

V65AR PMX167

# CENTRAL VACUUM UNIT - NMOCD PRESSURE LIMITS

Well #	NMOCD Inj. Press. Limit	Date of Last Incr.	Step Rate		Well #	NMOCD Inj. Press. Limit	Date of Last Incr.	Step Rate	
			Surface Break Pressure	Bottom Hole Break Press.				Surface Break Pressure	Bottom Hole Break Press.
CVU #005	2300	7/8/93	2350	4275	CVU #131	885		P&A	
CVU #006	2180	7/8/93	2200	4160	CVU #133	1795	7/8/93	1850	3850
CVU #007	1535	8/24/94	1580	3800	CVU #134	1550	10/15/96	1600	3300
CVU #013	1590	3/4/92	1780	3660	CVU #135	1120	3/4/92	1180	3025
CVU #014	1340	12/6/93	1380	2590	CVU #136	872		NB@1100 PSI	2400
CVU #015	1760	12/6/93	1800	3520	CVU #137	1950	7/27/93	2230	3940
CVU #016	1620	3/4/92	1660	3600	CVU #138	1104	11/7/88	1600	3155
CVU #025	2500	5/22/95	2860	4020	CVU #139	2340	5/22/95	2380	3275
CVU #026	877		NB@2800 psi	3300	CVU #140	2130	10/15/96	2200	2950
CVU #027	1270	11/7/88	NB@3000 psi	4150	CVU #141	1012	11/7/88		2990
CVU #028	1200	7/8/93	1600	3000	CVU #142	1285	2/1/95	1345	3450
CVU #029	1670	7/8/93	1880	3560	CVU #143	2320	5/22/95	2440	3880
CVU #030	2100	7/8/93	1900	3400	CVU #144	1875	8/26/94	1940	4000
CVU #031	2300	7/8/93	2300	4350	CVU #145	1362	2/1/85		3405
CVU #040	2500	5/22/95	2590	3250	CVU #146	2250	5/22/95	2340	3525
CVU #041	1130	8/15/84	1570	3150	CVU #147	1930	5/22/95	1930	?
CVU #042	873		NB@1450 psi	2930	CVU #148	1500	8/26/94	1550	3500
CVU #043	878		NB@2800 psi	3300	CVU #149	1372	2/1/85	1680	?
CVU #044	2300	7/27/93	2820	4000	CVU #150	1088	8/15/84	1089	3150
CVU #045	1235	2/14/85	1245	3213	CVU #154	1920	7/27/93		
CVU #046	1400	10/15/96	1450	3320	CVU #155	1375	8/26/94	1425	3455
CVU #055	878		NB@2500 psi	2720	CVU #156	1175	1/3/89	1420	3250
CVU #056	1050	8/15/84	1354	3324	CVU #157	1425	1/3/89	1720	3550
CVU #057	1197	1/3/89	1580	3280	CVU #158	2000	8/26/94	2120	3625
CVU #058	878		NB@2300 psi	3080	CVU #159	1790	12/6/93	1840	3540
CVU #059	1970	7/8/93	2300	3725	CVU #160	1530	1/3/89	NB WH limit	3490
CVU #060	1060	8/15/84	1130	?	CVU #161	1429	1/3/89	1630	3350
CVU #061	2775	7/15/96	2775	4400	CVU #193	1770	6/18/95	2050	3150
CVU #070	1555	7/27/93	1600	3175	CVU #194	1400	6/18/95	1470	3175
CVU #071	940	1/3/89	NB@2500 psi	3275	CVU #199	1540	6/18/95	1540	3000
CVU #072	1031	11/7/88	1350	3070	CVU #200	2020	6/18/95	2070	3460
CVU #073	1000	10/12/88	1150	?	CVU #201	2400	6/18/95	2450	3300
CVU #074	890		NB@4000 psi	3425	CVU #206	2300	6/18/95	2400	3175
CVU #081	1930	10/15/96	1980	3150	CVU #207	2130	6/18/95	2180	3250
CVU #082	1510	10/15/96	1560	2800	CVU #223	1750	6/18/95	1820	3820
CVU #083	2500	5/22/95	2610	3200	CVU #244	1670	6/18/95	1680	3620
CVU #084	1144	10/12/88	1500	?					
CVU #085	2120	10/15/96	2120	2850					
CVU #093	1200	10/12/88	1450	?					
CVU #094	1270	11/7/88	1600	3308					
CVU #099	1095	10/12/88	1350	?					
CVU #100	1700	7/8/93	1700	3700					
CVU #101	2200	6/26/92	2660	4000					
CVU #106	2280	5/22/95	2300	3125					
CVU #107	1620	11/22/91	2000	3600					
CVU #108	1547	2/1/85	1575	3501					
CVU #113	1535	10/15/96	1535	3360					
CVU #114	1935	7/8/93	2450	3650					
CVU #115	1295	8/26/94	1350	3360					
CVU #120	1400	7/27/93	1450	3320					
CVU #121	1485	7/8/93	1545	3585					
CVU #122	933		T/A						
CVU #128	1500	7/27/93	P&A						
CVU #129	922		P&A						

Proposed CO2 injection well  
■ No break on Step Rate Test

NB- No break on Step Rate Test

\*Note: All pressures are in psig.

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11650 Exhibit No. 12

Submitted by: Texaco Exploration and Production Inc.

Hearing Date: December 19, 1996

Central Vacuum Unit  
Requested CO2 Injection Pressures

WELL	NMOCD INJECTION PRESSURE LIMIT	PRESSURE INCREASES SUBMITTED	REQUESTED CO2 INJECTION PRESSURE
CVU #040	2500		1850
CVU #041	1130	1550	1850 SUBMITTED
CVU #042	873	1520	1850 SUBMITTED
CVU #043	878	1450	1800 SUBMITTED
CVU #044	2300		1850
CVU #045	1235		1585
CVU #046	1400		1750
CVU #055	878	1500	1850 SUBMITTED
CVU #056	1050	*	1850
CVU #057	1197	1530	1850 SUBMITTED
CVU #058	878	1500	1850 SUBMITTED
CVU #059	1970		1850
CVU #060	1060		1410
CVU #061	2775		1850
CVU #070	1555		1850
CVU #071	940	1500	1850 SUBMITTED
CVU #072	1031	*	1850
CVU #073	1000	*	1850
CVU #074	890	1500	1850 SUBMITTED
CVU #081	1930		1850
CVU #082	1510		1850
CVU #083	2500		1850
CVU #084	1144	1450	1800 SUBMITTED
CVU #085	2120		1850
CVU #093	1200	1400	1750 SUBMITTED
CVU #094	1270	1550	1850 SUBMITTED
CVU #099	1095	*	1850
CVU #100	1700		1850
CVU #106	2280		1850
CVU #136	872	*	1850
CVU #137	1950		1850
CVU #138	1104	1550	1850 SUBMITTED
CVU #139	2340		1850
CVU #140	2130		1850
CVU #141	1012		1362
CVU #144	1875		1850
CVU #145	1362		1712
CVU #146	2250		1850
CVU #147	1930		1850
CVU #159	1790		1850
CVU #160	1530		1850
CVU #161	1429		1779
CVU #193	1770		1850
CVU #194	1400		1750
CVU #199	1540		1850
CVU #200	2020		1850
CVU #201	2400		1850
CVU #206	2300		1850
CVU #207	2130		1850
CVU #244	1670		1850
		* Step rates currently being run.	

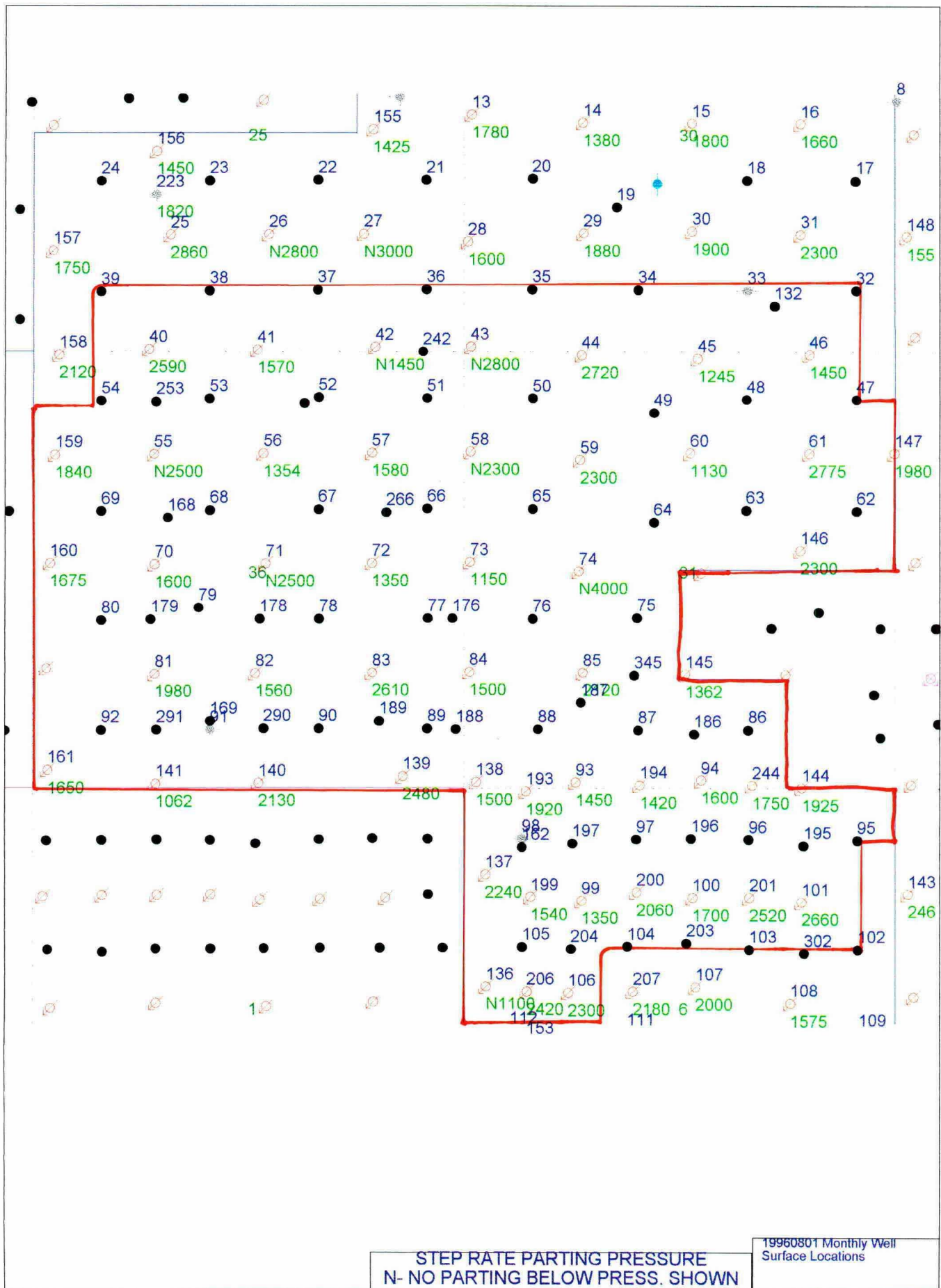
All pressure units are psig.

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11650 Exhibit No. 13

Submitted by: Texaco Exploration and Production Inc.

Hearing Date: December 19, 1996



STEP RATE PARTING PRESSURE  
 N- NO PARTING BELOW PRESS. SHOWN

19960801 Monthly Well  
 Surface Locations

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11650 Exhibit No. 14

Submitted by: Texaco Exploration and Production Inc.

Hearing Date: December 19, 1996

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

IN THE MATTER OF THE APPLICATION OF  
TEXACO EXPLORATION AND PRODUCTION INC.  
FOR AMENDMENT OF DIVISION ORDER  
NO. R-5530, AS AMENDED, TO AUTHORIZE  
A TERTIARY RECOVERY PROJECT BY  
THE INJECTION OF CARBON DIOXIDE IN ITS  
CENTRAL VACUUM UNIT PRESSURE  
MAINTENANCE PROJECT AREA, AND TO  
QUALIFY THIS PROJECT FOR THE  
RECOVERED OIL TAX RATE PURSUANT TO  
THE ENHANCED OIL RECOVERY ACT,  
LEA COUNTY, NEW MEXICO.

CASE NO. 11650

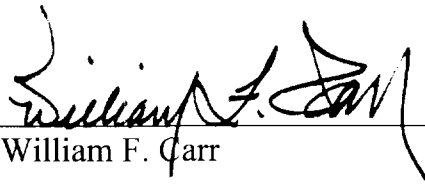
AFFIDAVIT

STATE OF NEW MEXICO                    )  
  ) ss.  
COUNTY OF SANTA FE                    )

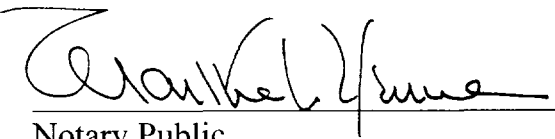
William F. Carr, attorney in fact and authorized representative of Texaco Exploration and Production Inc., the Applicant herein, being first duly sworn, upon oath, states that in accordance with the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division the Applicant has attempted to find the correct addresses of all interested persons entitled to receive notice of this application and that notice has been given at the addresses



shown on Exhibit "A" attached hereto as provided in Rule 1207.

  
\_\_\_\_\_  
William F. Carr

SUBSCRIBED AND SWORN to before me this 18<sup>th</sup> day of December, 1996.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

August 19, 1999

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11650 Exhibit No. 3

Submitted by: Texaco Exploration and Production Inc.

Hearing Date: December 19, 1996

**EXHIBIT A**

Mobil Exploration & Producing US Inc.  
Post Office Box 633  
Midland, TX 79702

Phillips Petroleum Company  
4001 Penbrook  
Odessa, TX 79762

Lynx Petroleum Consultants, Inc.  
Post Office Box 1979  
Hobbs, NM 88241

Commissioner of Public Lands  
State of New Mexico  
Post Office Box 1148  
Santa Fe, NM 87504

Pearce Trust  
c/o Roy F. Pearce  
1717 Jackson  
Pecos, TX 79772

Giles M. Lee  
Star Route West, Box 478  
Lovington, NM 88260

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO  
PAUL R. OWEN

JACK M. CAMPBELL  
OF COUNSEL

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

October 17, 1996

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL AFFECTED INTEREST OWNERS**

Re: Application of Texaco Exploration and Production Inc. for Amendment of Division Order No. R-5530, As Amended, to Authorize a Tertiary Recovery Project by the Injection of Carbon Dioxide in Its Central Vacuum Unit Area, and to Qualify Said Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico

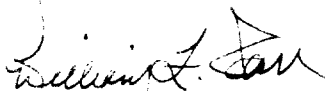
Gentlemen:

This letter is to advise you that Texaco Exploration and Production Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. You are the owner of an interest that may be affected by this application.

This matter has been set for hearing before a Division Examiner on November 7, 1996. You are not required to attend this hearing but you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Pre-Hearing Statement substantially in the form prescribed in the Division. Pre-Hearing Statements should be filed by 4:00 p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC.

WFC:ss

cc: Ronald W. Lanning  
Scott Wehner

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Number

4. Article Number P 176 015 673

Type of Service:

Registered  Insured

Certified  COD

Express Mail  Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address

X Mobil Exploration & Producing  
US Inc.  
Post Office Box 633  
Midland, TX 79702

6. Signature - Agent

X [Signature] [Signature] **Pay Oct 21 1996**

7. Date of Delivery

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 **DOMESTIC RETURN RECEIPT**

P 176 015 673



**Receipt for Certified Mail**  
No Insurance Coverage Provided

Mobil Exploration & Producing  
US Inc.  
Post Office Box 633  
Midland, TX 79702

\$							\$ 2 52

10/1

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.** Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. This return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional services the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:

Phillips Petroleum Company  
 4001 Penbrook  
 Odessa, TX 79762

4. Article Number

P 176 015 674

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address

X

6. Signature - Agent

X *Henry Buck*

7. Date of Delivery

10/19/96

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P 176 015 674



Receipt for Certified Mail

No Insurance Coverage Provided

Phillips Petroleum Company  
 4001 Penbrook  
 Odessa, TX 79762

Postage	\$							
Registration								
Insurance								
Restricted Delivery								
Signature Required								
Signature of Addressee								
Signature of Agent								
Date of Delivery								
Postage	\$	2.52						
Registration								
Insurance								
Restricted Delivery								
Signature Required								
Signature of Addressee								
Signature of Agent								
Date of Delivery								

10/17

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.  
 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Lynx Petroleum Consultants, Inc.  
 Post Office Box 1979  
 Hobbs, NM 88241

4. Article Number  
 P176 015 675

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

8. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Agent  
 X *Alena Vallobo*

7. Date of Delivery  
 10-21-96

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P 176 015 675



Receipt for Certified Mail  
 No Insurance Coverage Provided

Lynx Petroleum Consultants, Inc.  
 Post Office Box 1979  
 Hobbs, NM 88241

	\$						
						\$2.52	
							10/17

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.**  
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.  
 1.  Show to whom delivered, date, and addressee's address. (Extra charge)  
 2.  Restricted Delivery (Extra charge)

3. Article Addressed to Commissioner of Public Lands State of New Mexico Post Office Box 1148 Santa Fe, NM 87504	4. Article Number P176 015 676 Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <del>DATE DELIVERED</del> 8. Address of Agent or Addressee <i>(Only if requested and fee paid)</i> OCT 18 1996 USPS 87504
5. Signature - Address X	
6. Signature - Agent X <i>[Signature]</i> <i>Agent of Delivery</i>	

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P 176 015 676



Commissioner of Public Lands  
 State of New Mexico  
 Post Office Box 1148  
 Santa Fe, NM 87504

	\$	
	\$ 2.52	
		10/17

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.  
 1.  Show to whom delivered, date, and addressee's address. (Extra charge)  
 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:

Pearce Trust  
 c/o Roy F. Pearce  
 1717 Jackson  
 Pecos, TX 79772

4. Article Number

2176 015 677

Type of Service:

Registered       Insured  
 Certified       COD  
 Express Mail       Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

8. Addressee's Address (ONLY if requested and fee paid)

5. Signature of Addressee

6. Signature - Agent

7. Date of Delivery

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P 176 015 677



Receipt for Certified Mail

Additional Coverage Provided

Pearce Trust  
 c/o Roy F. Pearce  
 1717 Jackson  
 Pecos, TX 79772

	\$	
	\$2.52	
		10/17



Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Giles M. Lee  
 Star Route West, Box 478  
 Lovington, NM 88260

4a. Article Number

P 176 015 678

4b. Service Type

- Registered       Insured  
 Certified         COD  
 Express Mail     Return Receipt for Merchandise

7. Date of Delivery

10/17

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

*Giles M. Lee*

6. Signature (Agent)

PS Form 3811, December 1991 \*U.S. GPO: 1993-562-714 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

P 176 015 678



Receipt for Certified Mail

No Insurance Coverage Provided

Giles M. Lee  
 Star Route West, Box 478  
 Lovington, NM 88260

Postage	\$	
Registration Fee		
Insurance		
Express Mail		
Return Receipt		
<b>Total</b>	<b>\$2.57</b>	
Delivery Date		10/17

J 7

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 11650

APPLICATION OF TEXACO EXPLORATION  
AND PRODUCTION INC., FOR AMENDMENT OF  
DIVISION ORDER NO. R-5530, AS AMENDED,  
TO AUTHORIZE A TERTIARY RECOVERY PROJECT  
BY THE INJECTION OF CARBON DIOXIDE IN ITS  
CENTRAL VACUUM UNIT PRESSURE MAINTENANCE  
PROJECT AREA, AND TO QUALIFY THIS PROJECT FOR  
THE RECOVERED OIL TAX RATE PURSUANT TO  
THE ENHANCED OIL RECOVERY ACT,  
LEA COUNTY, NEW MEXICO.

**PRE-HEARING STATEMENT**

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,  
as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Texaco Exploration and Production Inc.  
c/o Ron Lanning  
Post Office Box 3109  
Midland, TX 79702  
  
(915) 688-4445  
name, address, phone and  
contact person

**ATTORNEY**

William F. Carr, Esq.  
Campbell, Carr, Berge & Sheridan, P.A.  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

INTERESTED PARTY

ATTORNEY

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---

---

name, address, phone and  
contact person

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**STATEMENT OF CASE**

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Texaco Exploration and Production Inc., applicant in the above-styled cause, seeks approval to institute a tertiary recovery project in its Central Vacuum Unit Pressure Maintenance Project Area by the injection of carbon dioxide into the Grayburg and San Andres formations in the Vacuum-Grayburg-San Andres Pool. The Central Vacuum Unit Pressure Maintenance Project encompasses portions of Sections 25 and 36 of Township 17 South, Range 34 East; Sections 30 and 31 of Township 17 South, Range 35 East; Section 12 of Township 18 South, Range 34 East; and Sections 6 and 7 of Township 18 South, Range 35 East. Applicant also seeks to increase the approved surface injection pressure for water in this project area to 1500 pounds and establish a maximum surface injection pressure for carbon dioxide of 1900 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

**PROPOSED EVIDENCE**

APPLICANT

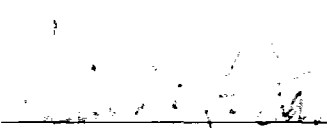
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Ronald W. Lanning, Landman	10 Min.	Approximately 3
Scott Wehner, Petroleum Engineer	20 Min.	Approximately 7
Robert McNaughton, Petroleum Engineer	10 Min.	Approximately 2
James Anderson, Petroleum Engineer	15 Min.	Approximately 4

OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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**PROCEDURAL MATTERS**

(Please identify any procedural matters which need to be resolved prior to hearing)

  
\_\_\_\_\_  
Signature

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
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SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE (505) 988-4421  
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November 20, 1996

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

*WJS*

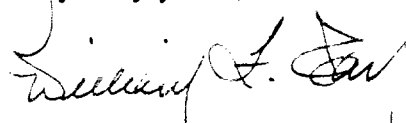
Re: Oil Conservation Division Case No. 11650:  
Application of Texaco Exploration and Production Inc. for Amendment of  
Division Order No. R-5530, as amended, to Authorize a Tertiary Recovery  
Project by the Injection of Carbon Dioxide in its Central Vacuum Unit  
Pressure Maintenance Project Area and to Qualify said project for the  
Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act, Lea  
County, New Mexico

Dear Mr. LeMay:

Texaco Exploration and Production Inc. respectfully requests that this matter which is currently set on the Division docket for the November 21, 1996 hearings be continued to the December 19, 1996 Examiner docket.

Your attention to this matter is appreciated.

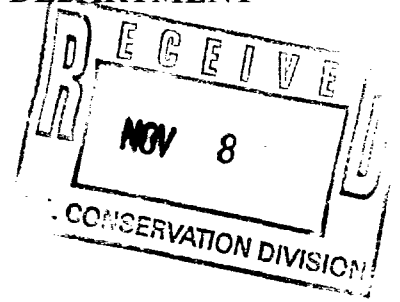
Very truly yours,



WILLIAM F. CARR  
WFC:mlh

cc: Mr. Scott Wehner

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**



IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 11650

APPLICATION OF TEXACO EXPLORATION  
AND PRODUCTION INC., FOR AMENDMENT OF  
DIVISION ORDER NO. R-5530, AS AMENDED,  
TO AUTHORIZE A TERTIARY RECOVERY PROJECT  
BY THE INJECTION OF CARBON DIOXIDE IN ITS  
CENTRAL VACUUM UNIT PRESSURE MAINTENANCE  
PROJECT AREA, AND TO QUALIFY THIS PROJECT FOR  
THE RECOVERED OIL TAX RATE PURSUANT TO  
THE ENHANCED OIL RECOVERY ACT,  
LEA COUNTY, NEW MEXICO.

**PRE-HEARING STATEMENT**

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,  
as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Texaco Exploration and Production Inc.

c/o Ron Lanning  
Post Office Box 3109  
Midland, TX 79702

(915) 688-4445

name, address, phone and  
contact person

**ATTORNEY**

William F. Carr, Esq.  
Campbell, Carr, Berge & Sheridan, P.A.  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

INTERESTED PARTY

ATTORNEY

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name, address, phone and  
contact person

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**STATEMENT OF CASE**

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Texaco Exploration and Production Inc., applicant in the above-styled cause, seeks approval to institute a tertiary recovery project in its Central Vacuum Unit Pressure Maintenance Project Area by the injection of carbon dioxide into the Grayburg and San Andres formations in the Vacuum-Grayburg-San Andres Pool. The Central Vacuum Unit Pressure Maintenance Project encompasses portions of Sections 25 and 36 of Township 17 South, Range 34 East; and Sections 30 and 31 of Township 17 South, Range 35 East; Section 12 of Township 18 South, Range 34 East; and Sections 6 and 7 of Township 18 South, Range 35 East. Applicant also seeks to increase the approved surface injection pressure for carbon dioxide injection in this project area to 1500 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

**PROPOSED EVIDENCE**

APPLICANT

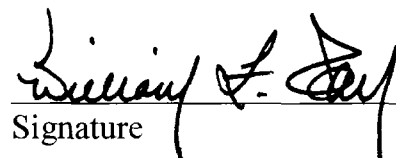
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
James Anderson, Petroleum Engineer	15 Min.	Approximately 8
Scott Wehner, Petroleum Engineer	15 Min.	Approximately 5

OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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**PROCEDURAL MATTERS**

(Please identify any procedural matters which need to be resolved prior to hearing)

  
\_\_\_\_\_  
Signature



**DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 5, 1996**

8:15 AM - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 37-96 and 1-97 are tentatively set for December 19, 1996 and January 9, 1997. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 10513: (Readvertised)**

**Application of Hanley Petroleum Inc. for determination of reasonable well costs, Lea County, New Mexico.** Applicant as a working interest owner in the Santa Fe Energy Operating Partners, L.P. Kachina "8" Federal Well No. 2 located 1830 feet from the North line and 660 feet from the West line (Unit E) of Section 8, Township 18 South, Range 33 East, South Corbin-Wolfcamp Pool, which was drilled pursuant to the compulsory pooling provisions of Division Order Nos. R-9480, R-9480-A, and R-9480-B, all entered in Case Nos. 10211 and 10219, and to which is dedicated the W/2 NW/4 (Units D and E) of said Section 8, seeks an order ascertaining the reasonableness of actual well costs for the subject well. Said unit is located approximately 7.5 miles southeast by south of Maljamar, New Mexico.

**CASE 10882: (Readvertised)**

**Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico.** Applicants seek approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L)(SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

**CASE 11648: (Continued from November 21, 1996, Examiner Hearing.)**

**Application of Mewbourne Oil Company for compulsory pooling, a non-standard spacing unit and an unorthodox well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the S/2 in the Eumont Gas Pool and in all formations developed on 160-acre spacing underlying the SW/4, and in all formations developed on 80-acre spacing underlying the S/2 SW/4, from the surface to the base of the Yates-Seven Rivers-Queen formation, Eumont Gas Pool, of Section 21, Township 19 South, Range 37 East. Said units are to be dedicated to its Eumont "21" State Well No. 1 which will be drilled at an unorthodox location 990 feet from the South line and 860 feet from the West line (Unit M) of said Section 21. Applicant proposes to dedicate to this well in the Eumont Gas Pool a non-standard spacing unit comprised of the S/2 of said Section 21. 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles east of Monument, New Mexico.

**CASE 11639: (Continued from November 21, 1996, Examiner Hearing.)**

**Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the N/2 of Section 8, Township 18 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing. Applicant proposes to dedicate this pooled unit to its Scoggin Draw "8" State Well No. 1, to be drilled at an orthodox location 660 feet from the North line and 2250 feet from the East line (Unit B) of said Section 8. 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 11 miles southwest of Artesia, New Mexico.

**CASE 11665: Application of Exxon Corporation for approval of a waterflood project and to qualify said project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.** Applicant seeks approval to institute a secondary recovery project in its proposed Knox-Adkins Waterflood Project by the injection of water into the Blinebry formation in the Oil Center-Blinebry Pool, encompassing 640 acres of fee land comprising all of Section 10, Township 21 South, Range 36 East. Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is located immediately east of Oil Center, New Mexico.

**CASE 11659:** (Continued from November 21, 1996, Examiner Hearing.)

**Application of Santa Fe Energy Resources, Inc. for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the SE/4 SE/4 of Section 27, Township 15 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit is to be dedicated to its Grassland "27" Well No. 1, to be drilled at an unorthodox oil well location 1243 feet from the South line and 353 feet from the East line (Unit P) of said Section 27. 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 11 miles west by north of McDonald, New Mexico.

**CASE 11661:** (Continued from November 21, 1996, Examiner Hearing.)

**Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 20, Township 22 South, Range 28 East, and in the following manner: the S/2 of Section 20 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Dublin Ranch-Atoka Gas Pool, the Undesignated Dublin Ranch-Morrow Gas Pool, and the Undesignated Otis-Morrow Gas Pool; the SE/4 of Section 20 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the NW/4 SE/4 of Section 20 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within said vertical extent, including the Undesignated Indian Draw-Delaware Pool and the Undesignated Herradura Bend-Cherry Canyon Pool. Said units are to be dedicated to applicant's Federal "3 AE" Well No. 1, to be recompleted at an orthodox location 1650 feet from the South line and 1980 feet from the East line (Unit J) of said Section 20. Also to be considered will be the cost of drilling and recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and recompleting said well. Said unit is located approximately 6 miles north of Loving, New Mexico.

**CASE 11666:** **Application of InterCoast Oil and Gas Company for compulsory pooling and unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 20, Township 20 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, including but not limited to the Burton Flat-Morrow Gas Pool and the Undesignated West Burton Flat-Atoka Gas Pool. Said unit will be dedicated to its InterCoast State 20 Well No. 1 to be drilled at an unorthodox location 990 feet from the North line and 990 feet from the East line (Unit A) of said Section 20. 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 the operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 10 miles east-southeast of Locked, New Mexico.

**CASE 11634:** (Continued from November 21, 1996, Examiner Hearing.)

**Application of InterCoast Oil and Gas Company for compulsory pooling and unorthodox well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests for all formations developed on 320-acre spacing in the N/2 of Section 20, Township 20 South, Range 28 East, from the surface to the base of the Morrow formation, Burton Flat-Morrow Gas Pool. Said unit is to be dedicated to its InterCoast State 20 Well No. 1 which will be drilled at an unorthodox location 990 feet from the North line and 990 feet from the East line (Unit A) of said Section 20. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 10 miles east-southeast of Lakewood, New Mexico.

**CASE 11667:** **Application of Penwell Energy, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the E/2 and in all formations developed on 160-acre spacing underlying the SE/4 from the surface to the base of the Morrow formation in Section 29, Township 23 South, Range 26 East. Said units are to be dedicated to its F. H. "29" Federal Com. Well No. 1 which will be drilled at a standard location 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 29. 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 the operator of the well, and a charge for risk involved in drilling said well. Said unit area is located approximately 8 miles south of Carlsbad, New Mexico.

**CASE 11656:** (Continued from November 21, 1996, Examiner Hearing.)

**Application of Texaco Exploration and Production, Inc. for compulsory pooling, a high angle/horizontal directional drilling pilot project, and special operating rules therefor, Lea County, New Mexico.** Applicant seeks to establish a high angle/horizontal directional drilling pilot project in the Rhodes-Yates Seven Rivers Gas Pool within a standard 160-acre gas spacing and proration unit comprising the SW/4 of Section 23, Township 26 South, Range 37 East, whereby the extent of the wellbore for its proposed Rhodes "23" Federal Com Well No. 1 is to be limited to a target window no closer than 660 feet to any boundary of the project area/proration unit. Further, the applicant seeks an order pooling all mineral interests within the Rhodes-Yates Seven Rivers Gas Pool underlying the aforementioned 160-acre project area/proration unit. Also to be considered will be the cost of drilling and completing the Rhodes "23" Federal Com Well No. 1 and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles south-southwest of Jal, New Mexico.

**CASE 11650:** (Readvertised - This Case Will Be Continued to December 19, 1996.)

**Application of Texaco Exploration & Production Inc. for amendment of Division Order No. R-5530, as amended, to increase injection pressures in its Central Vacuum Unit Pressure Maintenance Project Area, authorize a tertiary recovery project by the injection of carbon dioxide and to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.** Applicant seeks approval to institute a tertiary recovery project in its Central Vacuum Unit Pressure Maintenance Project Area by the injection of carbon dioxide into the Grayburg and San Andres formations in the Vacuum-Grayburg-San Andres Pool. The Central Vacuum Unit Pressure Maintenance Project encompasses portions of Sections 25 and 36 of Township 17 South, Range 34 East; Sections 30 and 31 of Township 17 South, Range 35 East; Section 12 of Township 18 South, Range 34 East; and Sections 6 and 7 of Township 18 South, Range 35 East. Applicant also seeks to increase the approved surface injection pressure for water in this project area to 1500 pounds and establish a maximum surface injection pressure for carbon dioxide of 1900 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located approximately 2 miles south of Buckeye, New Mexico.

**CASE 11668:** **Application of Yates Petroleum Corporation for ten unorthodox gas well locations, Pecos Slope-Abo Gas Pool, Chaves County, New Mexico.** Applicant seeks approval of the following unorthodox gas well locations in the Pecos Slope-Abo Gas Pool:

Township 6 South, Range 26 East, NMPM:

Hansel ANH Federal No. 1, Section 7: 2110 feet from the North line and 940 feet from the East line

Township 7 South, Range 26 East, NMPM:

Leeman OC Federal No. 5, Section 18: 2310 feet from the South line and 2310 feet from the East line

Township 6 South, Range 25 East, NMPM:

Thomas LN Federal No. 9, Section 10: 2310 feet from the South line and 1300 feet from the West line

Skinny QO State No. 8, Section 16: 660 feet from the South line and 2310 feet from the West line

Snell QZ No. 2, Section 31: 2310 feet from the North line and 2310 feet from the West line

Powers OL Federal Com. No. 11, Section 33: 385 feet from the North line and 1680 feet from the East line

Teckla MD Federal No. 9, Section 13: 330 feet from the South line and 2200 feet from the East line

Sacra SA No. 12, Section 23: 2310 feet from the South line and 1300 feet from the East line

Red Rock NB Federal No. 7, Section 28: 2310 feet from the South line and 1300 feet from the West line

Sacra SA Com No. 13, Section 34: 2310 feet from the South line and 1500 feet from the East line

Said area is located approximately 35 miles west-southwest of Kenna, New Mexico.

**CASE 11649:** (Continued from November 7, 1996, Examiner Hearing.)

**Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the N/2, in all formations developed on 160-acre spacing underlying the NE/4, in all formations developed on 80-acre spacing underlying the N/2 NE/4, and in all formations developed on 40-acre spacing underlying the NW/4 NE/4 from the surface to the base of the Morrow formation, Cemetery-Morrow Gas Pool, of Section 26, Township 19 South, Range 25 East. Said units are to be dedicated to its Morris 26B Well No.1 which will be drilled at a standard location 660 feet from the North line and 1650 feet from the East line (Unit B) of said Section 26. 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 4 1/2 miles west of Lakewood, New Mexico.

**CASE 11669:** Application of Nearburg Exploration Company, L.L.C., for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks authorization to drill a well to the Wolfcamp and Morrow formations, Undesignated West Osudo-Morrow Gas Pool, at an unorthodox well location 660 feet from the North and West lines of Section 36, Township 20 South, Range 35 East. The W/2 of said Section 36 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 8 miles southwest of Monument, New Mexico.

**CASE 11542:** (Continued from November 7, 1996, Examiner Hearing.)

**Application of Meridian Oil Inc. for compulsory pooling and an unorthodox gas well location, San Juan County, New Mexico.** Applicant seeks an order pooling certain mineral interests in the Blanco Mesaverde Pool underlying Lots 1, 2, 7, 8, 9, 10, 15 and 16 (the E/2 equivalent) of Section 23, Township 31 North, Range 9 West, forming a 313.63-acre gas spacing and proration unit. Said unit is to be dedicated to Meridian Oil Inc.'s proposed Seymour Well No. 7A which is an "Infill Blanco-Mesaverde Well" to be drilled at an unorthodox gas well location 1615 feet from the South line and 2200 feet from the East line of said Section 23 to test for production from the Mesaverde formation. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling and completing, the allocation of those costs and income therefrom as well as actual operating costs and charges for supervision, a charge for risk involved in drilling and completing said well and the designation of applicant as the operator of the well. Said well is located approximately 9 miles southeast of Cedar Hills, New Mexico.

**CASE 11670:** Application of CT-R, LTD Company and Chantrey Corporation to amend Administrative Order NSP-7, Lea County, New Mexico. Applicant seeks an order amending Order NSP-7, dated October 1, 1954, by reducing the previously approved 320-acre non-standard gas proration and spacing unit consisting of the S/2 of Section 21, Township 19 South, Range 37 East, to an 80-acre non-standard gas proration and spacing unit to consist of the N/2 SW/4 of said Section 21 to be dedicated to the Huston Com Well #1-K located 1980 feet from the South and West lines (Unit K) of said Section 21, Eumont Gas Pool. Said unit is located approximately 1 1/2 miles north of Monument, New Mexico.

**CASE 11671:** Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its proposed Stonewall DD State Com Well No. 3 at a point 990 feet from the North and West lines (Unit D) of Section 20, Township 20 South, Range 28 East, to the base of the Morrow formation, said location being unorthodox for any and all gas producing formations from the top of the Wolfcamp to the base of the Morrow, including but not limited to the Burton Flat-Morrow Gas Pool and, if productive, to be dedicated to a 320-acre gas spacing unit consisting of the W/2 of said Section 20. Said location is approximately 10 miles north of Carlsbad, New Mexico.

**CASE 11651:** (Continued from November 21, 1996, Examiner Hearing.)

**Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the N/2 of Section 27, Township 18 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent; the NW/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the NE/4 NW/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, including but not limited to the Atoka-Penn Gas Pool. Said units are to be dedicated to its existing Hawkins "GY" Well No. 4, which is located at an orthodox location 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 27 which applicant seeks to reenter. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located 4 miles south-southeast of Atoka, New Mexico.

**CASE 11516:** (Continued from November 7, 1996, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, H & W Enterprises, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Mobil State Well No. 1, located in Unit H of Section 16, Township 17 South, Range 31 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. Said well is located approximately 6 miles west-southwest of Maljamar, New Mexico.

**ASE 11604:** (Continued from November 7, 1996, Examiner Hearing.)

Application of Sunco Trucking Water Disposal Company for a show cause hearing as to why it should not be fined for violations of Oil Conservation Division Rule 711, San Juan County, New Mexico. Applicant seeks a hearing to show cause to the Oil Conservation Division why applicant should not be fined \$5,000.00 for violations of the conditions of its Rule 711 permit.

**CASE 11672:** In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order contracting and extending certain pools in McKinley, Rio Arriba, Sandoval, and San Juan Counties, New Mexico.

- (a) CONTRACT the Red Mountain-Mesaverde Oil Pool in McKinley County, New Mexico, by the deletion therefrom of the following described area:

TOWNSHIP 20 NORTH, RANGE 9 WEST, NMPM

Section 29: SW/4

- (b) EXTEND the Adobe-Chacra Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM

Section 14: N/2 and SE/4

- (c) EXTEND the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 19: S/2

- (d) EXTEND the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM

Section 21: W/2

Section 28: W/2

Section 33: W/2

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM

Section 13: SW/4

Section 14: SE/4

Section 23: E/2

Section 24: W/2

Section 25: NW/4

Section 26: NE/4

- (e) EXTEND the Carracas-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 4 WEST, NMPM

Section 22: E/2

Section 23: SW/4

Section 26: E/2

Section 35: NE/4

- (f) EXTEND the Devils Fork-Mesaverde Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 1: E/2 SE/4

- (g) EXTEND the Ensenada-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 34: NE/4

- (h) EXTEND the Flora Vista-Gallup Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 13 WEST, NMPM

Section 4: SE/4

Section 9: E/2

- (i) EXTEND the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 3: NW/4

- (j) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 35: NW/4 NE/4

- (k) EXTEND the Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 13: NW/4

Section 14: NE/4

Section 23: SE/4

Section 24: W/2

Section 25: S/2 and NW/4

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

**DOCKET: COMMISSION HEARING - THURSDAY - DECEMBER 12, 1996**

**9:00 A.M. - 2040 SOUTH PACHECO - SANTA FE, NEW MEXICO**  
**The Land Commissioner's designee for this hearing will be Jami Bailey**

**CASE 10907:** (Continued from November 14, 1996, Commission Hearing.)

In the matter of the hearing called by the Oil Conservation Division to amend Rule 111, 1112 and 1115 of its General Rules and Regulations. The Oil Conservation Division seeks to amend its General Rules and Regulations to provide for the filing of Forms C-111, C-112, and C-115, respectively, on the last business day of the month following the month of production and to provide for the imposition of penalties for failure to file timely and accurate reports.

**CASE 11510:** (Reopened)

**Application of Branko, Inc. Et. al to Reopen Case No. 10656 (Order No. R-9845), Lea County, New Mexico.** Mitchell Energy Corporation, a party in this matter, has requested to have the Oil Conservation Commission decide the matter of which parties are to be notified of election rights under compulsory pooling orders.

**CASE 11515:** (De Novo - Continued from October 29, 1996, Commission Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Woosley Oil Co., American Employers' Insurance Company, and all other interested parties to appear and show cause why the Santa Fe Energy Well No. 1 located in Unit P of Section 8, Township 19 North, Range 6 West; Santa Fe Energy Well No. 2 located in Unit A of Section 17, Township 19 North, Range 6 West; State Well No. 1 located in Unit D of Section 16, Township 19 North, Range 6 West; State Well No. 2 located in Unit C of Section 16, Township 19 North, Range 6 West; State Well No. 3 located in Unit A of Section 16, Township 19 North, Range 6 West; Ptasynski A Well No. 1 located in Unit I of Section 11, Township 19 North, Range 5 West; and Ptasynski A Well No. 2 located in Unit J of Section 11, Township 19 North, Range 5 West; all located in McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said wells, and ordering a forfeiture of the plugging bond. The center of the area encompassing said wells is located approximately 10 miles southeast of Chaco Canyon National Monument, New Mexico. Upon application of Commercial Union Insurance Companies and American Employers' Insurance Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 11579:** (De Novo - Continued from October 29, 1996 Commission Hearing.)

**Application of Pogo Producing Company for a pressure maintenance project, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to institute a pressure maintenance project in the West Red Tank-Delaware Pool within its federal oil and gas lease (No. NM-86149) comprising the W/2 of Section 26, Township 22 South, Range 32 East, by the injection of natural gas through the perforated interval from approximately 8,399 feet to 8,471 feet into its existing Red Tank "26" Federal Well No. 1 located 1880 feet from the South and West lines (Unit K) of said Section 26. Said project area is located approximately 29 miles west by south of Eunice, New Mexico.

**AWAITING FINAL COMMISSION ACTION - NO EVIDENCE OR TESTIMONY WILL BE TAKEN**

**CASE 11596:** In the matter of the hearing called by the Oil Conservation Commission to establish a rule to allow Commission members to participate in Commission meetings and hearings by means of a conference telephone or other similar communications equipment when it is otherwise difficult or impossible for members to attend the meeting or hearing in person.

**CASE 11507:** In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Petroleum Development Corporation, United New Mexico Bank, Albuquerque, New Mexico, and all other interested parties to appear and show cause why the El Poso Ranch Well Nos. 8 and 11, located in Unit N of Section 14 and Unit K of Section 14, both in Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. Said wells are located approximately 4 miles northwest of El Vado, New Mexico.

**CASE 11508:** In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Spur Oil Inc., Old Republic Insurance Company, and all other interested parties to appear and show cause why the Samantha Well No. 1 located in Unit L of Section 26, Township 28 North, Range 1 East; Samantha Well No. 2 located in Unit K of Section 26, Township 28 North, Range 1 East; Samantha Well No. 3 located in Unit N of Section 26, Township 28 North, Range 1 East; Gonzales 13 Well No. 1 located in Unit I of Section 13, Township 31 North, Range 1 East; Gonzales 18 Well No. 1 located in Unit M of Section 18, Township 31 North, Range 2 East; Quinlan Ranch Well No. 1 located in Unit H of Section 23, Township 32 North, Range 2 East; and the Quinlan Ranch Well No. 2 located in Unit N of Section 19, Township 31 North, Range 3 East; Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. The three Samantha wells are located approximately 5 miles west-northwest of El Vado, New Mexico. The Gonzales 13 Well No. 1 and Gonzales 18 Well No. 1 are located approximately 4 and 6 miles east of Monero, New Mexico, respectively. The Quinlan Ranch Well Nos. 1 and 2 are located approximately 6 miles northwest and 6 miles north-northwest of Chama, New Mexico, respectively.

**CASE 11509:** In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Chuza Operating, Underwriters Indemnity Co., and all other interested parties to appear and show cause why the El Poso Ranch Wells Nos. 1, 2, 3, 4, 7, 9 and 10, located in Units E of Section 26, P of Section 22, F of Section 14, C of Section 23, J of Section 14, N of Section 11, and O of Section 14, respectively, all in Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. Said wells are located approximately 4 miles northwest of El Vado, New Mexico.

**CASE 11514:** **Application of Read & Stevens, Inc. for an unorthodox infill gas well location and simultaneous dedication, Chaves County, New Mexico.** Applicant seeks approval of an unorthodox infill gas well location in the Buffalo Valley-Pennsylvanian (Prorated) Gas Pool for a well to be drilled 990 feet from the South line and 1980 feet from the West line (Unit O) of Section 26, Township 15 South, Range 27 East. Said well is to be simultaneous dedicated with the existing Harris Federal Well No. 4, located at a standard gas well location in Unit "P" of said Section 26, to a standard 320-acre gas spacing and proration unit comprising the S/2 of said Section 26. Said unit is located approximately 9.5 miles southeast of Lake Arthur, New Mexico.



CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
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November 12, 1996

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Case 11650

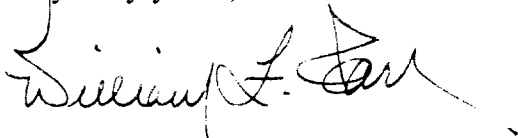
Re: *Amended Application of Texaco Exploration & Production Inc. for amendment of Division Order No. R-5530, as amended, to increase injection pressures in its Central Vacuum Unit Area, authorize a tertiary recovery project by the injection of carbon dioxide in, and to qualify said project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico*

Dear Mr. LeMay:

Enclosed in triplicate is the Amended Application of Texaco Exploration & Production Inc. in the above-referenced case as well as a copy of a legal advertisement. Texaco requests that this matter be readvertised as amended for the Examiner hearing set December 5, 1996.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Mr. Ronald W. Lanning (w/enclosures)  
Texaco Exploration & Production Inc.  
Post Office Box 3109  
Midland, Texas 79702

CASE 11658

Amended Application of Texaco Exploration & Production Inc. for amendment of Division Order No. R-5530, as amended, to increase injection pressures in its Central Vacuum Unit Pressure Maintenance Project Area, authorize a tertiary recovery project by the injection of carbon dioxide, and to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval to institute a tertiary recovery project in its Central Vacuum Unit Pressure Maintenance Project Area by the injection of carbon dioxide into the Grayburg and San Andres formations In the Vacuum-Grayburg-San Andres Pool. The Central Vacuum Unit Pressure Maintenance Project encompasses portions of ~~Sections 25 and 36 of Township 17 South Range 34 East; Sections 30 and 31 of Township 17 South, Range 35 East; Section 12 of Township 18 South, Range 34 East; and Sections 6 and 7 of Township 18 South, Range 35 East, N.M.P.M.~~ Applicant also seeks to increase the approved surface injection pressure for water in this project area to 1500 pounds and establish a maximum surface injection pressure for carbon dioxide of 1900 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located approximately 2 miles south of Buckeye, New Mexico.

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF TEXACO EXPLORATION & PRODUCTION INC.  
FOR AMENDMENT OF DIVISION ORDER R-5530,  
AS AMENDED, TO INCREASE INJECTION  
PRESSURES IN ITS CENTRAL VACUUM UNIT  
PRESSURE MAINTENANCE PROJECT AREA,  
AUTHORIZE A TERTIARY RECOVERY PROJECT  
BY THE INJECTION OF CARBON DIOXIDE,  
AND TO QUALIFY SAID PROJECT FOR THE  
RECOVERED OIL TAX RATE PURSUANT  
TO THE ENHANCED OIL RECOVERY ACT,  
LEA COUNTY, NEW MEXICO.

CASE NO. 11650

**AMENDED APPLICATION**

TEXACO EXPLORATION & PRODUCTION INC. ("Texaco") through its attorneys, Campbell, Carr, Berge & Sheridan, P. A., hereby makes application for an order amending Division Order No. R-5530, as amended, to increase injection pressures in its Central Vacuum Unit Pressure Maintenance Project Area, authorize a tertiary recovery project by the injection of carbon dioxide into the Grayburg and San Andres formations, Vacuum-Grayburg-San Andres Pool, and to qualify the project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, and in support thereof states:

1. By Order No. R-5496, dated August 9, 1977, the Division granted the application of Texaco for approval of the Central Vacuum Unit pursuant to the Statutory

Unitization Act. The unit boundaries include the following acreage in Lea County, New Mexico:

**TOWNSHIP 17 SOUTH, RANGE 34 EAST, N.M.P.M.**

Section 25: S/2, SE/4 NE/4  
Section 36: All

**TOWNSHIP 17 SOUTH, RANGE 35 EAST, N.M.P.M.**

Section 30: All  
Section 31: N/2, SW/4, SW/4 SE/4

**TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.**

Section 12: N/2 NE/4

**TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M.**

Section 6: All  
Section 7: NW/4, NW/4 NE/4

2. Pursuant to the provisions of Division Order No. R-5530 dated September 20, 1977, as amended, Texaco operates The Central Vacuum Unit Pressure Maintenance Project in the Central Vacuum Unit for the injection of water into the Vacuum-Grayburg-San Andres Pool .

3. Texaco seeks an amendment of Order No. R-5530, as amended, to authorize the implementation of tertiary recovery operations in this project area by the injection of water, carbon dioxide and produced gases into the Grayburg and San Andres formations.

4. Texaco also seeks amendment of Order No. R-5530, as amended, to increase the maximum surface injection pressure for water to 1500 pounds and establish a maximum surface injection pressure for carbon dioxide of 1900 pounds.

5. Texaco further seeks to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act.


6. Approval of this application will afford Texaco the opportunity to produce its just and equitable share of the remaining reserves in the Central Vacuum Unit Pressure Maintenance Project Area and will otherwise be in the best interest of the conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, Texaco Exploration and Production, Inc. requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on December 5, 1996, and after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By:



WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR TEXACO EXPLORATION  
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October 28, 1996

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

RECEIVED

OCT 28 1996

Oil Conservation Division

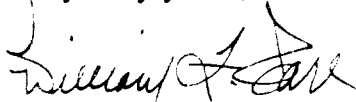
Re: Oil Conservation Division Case No. 11650:  
Application of Texaco Exploration and Production Inc. for Amendment of  
Division Order No. R-5530, as amended, to Authorize a Tertiary Recovery  
Project by the Injection of Carbon Dioxide in its Central Vacuum Unit Area  
and to Qualify said project for the Recovered Oil Tax Rate pursuant to the  
Enhanced Oil Recovery Act, Lea County, New Mexico

Dear Mr. LeMay:

Texaco Exploration and Production Inc. respectfully requests that this matter which is currently set on the Division docket for the November 7, 1996 hearings be continued to the November 21, 1996 Examiner docket.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR  
WFC:mlh

cc: Mr. Ron Lanning





NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

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**MEMORANDUM**

**TO: ALL OPERATORS**

**FROM: WILLIAM J. LEMAY, Chairman** *WJL*  
**New Mexico Oil Conservation Commission**

**SUBJECT: ADMINISTRATIVE APPLICATION COVER SHEET**

**DATE: OCTOBER 25, 1996**

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Enclosed is a copy of our *administrative application cover sheet* which can be copied and is to accompany all applications for administrative approval. This form will be available on the OCD Home Page of the Internet by November 15, 1996. The purpose of this cover sheet is to identify the type of application and to provide the Division with operator certification that proper notice has been given or that waivers have been obtained and that ownership is common for those application which require common ownership to be approved. This should speed up approval and reinforce the need for operators to take responsibility for complying with applicable rules and regulations.

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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVERSHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

**Application Acronyms:**

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
 [DD-Directional Drilling] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling  
 NSL     NSP     DD     SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC     CTB     PLC     PC     OLS     OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply**

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

**[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Print or Type Name

Signature

Title

Date



**DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 7, 1996**

8:15 A.M. - 2040 S. Pacheco

Santa Fe, New Mexico

Dockets Nos 32-96 and 33-96 are tentatively set for November 21, 1996 and December 5, 1996. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 11562:** (Continued from September 5, 1996, Examiner Hearing - This Case Will Be Continued to November 21, 1996, Examiner Hearing.)

**Application of Shahara Oil Corporation for statutory unitization, Lea County, New Mexico.** Applicant seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests from the surface of the ground to a lower limit of 5500 feet below the surface of those lands underlying its proposed Shahara State 16 Unit Area encompassing some 320 acres, more or less, of state lands comprising the W/2 of Section 16, Township 17 South, Range 33 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 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 investments, 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 the unit operator, and time of commencement and termination of unit operations. Said unit area is located approximately 6 miles east-southeast of Maljamar, New Mexico.

**CASE 11626:** (Readvertised)

**Application of Burlington Resources Oil & Gas Company for the establishment of a downhole commingling reference case for its San Juan 27-5 Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, Rio Arriba County, New Mexico.** Applicant in accordance with Division Rule 303.E. seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the San Juan 27-5 Unit located in Township 27 North, Range 5 West. The center of said area is located approximately 10 miles southeast of Gobernador Camp, New Mexico.

**CASE 11627:** (Readvertised)

**Application of Burlington Resources Oil & Gas Company for the establishment of a downhole commingling reference case for its San Juan 28-5 Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, Rio Arriba County, New Mexico.** Applicant in accordance with Division Rule 303.E. seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the San Juan 28-5 Unit located in Township 28 North, Range 5 West. The center of said area is located approximately 6 miles southeast of Gobernador Camp, New Mexico.

**CASE 11628:** (Readvertised)

**Application of Burlington Resources Oil & Gas Company for the establishment of a downhole commingling reference case for its San Juan 28-6 Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, Rio Arriba County, New Mexico.** Applicant in accordance with Division Rule 303.E. seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the San Juan 28-6 Unit located in Township 27 North, Range 6 West and Township 28 North, Range 6 West. The center of said area is located approximately 5 miles southwest of Gobernador Camp, New Mexico.

**CASE 11629:** (Readvertised)

Application of Burlington Resources Oil & Gas Company for the establishment of a downhole commingling reference case for its San Juan 29-7 Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, Rio Arriba County, New Mexico. Applicant in accordance with Division Rule 303.E. seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the San Juan 29-7 Unit located in Township 29 North, Range 7 West. The center of said area is located approximately 9 miles southwest of Gobernador Camp, New Mexico.

**CASE 11542:** (Continued from October 3, 1996, Examiner Hearing.)

Application of Meridian Oil Inc. for compulsory pooling and an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks an order pooling certain mineral interests in the Blanco Mesaverde Pool underlying Lots 1, 2, 7, 8, 9, 10, 15 and 16 (the E/2 equivalent) of Section 23, Township 31 North, Range 9 West, forming a 313.63-acre gas spacing and proration unit. Said unit is to be dedicated to Meridian Oil Inc.'s proposed Seymour Well No. 7A which is an "Infill Blanco-Mesaverde Well" to be drilled at an unorthodox gas well location 1615 feet from the South line and 2200 feet from the East line of said Section 23 to test for production from the Mesaverde formation. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling and completing, the allocation of those costs and income therefrom as well as actual operating costs and charges for supervision, a charge for risk involved in drilling and completing said well and the designation of applicant as the operator of the well. Said well is located approximately 9 miles southeast of Cedar Hills, New Mexico.

**CASE 11636:** Application of Matador Operating Company for an exception from Rule 2.B of the special rules and regulations for the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico. Applicant seeks an exception in order to drill its Grynberg 11 Federal Com Well No. 4 at a standard well location 1650 feet from the North and West lines (Unit F) of Section 11, Township 25 South, Range 26 East, and to simultaneously dedicate it to a standard 640-acre gas spacing unit consisting of all of said Section 11 which is currently dedicated to the existing Grynberg 11 Federal Com Well Nos. 1 and 2. Said unit is located approximately 7 miles southeast of Whites City, New Mexico.

**CASE 11624:** (Continued from October 17, 1996, Examiner Hearing.)

Application of Murchison Oil & Gas, Inc. for an exception to the existing field rules for the White City - Pennsylvanian Gas Pool, Eddy County, New Mexico. Applicant seeks an order permitting the drilling of a third well at an orthodox location in Section 2, Township 25 South, Range 26 East, with applicant dedicating all of Section 2 to the well to test the formations included within said White City-Pennsylvanian Gas Pool. Said pool is located approximately eighteen (18) miles south of Carlsbad, New Mexico.

**CASE 11637:** Application of SDX Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Drinkard formation underlying Lot 2 of Irregular Section 4, Township 21 South, Range 37 East, forming a non-standard 37.89-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Eunice Blinbry-Tubb-Drinkard Pool. Said unit is to be dedicated to its Exxon Fee Well No. 2 to be drilled and completed at a standard well location in Lot 2 of said Section 4. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6 miles north of Eunice, New Mexico.

**CASE 11638:** **Application of Citation Oil & Gas Corp. for two unorthodox gas well locations and for simultaneous dedication, Lea County, New Mexico.** Applicant seeks approval of two unorthodox gas well locations in the Eumont Gas Pool for its existing: (i) Devonian State Well No. 2 (API No. 30-025-04729), located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 20, Township 21 South, Range 36 East; and, (ii) Devonian State Well No. 3 (API No. 30-025-04730), located 660 feet from the North and East lines (Unit A) of said Section 20. Applicant also seeks approval for Eumont gas production from both wells to be simultaneously dedicated to the existing 320-acre non-standard gas spacing and proration unit comprising the E/2 of said Section 20 (established by Division Administrative Order NSP-488, dated May 11, 1959), which is currently dedicated to its Devonian State Com Well No. 1 (API No. 30-025-04728), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 20. **Further**, the applicant at the time of the hearing shall review the status of all other Eumont production, both oil and gas, within the E/2 of said Section 20 and the status and/or effect of Division Administrative Order NSL-3646(SD), dated April 3, 1996, with respect to this application. Said unit is located approximately 2.5 miles south-southeast of Oil Center, New Mexico.

**CASE 11639:** **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the N/2 of Section 8, Township 18 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing. Applicant proposes to dedicate this pooled unit to its Scoggin Draw "8" State Well No. 1, to be drilled at an orthodox location 660 feet from the North line and 2250 feet from the East line (Unit B) of said Section 8. 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 11 miles southwest of Artesia, New Mexico.

**CASE 11549:** (Continued from October 3, 1996, Examiner Hearing. - This Case Will be Dismissed.)

**Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 23, Township 19 South, Range 28 East, and in the following manner: the S/2 of Section 23 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated South Millman-Atoka Gas Pool, the Undesignated Winchester-Morrow Gas Pool, the Undesignated North Winchester-Morrow Gas Pool, the Undesignated Winchester -Upper Pennsylvanian Gas Pool, the Undesignated Winchester-Strawn Gas Pool, and the Undesignated North Winchester-Wolfcamp Pool; the SW/4 of Section 23 to form a standard 160-acre gas spacing and proration unit for any and all pools and/or formations developed on 160-acre spacing within said vertical extent, including the Undesignated Winchester-Wolfcamp Gas Pool; and the SE/4 SW/4 of Section 23 to form a standard 40-acre oil spacing and proration unit for any and all pools and/or formations developed on 40-acre spacing within said vertical extent, including the Undesignated Outpost-Delaware Pool, the Undesignated East Millman-Queen-Grayburg-San Andres Pool, the Undesignated Scanlon Draw-Queen Pool, and the Undesignated Winchester-Bone Spring Pool. Said units are to be dedicated to Applicant's Ten Bears "23" St. Well No. 1, to be drilled at an orthodox well location 990 feet from the South line and 1980 feet from the West line (Unit N) of the 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. Said unit is located approximately 6 miles southeast of Illinois Camp.

**CASE 11640:** **Application of Merrion Oil & Gas Corporation for a unit agreement, Sandoval County, New Mexico.** Applicant seeks approval of the Hakuna Matata Unit Agreement for an area comprising 1,000 acres, more or less, of federal, state and Indian lands in all or portions of Sections 8, 9 16, and 17 of Township 20 North, Range 4 West. Said unit is located 13 miles north-northeast of Torreon, New Mexico.

**CASE 11616:** (Reopened)

**Application of Manzano Oil Corporation for compulsory pooling and unorthodox well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the S/2 NE/4 for all formations developed on 80-acre spacing and in the SW/4 NE/4 for all formations developed on 40-acre spacing of Section 11, Township 16 South, Range 36 East. Said units are to be dedicated to its Double Eagle Well No. 1 to be drilled at an unorthodox location 1500 feet from the North line and 2250 feet from the East line (Unit G) of said Section 11. Also to be considered will be the costs of drilling and completing said well and the allocation of those costs 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 well is located approximately 1 mile southeast of Lovington, New Mexico.

- CASE 11641:** Application of ARCO Permian, a Division of Atlantic Richfield Company for compulsory pooling and unorthodox well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the S/2, in all formations developed on 160-acre spacing underlying the SW/4, in all formations developed on 80-acre spacing underlying the S/2 SW/4, and in all formations developed on 40-acre spacing underlying the SE/4 SW/4 from the surface to the base of the Atoka formation of Section 34, Township 17 South, Range 28 East. Said units are to be dedicated to its Galileo 34 State Com Well No. 1 which will be drilled at an unorthodox location 1017 feet from the South line and 1379 feet from the West line of said Section 34 to a depth sufficient to test all formations to the base of the Morrow formation, Undesignated South Empire-Morrow Gas Pool. 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 14 miles east-southeast of Artesia, New Mexico.
- CASE 11642:** Application of Maralo, Inc. for compulsory pooling and unorthodox oil well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation in all formations developed on 40-acre spacing underlying the NE/4 NE/4 of Section 17, Township 17 South, Range 38 East. Said unit is to be dedicated to its Burrows "17" Well No. 1 to be drilled at an unorthodox location 870 feet from the North line and 1180 feet from the East line (Unit A) of said Section 17. 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles northeast of Humble City, New Mexico.
- CASE 11643:** Application of Maralo, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation developed on 40-acre spacing underlying the NE/4 SW/4 of Section 15, Township 13 South, Range 38 East. Said unit is to be dedicated to its Davis "15" Well No. 1 which will be drilled at a standard location 1980 feet from the South and West lines of said Section 15. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles southwest of Bronco, New Mexico.
- CASE 11644:** Application of Amoco Production Company for surface commingling, San Juan County, New Mexico. Applicant seeks authority to surface commingle Blanco-Mesaverde and Blanco-Pictured Cliffs Gas Pool production from its dually completed Atlantic A "LS" Well No. 9A located 1185 feet from the North line and 1575 feet from the West line (Unit C) of Section 27, Township 31 North, Range 10 West. Said well is located approximately 4 miles southeast of Cedar Hill, New Mexico.
- CASE 11645:** Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant seeks approval to downhole commingle production from the Basin Dakota Pool and the Blanco Mesaverde Pool within the wellbore of its Stewart LS 6M Well to be located 800 feet from the South line and 1165 feet from the East line (Lot 16) of Section 28, Township 30 North, Range 10 West. Said well is located approximately 5 miles south-southeast of Aztec, New Mexico.
- CASE 11646:** Application of Penwell Energy, Inc. for pool expansion and special pool rules for the Cedar Canyon-Bone Spring Pool, Eddy County, New Mexico. Applicant seeks the expansion of this pool to include the S/2 of Section 10, the SW/4 of Section 11 and the NW/4 of Section 14, Township 24 South, Range 29 East and the adoption of special pool rules for the Cedar Canyon-Bone Spring Pool to include a provision for a gas-oil limitation of 6,000 cubic feet of gas per barrel of oil. Said area is located approximately 20 miles southeast of Carlsbad, New Mexico.
- CASE 11647:** Application of Penwell Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the E/2, in all formations developed on 160-acre spacing underlying the SE/4 from the surface to the base of the Morrow formation of Section 29, Township 23 South, Range 26 East. Said units are to be dedicated to its F. H. "29" Federal Com Well No. 1 which will be drilled at a standard location 1980 feet from the South line and 660 feet from the East line of said Section 29. 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles south of Carlsbad, New Mexico.

**CASE 11648:** Application of Mewbourne Oil Company for compulsory pooling, a non-standard spacing unit and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the S/2 in the Eumont Gas Pool and in all formations developed on 160-acre spacing underlying the SW/4, and in all formations developed on 80-acre spacing underlying the S/2 SW/4, from the surface to the base of the Yates-Seven Rivers-Queen formation, Eumont Gas Pool, of Section 21, Township 19 South, Range 37 East. Said units are to be dedicated to its Eumont "21" State Well No. 1 which will be drilled at an unorthodox location 990 feet from the South line and 860 feet from the West line (Unit M) of said Section 21. Applicant proposes to dedicate to this well in the Eumont Gas Pool a non-standard spacing unit comprised of the S/2 of said Section 21. 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles east of Monument, New Mexico.

**CASE 11649:** Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the N/2, in all formations developed on 160-acre spacing underlying the NE/4, in all formations developed on 80-acre spacing underlying the N/2 NE/4, and in all formations developed on 40-acre spacing underlying the NW/4 NE/4 from the surface to the base of the Morrow formation, Cemetery-Morrow Gas Pool, of Section 26, Township 19 South, Range 25 East. Said units are to be dedicated to its Morris 26B Well No. 1 which will be drilled at a standard location 660 feet from the North line and 1650 feet from the East line (Unit B) of said Section 26. 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 4 1/2 miles west of Lakewood, New Mexico.

**CASE 11650:** Application of Texaco Exploration & Production Inc. for amendment of Division Order No. R-5530, as amended, to authorize a tertiary recovery project by the injection of carbon dioxide in its Central Vacuum Unit Pressure Maintenance Project Area, and to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval to institute a tertiary recovery project in its Central Vacuum Unit Pressure Maintenance Project Area by the injection of carbon dioxide into the Grayburg and San Andres formations in the Vacuum-Grayburg-San Andres Pool. The Central Vacuum Unit Pressure Maintenance Project encompasses portions of Sections 25 and 36 of Township 17 South, Range 34 East; Sections 30 and 31 of Township 17 South, Range 35 East; Section 12 of Township 18 South, Range 34 East; and Sections 6 and 7 of Township 18 South, Range 35 East. Applicant also seeks to increase the approved surface injection pressure for carbon dioxide injection in this project area to 1500 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located approximately 2 miles south of Buckeye, New Mexico.

**CASE 11634:** (Continued from October 17, 1996, Examiner Hearing.)

**Application of InterCoast Oil and Gas Company for compulsory pooling and unorthodox well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests for all formations developed on 320-acre spacing in the N/2 of Section 20, Township 20 South, Range 28 East, from the surface to the base of the Morrow formation, Burton Flat-Morrow Gas Pool. Said unit is to be dedicated to its InterCoast State 20 Well No. 1 which will be drilled at an unorthodox location 990 feet from the North line and 990 feet from the East line (Unit A) of said Section 20. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 10 miles east-southeast of Lakewood, New Mexico.

**CASE 11621:** (Readvertised)

**Application of Yates Petroleum Corporation for an unorthodox gas well location, Lea County, New Mexico.** Applicant seeks approval of an unorthodox gas well location within the Atoka formation for its Papolotes Unit Well No. 1 (API No. 30-025-33275), located 1960 feet from the South line and 330 feet from the East line (Unit I) of Section 34, Township 14 South, Range 34 East. The E/2 of said Section 34 is to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said gas bearing interval. Said well location is approximately 10 miles southwest of Hilburn City, New Mexico. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

**CASE 11630:** (Continued from October 17, 1996, Examiner Hearing.)

**Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the E/2 of Section 15, Township 18 South, Range 29 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including but not limited to the North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to Yates Petroleum Corporation's Cerros "AQF" Federal Com Well No. 1 which is to be drilled at a standard well location. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 19 miles east-southeast of Artesia, New Mexico.

**CASE 11651:** **Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the N/2 of Section 27, Township 18 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent; the NW/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the NE/4 NW/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, including but not limited to the Atoka-Penn Gas Pool. Said units are to be dedicated to its existing Hawkins "GY" Well No. 4, which is located at an orthodox location 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 27 which applicant seeks to reenter. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located 4 miles south-southeast of Atoka, New Mexico.

**CASE 11516:** (Reopened - Continued from September 26, 1996, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit H & W Enterprises, operator, American Employers' Insurance Company, surety, and all interested parties to appear and show cause why the Mobil State Well No. 1, located 2310 feet from the North line and 990 feet from the East line (Unit H) of Section 16, Township 17 South, Range 31 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division approved plugging program. Further, an order is being sought authorizing the Division to plug said well and order the forfeiture of the plugging bond in affect for said well.

**CASE 11518:** (Continued from October 17, 1996, Examiner Hearing.)

**Application of Sunco Trucking Company for approval to modify its Rule 711-permitted surface waste disposal facility, San Juan County, New Mexico.** Applicant seeks approval to modify its Rule 711-permitted surface waste disposal located in the SW/4 NW/4 of Section 2, Township 29 North, Range 12 West. Applicant requests approval to construct and operate a 5-acre centralized landfarm within the 40-acre facility currently permitted to dispose of produced waters. The landfarm will receive contaminated soils and sludges from the produced water disposal operation on the facility, which are classified as "non-hazardous" oil field waste by RCRA Subtitle C exemption or by characteristic testing, to be spread on the ground in six inch lifts or less and periodically stirred to enhance the biodegradation of the contaminants. Said facility is located approximately 7 miles east-northeast of Farmington, New Mexico.

**CASE 11604:** (Continued from October 17, 1996, Examiner Hearing.)

**Application of Sunco Trucking Water Disposal Company for a show cause hearing as to why it should not be fined for violations of Oil Conservation Division Rule 711, San Juan County, New Mexico.** Applicant seeks a hearing to show cause to the Oil Conservation Division why applicant should not be fined \$5,000.00 for violations of the conditions of its Rule 711 permit.

**DOCKET: COMMISSION HEARING - THURSDAY - NOVEMBER 14, 1996**

9:00 A.M. - 2040 SOUTH PACHECO - SANTA FE, NEW MEXICO  
 The Land Commissioner's designee for this hearing will be Jami Bailey

**CASE 10907:** (Continued from June 20, 1996, Commission Hearing.)

In the matter of the hearing called by the Oil Conservation Division to amend Rule 111, 1112 and 1115 of its General Rules and Regulations. The Oil Conservation Division seeks to amend its General Rules and Regulations to provide for the filing of Forms C-111, C-112, and C-115, respectively, on the last business day of the month following the month of production and to provide for the imposition of penalties for failure to file timely and accurate reports.

**CASE 11352:** (Continued from October 29, 1996, Commission Hearing.)

In the matter of the hearing called by the Oil Conservation Division to amend Rule 116 of its General Rules and Regulations pertaining to the notification of fires, breaks, leaks, spills and blowouts. The proposed amendments to Rule 116 would include and/or exclude certain situations from its coverage.

**CASE 11635:** (Continued from October 29, 1996, Commission Hearing.)

In the matter of the hearing called by the Oil Conservation Division to enact a new rule establishing methods and standards for the prevention and abatement of water pollution associated with operations in the oil and gas industry.

**AWAITING FINAL COMMISSION ACTION – NO EVIDENCE OR TESTIMONY WILL BE TAKEN****CASE 11507:** (De Novo)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Petroleum Development Corporation, United New Mexico Bank, Albuquerque, New Mexico, and all other interested parties to appear and show cause why the El Poso Ranch Well Nos. 8 and 11, located in Unit N of Section 14 and Unit K of Section 14, both in Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. Said wells are located approximately 4 miles northwest of El Vado, New Mexico.

**CASE 11508:** (De Novo)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Spur Oil Inc., Old Republic Insurance Company, and all other interested parties to appear and show cause why the Samantha Well No. 1 located in Unit L of Section 26, Township 28 North, Range 1 East; Samantha Well No. 2 located in Unit K of Section 26, Township 28 North, Range 1 East; Samantha Well No. 3 located in Unit N of Section 26, Township 28 North, Range 1 East; Gonzales 13 Well No. 1 located in Unit I of Section 13, Township 31 North, Range 1 East; Gonzales 18 Well No. 1 located in Unit M of Section 18, Township 31 North, Range 2 East; Quinlan Ranch Well No. 1 located in Unit H of Section 23, Township 32 North, Range 2 East; and the Quinlan Ranch Well No. 2 located in Unit N of Section 19, Township 31 North, Range 3 East; Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. The three Samantha wells are located approximately 5 miles west-northwest of El Vado, New Mexico. The Gonzales 13 Well No. 1 and Gonzales 18 Well No. 1 are located approximately 4 and 6 miles east of Monero, New Mexico, respectively. The Quinlan Ranch Well Nos. 1 and 2 are located approximately 6 miles northwest and 6 miles north-northwest of Chama, New Mexico, respectively.

**CASE 11509:** (De Novo)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Chuza Operating, Underwriters Indemnity Co., and all other interested parties to appear and show cause why the El Poso Ranch Wells Nos. 1, 2, 3, 4, 7, 9 and 10, located in Units E of Section 26, P of Section 22, F of Section 14, C of Section 23, J of Section 14, N of Section 11, and O of Section 14, respectively, all in Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. Said wells are located approximately 4 miles northwest of El Vado, New Mexico.

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF TEXACO EXPLORATION & PRODUCTION INC.  
FOR AMENDMENT OF DIVISION ORDER R-5530,  
AS AMENDED, TO AUTHORIZE A  
TERTIARY RECOVERY PROJECT BY THE  
INJECTION OF CARBON DIOXIDE IN ITS CENTRAL  
VACUUM UNIT PRESSURE MAINTENANCE  
PROJECT AREA, AND TO QUALIFY SAID PROJECT  
FOR THE RECOVERED OIL TAX RATE PURSUANT  
TO THE ENHANCED OIL RECOVERY ACT,  
LEA COUNTY, NEW MEXICO.

CASE NO. 11850

**APPLICATION**

TEXACO EXPLORATION & PRODUCTION INC. ("Texaco") through its attorneys, Campbell, Carr, Berge & Sheridan, P. A., hereby makes application for an order amending Division Order No. R-5530, as amended, to authorize a tertiary recovery project by the injection of carbon dioxide into the Grayburg and San Andres formations in its Central Vacuum Unit Pressure Maintenance Project Area, Vacuum-Grayburg-San Andres Pool, and to increase the authorized pressure in this project area for Carbon Dioxide injection, and in support thereof states:

1. By Order No. R-5496, dated August 9, 1977, the Division granted the application of Texaco for approval of the Central Vacuum Unit pursuant to the Statutory



Unitization Act. The unit boundaries include the following acreage in Lea County, New Mexico:

**TOWNSHIP 17 SOUTH, RANGE 34 EAST, N.M.P.M.**

Section 25: S/2, SE/4 NE/4  
Section 36: All

**TOWNSHIP 17 SOUTH, RANGE 35 EAST, N.M.P.M.**

Section 30: All  
Section 31: N/2, SW/4, SW/4 SE/4

**TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.**

Section 12: N/2 NE/4

**TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M.**

Section 6: All  
Section 7: NW/4, NW/4 NE/4

2. Pursuant to the provisions of Division Order No. R-5530 dated September 20, 1977, as amended, Texaco operates The Central Vacuum Unit Pressure Maintenance Project in the Central Vacuum Unit for the injection of water into the Vacuum-Grayburg-San Andres Pool .

3. Texaco seeks an amendment of Order No. R-5530, as amended, to authorize the implementation of tertiary recovery operations in this project area by the injection of carbon dioxide into the Grayburg and San Andres formations.

4. Texaco also seeks amendment of Order No. R-5530, as amended, to increase the injection pressure limitation for carbon dioxide to a surface injection pressure of 1500 pounds.

5. Texaco further seeks to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act.

6. Approval of this application will afford Texaco the opportunity to produce its just and equitable share of the remaining reserves in the Central Vacuum Unit Pressure Maintenance Project Area and will otherwise be in the best interest of the conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, Texaco Exploration and Production, Inc. requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on November 7, 1996, and after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR TEXACO EXPLORATION  
& PRODUCTION INC.

CASE 11650 :

Application of Texaco Exploration & Production Inc. for amendment of Division Order No. R-5530, as amended, to authorize a tertiary recovery project by the injection of carbon dioxide in its Central Vacuum Unit Pressure Maintenance Project Area, and to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval to institute a tertiary recovery project in its Central Vacuum Unit Pressure Maintenance Project Area by the injection of carbon dioxide into the Grayburg and San Andres formations In the Vacuum-Grayburg-San Andres Pool. The Central Vacuum Unit Pressure Maintenance Project encompasses portions of Sections 25 and 36 of Township 17 South Range 34 East; Sections 30 and 31 of Township 17 South, Range 35 East; Section 12 of Township 18 South, Range 34 East; and Sections 6 and 7 of Township 18 South, Range 35 East, N.M.P.M. Applicant also seeks to increase the approved surface injection pressure for carbon dioxide injection in this project area to 1500 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located approximately \_\_\_ miles \_\_\_\_\_ of \_\_\_\_\_, New Mexico.

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
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TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

October 15, 1996

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

11650

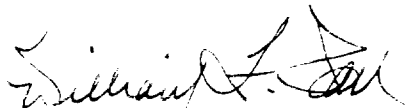
Re: ***Application of Texaco Exploration & Production Inc. for amendment of Division Order No. R-5530, as amended, to authorize a tertiary recovery project by the injection of carbon dioxide in its Central Vacuum Unit Area, and to qualify said project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico***

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Texaco Exploration & Production Inc. in the above-referenced case as well as a copy of a legal advertisement. Texaco requests that this matter be set for hearing before a Division Examiner on November 7, 1996.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Mr. Ronald W. Lanning (w/enclosures)  
Texaco Exploration & Production Inc.  
Post Office Box 3109  
Midland, Texas 79702