

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 27, 1970

CERTIFIED - RETURN  
RECEIPT REQUESTED



C  
O  
P  
Y  
  
Rio Trust  
3333 W. Coast Highway, Suite 504  
Newport Beach, California

Re: Case 4397 - Rio Trust Little Chama Valley Co. Well No. 1, located 660 feet from the North line and 1380 feet from the West line, and Rio Trust Sargent Well No. 1, located 1445 feet from the South line and 925 feet from the West line, both in Section 2, Township 1 North, Range 2 East, NMPN, Rio Arriba County, New Mexico — General Insurance Company of America \$10,000 Blanket Plugging Bond No. 729561

Gentlemen:

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I am enclosing a copy of the docket of the Examiner Hearing that will be held on Wednesday, August 5, 1970, at 9 a.m., in the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico, concerning the subject matter.

Very truly yours.

GEORGE M. HATCH  
Attorney

GMH/esr  
Enclosure

cc: General Insurance Company of America  
13730 Roscoe Boulevard  
Panorama City, California 91409  
Attention: Mr. R. W. Clayton

General Insurance Company of America  
Surety Claim Department  
Clinton P. Anderson Agency  
P. O. Drawer A  
Albuquerque, New Mexico

Mr. Gerald L. O'Dell  
3333 W. Coast Highway,  
Suite 504  
Newport Beach, California

Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico

OIL CONSERVATION COMMISSION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501



JUL 28 1970

CERTIFIED - RETURN  
RECEIPT REQUESTED

810 Trust  
3333 W. Coast Highway, Suite 204  
Newport Beach, California

Re: Case No. 1 - Rio Nuevo State Cham. Valley Co., All No. 1,  
located 650 feet from the North line and 150 feet from  
the West line, and Rio Nuevo Canyon Well No. 1, located  
1445 feet from the South line and 150 feet from the West  
line, both in Section 2, Township 1 North, Range 1 East,  
Brewer, Rio Arriba County, New Mexico - General Insurance  
Company of America 210,000 Blanket Floating Bond No. 119551

Gentlemen:

I am enclosing a copy of the check of the insurance hearing  
that will be held on Wednesday, August 1, 1970, at 9 a.m., in the  
Oil Conservation Commission Conference Room, State House Office  
Building, Santa Fe, New Mexico, concerning the subject matter.

Very truly yours,

CLARENCE M. HALL  
Attorney

Enclosure

cc: General Insurance Company of America  
1730 Rhode Island  
Bakersfield, California 93304  
Attention: Mr. M. W. Clayton

General Insurance Company of America  
Survey Claims Department  
Clinton E. Anderson Agent  
P. O. Box 111  
Albuquerque, New Mexico

cc: Mr. George H. Hall  
1730 Rhode Island  
Bakersfield, California 93304  
Oil Conservation Commission  
1000 Rio Arriba Road  
Santa Fe, New Mexico

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 5, 1970

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

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The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4385: (Continued from the July 15, 1970 Examiner Hearing)

Application of King Resources Company for a unit agreement, Otero County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Brokeoff Mountain Unit Area comprising 37,747 acres, more or less, of Federal, State and Fee lands in Townships 24, 25, and 26 South, Ranges 19 and 20 East, Otero County, New Mexico.

CASE 4388: Application of Humble Oil & Refining Company for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Florence B. Lusk, DeSmet Federal, and Hesse Federal leases located in Sections 6 and 7 of Township 15 South, Range 30 East, Double L Queen Pool, Chaves County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells on said leases in unlined surface pits located in the vicinity of said wells.

CASE 4389: Application of Coastal States Gas Producing Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Upper Pennsylvanian formation through the perforated interval from 9789 to 9924 feet in its State "27" Well No. 2 located in Unit P of Section 27, Township 14 South, Range 32 East, Talk-Pennsylvanian Pool, Lea County, New Mexico.

CASE 4390: Application of Murphy H. Baxter for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North E-K Queen Unit Area comprising 978 acres, more or less, of State lands in Township 17 South, Range 33 East, and Township 18 South, Ranges 33 and 34 East, E-K Yates-Seven Rivers-Queen Pool, Lea County, New Mexico.



- CASE 4391: Application of Murphy H. Baxter for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its North E-K Queen Unit Area by the injection of water into the Queen formation through 4 wells located in Units A, D, F, and G of Section 7, Township 18 South, Range 34 East, E-K Yates-Seven Rivers-Queen Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.
- CASE 4392: Application of Southwestern Natural Gas, Inc. for the assignment of back allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of back allowable to its Mershon Gas Comm Well No. 1 located in Unit A of Section 21, Township 22 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, for the period from the date of completion of said well on September 22, 1969, to the date of connection of said well on June 4, 1970.
- CASE 4393: Application of Mobil Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the open-hole interval from 12,240 feet to 12,463 feet in its Santa Fe Pacific Well No. 3 located in Unit M of Section 26, Township 9 South, Range 36 East, Crossroads-Devonian Pool, Lea County, New Mexico.
- CASE 4394: Application of Phillips Petroleum Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Plata Deep Unit Area comprising 5,600 acres, more or less, of Federal and State lands in Sections 8, 9, 10, 11, 14, 15, 16, 22 and 23 of Township 20 South, Range 32 East, Lea County, New Mexico.
- CASE 4395: Application of Consolidated Oil & Gas, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the perforated interval from 8915 to 8926 feet in its Shipp Well No. 1-17 located in Unit H of Section 17, Township 17 South, Range 37 East, Midway Abo Pool, Lea County, New Mexico.

CASE 4396: Application of Klabzuba, Munson and Seaman for a dual completion and salt water disposal, Chaves County, New Mexico. Applicants, in the above-styled cause, seek authority to dually complete its (Varel) Avalanche Journal Well No. 1 located in Unit N of Section 18, Township 10 South, Range 28 East, Chaves County, New Mexico, in such a manner as to produce gas from the San Andres formation in the perforated interval from 2186 to 2204 feet of the Race Track (San Andres) Pool through the casing-tubing annulus and dispose of produced salt water through tubing into the San Andres formation of said pool in the perforated interval from 2262 to 2289 feet.

CASE 4397: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Rio Trust and all other interested persons to appear and show cause why the following Rio Trust wildcat wells located in Section 2, Township 1 North, Range 2 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Little Chama Valley Co. Well No. 1  
located 660 feet from the North line  
and 1380 feet from the West line;

Sargent Well No. 1 located 925 feet  
from the West line and 1445 feet from  
the South line.

CASE 4267: (Reopened)

In the matter of Case No. 4267 being reopened by the Oil Conservation Commission on its own motion to permit Edward M. Kriss and all other interested parties to appear and show cause why the Edward M. Kriss Little Chama Valley Company Well No. 1, a wildcat well, located 545 feet from the North line and 1530 feet from the West line of Section 2, Township 1 North, Range 2 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4398: Application of Michael P. Grace and Corinne Grace for compulsory pooling and unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2

(Case 4398 continued)

and the S/2 of Section 2, Township 23 South, Range 26 East, Eddy County, New Mexico, to form two 320-acre proration units for the production of gas from any or all zones of the Pennsylvanian formation. Said N/2 and S/2 to be dedicated to wells to be drilled respectively, at unorthodox locations 2500 feet from the North line and 330 feet from the East line of said Section 2 and 990 feet from the South line and 660 feet from the East line of said Section 2.

Also to be considered will be the costs of drilling said wells, a charge for the risk involved, provisions for the allocation of actual operating costs, and the establishment of charges for supervision of said wells.

CASE 4354: (Continued from the July 1, 1970, Examiner Hearing)

Application of Michael P. Grace and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 11, Township 23 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, said acreage to be dedicated to a well to be drilled in either the NE/4 NW/4 or the NW/4 NE/4 of said Section 11. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.