp Pool. The discovery well is the Amoco Production Company State DQ Well No. 1 located in Unit C of Section 32, Township 9 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 32: NW/4
 - (d) CONTRACT the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 30: SW/4

- (e) EXTEND the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 30: SW/4

- (f) EXTEND the vertical limits of the Oil Center-Blinebry Pool in Lea County, New Mexico, to include 120 feet above the Blinebry marker.

- (g) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM
Section 12: SE/4

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

TOWNSHIP 21 SOUTH, RANGE 38 EAST, NMPM
Section 7: NW/4

- (i) EXTEND the Hobbs Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 22: E/2

- (j) EXTEND the Justis Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 1: S/2
Section 12: W/2

- (k) EXTEND the West Nadine-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 6: SE/4
Section 17: NE/4

- (l) EXTEND the Penrose Skelly-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 22: SW/4

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

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 5: S/2

- (n) EXTEND the Quarecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 34: NE/4
Section 35: N/2

- (o) EXTEND the Red Hills-Devonian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 33 EAST, NMPM
Section 5: All

- (p) EXTEND the Saunders Permo-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 16: NW/4
Section 20: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 33: SE/4
Section 34: SW/4

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 17: SW/4
Section 18: E/2

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 14: N/2