

CASE 7423: CONOCO INC. FOR A WATER-
FLOOD PROJECT, LEA COUNTY, NEW MEXICO

DOCKET NEEDED

Date ~~11/6/81~~
12/8/81

CASE NO.

7423

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco Inc. for a
waterflood project, Lea County,
New Mexico.

CASE
7423

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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2 HEARING OFFICER: We will also at this
3 time, call Case 7423, application of Conoco Inc. for a water
4 flood project, Lea County, New Mexico, and as noted in the
5 docket, request of the applicant, this case will be dismissed.
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THIS IS A VERBATIM COPY OF MR. ALEX PADILLA'S
TRANSCRIPT SUBMITTED HEREWITH.

SWB

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7423.
heard by me on 12-16 1981.
Richard L. Stuntz, Examiner
Oil Conservation Division

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Conoco, Inc.,
for a waterflood project, Lea
County, New Mexico.

CASE
7423

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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MR. STAMETS: Call next Case 7423.

MR. PEARCE: Application of Conoco, Incorporated, for a waterflood project, Lea County, New Mexico.

MR. STAMETS: At the request of the applicant this case will be continued to the December 16th Examiner Hearing.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a true and correct copy of the original
transcript of the hearing held on
November 11, 1981.

Richard R. Stamb 11-19 7423
Examiner
Oil Conservation Division 81

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409



POST OFFICE BOX 2089
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

December 29, 1981

Mr. M. K. Mosley
Division Manager of Production
Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Re: CASE NO. 7423
ORDER NO. R-6864

Applicant:

Conoco Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	x
Artesia OCD	x
Aztec OCD	

Other

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. 7423
Order No. R-6864

APPLICATION OF CONOCO, INC. FOR
A WATERFLOOD PROJECT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 16, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of December, 1981, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

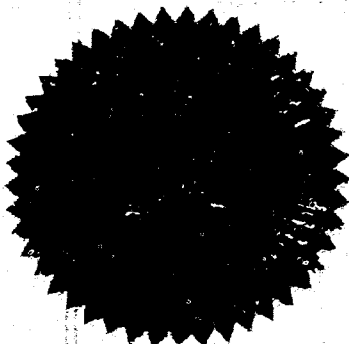
FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 7423 is hereby dismissed.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

Dockets Nos. 1-82 and 2-82 are tentatively set for January 6, and January 20, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 16, 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:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for January, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for January, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7439:** Application of Bass Enterprises Production Company for an amendment of Division Order No. R-6776, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6776 which authorized the directional drilling of its James Ranch Well No. 13 in Section 36, Township 22 South, Range 30 East, to provide for an amended surface location 1440 feet from the North line and 860 feet from the West line of Section 6, Township 23 South, Range 31 East.
- CASE 7440:** Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SW/4 NE/4 of Section 5, Township 20 South, Range 38 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 7441:** Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4 NW/4 of Section 5, Township 20 South, Range 38 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 7442:** Application of Depco, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Abo formation underlying the SE/4 of Section 23, 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.
- CASE 7443:** Application of Dalton H. Cobb for compulsory pooling, Guadalupe County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4 of Section 20, Township 8 North, Range 22 East, to be dedicated to a well drilled at a standard location thereon. Also to be considered will be the cost of re-entering 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 re-entering said well.
- CASE 7444:** Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Penn formations underlying the E/2 of Section 30, Township 18 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 7445:** Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the San Andres formation for its Fulton Collier Well No. 1 in Unit G of Section 1, Township 18 South, Range 28 East.

CASE 7410: (Continued from November 19, 1981, Examiner Hearing)

Application of B.O.A. Oil & Gas Company for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2035 feet from the South line and 2455 feet from the East line and one to be drilled 2455 feet from the North line and 1944 feet from the East line, both in Section 31, Township 31 North, Range 15 West, Verde-Gallup Oil Pool, the NW/4 SE/4 and SW/4 NE/4, respectively, of said Section 31 to be dedicated to said wells.

CASE 7356: (Continued from November 19, 1981, Examiner Hearing)

Application of S & I Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the W/2 SW/4 of Section 12, Township 29 North, Range 15 West, Cha Cha-Gallup Oil Pool, 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 7423: (Continued from November 19, 1981, Examiner Hearing - This Case will be dismissed)

Application of Conoco, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for three companies to institute a cooperative waterflood project in the Blinbry oil and gas pool by the injection of water into the Blinbry formation through 13 injection wells located on leases operated by Conoco, Shell Oil Company, and Southland Royalty Company, in Sections 33 and 34, Township 20 South, Range 38 East, and Sections 2 and 3, Township 21 South, Range 37 East.

CASE 7448: Application of Energy Reserves Group, Inc. for creation of a new gas pool and an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Cisco production comprising the S/2 of Section 12 and the N/2 of Section 13, Township 6 South, Range 33 East; applicant further seeks approval of the unorthodox location of its Miller Com Well No. 1-Y located 660 feet from the South and West lines of said Section 12.

CASE 7449: Application of E. T. Ross for nine non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for nine 40-acre non-standard gas proration units in the Bravo Dome Carbon Dioxide Area. In Township 19 North, Range 30 East: Section 12, the NW/4 NW/4 and NE/4 NW/4; Section 14, the NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4. In Township 20 North, Range 30 East: Section 11, the NE/4 SW/4, SW/4 SE/4, SE/4 SW/4, and NW/4 SE/4.

CASE 7446: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, contracting, and extending vertical and horizontal limits of certain pools in San Juan, Rio Arriba, McKinley, and Sandoval Counties, New Mexico:

(a) That the South Gallegos Pictured Cliffs Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby abolished.

(b) That the South Gallegos Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby contracted by deleting:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 24: SE/4
Section 25: E/2

(c) That the Otero Gallup Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby contracted by deleting:

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 31: NW/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 36: W/2 SW/4

Examiner Hearing - Wednesday - December 16, 1981

(d) That the South Gallegos-Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM

Section 2: S/2
 Section 3: SE/4
 Section 10: NE/4
 Section 13: W/2

and the vertical limits of said pool are hereby extended to include the Picture# Cliff formation and said pool is redefined as the South Gallegos-Fruitland -Pictured Cliffs Gas Pool.

(e) That a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Nacimiento production, is hereby created and designated as the Cavilan Nacimiento Pool, comprising the following described area:

TOWNSHIP 24 NORTH, RANGE 1 WEST, NMPM

Section 6: SW/4

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM

Section 1: SE/4
 Section 12: N/2

(f) That the Aztec Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, described and defined, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 30: SE/4
 Section 31: NE/4

(g) That the Actec Pictured Cliffs Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 12: NE/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM

Section 7: SE/4
 Section 21: NW/4 and SE/4
 Section 28: E/2

(h) That the BS Mesa Gallup Gas Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM

Section 1: NW/4
 Section 2: All
 Section 6: SW/4

(i) That the Beautiful Mountain Mississippian Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby redesignated the Beautiful Mountain Mississippian Gas Pool and is extended to include:

TOWNSHIP 27 NORTH, RANGE 19 WEST, NMPM

Section 32: N/2 S/2 and SW/4 SW/4 and SE/4 SE/4

(j) That the Ballard Pictured Cliffs Gas Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 23 NORTH, RANGE 5 WEST, NMPM

Section 24: NE/4

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM

Section 15: SW/4

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Section 35: S/2

TOWNSHIP 26 NORTH, RANGE 8 WEST, NMPM

Section 9: NE/4
 Section 14: NW/4 and SE/4

Examiner Hearing - Wednesday - December 16, 1981

(k) That the Bisti Lower Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM
Section 6: N/2 NE/4

TOWNSHIP 25 NORTH, RANGE 10 WEST, NMPM
Section 31: SE/4

(l) That the Blanco Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM
Section 3: SE/4
Section 10: NE/4

(m) That the Blanco Mesa Verde Gas Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 4: S/2
Section 5: S/2

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
Section 10: W/2

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
Section 14: S/2
Section 25: All
Section 26: All
Section 35: All
Section 36: All

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 2: S/2
Sections 7 to 16: All
Section 22: All

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 22: N/2

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
Section 13: W/2
Section 14: All
Section 23: N/2
Section 24: All

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
Section 23: N/2

TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM
Section 30: W/2

TOWNSHIP 31 NORTH, RANGE 13 WEST, NMPM
Section 14: All
Section 15: E/2
Section 23: All

(n) That the Blanco Pictured Cliffs Gas Pool in Rio Arriba, San Juan and Sandoval Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM
Section 17: NW/4
Section 18: SE/4

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TOWNSHIP 29 NORTH, RANGE 8 WEST, NNPM

Section 3: W/2
Section 4: E/2
Section 9: N/2
Section 10: NW/4
Section 33: E/2
Section 34: W/2 and SE/4
Section 35: SW/4

TOWNSHIP 30 NORTH, RANGE 9 WEST, NNPM

Section 11: SW/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NNPM

Section 6: NW/4

TOWNSHIP 31 NORTH, RANGE 9 WEST, NNPM

Section 28: SE/4

TOWNSHIP 31 NORTH, RANGE 12 WEST, NNPM

Section 12: NE/4

TOWNSHIP 32 NORTH, RANGE 11 WEST, NNPM

Section 10: E/2

(0) That the South Blanco Pictured Cliffs Gas Pool in Rio Arriba, San Juan and Sandoval Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 23 NORTH, RANGE 1 WEST, NNPM

Section 19: SW/4
Section 30: W/2
Section 31: NW/4

TOWNSHIP 23 NORTH, RANGE 2 WEST, NNPM

Section 24: S/2

TOWNSHIP 23 NORTH, RANGE 3 WEST, NNPM

Section 2: N/2
Section 3: N/2
Section 4: NE/4

TOWNSHIP 24 NORTH, RANGE 2 WEST, NNPM

Section 14: W/2
Sections 15, 16, & 17: All
Section 21: N/2
Section 22: N/2

TOWNSHIP 24 NORTH, RANGE 3 WEST, NNPM

Section 3: SE/4
Section 26: S/2 and NW/4
Section 27: All
Section 28: E/2
Section 33: E/2
Sections 34 & 35: All
Section 36: SW/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NNPM

Section 14: NW/4
Section 24: All

TOWNSHIP 27 NORTH, RANGE 5 WEST, NNPM

Section 34: NW/4

TOWNSHIP 27 NORTH, RANGE 6 WEST, NNPM

Section 8: SE/4

TOWNSHIP 28 NORTH, RANGE 6 WEST, NNPM

Section 25: SE/4

Section 36: E/2

TOWNSHIP 28 NORTH, RANGE 7 WEST, NNPM

Section 19: W/2

Section 30: NW/4

TOWNSHIP 28 NORTH, RANGE 8 WEST, NNPM

Section 11: E/2

Section 12: All

Section 13: All

Section 14: NE/4

Section 24: NE/4

(p) That the Bloomfield Chacra Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NNPM

Sections 15 & 16: All

Section 17: SE/4

Section 22: NW/4

TOWNSHIP 29 NORTH, RANGE 11 WEST, NNPM

Section 14: W/2

Section 15: E/2

Section 22: E/2

Section 23: W/2

Section 25: N/2

Section 26: W/2

Section 27: NE/4 and S/2

Section 34: All

Section 35: W/2 and SE/4

(q) That the Cha Cha Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 15 WEST, NNPM

Section 11: E/2

Section 12: S/2 and NW/4

Section 14: N/2

(r) That the Chacon Dakota Associated Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 22 NORTH, RANGE 3 WEST, NNPM

Section 1: W/2

Section 2: E/2

TOWNSHIP 23 NORTH, RANGE 3 WEST, NNPM

Section 3: NE/4

Section 11: NW/4

Section 23: SE/4

Section 35: SE/4

TOWNSHIP 24 NORTH, RANGE 3 WEST, NNPM

Section 16: SW/4

Section 17: SE/4

Section 21: All

Section 22: SW/4

Section 27: W/2 and SE/4

Section 28: E/2

Section 34: E/2

(s) That the Escrito Gallup Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
 Section 28: S/2 NE/4
 Section 35: W/2 NW/4

(t) That the Flora Vista Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM
 Section 3: W/2

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM
 Section 34: W/2

(u) That the Flora Vista Gallup Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM
 Section 1: SW/4
 Section 2: SE/4

(v) That the Fulcher Kutz Pictured Cliffs Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
 Section 16: W/2

(w) That the Gallegos Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 12, WEST, NMPM
 Section 23: E/2 NE/4

(x) That the Gavilan-Pictured Cliffs Gas Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 1 WEST, NMPM
 Section 6: SW/4

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM
 Section 9: NW/4

(y) That the Gobernador Pictured Cliffs Gas Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 30 NORTH, RANGE 5 WEST, NMPM
 Section 31: SE/4

(z) That the Gonzales Mesa Verde Gas Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
 Section 30: SE/4
 Section 31: NE/4

(aa) That the West Kutz Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
 Section 19: S/2

(bb) That the Kutz Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM
 Section 4: NW/4 NE/4

(cc) That the West Kutz Pictured Cliffs Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM
Section 32: NE/4

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM
Section 9: W/2
Section 16: NW/4

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
Section 20: SE/4

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM
Section 18: SW/4
Section 19: N/2

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM
Section 13: All
Section 24: N/2

(dd) That the South Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 27: N/2 S/2

(ee) That the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
Section 7: N/2
Section 8: W/2
Section 17: NE/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 4: All
Section 8: S/2
Section 10: NW/4 and SE/4
Section 14: NW/4
Section 15: NE/4
Section 25: SE/4

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 13: SW/4
Section 21: NW/4
Section 23: E/2
Section 24: N/2
Section 26: E/2
Section 31: W/2

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 35: SE/4
Section 36: S/2

(ff) That the South Los Pinos Fruitland-Pictured Cliffs Gas Pool in San Juan County, New Mexico as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM
Section 25: S/2
Section 32: SE/4
Section 33: NE/4

Page 9 of 16
Examiner Hearing - Wednesday - December 16, 1981

(gg) That the Lybrook Gallup Oil Pool in Sandoval, San Juan, and Rio Arriba Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM

Section 6: E/2 SW/4

Section 7: NE/4 NW/4

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM

Section 1: W/2 SW/4 and SW/4 NW/4

Section 6: NW/4 and W/2 NE/4 and SE/4 NE/4

Section 8: NE/4 and N/2 SE/4

Section 12: NW/4 NW/4

Section 14: W/2

Section 15: N/2 NE/4

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 29: SW/4 SE/4

Section 30: S/2 S/2

Section 31: All

Section 32: W/2 E/2

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM

Section 23: S/2 S/2

Section 25: W/2 NW/4 and SW/4 and S/2 SE/4

Section 26: E/2 NE/4

Section 36: All

(hh) That the Miguel Creek Gallup Oil Pool in McKinley County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 16 NORTH, RANGE 6 WEST, NMPM

Section 20: E/2 SE/4

Section 28: NW/4 NW/4

Section 29: E/2 NE/4 and NW/4 NE/4

(ii) That the Nageezi Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 23 NORTH, RANGE 8 WEST, NMPM

Section 5: W/2

Section 6: N/2

Section 8: NE/4

Section 9: W/2 and NE/4

Section 16: NW/4

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM

Section 32: All

(jj) That the Otero Chacra Gas Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

Section 4: N/2

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

Section 28: W/2

Sections 29 & 30: All

Section 32: NW/4 and E/2

Section 33: W/2 and SE/4

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Section 22: NE/4

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM

Section 5: NE/4

Section 9: All

Section 10: SW/4

(kk) That the Otero Gallup Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM

Section 1: W/2 NW/4 and SE/4 NW/4

Section 2: N/2 NE/4

(ll) That the Pajarito Pennsylvanian Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 17 WEST, NMPM

Section 31: NW/4 NE/4

(mm) That the Pinon Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 16: W/2

Section 17: E/2

(nn) That the North Pinon Fruitland Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 33: W/2

(oo) That the Rusty Chacra Gas Pool in Sandoval County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 21 NORTH, RANGE 6 WEST, NMPM

Section 4: SW/4

Section 5: S/2 and NW/4

Section 6: All

Section 7: NW/4

Section 9: W/2

TOWNSHIP 22 NORTH, RANGE 6 WEST, NMPM

Section 17: SW/4

Section 18: NW/4 and SE/4

Section 20: NW/4 and SE/4

Section 27: SW/4

Section 28: S/2

Section 29: S/2

Section 30: NW/4 and SE/4

Section 31: E/2

Section 32: W/2 and NE/4

Section 34: N/2

Section 35: N/2 and SE/4

Section 36: SW/4

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM

Section 10: N/2

Section 11: NW/4

Section 12: SW/4

Section 17: S/2

Section 27: S/2 and NW/4

Section 28: E/2

Section 34: NE/4

(pp) That the Tapacito Pictured Cliffs Gas Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM

Section 5: SW/4

Section 6: SE/4

Section 9: SW/4

Section 16: N/2 and SE/4

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TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM

Section 3: All
 Section 4: E/2 and NW/4
 Section 5: NE/4
 Section 9: NE/4
 Section 10: N/2

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM

Section 31: NW/4
 Section 32: S/2

(qq) That the Ute Dome Dakota Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM

Section 26: SE/4
 Section 34: NE/4

(rz) That the WAW Fruitland Pictured Cliffs Gas Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM

Section 25: S/2
 Section 26: SE/4

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM

Section 4: SE/4
 Section 10: S/2

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM

Section 30: NW/4

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM

Section 4: SW/4
 Section 5: S/2
 Section 7: NE/4
 Section 8: All
 Section 9: W/2 and SE/4
 Section 16: N/2
 Section 17: NE/4

CASE 7447: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning a discovery allowable, contracting, and extending 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 Upper Pennsylvanian production and designated as the Draper Mill-Upper Pennsylvanian Gas Pool with vertical limits defined as from the top of the Pennsylvanian formation at 14,128 feet to the top of the Morrow formation at 15,003 feet as found on log of discovery well the HNG Oil Company Vaca Draw 16 State Well No. 1 located in Unit E of Section 16, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 16: W/2

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

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM

Section 6: SE/4

(c) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Montoya production and designated as the Lightcap Montoya Gas Pool. The discovery well is Aikman Petroleum, Inc. Sanders Well No. 1 located in Unit E of Section 8, Township 8 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
Section 8: W/2

(d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Cherry Canyon production and designated as the Loving-Cherry Canyon Pool. Further, to assign approximately 18,240 barrels of discovery allowable to the discovery well, the Pogo Production Company NEL Well No. 2 located in Unit I of Section 9, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 9: SE/4

(e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Midway-Strawn Pool. The discovery well is David Fasken Consolidated State Well No. 2 located in Unit A of Section 8, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 8: NE/4

(f) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Abo production and designated as the Pecos Slope-Abo Gas Pool. The discovery well is Yates Petroleum Corporation Federal HY Well No. 2 located in Unit O of Section 33, Township 7 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 4 SOUTH, RANGE 24 EAST, NMPM
Section 35: SE/4
Section 36: S/2

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM
Section 31: SW/4

TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM
Section 1: All
Section 2: E/2 and SW/4
Section 9: SE/4
Section 10: All
Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 16: E/2
Section 21: E/2
Section 22: All
Section 23: All
Section 24: All
Section 25: All
Section 26: All
Section 27: All
Section 28: E/2
Section 31: S/2
Section 32: S/2
Section 33: E/2 and SW/4
Section 34: All
Section 35: All
Section 36: All

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM
Section 6: W/2
Section 7: NW/4
Section 31: W/2 and SE/4
Section 32: S/2

TOWNSHIP 6 SOUTH, RANGE 24 EAST, NMPM
 Section 1: All

TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM
 Section 1 thru Section 36: All

TOWNSHIP 7 SOUTH, RANGE 25 EAST, NMPM
 Section 1: All
 Section 2: All
 Section 3: All
 Section 4: All
 Section 5: All
 Section 6: E/2
 Section 7: N/2
 Section 8: All
 Section 9: All
 Section 10: All
 Section 11: All
 Section 12: All
 Section 13: N/2 and SE/4
 Section 14: N/2
 Section 15: N/2
 Section 16: All
 Section 17: All
 Section 20: N/2
 Section 21: All
 Section 28: All
 Section 33: All

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM
 Section 18: S/2

(g) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Abo production and designated as the West Pecos Slope-Abo Gas Pool. The discovery well is Mesa Petroleum Company Rock Federal Well No. 1 located in Unit J of Section 7, Township 8 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPM
 Section 12: NW/4 and E/2
 Section 13: E/2

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM
 Section 6: S/2
 Section 7: All
 Section 8: S/2
 Section 18: N/2 and SW/4

(h) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring Oil production and designated as the Red Bluff-Bone Spring Pool. The discovery well is HCW Exploration, Inc. Dorstate Well No. 1 located in Unit H of Section 27, Township 25 South, Range 28 East, NMPM. said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM
 Section 27: NE/4

(i) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Willow Lake-Bone Spring Pool. The discovery well is Maddox Energy Corporation Union Federal Well No. 1 located in Unit H of Section 33, Township 24 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
 Section 33: NE/4

(j) CONTRACT the vertical limits of the North Shoebar Pennsylvania Pool in Lea County, New Mexico, to the Strawn formation only and redesignate pool to the Northwest Shoebar-Strawn Pool. Said pool described as:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 15: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 28: S/2
Section 29: E/2
Section 32: E/2

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 2: Lots 9, 10, 15, 16, and
SE/4

(l) EXTEND the South Bell Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 13: E/2

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 17: All

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

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM
Section 30: S/2
Section 31: N/2

(n) EXTEND the West Burton Flat-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 30: E/2

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 25: N/2 SW/4 and NW/4
Section 26: NE/4 and S/2
Section 27: S/2 SE/4

(p) EXTEND the Diamond Mound-Morrow Gas Pool in Chaves County, New Mexico to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 35: N/2

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

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 36: E/2

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 31: NW/4

(r) EXTEND the Inbe-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 14: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 30: E/2

(t) EXTEND the South Millman-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 30: N/2

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 8: SE/4
Section 9: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 22: NE/4

(w) EXTEND the Oil Center-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 11: E/2 SW/4

(x) EXTEND the Oil Center-Glorieta Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 11: NE/4

(y) EXTEND the Penasco Draw-San Andres-Yeso Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 35: S/2 NE/4 and SE/4
Section 36: S/2

(z) EXTEND the Robina Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 6: E/2
Section 7: E/2

(aa) EXTEND the Sawyer-San Andras Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 36: NE/4

(bb) EXTEND the North Shosbar-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NNPM
Section 15: SE/4

(cc) EXTEND the Tomahawk-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NNPM
Section 36: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NNPM
Section 23: N/2

(ee) EXTEND the Turkey Track-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NNPM
Section 22: S/2
Section 27: All
Section 34: E/2
Section 35: W/2

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NNPM
Section 2: N/2
Section 3: All

(ff) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico to include therein:

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NNPM
Section 7: NE/4

Dockets Nos. 36-81 and 39-81 are tentatively set for December 2, and December 15, 1981. Application for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 19, 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:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for December, 1981, from fifteen prorated pools in Lea, Eddy and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for December, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7410: Application of B.O.A. Oil & Gas Company for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2035 feet from the South line and 2455 feet from the East line and one to be drilled 2455 feet from the North line and 1944 feet from the East line, both in Section 31, Township 31 North, Range 15 West, Verda-Gallup Oil Pool, the NW/4 SE/4 and SW/4 NE/4, respectively, of said Section 31 to be dedicated to said wells.

CASE 7356: (Continued from October 21, 1981, Examiner Hearing)

Application of S & I Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the W/2 SW/4 of Section 12, Township 29 North, Range 15 West, Cha Cha-Gallup Oil Pool, 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 7411: Application of Viking Petroleum, Inc., for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 330 feet from the North and East lines of Section 12, Township 11 South, Range 27 East, the NE/4 of said Section 12 to be dedicated to the well. (This case will be dismissed).

CASE 7412: Application of Gulf Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower Yates, Queen, San Andres and Delaware formations in the open hole interval from 4375 feet to 7452 feet in its Lea "2D" State Well No. 1 located in Unit M of Section 30, Township 13 South, Range 35 East, Air-Strip Field.

CASE 7413: Application of Gulf Oil Corporation for Directional Drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Arnett Ramsey Well No. 12, the surface location of which is 500 feet from the South line and 1400 feet from the East line of Section 32, Township 25 South, Range 37 East, to a bottomhole location within 150 feet of a point 500 feet from the South line and 800 feet from the East line of Section 32, Township 25 South, Range 37 East, Langlie Mattix Pool, the SE/4 SE/4 of said Section 32 to be dedicated to the well.

CASE 7414: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Wantz-Granite Wash production in the wellbore of its Hugh Well No. 10, located in Unit C of Section 14, Township 22 South, Range 37 East.

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CASE 7415: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Tubb and Drinkard production in the wellbore of its T. R. Andrews Well No. 3, located in Unit J of Section 32, Township 22 South, Range 38 East.

CASE 7379: (Continued from October 21, 1981, Examiner Hearing)

Application of JEM Resources, Inc., for vertical pool extension and special GOR limit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the vertical extension of the Cave-Grayburg Pool to include the San Andres Formation, and the establishment of a special gas-oil ratio limit for said pool to 6000 to one or, in the alternative, the abolishment of the gas-oil ratio limit in said pool, all to be effective October 1, 1981.

CASE 7407: (Continued from November 4, 1981, Examiner Hearing)

Application of Mesa Petroleum Company 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 23, 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.

CASE 7416: Application of El Paso Natural Gas Company for pool creation and redelineation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to contract the horizontal limits of the Jalmat Gas Pool by deleting therefrom all lands in Township 26 South, Range 37 East. Applicant also proposes to contract the horizontal limits of the Rhodes Yates - Seven Rivers Oil Pool by deleting therefrom all of the gas productive lands in the North end thereof and to create the Rhodes Yates-Seven Rivers Gas Pool comprising all such deleted lands. Applicant further proposes the deletion of certain oil productive lands from said Rhodes oil pool and the extension of the Scarborough Pool to include said lands. Applicant further proposes to contract the horizontal boundaries of the Rhodes Gas Storage Unit to delete certain lands and wells not participating in the Rhodes Gas Storage Project and to withdraw without restriction all gas remaining in the newly created Rhodes Gas Pool.

CASE 7417: (This case will be dismissed.)

Application of Northwest Pipeline Corporation for 13 non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for 13 non-standard Pictured Cliffs gas proration units ranging in size from 142.39 acres to 176.77 acres and each comprised of various contiguous lots or tracts in Sections 4, 5, 6, 7, and 18 of Township 31 North, Range 7 West. Said proration units result from corrections in the survey lines on the North and West sides of Township 31 North, Range 7 West and overlap seven non-standard Mesaverde proration units previously approved by Order No. R-1066.

CASE 7418: Application of Morris R. Antweil for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Nadine-Drinkard Pool including a special gas-oil ratio of 6,000 to one.

CASE 7419: Application of Morris R. Antweil for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Nadine-Blaine pool including a special gas-oil ratio of 4,000 to one.

CASE 7420: Application of Southland Royalty Company for two unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of two previously drilled wells, the first being 760 feet from the South line and 660 feet from the East line of Section 5 the other being 660 feet from the North and West lines of Section 9, both in Township 19 South, Range 35 East, both to be plugged back to the Scharb-Bone Springs Pool, the S/2 SE/4 of Section 5 and the N/2 NW/4 of Section 9, respectively, to be dedicated to the wells.

CASE 7421: Application of Doyle Hartman for compulsory pooling, unorthodox well location and non-standard spacing unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying a 120-acre non-standard spacing unit consisting of the S/2 SW/4 and the NW/4 SW/4 of Section 3, Township 20 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox location 2,310 feet from the South line and 330 feet from the West line of Section 3. 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.

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CASE 7422: Application of Conoco, Inc. for dual completion and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Southeast Monument Unit Well No. 121, to produce oil from the Skaggs Grayburg and an undesignated Paddock pool through parallel strings of tubing. Applicant further seeks approval of the unorthodox location of said well 1310 feet from the North line and 1330 feet from the West line of Section 19, Township 20 South, Range 38 East, the NE/4 NW/4 of said Section 19 to be dedicated to the well.

CASE 7423: Application of Conoco, Inc., for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for three companies to institute a cooperative waterflood project in the Blinberry oil and gas pool by the injection of water into the Blinberry formation through 13 injection wells located on leases operated by Conoco, Shell Oil Company, and Southland Royalty Company, in Sections 33 and 34, Township 20 South, Range 38 East, and Sections 2 and 3, Township 21 South, Range 37 East.

CASE 7424: Application of Rice Engineering and Operating, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower San Andres formation in the perforated interval from 4300 feet to 4852 feet in its Eunice-Monument Eumont SWD "G" Well No. 8, located in Unit G of Section 8, Township 20 South, Range 37 East.

CASE 7425: Application of H. L. Brown, Jr. for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the San Andres formation to the base of the Pennsylvanian formation underlying the S/2 of Section 36, Township 16 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox location 554 feet from the South and West lines of said Section 26, provided that in the event the subject well encounters production in the Casey-Strawn Pool and/or the West Knowles-Drinkard Pool, the lands pooled would be the W/2 SW/4 of said Section 26. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7426: Application of Phillips Petroleum Company for Amendment of Division Order No. R-5897 and certification of a tertiary recovery project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the Amendment of Division Order No. R-5897, to include the injection of carbon dioxide in the previously authorized pressure maintenance project in the East Vacuum Grayburg-San Andres Unit, for conversion of existing injectors to water/carbon dioxide injection, and for certification to the Secretary of the IRS that the East Vacuum Grayburg-San Andres Unit Project is a qualified tertiary oil recovery project.

CASE 7427: Application of Belco Petroleum Corporation for a special allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an adjustment to the manner in which allowables are calculated for wells in the South Carlsbad-Morrow Gas Pool in order to grant relief to the over-produced status of its Douglas Com. Well No. 1 located in Unit H of Section 7, Township 22 South, Range 27 East, said well being subject to shut-in being more than six times its allowable over-produced. In the alternative, applicant seeks to make up the over-production at a rate less than complete shut-in by curtailing production from the well to 80 percent of its top allowable until it is back in balance.

CASE 7428: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the North Antelope Ridge-Wolfcamp Gas Pool. The discovery well is J. C. Williamson Triple A Federal Well No. 1 located in Unit F of Section 10, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 10: N/2 and N/2 SW/4

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Diamondtail-Wolfcamp Pool. The discovery well is the Superior Oil Company Triste Draw Federal Well No. 1 located in Unit J of Section 14, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4

Examiner Hearing - Thursday - November 14, 1981

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the North Grama Ridge-Bone Spring Pool. The discovery well is the Hunt Oil Company State 4 Well No. 1 located in Unit T of Section 4, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 4: SW/4

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Grassland-Wolfcamp Pool. The discovery well is C. F. Qualia State 23 Well No. 1 located in Unit K of Section 23, Township 15 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 23: SW/4

(e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the North Lusk-Bone Spring Pool. The discovery well is Petroleum Development Corporation Shelly Federal Com. Well No. 1 located in Unit H of Section 5, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 5: NE/4

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the McMillan-Atoka Gas Pool. The discovery well is Southland Royalty Company Pecos River 21 Federal Com Well No. 1 located in Unit K of Section 21, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 21: S/2

(g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Springs-Morrow Gas Pool. The discovery well is Jake L. Hamon State 33 Com Well No. 1 located in Unit I of Section 33, Township 20 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM
Section 32: E/2
Section 33: All

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 11: All
Section 15: N/2

(i) EXTEND the Baldrige Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 14: N/2

(j) EXTEND the Bear Draw-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 28: N/2 SE/4

(k) EXTEND the Bluitt-Wolfcamp Gas Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH RANGE 37 EAST, NMPM
Section 10: SE/4

(l) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 4: All

Examiner Hearing - Thursday - November 14, 1981

- (m) EXTEND the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 13: SE/4 SW/4

- (n) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 35: W/2

- (o) EXTEND the Eagle Creek-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 27: N/2

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 1: All

- (p) EXTEND the Golden Lane-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 8: S/2

- (q) EXTEND the Kennedy Farms-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 34: N/2
Section 35: N/2

- (r) EXTEND the North Mason-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM
Section 8: S/2 S/2

- (s) EXTEND the West Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 35: N/2

- (t) EXTEND the West Parkway-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 29: W/2

- (u) EXTEND the Peterson-Mississippian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 4 SOUTH, RANGE 30 EAST, NMPM
Section 29: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 4: S/2

- (w) EXTEND the Saunders-Permo Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 32: NE/4

Examiner Hearing - Thursday - November 14, 1981

- (x) EXTEND the Scharb-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 8: NE/4

- (y) EXTEND the East Sieta-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 10: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 27: NW/4

- (aa) EXTEND the Tom-Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 28: SE/4

- (bb) EXTEND the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 21: All

- (cc) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

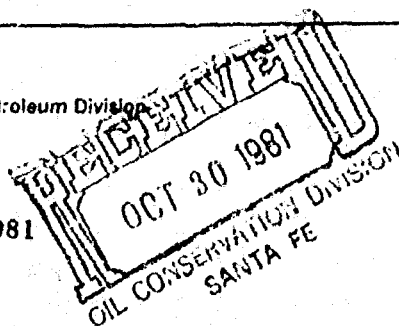
TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 9: NE/4



Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Conoco Inc.
P.O. Box 460
726 E. Michigan
Hobbs, NM 88240
(505) 393-4141

October 28, 1981



New Mexico Oil Conservation Division
Department of Energy and Minerals
P.O. Box 2088
Santa Fe, New Mexico 87501

Case 7423

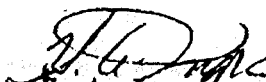
Attention Mr. Dan Nutter

Gentlemen:

Application for Approval to Initiate a Waterflood Project, Sections 33 and 34, T-20S, R-38E, and Sections 2 and 3, T-21S, R-38E, Lea County, New Mexico

Attached are three (3) copies of the subject Application. Please schedule this case on the first available Examiner Docket. Copies of this Application are being sent by certified mail to all offset operators within one-half mile of the proposed injection wells and land owners where injection wells will be located.

Very truly yours,


H. A. Ingram
Conservation Coordinator

HAI:roj
CC + enc:
(See Attached List)

NMOCD
October 28, 1981

Copies to:

V. T. Lyon - Production - Houston

Tom Kellahin
P.O. Box 1769
Santa Fe, NM 87501

Southland Royalty
1000 Fort Worth Club Tower
Fort Worth, TX 76102

Shell Oil Company
P.O. Box 991
Houston, TX 77001

Gulf Oil
P.O. Drawer 1150
Midland, TX 79702

Elk Oil Company
Box 310
Roswell, NM 88201

Exxon Company
P.O. Box 1600
Midland, TX 79701

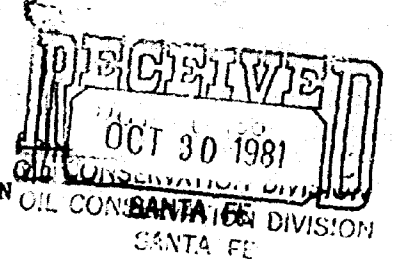
Morris Antweil
Box 2010
Hobbs, NM 88240

Bureau of Land Management
P.O. Box 1778
Carlsbad, NM 88220

Dallas McCasland
P.O. Box 206
Eunice, NM 88231

John Hendrix
525 Midland Tower
Midland, TX 79701

BEFORE THE OIL, CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR APPROVAL TO INITIATE
A WATERFLOOD PROJECT, BLINEBRY FORMATION
IN SECTIONS 33 AND 34, T-20S, R-38E AND
SECTIONS 2 AND 3, T-21S, R-38E, LEA COUNTY
NEW MEXICO

Case 7423

A P P L I C A T I O N

Applicant, CONOCO INC., respectfully requests authority to institute a waterflood project in the Blinebry Oil and Gas Pool by injection of water into the Blinebry Formation through 13 injection wells located on leases operated by Conoco, Shell Oil Company, and Southland Royalty Company, as described below, and support thereof will show:

1. Applicant is operator and co-owner of the Warren Unit, the following portion of which will contain the subject secondary recovery project: S/2 NE/4 and SE/4 of Section 33; S/2 NW/4, SW/4 and SW/4 SE/4 of Section 34, T-20S, R-38E, Lea County, New Mexico.
2. Applicant is operator and co-owner of the Hawk B-3 Lease consisting of the N/2 NW/4 and NE/4 of Section 3, T-21S, R-38E, Lea County, New Mexico.
3. Southland Royalty Company is operator of the NW/4 of Section 2, T-21S, R-38E, Lea County, New Mexico.
4. Shell Oil Company is operator of S/2 NW/4, NE/4 SW/4 and N/2 SE/4 of Section 3, T-21S, R-38E, Lea County, New Mexico.
5. Conoco Inc., Shell Oil Company, and Southland Royalty Company will enter into a lease agreement for the conduct of a waterflood project covering the above described lands.
6. That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
7. That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

Should be 21-37

OK

Application
Initiate WF - Blinebry Formation
October 28, 1981

8. That the granting of this application will not impair the correlative rights of any party.

WHEREFORE, applicant respectfully requests that this application be set for hearing before the Division's duly appointed examiner, and upon hearing, an order be entered authorizing the initiation of the waterflood project as described above.

Respectfully submitted,

CONOCO INC.

By



M. K. Mosley
Division Manager of Production
Hobbs, New Mexico

HAI:rej
10-28-81

HOBBS DIVISION

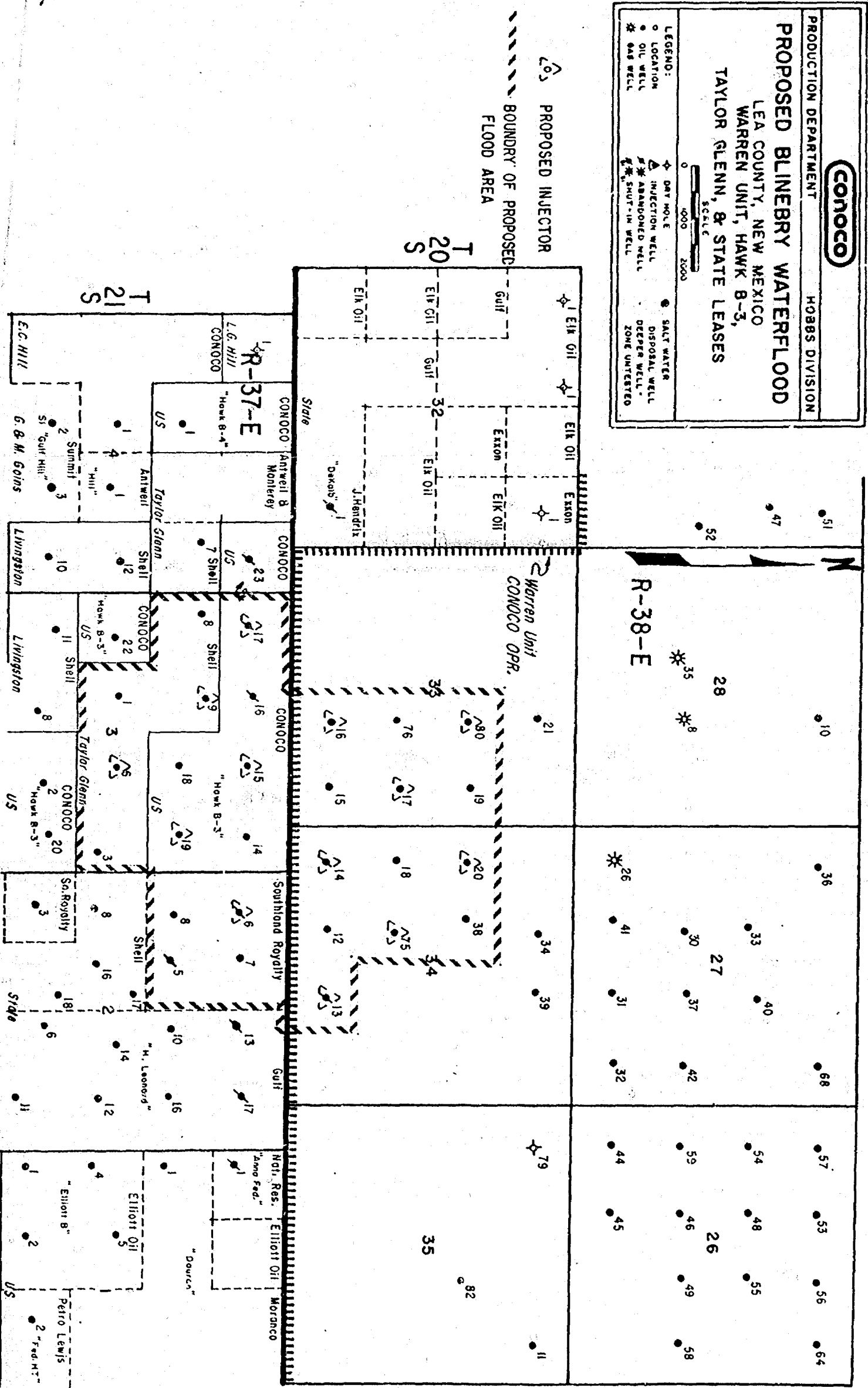
LEA COUNTY, NEW MEXICO
WARREN UNIT, HAWK B-3,
TAYLOR GLENN, & STATE LEA

SCALE

0 1000 2000

LEGEND:

○ LOCATION	◆ DAY HOLE	● SALT WATER
● OIL WELL	△ ABANDONED WELL	● DISPOSAL WELL
* GAS WELL	■ SHUT-IN WELL	DEEPER WELL -
		ZONE UNTESTED



HERBIE
ORDERS

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. 7423
Order No. R-6864

APPLICATION OF CONOCO, INC. FOR
A WATERFLOOD PROJECT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 16, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of December, 1981, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 7423 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

S E A L