# Case Mo.

7288

Application

Transcripts

Small Exhibits

# BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

# STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

August 7, 1981

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
[505] 827-2434

Mr. Mark Adams Rodey, Dickason, Sloan, Akin & Robb	Re:	CASE NOORDER NO	7288 R-6748
Attorneys at Law P. O. Box 1888	7103	Applicant: Southern Ui Company	iion Exploration of Texas
Dear Sir:			
Enclosed herewith are two of Division order recently ent			
Yours very truly,			
JOE D. RAMEY Director			
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Copy of order also sent to:			
Hobbs OCD X Aftesia OCD X Aztec OCD X			

#### STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 7288 Order No. R-6748 Nomenclature

APPLICATION OF SOUTHERN UNION EXPLORATION COMPANY OF TEXAS FOR CONTRACTION OF THE WEST PUERTO CHIQUITO-MANCOS OIL POOL, RIO ARRIBA COUNTY, NEW MEXICO.

#### ORDER OF THE DIVISION

#### BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 2, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of August, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises.

#### FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Southern Union Exploration Company of Texas, seeks the contraction of the West Puerto Chiquito-Mancos Oil Pool by the deletion of Section 36, Township 24 North, Range 1 West, therefrom.
- (J) That the applicant is the owner and operator of the Mobil Federal Well No. 1 located in Unit J of said Section 36.
- (4) That said well is a reentry; was completed in the Gallup formation through perforations from 3845 feet to 4123 feet on June 15, 1979; and is currently designated as a West Puerto Chiquito-Mancos Oil Pool well.
- (5) That the evidence presented at the hearing demonstrated that said Mobil Federal Well No. 1 is completed in a separate

-2-Case No. 7288 Order No. R-6748

common source of supply from the West Puerto Chiquito-Mancos Oil Pool.

- (6) That approval of the applicant's request for deletion of said Section 36 from the West Puerto Chiquito-Mancos Oil Pool will not result in waste nor violate correlative rights.
- (7) That the application should be approved and a new pool for Gallup oil production should be created and designated as the Regina-Gallup Oil Pool consisting of the NW/4 SE/4 of Section 36, Township 24 North, Range 1 West, NNPM, Rio Arriba County, New Mexico.

#### IT IS THEREFORE ORDERED:

- (1) That the West Puerto Chiquito-Mancos Oil Pool, as previously defined and described, is hereby contracted by the deletion therefrom of Section 36, Township 24 North, Range 1 West, NMPM, Rio Arriba County, New Mexico.
- (2) That a new oil pool for Gallup oil production is hereby created and designated the Regina-Gallup Oil Pool consisting of the NW/4 SE/4 of said Section 36.
- (3) That the effective date of this order and the pool contraction and pool creation contained herein shall be August 1, 1981.
- (4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

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JOE D. RAMEY

// Director

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## ENERGY and MINERALS DEPARTMENT

Oil Conservation Division P.O. Box 2088 ∜Santa Fe, New Mexico 87501



ATTEMPTED - NOT SHORT

John William Wood 209 S. LaSalle Street Chicago, Illinois

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ALWAYS USE TO COOL

(am) EFIEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM Section 19: NW/4

(bb) EXTEND the Want: -Abo Pool in Lea County, New Mexico, to include therein:

TO INSHIP 22 SOUTH, RANCE 37 EAST, NMPM Section 11: SW/4
Section 14: NW/4

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Docket No. 21-81

#### DOCKET: COMMISSION HEARING - WEDNESDAY - JULY 8, 1981

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205 STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

#### CASF 7226: (DE NOVO)

Application of Enserch Exploration, Inc. for salt water disposal, Roosevelt County, New Mexico-Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Morroya formation in the interval from 7902 feet to 7930 feet in its Rader Well No. 2 in Unit E of Lection 32, Township 5 South, Range 33 East.

Upon application of Enserch Exploration, Inc. this case will be heard De Novo pursuant to the provisions of Rule 1220.

#### CASE 7275: (Continued from June 17, 1981, Examiner Hearing)

Application of S. P. Yates for compulsory pooling, Eddy County, New Mexico.
Applicant, in the shove-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the N/2 of Section 21, Township 19 South, Range 27 Fast, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operate, of the will, and a charge for misk involved to drilling said well.

#### C4. \_ / 77: (Continued from June 17, 1981, Exemptor Hearing)

Application of Southland Royalty Company for compilerry pooling, Eddy County, New Mosic. Applicant, in the above-styled cause, seeks an order pooling all otheral interests in the Wolfcomp and Pennsylvanian formations underlying the N/2 of Section 21, Township 19 South, Range 27 East, to be dedicated to its Pecos River Federal 21-A Com Well No: 1 drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for suftivision, designation of applicant as operator of the well, and a charge for risk involved in stilling said well.

(o) EXTEND the Southwest Eunice-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM Section 17: NE/4

(p) EXTEND the Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPN Section 31: E/2

(q) EXTEND the Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NNPM Section 20: NE/4
Section 21: N/2

(r) EXTEND the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM Section 1: W/2 SW/4

(s) EXTEND the North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NYPM Section 16: E/2

(t) EXTEND the Langlie Mattix Seven Rivers-Queen-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM Section 31: SW/4

(u) / EXTEND the North Loving-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM Section 7: S/2

(v) EXTEND the West Nadine-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 5: E/2 Section 8: NE/4

(w) EXTEND the East Red Lake Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

Section 25: W/2 NE/4 and NW/4 SE/4

(x) EXTEND the Richard Knob Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM Section 9: N/2

(y) EXTEND the West Sawyer-San Andres Pool in Les County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM Section 16: S/2

(z) EXTEND the Scharb-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM Section 5: E/2

Company and a finish of the first property of

(f) EXTEND the vertical limits of the Lusk-Yates Pool in Eddy and Lea Counties, New Mexico, to include the Seven Rivers formation and redesignate pool as the Lusk Yates-Seven Rivers Pool described as:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM Section 24: All

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM Section 19: W/2 and W/2 NE/4

(g) EXTEND the Angell Ranch Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, MMPM

Section 11: 5/2 Section 14: All

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM Section 32: S/2 Colored Salaria Spiritaria

(h) EXTEND the Antelope Ridge-Atoka Gas Pool in Leg County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NNPM Section 2: W/2 and NE/4 Section 11: W/2

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM Section 26: NW/4 SW/4 Section 33: S/2 SE/4

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM Section 4: NW/4 NE/4

(j) EXTEND the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM Section 34: S/2

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM Section 34: E/2

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 3: All Section 10: N/2

Section 11: W/2

(k) EXTEND the Bull's Eye-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM Section 12: N/2 SE/4

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM Section 7: N/2 SW/4

` . . . ,

(1) EXTEND the South Culebra Bluff-Bone Springs Pool in Eddy County, New Mexico, to include therein:

> RANCE 28 EAST, MMPM TOWNSHIP 23 SOUTH Section 27: N/2 NE/4

(m) EXTEND the Dublin Ranch-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NHPM Section 33: N/2

(n) EXTEND the East Eagle Creek Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

> TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM Section 30: N/2

. Abi

CASE 7298: (This case will be dismissed.)

Application of Amoco Production Company for an NGPA determination; Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Lancaster Springs Com Well No. 1 in Unit I of Section 1, Township 22 South, Range 26 East.

CASE 7299: (This case will be dismissed.)

Application of Amoco Production Company for an NGFA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its State IL Com Well No. 1 in Unit G of Section 3, Township 19 South, Range 24 East.

- CASE 7300: Application of Dome Petroleum Corporation for designation of a tight formation, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Chacra formation underlying portions of Townships 21 and 22 North, Ranges 5, 6, and 7 West, containing 73,016 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.
- CASE 7301: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, redesignating, and extending vertical and horizontal limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:
  - (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Lusk-Morrow Gas Pool. The discovery well is Grace Petroleum Corporation West Tonto Federal Com Well No. 1 located in Unit L of Section 24, Township 19 South, Range 32 East, NNPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM Section 24: W/2

(b) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Mississippian production and designated as the Peterson Mississippian Pool. The discovery well is Enterch Exploration, Inc. Finley Well No. 1 located in Unit A of Section 6, Township 5 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM Section 28: SW/4 Section 29: S/2 Section 32: W/2

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM Section 5: NM/4 Section 6: NF/4

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Salaco bran-Wolfcamp Cas Fool. The Microvery well is Arcta Froduction Company State GR Well No. 1 located in Unit G of Section 17, Township 26 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, BANGE 33 EAST, NMPM Section 17: E/2

(d) CREATE a new pool in Lea County, New Mexico, Classified as a gas pool for Strawn production and designated as the Talco-Strawn Gas Pool. The discovery well is American Trading and Producing Corporation Talco Unit Well No. 1 located in Unit H of Section 11, Township 26 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 35 EAST, NAMEN Section 11: E/2

(e) REDESIGNATE the Lusk-Seven Rivers Pool in Les County, New Mexico, to the North Luck-Seven Rivers Pool described as:

Section 3: All

- Application of ARCO Oil and Cas Company for compulsory pooline, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Silurian and Fusselson formations underlying the 8/2 of Section 6, Touriship 25 South, Range 37 East, Custer Field, to be dedicated to a well to be drilled at a standard location thereon. Also to be con-sidered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7292: Application of ARCO Oil and Cas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian thru Ellenburger formations underlying the S/2 of Section 6, Township 25 South, Range 37 East. Custer Field, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7291: Application of ARCO Oil and Gas Company for an amendment to Order No. R-6649; Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order-No. 28-6649 which authorized compulsory pooling in Section 33, Township 22 South, Range 36 East, Langlie Field, to extend to February 1, 1982, the commencement of drilling required in said order.
- Application of ARCO Oil and Cas Company for salt water disposal, Lea County, New Mexico. CASE 7294: Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers-Queen formation at a depth of 2996 feet to 3186 feet in its R. S. Crosby Well No. A-2 located in Unit L of Section 28, Township 25 South, Range 37 East, Linglie Mattix Pool.
- (Continued from June 3, 1981, Examiner Hearing) CASE 7248;

Application of Inexco Oil Company for pool creation, special pool rules, and an oil discovery allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Federal 10 State Com. Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, and the promulgation of special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of approximately 42,290 barrels of discovery allowable to the aforesaid well.

CASE 7280: (Continued from June 17, 1981, Examiner Hearing)

> Application of Northwest Pipeline Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Rosa Unit Weil No. 77 located in Unit Lot Section 33, Township 31 North, Range 5 West, to produce gas from the Mesaverde formation and commingled Callup and Dakota production through separate strings of tubing.

- Application of Gulf Oil Corporation for rescission of Division Order No. R-2429-C, Eddy County, CASE 7295: New Mexico. Applicant, in the above-styled cause, seeks the rescission of Division Order No. R-2429-C which authorized 320-acre spacing units in the White City-Pennsylvanian Gas Pool. Appli-cant seeks the reinstatement of 640-acre spacing units in said pool with provision for 320-acre intill crilling and appropriate findings relative thereto.
- CASE 7296: Application of J. Gregory Merrion and Robert L. Bayless for amendment of pool rules, contraction of the Otero-Callup Pool, and extension of the Devils Fork-Callup Associated Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the Devils Fork-Gallup Associated Pool Rules to provide for 160-acre spacing rather than 80 acres. Applicant. further seeks the contraction of the Otero-Callup Pool by the deletion of the following acreage: E/2 and NE/4 SW/4 of Section 2, Township 24 North, Range 6 West, and the E/2 of Section 35, Township 25 North, Range 6 West. Applicant seeks the extension of the Devils Fork-Gallup Associated Pool to include the following acreage: In Township 24 North, Range 6 West: All of Sections 2 and 3; S/2 and NE/4 of Section 4; S/2 of Section 5; S/2 of Section 6; and N/2 of Section 11. In Township 25 North, Range 6 West: SE/4 of Section 33; S/2 of Section 34; and all of Section 35.

CASE 7297: (This case will be dismissed.)

> Application of Amoco Production Company for an NGPA determination, Eddy County, New Mexico.
>
> Applicant, in the Love-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Alley Unit Well No. 1 in Unit E of Section 1, Township 19 South, Range 25 East.

Dockets Nos. 22-81 and 23-81 are tentatively set for July 15 and 29, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

#### DOCKET: EXAMINER HEARING - THURSDAY - JULY 2, 1981

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 7283: Application of Harvey E. Yates Company for amendment of Division Order No. R-6387, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6382 to provide that said order authorizing the McDonald Unit Agreement shall have an effective date of June 1, 1981.
- CASE 7284: Application of Energy Reserves Group, Inc. for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Cisco location of its Miller Well No. 1 located 660 feet from the South and West lines of Section 12, Township 6 South, Range 33 East, the S/2 of said Section 12 to be dedicated to the well.
- CASE 7285: Application of J. C. Williamson for two non-standard gas proration units and two unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard 320-acre Wolfcamp gas proration units in Section 10, Township 23 South, Range 34 East, the first comprising the NW/4, W/2 NF/4, and N/2 SW/4, and the second comprising the E/2 NE/4, S/2 SW/4, and SE/4. Applicant further seeks approval for two unorthodox locations, the first for a well drilled 1560 feet from the North line and 1830 feet from the West line of said Section 10, and the second for a well to be drilled 1980 feet from the South and East lines of the section:
- CASE 7286: Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Blanco Mesaverde production in the wellbore of its Jicarilla F Well No. 6 located in the SW/4 of Section 34, Township 26 North, Range 4 West.
- CASE 7287: Application of Benson-Montin-Greer Drilling Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying a previously approved 640-acre non-standard proration unit comprising the W/2 of Section 17 and the W/2 of Section 20, Township 26 North, Range 1 West, to be dedicated to a well to be drilled thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7288: Application of Southern Union Exploration Company of Texas for contraction of the Vest Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the West Puerto Chiquito-Mancos Oil Pool by the deletion of Section 36, Township 24 North, Range 1 West, therefrom.
- CASE 7251: (Continued from June 3, 1981, Examiner Hearing)

Application of Southern Union Exploration Company of Texas for compulsory pooling, Rio Arriva County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 36, Township 24 North, Range 1 West, to be dedicated to its Mobil Federal Well No. I drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said will and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

- CASE 7289: Application of Exxon Corporation for a salt water disposal well, Chaves County, New Mexico.

  Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation at a depth of 2638 feet to 2774 feet in its Strange Federal Well No. 3 in Unit J of Section 25, Township 7 South, Range 31 East, Townshawk-San Andres Pool.
- CASE 7290: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.

  Applicant; in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the NE/4 of Section 26, Township 5 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 2 July 1981

#### EXAMINER HEARING

#### IN THE MATTER OF:

Application of Southern Union Exploration Company of Texas for contraction of the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba

CASE 7288

County, New Mexico.

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

#### APPSARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

For the Applicant:

Paul M. Zeis, Esq. Southern Union Exploration Company 1217 Main Street Dallas, Texas 75202 and Mark K. Adams, Esq. RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A. P. O. Box 1888 Albuquerque, N. M. 87103

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Applicant	Direct Examination by Mr. Zeis	
Applicant Applicant	Direct Examination by Mr. Zeis  EXHIBITS  Exhibit A, Structure Map	
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3 order.

MR. STAMETS: The hearing will come to

Call next Case 7288, application of Southern Union Exploration Company of Texas for contraction of the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico.

Call for appearances.

MR. ZEIS: My name is Paul Zeis. I am general attorney, Southern Union Exploration Company of Texas, and this Mark Adams, the Rodey firm in Albuquerque.

 $_{
m I'll}$  be presenting the case and Mr. Adams will be summing up.

(Witnesses sworm.)

MR. ZEIS: Before we start I have just a very brief opening statement. This is an application by Southern Union Exploration Company of Texas to delete the Section 36, Township 24 North, Range 1 West, Rio Arriba County, New Mexico, from the West Puerto Chiquito-Mancos Oil Pool, as defined by Commission Order R-2565-B and Order R-3994.

Our evidence will show that there's a permeability discontinuity between Section 36 and the rest

1 of the West Puerto Chiquito-Mancos Pool; that there are two dry holes between Section 36 and the rest of the Puerto Chiquito-3 Mancos Pool; and that there is a great stratigraphic structural difference between Section 36 and the rest of the Puerto 5 Chiquito-Mancos Pool, all of which indicates that the Niobrara formation underlying Section 36 is not in the same reservoir pool or common source of supply as the rest of the Puerto Chiquito-Mancos Pool. Finally we'll show that Benson-Montin-10 Greer Drilling Corporation, the operator of the West Puerto 11 Chiquito-Mancos Pool, has no objections to the removal of 12 Section 36 from the pool. 13 We will also show that the severance of 14 Section 36 will provent waste and protect correlative rights. 15 The first witness is Mr. Mike Davies. 16 17 MIKE DAVIES 18

being called as a :witness and being duly sworn upon his oath, testified as follows, to-wit:

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DIRECT EXAMINATION

23 BY MR. ZEIS:

Mr. Davies, will you state your full name for the record, please?

CHAIN CHAIN CHEESEAN

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2		Michael L. Davies.
3		And how are you employed?
4	A.	I'm employed as a staff geologist with
5	Southern Union Explo	oration Company of Texas.
6	Q.	And have your qualifications as a geolog
7	been accepted before	this Commission before?
8	<b>A</b>	Yes, sir, they sure have.
9		MR. ZEIS: I move that Mr. Davies be
10,	accepted as an exper	
11		MR. STAMETS: He is considered qualified
12	Q.	Mr. DAvies, I direct your attention to
13	what's been marked a	as Exhibit A. Was this prepared by you or
14	at your direction?	. 제 시 시 시 시 시 시 시 시 시 시 시 시 시 시 시 시 시 시
15		Yes, sir
16	Q. A.	Would you tell us what this shows?
17	<b>.</b>	All right. This is a structure map on
18	top of the A zone of	the Niobrara formation in the southern
19	part of the West Pue	erto Chiquito-Mancos Field, and it shows
20	the contour lines,	and I might point out that those contour
21		contour lines from 700 to 1000 feet and
22		ours from 1000 to 6000 feet.
23		And it also the scale of the map is
24	l inch equal to 8000	) feet. It shows the field boundary, or
25		n of the field boundary for the West Puerto

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2 Chiquito-Mancos Field by the dotted line, and it shows six

3 wells that are presently producing from the Niobrara in the

4 West Puerto Chiquito-Mancos Field. There wells are in Township

5 North, 1 West; 24 North, 1 West; and it also shows two dry

6 holes, or four dry holes that are in the same area.

It has a type log that shows the zone A, B, and C of the Niobrara formation, and it shows perforations where the Niobrara was completed in the type well.

And it also shows the location of the Southern Union Exploration of Texas Well Mobil Fed No. 1, which is in Section 36, Township 24 North, 1 West.

Q. What does this exhibit indicate about the relationship of the wells in the West Puerto Chiquito-Mancos Pool and the Mobil Fed No. 1 Well?

A. Well, it shows that the Mobil Fed Well is from 22 to 2500 feet structurally higher than the other wells in the area. It shows that the Mobil Fed is located on a steeply westward dipping limb of the monocline that forms the southeastern edge of the San Juan Basin, and it also shows that there are two dry holes located between the Mobil Fed and the other producing wells in the West Puerto Chiquito-Mancos Pool.

Q. Those two dry holes are the Magnolia

Schmitts No. 1 and the Reading Duff No. 1?

in the four wells indicated, and if you refer to -- back to

2 your Exhibit Number One, those wells are on the righthand side
3 or the southeast -- or the south, I mean, the Southern Explor4 ation Mobil Fed No. 1, the Reading and Bates Duff No. 1, the

Benson-Montin-Greer "A" 14, and the Benson-Montin-Greer "A"

22.

It shows the Mobil Fed Well to be completed in zones A, B, and C of the Niobrara formation and it shows the other wells that are producing in the West Puerto Chiquito-Mancos Field to be completed in the C zone only.

It shows that the Duff No. 1, which is -the Duff No. 1 Well, which has been tested in the Niobrara
and subsequently plugged, and this DST is also highlighted on
the completion card in yellow below the well.

It also shows that zone C of the Niobrara (is pinching out and poorly defined in the Mobil Fed No. 1)
Well.

Okay, what else does this Exhibit indicate about the relationship of these wells and the Mobil Federal No. 1 Well?

A. It shows that the Mobil Fed No. 1 Well is 2500 feet higher structurally on the southeast end of the monocline and to the other -- to the producing wells in the field, and it shows that the zone C of the Niobrara is pinching out and poorly defined.

the Section 36 from the West Puerto Chiquito-Mancos Pool

25 preserve correlative rights and prevent waste?

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Service of the servic

1 11 Yes, sir, it sure will. 3 MR. ZEIS: That's all the questions I have of this witness. CROSS EXAMINATION BY MR. STAMETS; In response to questions concerning the 9 producing formation in the well in question here today and the 10 rest of the Mancos Pool, you indicated it was a different 11 formation. Is that what you meant or did you mean that it's 12 the same formation but it's not connected? 13 A little bit of both. I mean that it's 14 different. It's not connected with it but also our well is 15 completed in zones A, B, and C. Now then, we have only three 16 perforations in zone C, and that is the only zone that the --17 that the other wells in the field are completed in, and that 18 zone is almost -- is almost absent in our well. 19 Okay, so there is some stratigraphic 20 change going on between the main body of the pool and the 21 location of this well? 22

A. Yes, sir, there is.

MR. STAMETS: Are there other questions

of this witness?

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3 QUESTIONS BY MR. CHAVEZ;

Have you made any comparisons of the quality of oil or water that's produced from this well and the other wells in the West Puerto Chiquito-Mancos Field?

MR. ZEIS: If I might, we have an engineer who can probably answer that question.

MR. STAMETS: Okay, fine.

Where did you -- whose nomenclature are you using defining the Niobrara zones here?

That's Mr. Greer's, Mr. Greer's nomenclature.

MR. CHAVEZ: That's all I have.

MR. STAMETS: Any other questions of

this witness? He will be excused. However, if we need to recall him later, we can.

MR. ZEIS: We call Mr. Jim Ellis at this time.

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JAMES G, ELLIS

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

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1.		
2		DIRECT EXAMINATION
3	BY MR. ZEIS:	
4	Q	Will you please state your name for the
5	record?	
6	<b>A.</b>	James G. Ellis.
7	Q.	How are you employed?
8	<b>a</b> .	I'm a Vice President and Chief Engineer
9	with Southern Union E	xploration Company of Texas.
10	<b>Q</b>	Have your credentials as an engineer
11	have you been qualifi	ed before this Commission?
12	<b>À</b>	Yes, I have.
13		MR. ZEIS: I move that Mr. Ellis be
14	accepted.	가 있는 것이 되는 것이 되는 것이 되었습니다. 그런 이 것이 되는 것이 없는 것이 되었습니다. 
15		MR. STAMETS: He is considered qualified
16	<b>Q</b>	Mr. Ellis, I direct your attention to
17	what's been marked as	Exhibit D. Was this exhibit prepared
18	by you or at your dir	ection?
19		Yes, it was.
20	<b>Q</b>	What does this exhibit show?
21		This exhibit indicates the production
22	history of the well,	the Mobil Fed No. 1. Also notated
23	excuse me also not	ated on this exhibit are the results of
24	three build-up tests	performed from the period 1965 to recently,
25	June, 1981.	

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It also depicts the cumulative production to date of the well in gas and oil units and it indicates the gravity of the oil. All right, sir. Does this exhibit also indicate a point in time in which the gas injection was initiated in Canada Ojitos Unit? Yes, there's a notation as of August the 10th, 1968, gas injection was initiated in the Canada Ojitos Unit. 10 Okay. What does this indicate -- this 11 exhibit indicate about pressure in the Mobil Federal No. 1 12 Well? 13 14 15 16 17

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Well, the highest pressure noted from a build-up standpoint was 1000 pounds in January of 1965. This was -- this is a matter of record that is filed with the Commission by the previous operator. After we obtained possession of the well

a build-up was run in June of 1979, which indicated 676 pounds surface shut-in pressure. The most recent build-up was completed June the 25th of 1981, depicting a surface shut-in pressure of 430 pounds. This indicates to me natural depletion of a small reservoir.

Okay. What does it indicate about the relationship of the pressure in the West Puerto Chiquito-Mancos

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Pool and the pressure in this well?

I see no indication that this well is connected to that pool.

MR. ZEIS: I have no further questions.

#### CROSS EXAMINATION

BY MR. STAMETS:

Mr. Ellis, were these two most recent pressures of 676 and 430 stabilized pressures?

Yes, they were. As you'll note, the one run in 1979, that build-up was performed after our having swab tested and flow tested the well to the pit for an extended length of time, and this was prior to a gas hookup. It was hooked up to El Paso in August of '79, and this was a 10-day build-up and we recorded these pressures on the 24-hour chart and changed them each day.

The most recent build-up, which shows only a 2-day build-up is somewhat misleading in that the well produces on an intermitter and it's on four hours and off six hours on the cycle basis. So it's already in a semi-shut-in, semi-stabilized position and/or shut-in position because we're using the natural reservoir energy to lift the oil.

At such time as it depletes further we'll have to consider the economics of putting a pumping

unit on it.

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The chart was mailed to us from Farmington last Saturday; and we received it in the Dallas office Monday morning, and the chart depicts a build-up of approximately five pounds in 24 hours.

And so -- so this to me is near stabilization.

What -- do you know what the pressure is in the Canada Ojitos Unit at this time?

I reviewed Mr. Greer's exhibits that he furnished, I believe, in 1980, and on the K-13 Well he furnished a chart, and I never -- I never recognized the pressure, surface pressure, as recorded below 1137 pounds, I believe. And, of course, as I noted here, we've never seen the pressure above 1000 pounds.

If you'll note in the period of 1968, around July or August, the last monthly production was recorded from the well by the previous operator. Okay, also it's noted that injection began in August to the Canada Ojitos Unit. Okay, from 1968 to 1979, a period of eleven years, this well was dormant from the standpoint of being produced, and so I would surmise that were there communication, gas would have traveled to this wellbore and a pressure would have been noted more closely associated with what you would see in the Canada

33.35	Analysis is the particular of the control and a second of the interest of the control in the control of the con
2	Ojilos Unit, which would be semething above 1100 pounds, but
3	instead, after flow testing the well, the 10-day build-up on
4	indicated 676 pounds, which is something more than half of
5	what you would expect, and we in essence are seeing rapid
6	depletion of this of this well.
7	MR. STAMETS: Any other questions of
8	this witness? He may be excused.
9	A. In regard to his question, I have not
10	compared the gravity of the oil with as I mentioned, our
11	gravity is 46 degrees and it's sweet oil.
12	I haven't done any research to see what
13	the gravity of the oil is in the Canada Ojitos Unit.
14	MR. ZEIS: We'd call Mr. Roy Sharrock.
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16	ROY G. SHARROCK
17	being called as a witness and being duly sworn upon his oath,
<b>18</b>	testified as follows, to-wit:
19	도 등이 하고 있는 것이 한 하는 것도 그리고 모르는 동안 있으면 하는 것을 모르는 모르는 것을 보고 있다. 하는 것 같아 하는 것을 하는 것도 그렇게 되는 것을 보고 있는 것을 하는 것을 하는 것을 하는 것을 하는 것이다.
20	DIRECT EXAMINATION
21	BY MR. ZEIS:
22	Q. Would you please state your name for
23	the record?
24	A. My name is Roy G. Sharrock. I'm a Vice
25	President and Chief Geologist for Southern Union Exploration

18 1 2 Company in Dallas, Texas. 3 All right. Mr. Sharrock, are you familiar with the ownership of the Southern Union Exploration Company's Federal Oil and Gas Lease Number NM28699? Yes, sir. This Federal lease was acquired and issued to Southern Union Supply Company on 11 -- November the 1st, 1976. It's presently owned by Southern Union Company of Texas 10 due to a name change. It comprises the south half of the north 11 half and the south half of Section 36, Township 24 North, 12 Range 1 WEst, Rio Arriba County, New Mexico. 13 14 All right, sir. I hand you what's been 15 marked as Exhibit E. Is that a true and correct copy of a letter you received from Mr. Al Greer of Benson-Montin-Greer 16 17 Drilling Corporation? 18 Yes, it is. This letter indicates that Benson-Montin-19 20 Greer has no objection to the deletion of Section 36 from the 21 West Puerto Chiquito-Mancos Oil Pool. Just for the record, Mr. Sharrock, what 22 23 what's the purpose of Southern Union Exploration Company of 24 Texas' application today? 25

The purpose of this application is to

1 Company in Dallas, Texas. All right. Mr. Sharrock, are you familiar ĩ with the ownership of the Southern Union Exploration Company's 3 4 Federal Oil and Gas Lease Number NM28699? 5 Yes, sir. This Federal lease was acquired and issued 6 to Southern Union Supply Company on 11 -- November the 1st, 7 1976. It's presently owned by Southern Union Company of Texas 8 9 due to a name change. It comprises the south half of the north 10 half and the south half of Section 36, Township 24 North, 11 12 Range 1 WEst, Rio Arriba County, New Mexico. All right, sir. I hand you what's been 13 marked as Exhibit E. Is that a true and correct copy of a 14 letter you received from Mr. Al Greer of Benson-Montin-Greer 15 16 Drilling Corporation? 17 Yes, it is. Q This letter indicates that Benson-Montin-18 Greer has no objection to the deletion of Section 36 from the 19 20 West Puerto Chiquito-Mancos Oil Pool. Just for the record, Mr. Sharrock, what 21 what's the purpose of Southern Union Exploration Company of 22 23 Texas' application today? The purpose of this application is to 24

j., A William Bridge

	delete the Section 36 from the Puerto Chiquito-Mancos Oil	
	Pool.	
	MR. ZEIS: That's all the questions 1	[
	have.	
	MR. STAMETS: Let's go off the record	i
	a minute, Sally.	
	에 보는 경기에 보는 보다가 하면 되고 있다. 보는 보이 보는 보고 되어 되었다. 본 사람들은 전 경기를 보는 것이다. 본 기계를 받는 기본 기계를 하면 하는 것이 되었다. 보고 있는 것이 되었다. 그 것이다.	
	(There followed a dis-	
	cussion off the record.)	
	기본 등 경쟁 후 되고 한 전 사람은 보는 회사 전환 바로 등 등 모습니다. 현 전환 전환 일 교회 교회 등 기본 등 기계	
	MR. STAMETS: Okay, go back on the re	cord
	MR. ZEIS: Those are all the witnesse	s
	I have at this time.	
	I would move that all the exhibits be	
	admitted in evidence.	
	MR. STAMETS: Okay, the exhibits will	be
	admitted.	
	I presume if the Division deletes thi	s
	acreage from the West Puerto Chiquito-Mancos Pool that you	
	would propose that we create a new oil pool for this well?	
	나라 이번 하는 경기를 받는 이름을 만났습니다. 그리는 네트를 가게 되었다. 그를 받는 것은	22
	MR. ZEIS: Whichever way the Commission	on
1	decides to rule on it is fine, yes.	
	MR. STAMETS: You have no particular	
;	recommendation, just whatever the standard acreage required	

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   would be for this well.
                          MR. ZETS: Yes, sir.
                          MR. STAMETS: Okay. The witness may be
3
    excused whenever you're through.
                           MR. ZEIS: I'm through.
                           MR. STAMETS: Okay.
 6
                            MR. ZEIS: I don't believe we need to
 7
     sum up unless Mark; would like to say something here.
  8
                            MR. ADAMS: I don't need to say anything.
                            MR. STAMETS: Is there anything further
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      in this case?
                             If not, the case will be taken under
  12
  13
       advisement.
   14
                              (Hearing concluded.)
   15
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### CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Saly W. Boyd Core

Ô,

a complete record of the proceedings in the Examiner hearing of Case No. 7288, heard by me on heard by me on Oil Conservation Division

LLY W. BOYD, C.S.R. R.: 1 Box 193-B Sents Fe, New Mexico 17501 Phone (503) 455-7409

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IN THE MATTER OF:

Application of Southern Union Exploration Company of Texas for contraction of the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County New Mexico.

CASE 7288

County, New Mexico.

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

#### APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

For the Applicant:

Paul M. Zeis, Esq.
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Company
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and
Mark K. Adams, Esq.
RODEY, DICKASON, SLOAN, AKIN
ROBB, P.A.
P. O. Box 1888
Albuquerque, N. M. 87103

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Questions by Mr. Chavez  JAMES G. ELLIS  Direct Examination by Mr. Zeis  Cross Examination by Mr. Stamets  ROY G. SHARROCK  Direct Examination by Mr. Zeis  E X H I B I T S  Applicant Exhibit A Structure Man		INDEX
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Questions by Mr. Chavez  JAMES G. ELLIS  Direct Examination by Mr. Zeis  Cross Examination by Mr. Stamets  ROY G. SHARROCK  Direct Examination by Mr. Zeis  E X H I B I T S  Applicant Exhibit B, Cross Section  Applicant Exhibit C. Cross Section		Direct Examination by Mr. Zeis
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Direct Examination by Mr. Zeis  E X H I B I T S  Applicant Exhibit A, Structure Map  Applicant Exhibit B, Cross Section		사용 통하는 현실 하는 수 물차들이 받아 있었다. 현실 사용하는 현실 수 있는 것이 없는 것이 없는 것이다. 그는 사용하는 것은 것이 하는 것이 되었다. 그는 그를 하는 것이 되는 것이 되었다.
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EXHIBITS  Applicant Exhibit A, Structure Map  Applicant Exhibit B, Cross Section	ROI G. SII	성선 보통하다 하다 그렇게 하는 학생이 이렇게 하는 것이 되었다.
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Applicant Exhibit A, Structure Map Applicant Exhibit B, Cross Section		요. 그리고 말했다. 이번의 분석으로 보고 되고 있는 것이 되고 말하고 있다. 그 보고 있는 것이다. 그는 요한 이번 특별한 이 등로 있습니다. 그들은 그리고 있는 것은 사람들이 되었다.
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Annia desa Pubible O Cross Section	Applicant	Exhibit A, Structure Map
Applicant Exhibit C, Cross Section		생물님, 그렇게 되지만 되면 그렇게 하는데 하다 하다. 그래?
Applicant Exhibit D, Production History	Applicant	Exhibit B, Cross Section 7

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order.

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24 25 MR. STAMETS: The hearing will come to

Call next Case 7288, application of

Southern Union Exploration Company of Texas for contraction of the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico.

Call for appearances.

MR. ZEIS: My name is Paul Zeis. general attorney, Southern Union Exploration Company of Texas, and this Mark Adams, the Rodey firm in Albuquerque.

I'll be presenting the case and Mr.

Adams will be summing up.

(Witnesses sworn.)

MR. ZEIS: Before we start I have just a very brief opening statement. This is an application by Southern Union Exploration Company of Texas to delete the Section 36, Township 24 North, Range 1 West. Rio Arriba County, New Mexico, from the West Puerto Chiquito-Mancos Oil Pool, as defined by Commission Order R-2565-B and Order R-3994.

Our evidence will show that there's a permeability discontinuity between Section 36 and the rest

of the West Puerto Chiquito Mancos Pool; that there are two 1 dry holes between Section 36 and the rest of the Puerto Chiquitb-2 Mancos Pool; and that there is a great stratigraphic structural 3 difference between Section 36 and the rest of the Puerto Chiquito-Mancos Pool, all of which indicates that the Niobrara formation underlying Section 36 is not in the same reservoir pool or common source of supply as the rest of the Puerto 8 Chiquito-Mancos Pool. Finally we'll show that Benson-Montin-Greer Drilling Corporation, the operator of the West Puerto 10 Chiquito-Mancos Pool, has no objections to the removal of 11 12 Section 36 from the pool. We will also show that the severance of 13 Section 36 will prevent waste and protect correlative rights. 14 The first witness is Mr. Mike Davies. 15 16 17 MIKE DAVIES being called as a witness and being duly sworn upon his oath, 18 19 testified as follows, to-wit: 20 21 DIFECT EXAMINATION 22

23 BY MR. ZEIS:

24

Mr. Davies, will you state your full

25 name for the record, please?

1	
2.	A Michael L. Davies.
3	And how are you employed?
4	A I'm employed as a staff geologist with
5	Southern Union Exploration Company of Texas.
6	And have your qualifications as a geologi
7	been accepted before this Commission before?
8	A. Yes, sir, they sure have.
9	MR. ZEIS: I move that Mr. Davies be
10	accepted as an expert.
11	MR. STAMETS: He is considered qualified.
12	ρ Mr. DAvies, I direct your attention to
13	what's been marked as Exhibit A. Was this prepared by you or
14	at your direction?
15	Yes, sir.
16	Q Would you tell us what this shows?
17	A. All right. This is a structure map on
18	top of the A zone of the Niobrara formation in the southern
19	part of the West Puerto Chiquito-Mancos Field, and it shows
29	the contour lines, and I might point out that those contour
21	lines are 100-foot contour lines from 700 to 1000 feet and
22	then 1000 foot contours from 1000 to 6000 feet.
23	And it also the scale of the map is
24	1 inch equal to 8000 feet. It shows the field boundary, or
25	the southern portion of the field boundary for the West Puerto

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Chiquito-Mances Field by the dotted line, and it shows six wells that are presently producing from the Niobrara in the West Puerto Chiquito-Mancos Field. There wells are in Township 25 North, 1 West; 24 North, 1 West; and it also shows two dry holes, or four dry holes that are in the same area.

It has a type log that shows the zone A, B, and C of the Niobrara formation, and it shows perforations where the Niobrara was completed in the type well.

And it also shows the location of the Southern Union Exploration of Texas Well Mobil Fed No. 1, which is in Section 36, Township 24 North, 1 West.

What does this exhibit indicate about the relationship of the wells in the West Puerto Chiquito-Mancos Pool and the Mobil Fed No. 1 Well?

Well it shows that the Mobil Fed Well is from 22 to 2500 feet structurally higher than the other wells in the area. It shows that the Mobil Fed is located on a steeply westward dipping limb of the monocline that forms the southeastern edge of the San Juan Basin, and it also shows that there are two dry holes located between the Mobil Fed and the other producing wells in the West Puerto Chiquito-Manage Pool.

Those two dry holes are the Magnolia No. 1 and the Reading Duff No. 1?

1 A That is correct. Reading Duff is located 2 in Section 24 of 24, 1, and the Magnolia Schmitts No. 1 is in 3 Section 34 of 24 North, 1 West. Okay. We move now to Exhibit B. Mr. 5 Davies, was this exhibit prepared by you or at your direction? 6 Yes, it was. 7 What does it show? It shows -- it shows two logs. One log is from the -- one of the dry holes that I mentioned before, 10 the Schmitts No. 1, drilled by Magnolia, and it's in the south-11 east quarter of Section 34, and it shows the Mobil Fed No. 1 12 Well, which is operated by Southern Union, in the southeast 13 quarter of Section 36. 14 The vertical scale is 1 inch is equal to 15 200 feet and the horizontal scale is 1 inch is equal to 500 16 feet. 17. It shows -- it shows the sedimentary 18 section from the surface to the top of the Chinle formation 19 between the Schmitts No. 1 and the Mobil Fed No. 1 Well. 20 I might mention that this is an east to 21 I mean a west to east cross section. 22 Okay. What does this exhibit indicate 23 about the relationship of the Mobil Fed No. 1 Well and the

Magnolia Schmitts No. 1 Well?

1	[1] 전경 보고는 보다는 수학 하는 한 이 시는 이 는 아들에게 보고 그렇게 되었다. 그는 요한 사람들의 요한 그는 그를 받고 있는 것으로 \$ [1] 경기를 보고 하는 것 같은 사람들이 하는 것 같은 수학 보고 있는 것 같은 사람들이 되었다. 그는 것 같은 사람들이 되었다.
2	A. That is correct. Reading Duff is locate
3	in Section 24 of 24, 1, and the Magnolia Schmitts No. 1 is in
4	Section 34 of 24 North, 1 West.
5	Okay. We move now to Exhibit B. Mr.
6	Davies, was this exhibit prepared by you or at your direction?
7	A. Yes, it was.
8	Q What does it show?
9	A. It shows it shows two logs. One log
0	is from the one of the dry holes that I mentioned before
1	the Schmitts No. 1, drilled by Magnolia, and it's in the south-
2	east quarter of Section 34, and it shows the Mobil Fed No. 1
3	Well, which is operated by Southern Union, in the southeast
4	quarter of Section 36.
5	The vertical scale is 1 inch is equal to
6	200 feet and the horizontal scale is 1 inch is equal to 500
7	[문화] 기본 시간 (1) 전 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
8	It shows it shows the sedimentary
9	section from the surface to the top of the Chinle formation
0	between the Schmitts No. 1 and the Mobil Fed No. 1 Well.
1	I might mention that this is an east to -
2	I mean a west to east cross section.
3	Q Okay. What does this exhibit indicate
4	about the relationship of the Mobil Fed No. 1 Well and the

Magnolia Schmitts No. 1 Well?

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2	A Section	Okay, it shows the MObil Fed No. 1 to be
3	producing from zone	s A, B, and C of the Niobrara formation.
4	It shows the Mobil	Fed to be 2200 feet higher structurally tha
5	the Schmitts No. 1	Well, and it shows the Mobil Fed to be
6	located on the mono	cline that forms the southeastern edge of
7	the San Juan Basin,	and shows that the Schmitts No. 1 was
8	tested in the Niobr	ara formation and subsequently plugged and
9	abandoned, and that	DST is highlighted on the completion card
10	below the well.	
11	Q	Highlighted in yellow, is that correct?
12		That's correct.
13	Q	We'll put our Exhibit C on top of Exhibi
14	B here.	게 되는 이렇게 되고 있다. 이는 얼마나는 보고 보고 되었다. 카르볼 속 되어 11일 하는 것으로 되었는 것이 많았다. 그 그리고 있다. 그리는 이 없다. 그
15		Was this was this exhibit prepared
16	by you or at your d	irection?
17		Yes, sir, it sure was.
18		Will you look at what's been marked
19	Exhibit C, is that	orrect?
20		That's correct.
21		What does this show? What does Exhibit
22	C show?	
23		All right, this shows the sedimentary
24	section from the sur	face to the top of the Entrada formation
25	in the four wells in	ndicated, and if you refer to back to

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your Exhibit Number One, those wells are on the righthand side or the southeast -- or the south, I mean, the Southern Exploration Mobil Fed No. 1, the Reading and Bates Duff No. 1, the Benson-Montin-Greer "A" 14, and the Benson-Montin-Greer "A" 22.

It shows the Mobil Fed Well to be completed in zones A, B, and C of the Niobrara formation and it shows the other wells that are producing in the West Puerto Chiquito-Mancos Field to be completed in the C zone only.

It shows that the Duff No. 1, which is the Duff No. 1 Well, which has been tested in the Niobrara
and subsequently plugged, and this DST is also highlighted on
the completion card in yellow below the well.

It also shows that zone C of the Niobrara is pinching out and poorly defined in the Mobil Fed No. 1
Well.

Okay, what else does this Exhibit indicate about the relationship of these wells and the Mobil Federal No. 1 Well?

A. It shows that the Mobil Fed No. 1 Well is 2500 feet higher structurally on the southeast end of the monocline and to the other -- to the producing wells in the field, and it shows that the zone C of the Niobrara is pinching out and poorly defined.

	[1발전 - 한번 바레인 원리 전 원래 전문에 하나 가는 사람이 나는 사람이 보려는 사내가 되었다. ###110 이 기수수
2	0 Mr. Davies, based on your work here and
3	your testimony, is it your opinion that there is a permeabilit
4	discontinuity between the Niobrara formation underlying Section
5	36 in Township 24 North, Range 1 West, and the Niobrara forma-
6	tion as found in the West Puerto Chiquito-Mancos Pool?
7	A. Yes, sir, there sure is.
8	Q All right. Is the Mobil Federal No. 1
9	Well in Section 36, Township 24 North, Range 1 WEst producing
10	from the same underground pool as the wells producing from the
11	Niobrara formation in the West Puerto Chiquito-Mancos Pool?
12	A. No, it's not producing from the same
13	
14	Q Does the Nicbrara formation underlying
15	Section 36, Township 24 North, Range 1 West contain a common
16	accumulation of crude oil or natural gas, or both, as the rest
17	of the West Puerto Chiquito-Mancos Pool? Does it contain the
18	same the same pool?
19	A. No, it does not.
20	Q And are you using the word "pool" to
21	mean the same common reservoir source of supply?
22	A That's correct.
23	Q. In your opinion will the severance of
24	the Section 36 from the West Puerto Chiquito-Manços Pool
25	

J. Parking

	이 마스마 어느는 이 나가 이 이번 살은 아랫동안 이 살림으는 것 때 바꾸어 안 된다.
	Yes, Sir, it sure will.
3	MR. ZEIS: That's all the questions I
4 h	ave of this witness.
5	CROSS EXAMINATION
7	BY MR. STAMETS:  O In response to questions concerning the
8	the well in question here today and the
9	indicated + Continue to the co
10	Ts that what you meant of did
11   12	and the conference of the conf
13	Note that the second of the se
14	A. A little  different. It's not connected with it but also our well is  different. It's not connected with it but also our well is  completed in zones A, B, and C. Now then, we have only three  completed in zones A, B, and C. Now then, we have only three
15	は、ことにはは、ことは、10日には、ことは10日は、10日を発展する中的方式では <b>らしいが、47日の</b> とし、20日には、10日には10日には、10日に
16	perforations in zone C, and that that the other wells in the field are completed in, and that that the other wells in the field are completed in, and that
17	I will be a second of the second absent in our second with the second se
18 - 19	动脉形成 [1] [1] [4] [4] [4] [4] [4] [4] [4] [4] [4] [4
. 19 20	between the main body of the pool and the
21	of this well?
2	Yes, sir, there is.
2	MR. STAMETS: Are there outles
	4 of this witness?

12 2 3 QUESTIONS BY MR. CHAVEZ; Have you made any comparisons of the quality of oil or water that's produced from this well and the 5 other wells in the West Puerto Chiquito-Mancos Field? MR. ZEIS: If I might, we have an engineer 8 who can probably answer that question. 9 MR. STAMETS: Okay, fine. 10 Where did you -- whose nomenclature are 11 you using defining the Niobrara zones here? 12 That's Mr. Greer's, Mr. Greer's nomen-13 clature. 14 MR. CHAVEZ: That's all I have. 15 MR. STAMETS: Any other questions of 16 this witness? He will be excused. However, if we need to re-17 call him later, we can. 18 MR. ZEIS: We call Mr. Jim Ellis at 19 this time. 20 JAMES G. ELLIS

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit.

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1			1.85
2		DIRECT EXAMINATION	
3	BY MR. ZEIS:		
6	Q	Will you please state your name for t	:he
	record?		
		James G. Ellis.	
	<b>Q</b>	How are you employed?	
		I'm a Vice President and Chief Engine	er
	with Southern Union	Exploration Company of Texas.	
	Q	Have your credentials as an engineer	
	have you been qualif	ied before this Commission?	) a libe
	A.	Yes, I have.	
		MR. ZEIS: I move that Mr. Ellis be	
	accepted.		
		MR. STAMETS: He is considered qualif	ieć
	Q.	Mr. Ellis, I direct your attention to	
	what's been marked a	s Exhibit D. Was this exhibit prepared	
	by you or at your di	rection?	
		Yes, it was.	
		What does this exhibit show?	
		This exhibit indicates the production	
	history of the well,	the Mobil Fed No. 1. Also notated	
	excuse me also no	tated on this exhibit are the results o	ſ
	three build-up tests	performed from the period 1965 to rece	nt]
	June, 1981.		

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It also depicts the cumulative production to date of the well in gas and oil units and it indicates the gravity of the oil.

All right, sir. Does this exhibit also indicate a point in time in which the gas injection was initiated in Canada Ojitos Unit?

Yes, there's a notation as of August the 10th, 1968, gas injection was initiated in the Canada Ojitos Unit.

Okay. What does this indicate -- this exhibit indicate about pressure in the Mobil Federal No. 1 Well?

Well, the highest pressure noted from a build-up standpoint was 1000 pounds in January of 1965. This was -- this is a matter of record that is filed with the Commission by the previous operator.

After we obtained possession of the well a build-up was run in June of 1979, which indicated 676 pounds surface shut-in pressure. The most recent build-up was completed June the 25th of 1981, depicting a surface shut-in pressure of 430 pounds. This indicates to me natural depletion of a small reservoir.

Okay. What does it indicate about the relationship of the pressure in the West Puerto Chiquito Mancos

15 pool and the pressure in this well? 1 I see no indication that this well is 3 connected to that pool. MR. ZEIS: I have no further questions. 5 CROSS EXAMINATION 6 7 Mr. Ellis, were these two most recent BY MR. STAMETS: pressures of 676 and 430 stabilized pressures? 9 Yes, they were. As you'll note, the one 10 run in 1979, that build-up was performed after our having 11 swab tested and flow tested the well to the pit for an extended 12 length of time, and this was prior to a gas hookup. It was 13 hooked up to El Paso in August of '79, and this was a 10-day 14 build-up and we recorded these pressures on the 24-hour chart 15 16 and changed them each day. The most recent build-up, which shows 17 only a 2-day build-up is somewhat misleading in that the well 18 produces on an intermitter and it's on four hours and off six 19 hours on the cycle basis. So it's already in a semi-shut-in, 20 semi-stabilized position and/or shut-in position because we're 21 using the natural reservoir energy to lift the oil. 22 At such time as it depletes further 23 we'll have to consider the economics of putting a pumping 24

Same?

The chart was mailed to us from Farmington 1 unit on it. last Saturday, and we received it in the Dallas office Monday 2 morning, and the chart depicts a build-up of approximately 3 And so ... so this to me is near stabi-5 five pounds in 24 hours. 6 What -- do you know what the pressure is 7 lization. 8 in the Canada Ojitos Unit at this time? I reviewed Mr. Greer's exhibits that he 9 furnished, I believe, in 1980, and on the K-13 Well he fur-10 nished a chart, and I never -- I never recognized the pressure, 11 surface pressure, as recorded below 1137 pounds, I believe. 12 And, of course, as I noted here, we've never seen the pressure 13 14 If you'll note in the period of 1968, 15 above 1000 pounds. arou, July or August, the last monthly production was recorded 16 from the well by the previous operator. Okay, also it's noted 17 that injection began in August to the Canada Ojitos Unit. 18 Okay, from 1968 to 1979, a period of eleven years, this well 19 was dormant from the standpoint of being produced, and so I 20 would surmise that were there communication, gas would have 21 traveled to this wellbore and a pressure would have been noted 22 more closely associated with what you would see in the Canada 23 24

1 2 Ojitos Unit, which would be something above 1100 pounds, but 3 instead, after flow testing the well, the 10-day build-up only indicated 676 pounds, which is something more than half of 5 what you would expect, and we in essence are seeing rapid depletion of this -- of this well. 7 MR. STAMETS: Any other questions of this witness? He may be excused. In regard to his question, I have not 10 compared the gravity of the oil with -- as I mentioned, our 11 gravity is 46 degrees and it's sweet oil. 12 I haven't done any research to see what 13 the gravity of the oil is in the Canada Ojitos Unit. 14 MR. ZEIS: We'd call Mr. Roy Sharrock. 15 16 ROY G. SHARROCK 17 being called as a witness and being duly sworn upon his oath, 18 testified as follows, to-wit: 19 20 DIRECT EXAMINATION 21 BY MR. ZEIS: 22 Would you please state your name for 23 the record? 24 My name is Roy G. Sharrock.

President and Chief Geologist for Southern Union Exploration

1 2 Company in Dallas, Texas. 3 All right. Mr. Sharrock, are you familiar with the ownership of the Southern Union Exploration Company's 5 Federal Oil and Gas Lease Number NM28699? Yes, sir. 7 This Federal lease was acquired and issued to Southern Union Supply Company on 11 -- November the 1st, 1976. It's presently owned by Southern Union Company of Texas 10 due to a name change. 11 It comprises the south half of the north 12 half and the south half of Section 36, Township 24 North, 13 Range 1 WEst, Rio Arriba County, New Mexico. 14 All right, sir. I hand you what's been 15 marked as Exhibit E. Is that a true and correct copy of a 16 letter you received from Mr. Al Greer of Benson-Montin-Greer 17 Drilling Corporation? 18 Yes, it is. 19 This letter indicates that Benson-Montin-20 Greer has no objection to the deletion of Section 36 from the 21 West Puerto Chiquito-Mancos Oil Pool. 22. Just for the record, Mr. Sharrock, what 23 what's the purpose of Southern Union Exploration Company of 24 Texas' application today? The purpose of this application is to

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1		
2	delete the Section 36	from the Puerto Chiquito-Mancos Oil
3	Pool.	
4		MR. ZEIS: That's all the questions I
5	have.	
6		MR. STAMETS: Let's go off the record
7	a minute, Sally.	
8		
9		(There followed a din-
10		cussion off the record.)
11		
12		MR. STAMETS: Okay, go back on the record
13		MR. ZEIS: Those are all the witnesses
14	I have at this time.	
15		I would move that all the exhibits be
16	admitted in evidence.	
17		MR. STAMETS: Okay, the exhibits will be
18	admitted.	
19		I presume if the Division deletes this
20	acreage from the West	Puerto Chiquito-Mancos Pool that you
21	would propose that we	create a new oil pool for this well?
22		MR. ZEIS: Whichever way the Commission
23	decides to rule on it	is fine, yes.
24		MR. STAMETS: You have no particular
25		having apages besturated at a control

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    would be for this well.
 3
                          MR. ZEIS: Yes sir.
                          MR. STAMETS: Okay. The witness may be
    excused whenever you're through.
                          MR. ZEIS: I'm through.
 7
                          MR. STAMETS: Okay.
                          MR. ZEIS: I don't believe we need to
    sum up unless Mark would like to say something here.
                          MR. ADAMS: I don't need to say anything.
                          MR. STAMETS ... Is there anything further
11
    in this case?
13
                        If not, the case will be taken under
    advisement.
15
16
                         (Hearing concluded.)
17
18
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## CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Swy W. Boyd Core

I do hereuy certity that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. Examiner heard by me on\_ Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe. New Metico 87301
Phone (303) 435-7699

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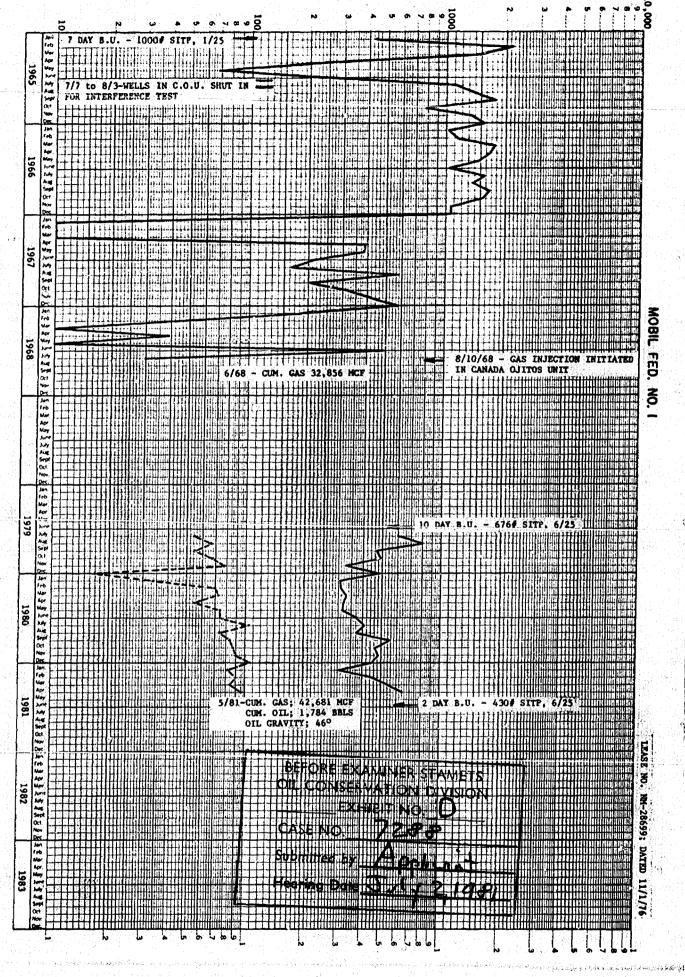
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### BENSON-MONTIN-GREER DRILLING CORP.

221 PETROLEUM CENTER BUILDING FARMINGTON, NEW MEXICO 87401 PHONE: 325-8874

June 25, 1981

Southern Union Exploration Company of Texas Suite 400 Texas Federal Building 1217 Main Street Dallas, Texas 75202

Attention: Mr. Roy G. Sharrock Vice-President

Re: DELETION OF SECTION 36,
TOWNSHIP 24N, RANGE 1W
FROM WEST PUERTO CHIQUITO
MANCOS OIL POOL

Gentlemen:

As discussed with you today, this letter will confirm that Benson-Montin-Greer Drilling Corp. has no objection to the deletion of the captioned section from the West Puerto Chiquito Mancos oil pool.

Yours very truly,

BENSON-MONTIN-GREER DRILLING CORP.

: Albert B Green Presiden

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A RG:ney

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. E

CASE NO. 7200
Submitted by Applicat
Hearing Date July 2,1401

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# BENSON-MONTIN-GREER DRILLING CORP.

221 PETROLEUM CENTER BUILDING PARMINGTON, NEW MEXICO 87401 PHONE: 325-8874

June 25, 1981

Southern Union Exploration Company of Texas Suite 400 Texas Federal Building 1217 Main Street Dallas, Texas 75202

Attention: Mr. Roy G. Sharrock Vice-President

> Re: DELETION OF SECTION 36, TOWNSHIP 24N, RANGE 1W FROM WEST PUERTO CHIQUITO MANCOS OIL POOL

# Gentlemen:

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As discussed with you today, this letter will confirm that Benson-Montin-Greer Drilling Corp. has no objection to the deletion of the captioned section from the West Puerto Chiquito Mancos oil pool.

Yours very truly,

BENSON-MONTIN-GREER DRILLING CORP.

Greer, President

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION

EXHIBIT NO. E CASE NO. 7284

Submitted by ADDI

Hearing Date Ju

ARG:ney

Dockets Nos. 22-81 and 23-81 are tentatively set for July 15 and 29, 1981. Applications for hearing must

# DOCKET: EXAMINER HEARING - THURSDAY - JULY 2, 1981

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner: CASE 7283: Application of Harvey E. Yates Company for amendment of Division Order No. R-6387, Lea County, New Provide that said order authorizing the McDonald Unit Agreement shall have an effective date of

CASE 7284: Application of Energy Reserves Group, Inc. for an unorthodox gas Well location, Roosevelt County, New Mexico. Applicant, in the above-ervlad cause coaks approval for the unorthodox cisco location. Application of Energy Reserves Group, Inc. for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Cisco location of its Miller Well No. 1 located 660 feet from the South and West lines of Section 12, Township 6 CASE 7285:

Application of J. C. Williamson for two non-standard gas proration Units and two unorthodox loca-Application of J. C. Williamson for two non-standard gas provation units and two unorthodox locations, Lea County, New Mexico. Applicant; in the above-styled cause, seeks approval for two nontions, Lea County, New Mexico. Applicant, in the above-styled bause, seeks approval for two non-standard 320-acre Wolfcamp gas proration units in Section 10, Township 23 South, Range 34 East, the certain first comprising the NN/4, W/2 NE/4, and N/2 SW/4, and the second comprising the E/2 NE/4, S/2 SW/4, and the second comprising the E/2 NE/4, S/2 SW/4, first comprising the NN/4, W/2 NE/4, and N/2 SW/4, and the second comprising the E/2 NE/4, S/2 SW/4 and SE/4. Applicant further seeks approval for two unorthodox locations, the first for a well drilled 1560 feet from the North line and 1830 feet from the West line of said Section 10, and the second for a well to be drilled 1980 feet from the South and East lines of the section. CASE 7286:

Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico. Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Blanco Mesaverde production in the wellbore of its Jicarilla F Well No. 6 located in the SW/4 CASE 7287:

Application of Benson-Montin-Greer Drilling Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling, Rio Arriba County, the West Pharto Chiquito-Mancos Oil Pool underlying a previously approved 640-acre don-standard New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Nest Puerto Chiquito-Mancos Oil Pool underlying a previously approved 640-acre non-standard properties of the M/2 of Section 17 and the M/2 of Section 20, Township 26 North, Range drilling and completing said well and the allocation of the cost thereof as well as actual operating the M/2 of Section 20, Township 26 North, Range costs and charges for supervision, designation of applicant as operator of the well, and a charge drilling and completing said well and the allocation of the cost thereof as well as actual operations and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. CASE 7288:

Application of Southern Union Exploration Company of Texas for contraction of the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, Townshin 24 North, Range 1 West Puerto Chiquito-Mancos Oil Pool by the deletion of Section 36, CASE 7251: (Continued from June 3, 1981, Examiner Hearing)

Application of Southern Union Exploration Company of Texas for compulsory pooling, Rio Arriba County, Application of Southern Union Exploration Company of Texas for compulsory pooling, Rio Arriba Count New Mexico. Applicant, in the above-styled cause; seeks an order pooling all mineral inferests in New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 36, Township 24 North, Range 1 the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 30, Township 24 North, Keng West, to be dedicated to its Mobil Federal Well No. 1 drilled at a Standard location thereon. to be considered will be the Cost of drilling and completing said well and the allocation of the 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 the as operator of the well, and a charge for risk involved in drilling said well.

CASE 7289: Application of Exxon Corporation for a salt water disposal well, Chaves County, New Mexico. Application of Exxon Corporation for a salt water disposal well, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Gueen formation at a depth of 2638 feet to 2774 feet in its Strange Federal Well No. 3 in Unit J of Section 25, Township 7 South, Range 31 East, Tomahawk-San Andres Pool. CASE 7290:

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the NE/4 of Section 26, Township 5 South, Range 24 East, to be dedicated to a and completing said will and the allocation of the cost of drilling and charges for supervision, designation of applicant as operator of the well as actual operating costs. 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

- Application of ARCO Oil and Cas Company for compulsory pooling, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Silurian and Fusselman formations underlying the N/2 of Section 6, Township 25 South, Range 37 East, Custer Field, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7292: Application of ARCO 011 and Gas Company for compulsory pooling, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian thru Ellenburger formations underlying the S/2 of Section 6, Township 25 South, Range 37 East.

  Custer Field, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7293: Application of ARCO Oil and Gas Company for an amendment to Order No. R-6649, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-6649 which authorized compulsory pooling in Section 33, Township 22 South, Range 36 East, Langlie Field, to extend to February 1, 1982, the commencement of drilling required in said order.
- CASE 7294: Application of ARCO Oil and Gas 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 Seven Rivers-Queen formation at a depth of 2996 feet to 3186 feet in its R. S. Crosby Well No. A-2 located in Unit L of Section 28, Township 25 South, Range 37 East, Langlie Mattix Pool.
- CASE 7248: (Continued from June 3, 1981, Examiner Hearing)

Application of Inexco Oil Company for pool creation, special pool rules, and an oil discovery allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Pederal 10 State Com. Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, and the promulgation of special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of approximately 42,290 barrels of discovery allowable to the aforesaid well.

CASE 7280: (Continued from June 17, 1981, Examiner Hearing)

Application of Northwest Pipeline Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above styled cause, seeks authority to dually complete its Rosa Unit Well No. 77 located in Unit L of Section 33, Township 31 North, Range 5 West, to produce gas from the Mesaverde formation and commingled Gallup and Dakota production through separate strings of tubing.

- CASE 7295: Application of Gulf Oil Corporation for rescission of Division Order No. R-2429-C, Eddy County,
  New Mexico. Applicant, in the above-styled cause, seeks the rescission of Division Order No.
  R-2429-C which authorized 320-acre spacing units in the White City-Pennsylvanian Gas Pool. Applicant seeks the reinstatement of 640-acre spacing units in said pool with provision for 320-acre infill drilling and appropriate findings relative thereto.
- CASE 7296: Application of J. Gregory Nerrion and Robert L. Bayless for amendment of pool rules, contraction of the Otero-Gallup Pool, and extension of the Devils Fork-Gallup Associated Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause; seeks the amendment of the Devils Fork-Gallup Associated Pool Rules to provide for 160-acre spacing rather than 80 acres. Applicant further seeks the contraction of the Otero-Gallup Pool by the deletion of the following acreage: E/2 and NE/4 SW/4 of Section 2, Township 24 North, Range 6 West, and the E/2 of Section 35, Township 25 North, Range 6 West. Applicant seeks the extension of the Devils Fork-Gallup Associated Pool to include the following acreage: In Township 24 North, Range 6 West; All of Sections 2 and 3; S/2 and NE/4 of Section 4; S/2 of Section 5; S/2 of Section 34; and all of Section 35.
- CASE 7297: (This case will be dismissed.)

Application of Amoco Production Company for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Alley Unit Well No. 1 in Unit E of Section 1, Township 19 South, Range 25 East.

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CASE 7298: (This case will be dismissed.)

Application of Amoco Production Company for an NGPA determination, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Lancaster Springs Com Well No. 1 in Unit I of Section 1, Township 22 South, Range 26 East.

CASE 7299: (This case will be dismissed.)

Application of Amoco Production Company for an NCPA determination, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its State IL Com Well No. 1 in Unit G of Section 3, Township 19 South, Range 24

- CASE 7300: Application of Dome Petroleum Corporation for designation of a tight formation, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Chacra formation underlying portions of Townships 21 and 22 North, Ranges 5, 6, and 7 West, containing 73,018 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.
- CASE 7301: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, redesignating, and extending vertical and horizontal limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:
  - (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Lusk-Morrow Gas Pool. The discovery well is Grace Petroleum Corporation West Tonto Federal Com Well No. 1 located in Unit L of Section 24, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

# TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM Section 24: W/2

(b) CRZATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Mississippian production and designated as the Peterson-Mississippian Pool. The discovery well is Enserch Exploration, Inc. Finley Well No. 1 located in Unit A of Section 6, Township 5 South, Range 33 East. NMPM. Said pool would comprise:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMFM Section 28: SW/4 Section 29: S/2 Section 32: W/2

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPH Section 5: NM/4 Section 6: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Salado Draw-Wolfcamp Gas Pool. The discovery well is Amoco Production Company State GR Well No. 1 located in Unit G of Section 17, Township 26 South, Range 33 East, NMPM. Said pool would comprise:

#### TOWNSHIP 26 SOUTH, RANGE 33 EAST, NMPM Section 17: E/2

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn production and designated as the Talco-Strawn Cas Pool. The discovery well is American Trading and Producing Corporation Talco Unit Well No. 1 located in Unit H of Section 11, Township 26 South, Range 35 East, MMPM. Said pool would comprise:

# TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM Section 11: E/2

(e) REDESIGNATE the Lusk-Seven Rivers Pool in Les County, New Mexico, to the North Lusk-Seven Rivers Pool described and

MSHIP 19 SOUTH, RANGE 32 EAST, NMPM

(f) EXTEND the vertical limits of the Lusk-Yates Pool in Eddy and Lea Counties, New Mexico, to include the Seven Rivers formation and redesignate pool as the Lusk Yates-Seven Rivers Pool described as:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, MMPM Section 24: All

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM Section 19: W/2 and W/2 NE/4

(g) EXTEND the Angell Ranch Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM Section 11: S/2 Section 14: All

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM Section 32: S/2

(h) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM Section 2: W/2 and NE/4 Section 11: W/2

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM Section 26: NW/4 SW/4 Section 33: S/2 SE/4

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM Section 4: NW/4 NE/4

(j) EXTEND the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM Section 34: S/2

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM Section 34: E/2

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM Section 3: All Section 10: N/2 Section 11: W/2

(k) EXTEND the Bull's Eye-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM Section 12: N/2 SE/4

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM Section 7: N/2 SW/4

(1) EXTEND the South Culebra Bluff-Bone Springs Fool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM Section 27: N/2 NE/4

(m) EXTEND the Dublin Ranch-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM Section 33: N/2

(n) EXTEND the East Eagle Creek Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NRPM Section 30: N/2

inici,

(o) EXTEND the Southwest Eunice-Sen Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM Section 17: 1274

(p) EXTEND the Gem-Morrow Cas Pool in Les County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NEPM Section 31: E/2

(q) EXTEND the Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM Section 20: NE/4 Section 21: N/2

(r) EXTEND the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM Section 1: W/2 SW/4

(s) EXTEND the North Illinois Camp-Morrow Gas Pool in Eddy/County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM Section 16: E/2

(t) EXTEND the Langlie Mattix Seven Rivers-Queen-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM Section 31: SW/4

(u) EXTEND the North Loving-Morrow Cas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM Section 7: S/2

(v) EXTEND the West Nadine-Blinebry Pool in Les County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 5: E/2 Section 8: NE/4

(w) EXTEND the East Red Lake Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NNPM Section 25: W/2 NE/4 and NW/4 SE/4

(x) EXTEND the Richard Knob Aroka-Morrow Gas Pov. in Eddy County, New Mexico, to include therein;

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM Section 9: N/2

(y) EXTEND the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM Section 16: S/2

(z) EXTEND the Scharb-Wolfcamp Pool in Les County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, MMPH Section 5: E/2 (as) EXTLND the Tomahawi-San Andres Pool in Roosevelt County, New Mexico, to include therein:

# TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM Section 19: MN/4

(bb) FTTEND the Wantz-Abo Pool in Les County. New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, MAPM Section 11: SW/4 Section 14: NW/4

Docket No. 21-81

### DOCKET: COMMISSION HEARING - WEDNESDAY - JULY 8, 1981

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205 STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

#### CASE 7226: (DE NOVO)

Application of Enserch Exploration, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Montoya formation in the interval from 7902 feet to 7930 feet in its Rader Well No. 2 in Unit E of Section 32, Township 5 South, Range 33 East.

Open application of Enserch Exploration, Inc. this case will be heard De Novo pursuant to the provisions of Rule 1220.

#### (Continued from June 17, 1981, Examiner Hearing) CASE 7275:

Application of S. P. Yates for compulsory pooling, Eddy County, New Mexico.

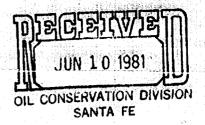
Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the N/2 of Section 21, Township 19 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

## CASE 7270: (Continued from June 17, 1981; Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the K/2 of Section 21, Township 19 South, Range 27 East, to be dedicated to its Pecos River Federal 21-A Com Well No. 1 drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wall, and a charge for risk involved in drilling said well.

# BEFORE THE OIL CONSERVATION DIVISION OF THE STATE OF NEW MEXICO



TN THE	MATTER	OF THE	APPLICATION
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			24 NORTH,
			BA COUNTY,
			VEST PUERTO
CHIQUI	TO-MANC	OS OIL PO	OL.

CASE NO. 7288

# APPLICATION

COMES NOW SOUTHERN UNION EXPLORATION COMPANY OF TEXAS, by its attorneys, and in support hereof, respectfully states:

- 1. By Order No. R-2565-B (Nomenclature) dated November 28, 1966, the Oil Conservation Commission of the State of New Mexico (the "Commission") created an Oil pool designated as the West Puerto Chiquito-Mancos Oil Pool, with vertical limits comprising the Niobrara member of the Mancos shale and specified horizontal limits, which did not include Section 36, Township 24 North, Range 1 West, N.M.P.M., Rio Arriba County, New Mexico ("Section 36").
- 2. By Order No. R-3994 (Nomenclature) dated July 15, 1970, the Commission extended the horizontal limits of the West Puerto Chiquito-Mancos Oil Pool to include Section 36.
- 3. Applicant is the owner and operator of the Mobil Federal Well No. 1 with a producing interval in the Gallup formation of 3845-4123, at a point 1,980 feet from the south line and 1,980 feet from the east line of Section 36 (the "Well").
  - 4. The interval from which the Well is producing in Section 36

is not part of the same geologic pool, reservoir, or common source of supply as the West Puerto Chiquito-Mancos Oil Pool designated by Commission Orders No. R-2565-B and R-3994.

5. The granting of the relief sought herein will prevent waste and will not impair correlative rights.

THEREFORE, Applicant prays:

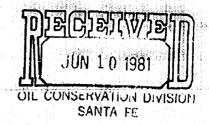
- A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- B. That upon hearing the Division enter its order deleting Section 36, Township 24 North, Range 1 West, Rio Arriba County, New Mexico, from the West Puerto Chiquito-Mancos Oil Pool.
  - C. For such other relief as may be just in the premises.

SOUTHERN UNION EXPLORATION COMPANY OF TEXAS

By Mark K. ADAMS

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A. P.O. Box 1888
Albuquerque, New Mexico 87103
Attorneys for Applicant

# BEFORE THE OIL CONSERVATION DIVISION OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION:
OF SOUTHERN UNION EXPLORATION:
COMPANY OF TEXAS FOR DELETION OF:
SECTION 36, TOWNSHIP 24 NORTH,:
RANGE 1 WEST, RIO ARRIBA COUNTY,:
NEW MEXICO, FROM THE WEST PUERTO:
CHIQUITO-MANCOS OIL POOL.

CASE NO. 7288

## APPLICATION

COMES NOW SOUTHERN UNION EXPLORATION COMPANY OF TEXAS, by its attorneys, and in support hereof, respectfully states:

- 1. By Order No. R-2565-B (Nomenclature) dated November 28, 1966, the Oil Conservation Commission of the State of New Mexico (the "Commission") created an oil pool designated as the West Puerto Chiquito-Mancos Oil Pool, with vertical limits comprising the Niobrara member of the Mancos shale and specified horizontal limits, which did not include Section 36, Township 24 North, Range 1 West, N.M.P.M., Rio Arriba County, New Mexico ("Section 36").
- 2. By Order No. R-3994 (Nomenclature) dated July 15, 1970, the Commission extended the horizontal limits of the West Puerto Chiquito-Mancos Oil Pool to include Section 36.
- 3. Applicant is the owner and operator of the Mobil Federal Well No. 1 with a producing interval in the Gallup formation of 3845-4123, at a point 1,980 feet from the south line and 1,980 feet from the east line of Section 36 (the "Well").
  - 4. The interval from which the Well is producing in Section 36

is not part of the same geologic pool, reservoir, or common source of supply as the West Puerto Chiquito-Mancos Oil Pool designated by Commission Orders No. R-2565-B and R-3994.

5. The granting of the relief sought herein will prevent waste and will not impair correlative rights.

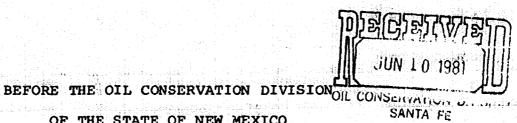
THEREFORE, Applicant prays:

- A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- B. That upon hearing the Division enter its order deleting Section 36, Township 24 North, Range 1 West, Rio Arriba County, New Mexico, from the West Puerto Chiquito-Mancos Oil Pool.
  - C. For such other relief as may be just in the premises.

SOUTHERN UNION EXPLORATION COMPANY OF TEXAS

By Mark K. Adams

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A. P.O. Box 1888
Albuquerque, New Mexico 87103
Attorneys for Applicant



OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION : OF SOUTHERN UNION EXPLORATION COMPANY OF TEXAS FOR DELETION OF : SECTION 36, TOWNSHIP 24 NORTH, RANGE 1 WEST, RIO ARRIBA COUNTY, NEW MEXICO, FROM THE WEST PUERTO CHIQUITO-MANCOS OIL POOL.

CASE NO.

### APPLICATION

COMES NOW SOUTHERN UNION EXPLORATION COMPANY OF TEXAS, by its attorneys, and in support hereof, respectfully states:

- 1. By Order No. R-2565-B (Nomenclature) dated November 28, 1966, the Oil Conservation Commission of the State of New Mexico (the "Commission") created an oil pool designated as the West Puerto Chiquito-Mancos Oil Pool, with vertical limits comprising the Niobrara member of the Mancos shale and specified horizontal limits, which did not include Section 36, Township 24 North, Range 1 West, N.M.P.M., Rio Arriba County, New Mexico ("Section 36").
- 2. By Order No. R-3994 (Nomenclature) dated July 15, 1970, the Commission extended the horizontal limits of the West Puerto Chiquito-Mancos Oil Pool to include Section 36.
- 3. Applicant is the owner and operator of the Mobil Federal Well No. 1 with a producing interval in the Gallup formation of 3845-4123, at a point 1,980 feet from the south line and 1,980 feet from the east line of Section 36 (the "Well").
  - 4. The interval from which the Well is producing in Section 36

is not part of the same geologic pool, reservoir, or common source of supply as the West Puerto Chiquito-Mancos Oil Pool designated by Commission Orders No. R-2565-B and R-3994.

5. The granting of the relief sought herein will prevent waste and will not impair correlative rights.

THEREFORE, Applicant prays:

- A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- B. That upon hearing the Division enter its order deleting Section 36, Township 24 North, Range 1 West, Rio Arriba County, New Mexico, from the West Puerto Chiquito-Mancos Oil Pool.
  - C. For such other relief as may be just in the premises.

SOUTHERN UNION EXPLORATION COMPANY OF TEXAS

By Mark K Adams

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A. P.O. Box 1888
Albuquerque, New Mexico 87103
Attorneys for Applicant

# STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

	CASE NO. 7288
	Order No. Roll NOMENCLATURE
cation	of Southern Union Exploration Company of Texas for contriction of the West Puerto succe Oil Pool, Rio Arriba County, New Mexico.
10-62	
	OM > DAD
/	65 ( )
	ORDER OF THE DIVISION
	BY THE DIVISION:
	This cause came on for hearing at 9 a.m. on $\frac{\int u/y}{2}$
	19_8/, at Santa Fe, New Mexico, before Examiner
	NOW, on thisday of, 19, the
	Division Director, having considered the testimony, the record,
	and the recommendations of the Examiner, and being fully advised
	in the premises,
	FINDS:
	(1) That due public notice having been given as required
	by law, the Division has jurisdiction of this cause and the
	subject matter thereof.
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	를 당했다는 그런 그렇게 하는 소리 선생 전체로는 있는 그래도 되었다. 그리고 있는 그리고 보고 보고 보고 보고 보고 있다. 
	(2) that the applicant, Southern Union
	(2) hav vac apparent, southern Union
	Exploration Company of Texas,
	seeks the contraction of the West Puerto Chiquito-Mancos Oil Pool by the deletion of Section 36, Township 24 North, Range 1 West, therefrom.

- (3) That the applicant is the owner and operator of the Mobil Federal Well No. 1 located in Unit J of said Section 36.
- (4) That said well is a reentry; was completed in the Gallup formation through perforations from 3845 feet to 4123 feet on June 15, 1979; and is currently designated as a West Puerto Chiquito-Mancos Oil Pool well.
- (5) That the evidence presented at the hearing demonstrated that said Möbil Federal Well No. 1 is completed in a separate common source of supply from the West Puerto Chiquito-Mancos Oil Pool.
- (6) That approval of the applicant's request for deletion of said Section 36 from the West Puerto Chiquito-Oil Pool will not result in waste nor violate correlative rights.
- (7) That the application should be approved and a new pool for Gallup oil production should be created and designated as the Regina-Gallup Oil Pool consisting of the NW/4 of Section 36, Township 24 North, Range 1 West, NMPM, Rio Arriba County, New Mexico.

# IT IS THEREFORE ORDERED:

- (1) That the West Puerto Chiquito-Mancos Oil Pool, as previously defined and described, is hereby contracted by the deletion therefrom of Section 36, Township 24 North, Range 1 West, NMPM, Rio Arriba County, New Mexico.
- (2) That a new oil pool for Gallup oil production is hereby created and designated Regina-Gallup Oil Pool consisting of the NW/4 SE/4 of said Section 36.
- (3) That the effective date of this order and the pool contraction and pool creation contained herein shall be August 1, 1981.
- (4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.