

Dockets Nos. 27-86 and 28-86 are tentatively set for September 3 and September 17, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 20, 1986  
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

- CASE 8968: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit John Caranta d/b/a Cardel Oil Company, Fidelity and Deposit Co., and all other interested parties to appear and show cause why the Caranta Well No. 1 located 1980 feet from the South and East lines (Unit J) of Section 23, Township 32 North, Range 1 West, Rio Arriba County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 8969: Application of Marathon Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Park Deep Unit Area comprising 3,840 acres, more or less, of State and Federal lands in Township 11 South, Range 27 East.
- CASE 8970: Application of Yates Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of temporary special pool rules for the Sannal-Queen Pool establishing a limiting gas-oil ratio of 5,000 cubic feet of gas per barrel of oil.
- CASE 8939: (Continued from August 6, 1986, Examiner Hearing)  
 Application of Yates Petroleum Corporation 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 approximately 3750 feet to 3790 feet in the Sinclair Oil and Gas Company State 197 Well No. 3 located 1980 feet from the North line and 1762.5 feet from the West line (Unit F) of Section 6, Township 17 South, Range 34 East.
- CASE 8940: (Continued from August 6, 1986, Examiner Hearing)  
 Application of Yates Petroleum Corporation 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 approximately 3770 feet to 3810 feet in the H. L. Brown, Jr. State "B" Well No. 2 located 990 feet from the South line and 330 feet from the West line (Unit M) of Section 6, Township 17 South, Range 34 East.
- CASE 8971: Application of Cinco, Ltd. for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of Section 36, Township 30 North, Range 7 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard gas well location in said Section 36. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for Prorated Gas Pools in New Mexico as promulgated by Division Order No. R-8170 authorizing a full 320-acre acreage factor to be assigned to said non-standard gas proration unit.
- CASE 8972: Application of The Estate of Edward Gerber and Iris Gerber Danson for a non-standard gas proration unit and an exception to Rule 5(a)2(2) of Division Order No. R-8170, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SW/4 of Section 36, Township 30 North, Range 7 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard gas well location in said Section 36. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for Prorated Gas Pools in New Mexico as promulgated by Division Order No. R-8170 authorizing a full 320-acre acreage factor to be assigned to said non-standard gas proration unit.
- CASE 8973: Application of Mobil Producing Texas and New Mexico, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water (at a rate not to exceed 3300 barrels of water per day) into the Delaware formation in the perforated interval from approximately 3849 feet to 4022 feet in its Government "D" Well No. 4 located 1554 feet from the North line and 1980 feet from the East line (Unit G) of Section 1, Township 21 South, Range 27 East.

CASE 8963: (Readvertised)

Application of Mesa Grande Resources, Inc. for compulsory pooling and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the W/2 of Section 16, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at an unorthodox oil well location 1035 feet from the South line and 1125 feet from the West line of said Section 16. 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 8961: (Readvertised)

Application of Mesa Grande Resources, Inc. for a non-standard oil proration unit, and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 186.36-acre non-standard oil spacing and proration unit comprising Lots 1, 2, 3, and 4 of Section 18, Township 25 North, Range 2 West, Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools, to be dedicated to a well to be drilled at an unorthodox oil well location 1920 feet from the North line and 720 feet from the East line of said Section 18.

CASE 8962: (Readvertised)

Application of Mesa Grande Resources, Inc. for a non-standard oil proration unit and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 185.84-acre non-standard oil spacing and proration unit comprising Lots 1, 2, 3 and 4 of Section 7, Township 25 North, Range 2 West, Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools, to be dedicated to a well to be drilled at an unorthodox oil well location 1700 feet from the North line and 600 feet from the East line of said Section 7.

CASE 8974: Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells to be no nearer than 165 feet to the lease boundary nor nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NE/4 and the W/2 of Section 28, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 8932: (Continued from July 23, 1986, Examiner Hearing)

Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells no nearer than 165 feet to the lease boundary or nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NW/4 of Section 32, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 8933: (Continued from July 23, 1986, Examiner Hearing)

Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells no nearer than 165 feet to the lease boundary or nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NE/4 of Section 30, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 8975: Application of North American Royalties, Inc. for the amendment of Division Order No. R-8192, Lea County, New Mexico. Division Order No. R-8192 issued in Case No. 8844, on March 31, 1986, compulsorily pooled all mineral interests in any and all formations and/or pools developed on 320-acre spacing from the surface to the base of the Morrow formation underlying the S/2 of Section 11, Township 16 South, Range 36 East, forming a standard 320-acre unit, named Manzano Oil Corporation the operator of the proposed unit, and provided for the operator to commence the drilling of a well at a standard location in the NW/4 SE/4 (Unit J) of said Section 11 on or before July 1, 1986. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-8192 designating North American Royalties, Inc. the operator of the subject well and unit. In the absence of objection, this case will be approved pursuant to Division Rules and Regulations.

CASE 8976: Application of Chaveroo Operating 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 Vacuum Grayburg-San Andres Pool

in the open-hole interval from approximately 4790 feet to 6400 feet in the ARCO Oil and Gas Co. Atlantic "B" State Well No. 2 located 990 feet from the North line and 2310 feet from the East line (Unit B) of Section 30, Township 17 South, Range 36 East.

- CASE 8977: Application of Foran Oil Company or, in the alternative, Estorial Producing Corporation, for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation in the Northeast Lovington-Pennsylvanian Pool underlying the N/2 SE/4 of Section 1, Township 16 South, Range 36 East, to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing, 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 8978: Application of Foran Oil Company or, in the alternative, Estorial Producing Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation in the Northeast Lovington-Pennsylvanian Pool underlying the S/2 SW/4 of Section 6, Township 16 South, Range 37 East, to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing, 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 8979: 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 Basin-Dakota Pool underlying the E/2 of Section 10, Township 29 North, Range 13 West, to be dedicated to a well to be completed at a standard bottom-hole 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 8980: 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 Basin-Dakota Pool underlying the W/2 of Section 10, Township 29 North, Range 13 West, to be dedicated to a well to be completed at a standard bottom-hole 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 8981: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Eddy County, New Mexico:
- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the South Culebra Bluff-Wolfcamp Gas Pool. The discovery well is the HNG Oil Co. Fate 34 Well No. 1, located in Unit N of Section 34, Township 23 South, Range 28 East, NMPM. Said pool would comprise:
 

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 34: W/2
  - (b) EXTEND the East Brushy Draw-Delaware Pool in Eddy County, New Mexico, to include therein:
 

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM  
Section 9: SE/4  
Section 10: SW/4
  - (c) EXTEND the High Lonesome-Queen Pool in Eddy County, New Mexico, to include therein:
 

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM  
Section 19: SW/4
  - (d) EXTEND the Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:
 

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 13: E/2
  - (e) EXTEND the Outpost-Delaware Pool in Eddy County, New Mexico, to include therein:
 

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 25: W/2

- (f) EXTEND the Phantom Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM  
Section 18: S/2  
Section 19: N/2