



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

October 30, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Dan Currens
Amoco Production Company
P. O. Box 3092
Houston, Texas 77253

Re: CASE NO. 8346
ORDER NO. R-6326

Applicant:

Amoco Production Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other William F. Carr



Amoco Production Company

Houston Region
501 WestLake Park Boulevard
Post Office Box 3092
Houston, Texas 77253

R. E. Ogden
Regional Engineering
Manager

FEDERAL EXPRESS

DRC
5-12-86
RECEIVED

May 9, 1986

MAY 11 1986

File: JCA-987.9NM-2027

OIL CONSERVATION DIVISION

Re: Request for Continuance
Case No. 8848
Application of Amoco Production Company
for NGPA Wellhead Price Ceiling Category Determinations
Lea County, New Mexico
Examiners Hearing Date, May 14, 1986

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
State Land Office Building
Old Santa Fe Trail
P.O. Box 2088
Santa Fe, NM 87501

Attention: Mr. R. L. Stamets, Director

Gentlemen:

Pursuant to our telecon with Ms. Florene Davidson on May 8, 1986, this letter is to confirm that the above referenced case scheduled for hearing before the Division on May 14, 1986, be continued to the Examiner's hearing scheduled for Thursday, June 12, 1986.

Yours very truly,

R. E. Ogden

SPS/rr

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS

OIL CONSERVATION DIVISION

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

March 31, 1986

Mr. R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

M.S.

Re: Case 8848: Application of Amoco Production Company
for NGPA Wellhead Price Ceiling Category Determinations,
Lea County, New Mexico.

Dear Mr. Stamets:

Pursuant to our prior conversations, this letter is to confirm that the above-referenced case scheduled for hearing before the Division on April 16, 1986, be continued to the Examiner hearings scheduled for Wednesday, May 14, 1986. I have enclosed my Entry of Appearance on behalf of Amoco Production Company for filing in Case 8848.

Very truly yours,

W. F. Carr
William F. Carr

WFC/cv
enclosure

cc: Mr. Steve Sheffler
Amoco Production Company

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF AMOCO PRODUCTION COMPANY FOR
NGPA WELLHEAD PRICE CEILING
CATEGORY DETERMINATIONS, LEA
COUNTY, NEW MEXICO.

Case No. 8848

ENTRY OF APPEARANCE

Comes now, CAMPBELL & BLACK, P.A., and hereby enters its
appearance in the above-referenced cause for Amoco Production
Company.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By



William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
(505) 988-4421

ATTORNEYS FOR AMOCO PRODUCTION
COMPANY



Amoco Production Company

Houston Region
501 WestLake Park Boulevard
Post Office Box 3092
Houston, Texas 77253

R. E. Ogden
Regional Engineering
Manager

FEDERAL EXPRESS

March 3, 1986

File: JCA-986.511NM-1969

Re: Request for Continuance
Case No. 8848
Examiner's Hearing Date, March 5, 1986

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
State Land Office Building
Old Santa Fe Trail
Santa Fe, New Mexico 87501

Attention: Mr. Mike Stogner

Gentlemen:

Reference is made to the telecon of February 28, 1986 from Mr. S. P. Scheffler of this office to Mr. R. L. Stamets concerning our request for a continuance of the subject case. By copy of this letter we are confirming our request to reschedule Case No. 8848, described below, from the March 5, 1986 Examiner's Hearing to April 16, 1986.

Case No. 8848

Application by Amoco Production Company for determination by the NMOCD that the following three wells in T-19-S, R-35-E, Lea County, New Mexico, Scharb-Bone Springs Pool, meet NGPA well category criteria for a new onshore reservoir under Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission.

- 1) Elkan Well No. 3 located 1980 feet from the South and East lines (Unit J) of Section 9;
- 2) Elkan Well No. 4 located 519 feet from the South line and 2121 feet from the West line (Unit M) of Section 9; and,
- 3) State "MX" Well No. 1 located 660 feet from the North line and 710 feet from the West line (Unit D) of Section 15.

File: JCA-986.511NM-1969
March 3, 1986
Page 2

Your approval of this request for continuance is greatly appreciated. Any questions you may have regarding this matter should be directed to S. P. Scheffler or J. C. Allen at 556-3929/556-3931.

Yours very truly,

A handwritten signature in cursive script, appearing to read "R. E. Ogden", followed by a small, stylized flourish or monogram.

SPS/rr



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

February 21, 1986

TONY ANAYA
GOVERNOR

POST OFFICE BOX 1380
HOBBS, NEW MEXICO 88240
(505) 393-6151

MEMO: To: Jerry Sexton

From: Paul Kautz *Kz*

SUBJECT: Case No. 8849 Application of Southland Royalty Co.
for NGPA Wellhead Price Ceiling Category
Determination, Lea County, New Mexico.

This case is similar to Case #7849. Case 7849 was the application of Joseph I O'Neill, Jr. for discovery designation of a new discovery producing horizon in the Scharb-Bone Spring Pool for its Ora Jackson Well #2 in Unit N, 5-19-35. This case was dismissed after I pointed out that O'Neill, Ora Jackson well #2 was producing from the same zone that Big 6 Drilling, Ora Jackson A #2 located in Unit C of Section 8, T19S, R35E. Big 6 Drilling well was completed in 1964.

Southland Royalty Company seeks a new reservoir designation for the following wells:

Smith 5	#2-O	5-19-35
Smith 5	#4-I	5-19-35
Scharb 8	#2-B	8-19-35
Scharb 9	#4-C	9-19-35

The attached cross-section shows that Southland Royalty's 4 wells are producing from what is called the Elkins Pay Zone in the second lime member of the Bone Spring formation.

The cross-section also shows that 6 other adjacent wells are also completed in the same Elkins pay zone between 1964 and 1983. Southland Royalty's 4 wells were all completed in 1984 or 1985. The 6 adjacent wells and completion dates are as follows:

Well	Location	Completion Date
Big 6 Drlg. Ora Jackson A #2	C-8-19-35	1/29/64
Southland Roy. Scharb 4 #1	M-4-19-35	9/13/80
Southland Rou. Scharb 9 #1	O-9-19-35	9/9/81
Exxon New Mexico ST "DD" #1	N-4-19-35	9/14/82
O'Neill Jr Ora Jackson #2	N-5-19-35	2/21/83
Superior Government 9 #2	I-9-19-35	5/30/83

Based on the cross-section and the fact that these wells are all in close proximity to each other, I do not believe that these wells are a new reservoir.

Paul Kautz, Geologist

cc: R. L. Stamets
Mike Stogner

Mike

M. S.