

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM

Section 1: All
Section 2: Lots 1, 2, 7, 8, 9, 10, 15 and 16
Section 9: S/2
Section 10: All
Section 11: All
Section 12: All
Section 15: N/2
Section 16: N/2

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM

Section 3: Lots 1 through 16
Section 4: Lots 1 through 16
Section 5: Lots 1 through 16
Section 6: All

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Diamound Mound-Atoka Gas Pool. The discovery well is the Northern Natural Gas Co. Vandagriff Federal Com Well No. 1 located in Unit K of Section 1, Township 16 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM

Section 1: All
Section 2: Lots 1, 2, 7, 8, 9, and 10
Section 9: S/2
Section 10: All
Section 11: All
Section 12: All
Section 16: N/2

- (f) ABOLISH the Diamound Mound Atoka-Morrow Gas Pool in Eddy and Chaves Counties, New Mexico.
(g) EXTEND the Diablo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM

Section 22: E/2 SW/4 and SE/4

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 22: W/2

- (i) EXTEND the Owen Mesa-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 35: NE/4
Section 36: N/2

- (j) EXTEND the North Shugart-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 5: SW/4

Docket 8-89

DOCKET: COMMISSION HEARING - THURSDAY - MARCH 9, 1989

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

CASE 9511: (Continued from February 16, 1989, Commission Hearing.) (De Novo)

Application of Phillips Petroleum Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the South Peterson-Fusselmu Pool and Montoya formation in the perforated interval from approximately 7892 feet to 7994 feet in its Lambirth "A" Well No. 6 located 1830 feet from the South line and 1980 feet from the East line (Unit J) of Section 30, Township 5 South, Range 33 East, which is located 10.5 miles west of Pep, New Mexico. Upon application of Enserch Exploration, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

ILLEGIBLE

CASE 9606: (Continued from February 1, 1989, Examiner Hearing.)

Application of Read & Stevens, Inc. for statutory unitization, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the designated and Undesignated Bunker Hill-Penrose Associated Pool underlying 1360.00 acres, more or less, of State, Federal, and Fee lands in portions of Sections 13, 14, 23, and 24, Township 16 South, Range 31 East. Said unit is to be designated the Bunker Hill Unit Area. 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 wells 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. Applicant also requests that any such order issued in this case include a provision for carrying any nonconsenting working owner within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said Unit Area is centered approximately 3.5 miles south-southwest of a point common to Eddy, Chaves, and Lea Counties, New Mexico.

CASE 9607: (Continued from February 1, 1989, Examiner Hearing.)

Application of Read & Stevens, Inc. for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Penrose Formation in its proposed Bunker Hill Unit Area (Division Case No. 9606) underlying portions of Sections 13, 14, 23, and 24, Township 16 South, Range 31 East, Bunker Hill-Penrose Associated Pool. Said area is centered approximately 3.5 miles south-southwest of a point common to Eddy, Lea and Chaves Counties, New Mexico.

CASE 9608: (Continued from February 1, 1989, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Bone Spring production and designated as the Magruder-Bone Spring Gas Pool. The discovery well is the OXY USA Inc. State CP Com Well No. 1 located in Unit J of Section 9, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 9: SE/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the West Millman-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corp. State HU Com Well No. 1 located in Unit N of Section 7, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 7: S/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the West Wickiup Hill-Strawn Gas Pool. The discovery well is the Yates Petroleum Corp. Eland AFC Federal Com Well No. 1 located in Unit N of Section 12, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 12: W/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Diamond Mound-Morrow Gas Pool. The discovery well is the Mesa Operating Derrick Federal Com Well No. 1 located in Unit K of Section 5, Township 16 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 33: All
Section 34: All
Section 35: All
Section 26: All

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 30: S/2
Section 31: All
Section 32: All

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Diamond Mound-Atoka Gas Pool. The discovery well is the Northern Natural Gas Co. Vandagriff Federal Com Well No. 1 located in Unit K of Section 1, Township 16 South, Range 27 East, NMPM. Said pool would comprise:

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Section 1: All
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Section 10: All
Section 11: All
Section 12: All
Section 16: N/2

- (f) ABOLISH the Diamond Mound Atoka-Morrow Gas Pool in Eddy and Chaves Counties, New Mexico.
(g) EXTEND the Diablo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 22: E/2 SW/4 and SE/4

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

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Section 22: W/2

- (i) EXTEND the Owen Mesa-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

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- (j) EXTEND the North Shugart-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 5: SW/4

Docket 6-89

DOCKET: COMMISSION HEARING - THURSDAY - FEBRUARY 16, 1989

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

CASE 9506: (Reopened and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 1102 to amend the requirement for certification of the well location and proration unit on Form C-102.

CASE 9609: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the rescission of Rule 1223.

CASE 9511: (Continued from January 19, 1989, Commission Hearing.) (De Novo)

Application of Phillips Petroleum Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the South Peterson-Fusselman Pool and Montoya formation in the perforated interval from approximately 7892 feet to 7994 feet in its Lambirth "A" Well No. 6 located 1830 feet from the South line and 1980 feet from the East line (Unit J) of Section 30, Township 5 South, Range 33 East, which is located 10.5 miles west of Pep, New Mexico. Upon application of Enserch Exploration, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9607: Application of Read & Stevens, Inc. for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Penrose Formation in its proposed Bunker Hill Unit Area (Division Case No. 9606) underlying portions of Sections 13, 14, 23, and 24, Township 16 South, Range 31 East, Bunker Hill-Penrose Associated Pool. Said area is centered approximately 3.5 miles south-southwest of a point common to Eddy, Lea and Chaves Counties, New Mexico.

CASE 9608: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Bone Spring production and designated as the Magruder-Bone Spring Gas Pool. The discovery well is the OXY USA Inc. State CP Com Well No. 1 located in Unit J of Section 9, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

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- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the West Millman-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corp. State HU Com Well No. 1 located in Unit N of Section 7, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

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- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the West Wickiup Hill-Strawn Gas Pool. The discovery well is the Yates Petroleum Corp. Eland AFC Federal Com Well No. 1 located in Unit N of Section 12, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 12: W/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Diamond Mound-Morrow Gas Pool. The discovery well is the Mesa Operating Derrick Federal Com Well No. 1 located in Unit K of Section 5, Township 16 South, Range 28 East, NMPM. Said pool would comprise:

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Section 34: All
Section 35: All
Section 26: All

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 30: S/2
Section 31: All
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TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 3: Lots 1 through 16
Section 4: Lots 1 through 16
Section 5: Lots 1 through 16
Section 6: All

DOCKET: COMMISSION HEARING - THURSDAY - JANUARY 19, 1989

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

CASE 9458: (De Novo)

Application of Mallon Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bell Canyon, Cherry Canyon, and Brushy Canyon formations (Delaware Mountain Group) underlying the NW/4 SW/4 (Unit L) of Section 27, Township 26 South, Range 29 East, forming a standard statewide 40-acre oil spacing and proration 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. Said unit is located approximately 3/4 mile north of where the Pecos River crosses the Texas/New Mexico Stateline. Upon application of Red Bluff Water Power Control District, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9489: (De Novo)

Application of Blackwood & Nichols Co., Ltd. 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 Nacimiento formation in the perforated interval from approximately 1798 feet to 2250 feet in its Northeast Blanco Unit Well No. 206 located 790 feet from the South line and 1190 feet from the West line (Unit M) of Section 10, Township 31 North, Range 7 West, which is located approximately 8 miles north-northeast of Navajo dam, New Mexico. Upon application of Blackwood & Nichols Co., Ltd., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9511: (De Novo)

Application of Phillips Petroleum Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the South Peterson-Fusselman Pool and Montoya formation in the perforated interval from approximately 7892 feet to 7994 feet in its Lambirth "A" Well No. 6 located 1830 feet from the South line and 1980 feet from the East line (Unit J) of Section 30, Township 5 South, Range 33 East, which is located 10.5 miles west of Pep, New Mexico. Upon application of Enserch Exploration, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9588: Application of Sun Exploration and Production Company for the institution of gas proration and special pool rules for the South Shoe Bar-Atoka Gas Pool, Lea County, New Mexico. Application of Sun Exploration and Production Company for the institution of proration in the South Shoe Bar-Atoka Gas Pool, Lea County, New Mexico, and to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand for gas from said pool. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among wells in the pool.