

CASE NO.

7479

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date FEBRUARY 17, 1982 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Jeff Edmister	NM OCO	Altec
Ed Douglas	ARCO Oil & Gas Co.	Midland Tx
B.L. Stokely	ARCO Oil & Gas Co.	" "
William L. Egan	Douglas, Boyd & Beck	Santa Fe
Phil T. Brewer	Jennings & Christley	Roswell
Bob Huhner	Bayram	Santa Fe
Curtis Little	Self	Farmington
Jack Buchanan	M.B.F.	Midland
Paul Cooter	Marathon	Roswell
William D. Holmes	Marathon	Midland, Tex
ELAN B. GLICK	MARATHON	HOUSTON, TEXAS
N.S. Kelblin	Kelblin & Kelblin	Santa Fe
Paul Thompson	NORTHWEST PIPELINE	FARMINGTON
Rodney Michael	Northwest Pipeline	Denver
E.R. Manning	El Paso Natural Gas	El Paso, Tx
S. Chavez	ELP	ODE
J. Edmister		"
Robert H. Strand	Harvey & Yates Co.	Roswell

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date FEBRUARY 17, 1982 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
<i>W. W. Johnson</i>	<i>M&G O. Corp</i>	<i>Midland, TX</i>
<i>Carver Loper</i>	<i>Wesley Jones & Andrews</i>	<i>Santa Fe, N.M.</i>
<i>Jerry Lorton</i>	<i>DEP</i>	<i>Hobbs</i>
<i>Thomas M. [unclear]</i>	<i>Harvey Eyles Co</i>	<i>Roswell</i>
<i>Bill Singletary</i>	<i>Wiser Oil Co.</i>	<i>Hobbs</i>
<i>Richard A. [unclear]</i>	<i>Anadarko Production Co.</i>	<i>Midland, TX.</i>
<i>William J. Shackelford</i>	<i>" " "</i>	<i>" "</i>
<i>Dallert Fortner</i>	<i>Minerals Management Service</i>	<i>Albany, NM</i>
<i>Andrew Valon</i>	<i>" "</i>	<i>" "</i>
<i>Avery N. Pflak</i>	<i>Husky Oil Co.</i>	<i>Denver, CO</i>
<i>David H. [unclear]</i>	<i>Husky Oil Co.</i>	<i>Denver, CO</i>
<i>J. W. Mullory</i>	<i>ADAMS EXPLOR.</i>	<i>MIDLAND, TEX</i>
<i>[unclear]</i>	<i>TKO [unclear]</i>	<i>Midland, TX</i>
<i>[unclear]</i>	<i>TKO PROD CORP</i>	<i>MIDLAND TX.</i>
<i>Hot [unclear]</i>	<i>J.M. Huber Corp.</i>	<i>Midland, TX.</i>
<i>Pat Leonard</i>	<i>TKO Production Corp</i>	<i>Midland TX</i>
<i>Charles Ice</i>		

(SEE BACK OF PAGE)

T. E. BROWN

ENSERCH EXPLORATION INC.

MIDLAND, TX

ALEX CHANDLER

"

"

"

DALLAS TX

DANIEL C. RENOULT

ENSERCH EXPLORATION, INC.

MIDLAND, TX

Kenneth McLean

Curtis Miller

Farmington, NM

Ralph Abbott

B.O.A. Oil & Gas

Laramie, W. Wyo

Emil L. Padilla

P.O.A. Oil & Gas

Santa Fe, NM

Conrad

H.F. CO

Conrad

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
17 February 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Northwest Pipeline
Corporation for amendment of Order No. CASE
R-2046, Rio Arriba County, New 7479
Mexico.

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:

William F. Carr, Esq.
CAMPBELL, BYRD, & BLACK P.A.
Jefferson Place
Santa Fe, New Mexico 87501

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I N D E X

KATHY MICHAEL

Direct Examination by Mr. Carr 3

Cross Examination by Mr. Stamets 12

E X H I B I T S

Applicant Exhibit One, Order 5

Applicant Exhibit Two, Plat 6

Applicant Exhibit Three, Plat 9

1
2 MR. STAMETS: We'll call next Case 7479.

3 MR. PEARCE: Application of Northwest
4 Pipeline Corporation for amendment of Order R-2046, Rio
5 Arriba County, New Mexico.

6 MR. CARR: May it please the Commission,
7 my name is -- or the Examiner, my name is William F. Carr
8 with the law firm Campbell, Byrd, and Black, P. A., of Santa
9 Fe, appearing on behalf of the applicant.

10 I have one witness who needs to be
11 sworn.

12
13 (Witness sworn.)

14
15 KATHY MICHAEL
16 being called as a witness and being duly sworn upon her oath,
17 testified as follows, to-wit:

18
19 DIRECT EXAMINATION

20 BY MR. CARR:

21 Q Will you state your name and place of
22 residence?

23 A Yes. My name is Kathy Michael. I re-
24 side in Littleton, Colorado.

25 Q By whom are you employed?

1
2 A. I'm employed by Northwest Exploration
3 Company as Associate Landman for Northwest Pipeline.

4 Q. Have you previously testified before
5 this Commission or one of its Examiners, and had your cre-
6 dentials as a landman accepted and made a matter of record?

7 A. Yes, I have.

8 Q. Are you familiar with the application
9 filed on behalf of Northwest Pipeline Corporation in this
10 case?

11 A. Yes, I am.

12 Q. Are the familiar with the subject area?

13 A. Yes.

14 Q. Are you also familiar with the San Juan
15 31-6 Unit and the Rosa Unit?

16 A. Yes.

17 MR. CARR: Are the witness' qualifica-
18 tions acceptable?

19 MR. STAMETS: They are.

20 Q. Will you briefly state what Northwest
21 seeks with this application?

22 A. Yes. We seek to amend Order Number
23 R-2046 to establish six nonstandard proration units in the
24 Basin Dakota Pool due to variations in the legal subdivisions.

25 Q. Now, Order R-2046 previously created

1
2 a number of nonstandard units, is that correct?

3 A. Yes, sir, it did.

4 Q. And you're asking that certain of these
5 be amended.

6 A. That's correct.

7 Q. Will you please refer to what has been
8 marked for identification as Exhibit Number One, identify
9 this, and explain what it shows?

10 A. Exhibit One is a copy of Case Number
11 22327, Order No. R-2046, which was -- the case was heard on
12 June 28th, 1961, and the order was entered on August 14th,
13 1961.

14 And this order describes the nonstandard
15 proration units that were established for the Basin Dakota
16 Pool, and the tracts that would be affected by our proposed
17 amendment today have been highlighted in yellow.

18 Q. And this prior order was an effort to
19 create units as near to 320 acres as possible?

20 A. Correct, without crossing -- or without
21 subdividing quarter sections or lots.

22 MR. STAMETS: May I ask Miss Michael,
23 on page four --

24 A. Uh-huh.

25 Q. -- of that order, Tract -- in the middle

1
2 of the page -- Tract C and D have had the original acreage
3 marked through and some other figures written in.

4 Are those also corrections which we
5 should be considering here today?

6 A. I do not know when those were made.

7 MR. STAMETS: So that's not part of
8 your application.

9 A. So that's not part of the application
10 today, no.

11 MR. STAMETS: Thank you.

12 Q Will you now refer to Exhibit Number
13 Two and review this for Mr. Stamets?

14 A. Yes. Exhibit Two is a plat which shows
15 Townships 31 -- 30 and 31 North, Range 6 West, and we have
16 outlined in black with the dotted and dashed lines the non-
17 standard proration units as they were established in Order
18 No. R-2046.

19 We have outlined in red the proposed
20 amendment in Sections 25 and 36 of Township 31 North, Range
21 6 West, and Section 1 of 30 North, 6 West.

22 Q Now, Miss Michael, the previous pro-
23 ration unit, could you describe those? There's one in the
24 northernmost proration unit that you're amending has 337.04
25 acres in it. Would you describe what lands are included in

1
2 that?

3 A. Yes. This includes the east half of
4 Section 25 and the northeast quarter of Section 36. This
5 crosses the boundary between the Rosa Unit and the San Juan
6 31-6 Unit.

7 MR. STAMETS: Now, let me get organized
8 here, please.

9 We're dealing with Section 25 of --
10 what's the township and range?

11 A. 31, 6.

12 MR. STAMETS: Okay, 25 of 31, 6. Now,
13 there are two units marked in red. The northernmost says
14 272.16 acres.

15 A. Yes.

16 MR. STAMETS: Now is that the unit
17 which currently exists?

18 A. No, the unit that currently exists is
19 the east half of Section 25 and the northeast quarter of
20 Section 36.

21 MR. STAMETS: Okay, thank you.

22 A. And this does cross the boundary between
23 the Rosa Unit and the 31-6 Unit.

24 Q. Why are you proposing to change these
25 units?

1
2 A. We're proposing to change these units
3 because since this proration unit does cross unit boundaries,
4 we would have to communitize the Dakota formation for both
5 units into one, and this would create extensive accounting
6 problems.

7 Q. Why are you requesting the approval of
8 six nonstandard proration units?

9 A. The change -- in order to change this
10 to amend the one unit that crosses the unit boundary, this
11 does lead us to change all of the -- to form six new pro-
12 ration units.

13 Q. Is what you're saying that to correct
14 this one problem, it triggers the others?

15 A. It triggers the others, yes.

16 Q. To your knowledge, are there any other
17 places where you have proration units that cross over be-
18 tween the two -- between the Rosa Unit and the San Juan 31-6
19 Unit?

20 A. No, this is the only place in that order
21 where unit boundaries are crossed.

22 Q. How many Basin Dakota wells have been
23 drilled in the area under discussion?

24 A. We've drilled one so far. It is the
25 San Juan 31-6 No. 37, and it's located, let's see, okay, in

the southeast quarter of Section 36.

Q And is this well at a standard location?

A Yes, it is.

Q Will you now refer to what has been marked Northwest's Exhibit Number Three and review this for Mr. Stamets?

A Yes. Exhibit Three is a plat which shows the wells that have been drilled in the area and these are shown with black dots.

The black circles indicate locations which have been proposed for drilling in 1982, and we would note that all of the wells that have been drilled, or that are proposed, have had north half/south half dedications.

Q Now I direct your attention to the proposed No. 42 Well in Section 36. When do you plan to drill that well?

A That well has been proposed for drilling in 1982.

Q And that well would be on the proration unit which crosses between the two units?

A That's correct.

Q That is actually the cause for this hearing?

A Right.

1
2 the southeast quarter of Section 36.

3 Q And is this well at a standard location?

4 A Yes, it is.

5 Q Will you now refer to what has been
6 marked Northwest's Exhibit Number Three and review this for
7 Mr. Stamets?

8 A Yes. Exhibit Three is a plat which
9 shows the wells that have been drilled in the area and these
10 are shown with black dots.

11 The black circles indicate locations
12 which have been proposed for drilling in 1982, and we would
13 note that all of the wells that have been drilled, or that
14 are proposed, have had north half/south half dedications.

15 Q Now I direct your attention to the
16 proposed No. 42 Well in Section 36. When do you plan to
17 drill that well?

18 A That well has been proposed for drilling
19 in 1982.

20 Q And that well would be on the proration
21 unit which crosses between the two units?

22 A That's correct.

23 Q That is actually the cause for this
24 hearing?

25 A Right.

1
2 Q Now, south of that, in the southeast
3 quarter of 36, is a dot indicating a Dakota well. What
4 acreage is presently dedicated to that well?

5 A Presently we have dedicated the south
6 half to that well and approval for that dedication was issued
7 by the Aztec Office of the Commission in violation of the
8 current order.

9 Q And so approving this application would
10 bring that spacing unit in line with the --

11 A Into --

12 Q -- orders.

13 A That's correct.

14 Q Will other subsequent -- will subsequent
15 wells you plan to drill in the subject area also be at
16 standard locations?

17 A Yes, they will.

18 Q Does Northwest control the lands which
19 are involved in this application?

20 A As unit operator, we do control develop-
21 ment of the land. The operating -- the working interest is
22 actually owned by Phillips Petroleum.

23 Q Have you conferred with Phillips about
24 this proposal?

25 A Yes, we have.

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Q Do they concur in the proposal?

A. Yes, they do.

Q In your opinion will approval of this application provide for more efficient production of hydrocarbons from the subject area?

A. Yes, it will.

Q Will it impair the correlative rights of any interest owner?

A. No.

Q Would it cause waste?

A. No.

Q Were Exhibits One through Three prepared by you or have you reviewed them and can you testify as to their accuracy?

A. Yes.

MR. CARR: At this time, Mr. Stamets, we would offer Exhibits One through Three into evidence.

MR. STAMETS: These exhibits will be admitted.

MR. CARR: I have nothing further on direct.

CROSS EXAMINATION

BY MR. STAMETS:

Q Let me make sure I understand what it is that we're doing here, and get this exactly right.

Going back to Exhibit Number One, page three, in Township 30 North, Range 6 West, we're concerned with what are identified as Tract A and Tract B.

Tract A includes the east half of that partial Section 1.

A. Uh-huh.

Q Plus the southeast quarter of Section 36 in Township 31 North, Range 6 West, is that correct?

A. That's right.

Q So that's one proration unit that crosses the township line.

A. Yes.

Q Then we have a second proration unit which consists of only the west half of the section.

A. That's right.

Q Of Section 1. Okay. Then the only other page we're concerned with, it would appear as though would be on page seven of that order.

A. Uh-huh.

Q At the top of the page we have Tract I,

1
2 which is the east half of Section 25, 31 North, 6 West, and
3 then the northeast quarter of Section 36.

4 A. Yes.

5 Q Okay. Now, does that mean that the
6 west half of Section 25 and the west half of Section 36 were
7 both standard proration units?

8 A. Yes.

9 Q Okay. So we are dropping three non-
10 standard units that currently exist, and creating one, two,
11 three, four, five, six, correct?

12 A. That's correct.

13 MR. STAMETS: Are there any other ques-
14 tions of this witness? She may be excused.

15 Anything further in this case?

16 MR. CARR: Nothing further, Mr. Stamets.

17 MR. STAMETS: The case will be taken
18 under advisement.

19
20 (Hearing concluded.)
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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 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.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7429, heard by me on 2-17 19 82.
Richard L. Starns, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409



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

March 3, 1982

Mr. William F. Carr
Campbell, Byrd & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 7479
ORDER NO. R-2046-A

Applicant:

Northwest Pipeline Corporation

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 OGD	X
Artesia OGD	X
Aztec OGD	X

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7479
Order No. R-2046-A

APPLICATION OF NORTHWEST PIPELINE
CORPORATION FOR AMENDMENT OF ORDER
NO. R-2046, RIO ARriba COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 17, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 2nd day of March, 1982, 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 Division Order No. R-2046 established a large number of non-standard proration units for the Basin-Dakota Gas Pool in Rio Arriba County, New Mexico, including the following:

TOWNSHIP 30 NORTH, RANGE 6 WEST, NMPM

<u>Tract</u>	<u>Acres</u>	<u>Section</u>
A	339.46	1 E/2 (This unit also contains the SE/4 of Section 36, Township 31 North, Range 6 West)
B	319.69	1 W/2

Order No. 7770
 Order No. B-2046-2

TOWNSHIP 30 NORTH, RANGE 6 WEST, NPMH

Tract	Acreage	Section
2	237.04	25 N/2 36 NW/4
7	339.46	36 A portion of this unit contains acreage in Township 30 North, Range 6 West, described under that township.

(3) That the applicant, Northwest Pipeline Corporation, seeks the amendment of Division Order No. B-2046, to delete the four non-standard gas proration units described in Finding No. (2) above and to create six new non-standard proration units for wells to be drilled in the Basin-Dakota Pool at standard locations.

(4) That the six new proposed non-standard units consist of the following described acreage:

TOWNSHIP 30 NORTH, RANGE 6 WEST, NPMH

Tract	Acreage	Section
1	272.81	1 N/2
2	273.49	1 S/2

TOWNSHIP 31 NORTH, RANGE 6 WEST, NPMH

Tract	Acreage	Section
3	272.16	25 N/2
4	272.32	25 S/2
5	272.56	36 N/2
6	272.88	36 S/2

(5) That the non-standard proration units may reasonably be presumed productive of gas from the Basin-Dakota Gas Pool and that all of the non-standard gas proration units can be efficiently and economically drained and developed by the aforesaid wells.

(6) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Basin-Dakota Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an

Page No. 173
Order No. 8-3046

and will otherwise provide waste and protect correlative rights.

TERMINATION AMENDMENT:

(1) That Division Order No. 8-3046 is hereby amended by deletion therefore of the four non-standard proration units described in Finding No. (2) of this order.

(2) That six new non-standard proration units for Basin-Schota production are hereby created and designated in Rio Arriba County, New Mexico, as follows:

TOWNSHIP 30 NORTH, RANGE 6 WEST, NMPM

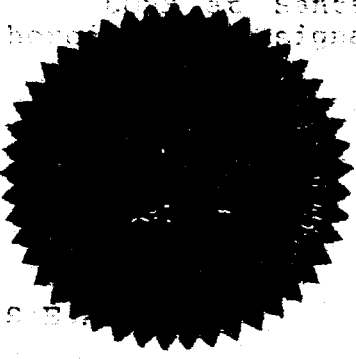
<u>Tract</u>	<u>Acres</u>	<u>Section</u>
1	273.81	1 N/2
2	273.49	1 S/2

TOWNSHIP 31 NORTH, RANGE 6 WEST, NMPM

<u>Tract</u>	<u>Acres</u>	<u>Section</u>
3	272.16	25 N/2
4	272.32	25 S/2
5	272.56	36 N/2
6	272.88	36 S/2

(3) 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 hereinafter designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Emery
JOE D. EMERY,
Director

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

NORTHWEST OILING ASSOCIATION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 7479 30 1961

EXHIBIT #1

PRODUCTION AND DRILLING

APPLICATION OF THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO CON-
SIDER ESTABLISHING NON-STANDARD GAS
PRORATION UNITS IN THE BASIN-DAKOTA
GAS POOL IN CERTAIN PARTIAL SECTIONS,
SAN JUAN COUNTY, NEW MEXICO.

CASE No. 2327
Order No. 8-2045
OIL CONSERVATION DIVISION
Northwest EXHIBIT NO. 1
CASE NO. 7479
Submitted by H. H. H.
Hearing Date 2/17/82

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 28, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 14th day of August, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That, in order to ensure systematic development and thereby prevent waste and protect correlative rights, the Commission should establish individual proration units in the Basin-Dakota Gas Pool in Townships 29, 30, 31 and 32 North, Ranges 4, 5, 6, 7, 8, 9, 11, 12 and 13 West, NEPM, San Juan County, New Mexico.

(3) That said non-standard proration units are necessitated by irregular sections resulting from survey corrections in the United States Public Lands Survey.

(4) That the acreage contained in each individual proration unit should be based on the latest official surveys and resurveys accepted by the Federal Bureau of Land Management.

-2-
CASE No. 2327
Order No. R-2046

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in the Basin-Dakota Gas Pool, San Juan County, New Mexico, are hereby established:

TOWNSHIP 29 NORTH, RANGE 9 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	264.00	6	N/2
B	334.14	6	S/2
		7	N/2 N/2 N/2
C	336.66	7	S/2 N/2 N/2, S/2 N/2, N/2 S/2
D	331.68	7	S/2 S/2
		18	N/2 N/2, N/2 S/2 N/2
E	330.98	18	S/2 S/2 N/2, S/2
F	409.24	19	N/2, N/2 S/2
G	407.56	19	S/2 S/2
		30	N/2
H	268.42	30	S/2
I	251.72	31	N/2
J	251.01	31	S/2

TOWNSHIP 29 NORTH, RANGE 13 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	356.19	6	W/2
		7	W/2
B	364.60	18	W/2
		19	W/2
C	366.40	30	W/2
		31	W/2

TOWNSHIP 30 NORTH, RANGE 6 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	339.46	1	E/2 (This unit also contains the SE/4 of Section 36, Township 31 North, Range 6 West)
B	319.69	1	W/2
C	227.48	12	E/2
D	227.76	13	E/2
E	228.52	24	E/2
F	229.56	25	E/2
G	230.24	36	E/2

TOWNSHIP 30 NORTH, RANGE 7 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	296.02	6	A portion of this unit contains acreage in Section 31, Township 31 North, Range 7 West described under that Township.
B	298.90	7	W/2
		18	NW/4
C	307.44	18	SW/4
		19	W/2
D	209.36	30	W/2
E	211.32	31	W/2 ✓

TOWNSHIP 30 NORTH, RANGE 9 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	299.85	6	W/2
		7	NW/4
B	304.39	7	SW/4
		18	W/2

TOWNSHIP 30 NORTH, RANGE 9 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
C	310.56	19	W/2 ✓
		30	NW/4 ✓
D	308.56	30	SW/4 ✓
		31	W/2 ✓

TOWNSHIP 30 NORTH, RANGE 13 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	321.99	6	Lots 3, 4, 5, 6, SE/4 NW/4, NE/4 SW/4. (This unit also contains acreage in Section 31, Township 31 North, Range 13 West consisting of lots 1, 2, 3, 4, E/2 W/2.)
B	324.79	6	Lot 7, SE/4 SW/4
		7	W/2
		18	NW/4
C	314.60 316.83	18	SW/4
		19	W/2
		30	NE/4 NW/4
D	327.12 321.74	30	Lots 8, 9, 10, 13, 14, 15, 16
		31	W/2

TOWNSHIP 31 NORTH, RANGE 4 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	331.82	1	E/2
B	327.26	1	W/2
C	326.90	2	E/2
D	326.62	2	W/2
E	326.52	3	E/2

-5-
CASE No. 2327
Order No. R-2046

TOWNSHIP 31 NORTH, RANGE 4 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
F	326.60	3	W/2
G	326.57	4	E/2
H	326.43	4	W/2
I	326.49	5	E/2
J	326.69	5	W/2
K	316.40	6	N/2
L	305.44	6	S/2
M	305.67	7	N/2
N	305.89	7	S/2
O	306.11	18	N/2
P	306.33	18	S/2
Q	306.53	19	N/2
R	306.71	19	S/2
S	306.90	30	N/2
T	307.10	30	S/2
U	307.31	31	N/2
V	307.53	31	S/2

TOWNSHIP 31 NORTH, RANGE 5 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	360.20	1	All
B	368.60	2	All
C	368.40	3	All
D	368.28	4	All
E	367.96	5	All

-6-
CASE No. 2327
Order No. R-2046

TOWNSHIP 31 NORTH, RANGE 5 WEST - (CONTINUED) ✓

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
F	336.42	6	All ✓
		7	NW/4
G	323.79	7	SW/4
		18	W/2
		19	NW/4, N/2 SW/4
H	327.63	19	S/2 SW/4 ✓
		30	W/2
		31	W/2

TOWNSHIP 31 NORTH, RANGE 6 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	319.44	1	All
		12	NE/4 NE/4
B	356.26	2	All
C	353.00	3	All
		4	That portion of Tract 37 lying in Section 4.
D	343.23	4	All, except that portion of Tract 37 lying in this section.
E	350.16	5	All ✓
F	351.89	6	All ✓
G	318.50	12	SE/4, W/2 NE/4, SE/4 NE/4
		13	NE/4 ✓
H	335.66	13	SE/4 ✓
		24	E/2 ✓

TOWNSHIP 31 NORTH, RANGE 6 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
I	337.04	25	E/2 ✓
		36	NE/4 ✓
J	339.46	36	A portion of this unit contains acreage in Township 30 North, Range 6 West described under that Township.

TOWNSHIP 31 NORTH, RANGE 7 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	367.08	1	All ✓
B	310.48	2	Lot 8, E/2, E/2 W/2 ✓
C	324.82	2	W/2 SW/4 ✓
		3	E/2, SE/4 SW/4 -
D	318.57	3	Lot 7, NE/4 SW/4, W/2 W/2 ✓
		4	E/2 E/2, SW/4 SE/4 ✓
E	323.15	4	Lot 6, NW/4 SE/4, W/2 ✓
		5	Lot 5 ✓
F	321.66	5	Lots 6, 7, 8, E/2 SW/4, SE/4 ✓
G	319.16	5	Tract No. 53, Lot 9 ✓
		6	Lots 8, 9, 10, 11, NE/4 SW/4, N/2 SE/4 ✓
H	324.39	5	SW/4 SW/4 ✓
		6	Lots 12, 14, 15, S/2 SE/4 ✓
		7	Lot 5, N/2 NE/4, SE/4 NE/4 ✓
I	317.23	7	Lots 6, 7, SW/4 NE/4, N/2 SE/4. ✓ All of Tract 54 lying in Sections 6 and 7.
J	325.68	7	Lots 8 and 9, SE/4 SE/4, that portion of Tract 55 lying in this section. ✓

-8-
CASE No. 2327
Order No. R-2046

TOWNSHIP 31 NORTH, RANGE 7 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
		18	Lots 5, 6, 7, NE/4 NE/4, S/2 NE/4, that portion of Tract 55 lying in this section.
K	321.61	18	Lots 8, 9, 10, SE/4 NW/4, E/2 SW/4, SE/4 ✓
L	259.82	19	Lots 5, 6, 7, 8, E/2 W/2 —
		30	Lot 5, NE/4 NW/4 —
M	250.65	30	Lots 6, 9, 10, SE/4 NW/4, E/2 SW/4 —
		31	Lots 7, 8, E/2 NW/4 —
N	296.02	31	Lots 11, 12, E/2 SW/4. The balance of this Tract lies in Section 6, Township 30 North, Range 7 West and consists of Lots 10, 11, 12, 17, 18, 19, NW/4 SE/4, SW/4 NE/4, and the portion of Tract 40 lying in the SW/4 SE/4 of that section.

TOWNSHIP 31 NORTH, RANGE 13 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	322.36	6	W/2
		7	NW/4, N/2 SW/4
B	315.59	7	S/2 SW/4
		18	W/2
		19	Lots 9, 16, N/2 NW/4
C	329.75	19	Lot 17, E/2 SW/4, SE/4 NW/4
		30	W/2
D	321.99	31	A portion of this unit contains acreage in Township 30 North, Range 13 West described under that Township.

-9-

CASE No. 2327

Order No. R-2046

TOWNSHIP 32 NORTH, RANGE 5 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	353.24	12	W/2, E/2 SW/4
B	354.65	12	NW/4, W/2 SW/4
		11	N/2 NE/4, SE/4 NE/4, E/2 SE/4
C	336.52	11	NW/4, SW/4 NE/4, E/2 SW/4, W/2 SE/4
		10	NE/4 NE/4
D	339.10	11	W/2 SW/4
		10	NW/4 NE/4, S/2 NE/4, SE/4
E	278.70	10	W/2
F	339.54	9	E/2 E/2, SW/4 NE/4, W/2 SE/4, E/2 SW/4
G	338.84	9	NW/4 NE/4, NW/4, W/2 SW/4
		8	SE/4 NE/4, E/2 SE/4
H	319.74	8	N/2 NE/4, SW/4 NE/4, SE/4 NW/4, SW/4 SW/4, E/2 SW/4, W/2 SE/4
I	316.14	8	N/2 NW/4, SW/4 NW/4, NW/4 SW/4 ✓
		7	All. The SE/4 SE/4 of Section 12, Township 32 North, Range 6 West is also contained in this unit.
J	355.25	18	All
		19	All
K	345.59	30	All
		31	All

TOWNSHIP 32 NORTH, RANGE 6 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	336.31	12	NE/4, E/2 NW/4, NE/4 SW/4, ✓ N/2 SE/4, SW/4 SE/4
B	356.82	12	SE/4 SW/4, W/2 W/2 ✓

-10-
CASE No. 2327
Order No. R-2046

TOWNSHIP 32 NORTH, RANGE 6 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
		11	E/2 E/2, SW/4 SE/4 /
C	334.45	11	W/2 NE/4, NW/4, N/2 SW/4, / SE/4 SW/4, NW/4 SE/4
D	338.25	10	E/2 E/2, SW/4 NE/4, W/2 SE/4, / SE/4 SW/4
E	337.75	10	NW/4 NE/4, NW/4, N/2 SW/4, / SW/4 SW/4
		9	E/2 SE/4
F	317.60	9	N/2, W/2 SE/4
G	317.51	9	SW/4
		8	E/2 E/2, NW/4 NE/4
H	320.00	8	SW/4 NE/4, SE/4 NW/4, SW/4, / W/2 SE/4
I	308.78	8	N/2 NW/4, SW/4 NW/4
		7	N/2
J	318.27	7	S/2
K	318.39	31	N/2 N/2, S/2 NE/4, N/2 SE/4 /
L	315.12	31	S/2 NW/4, SW/4, S/2 SE/4

TOWNSHIP 32 NORTH, RANGE 7 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	293.10	7	Lots 2, 3, 4, SW/4, W/2 SE/4 ✓
B	298.38	7	E/2 E/2 ✓
		8	W/2 /
C	298.33	8	W/2 /
		9	W/2 W/2 /
D	376.88	9	E/2 W/2, E/2 ✓
		10	Lots 3, 4, NW/4 SW/4

-11-
CASE No. 2327
Order No. R-2046

TOWNSHIP 32 NORTH, RANGE 7 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
E	357.84	10	Lots 1, 2, NE/4 SW/4, S/2 SE/4, SE/4
		11	Lots 3, 4
F	359.20	11	Lots 1, 2, S/2
G	399.00	12	All

TOWNSHIP 32 NORTH, RANGE 8 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	312.63	7	Lots 1, 2, 3, 4, N/2 S/2, S/2 SE/4
		8	Lot 4, NW/4 SW/4
B	323.88	8	Lots 1, 2, 3, NE/4 SW/4, S/2 SW/4, SE/4
C	329.16	9	Lots 2, 3, 4, SE/4 SE/4, W/2 SE/4, SW/4
D	311.79	9	Lot 1, NE/4 SE/4
		10	Lot 2, W/2, NW/4 SE/4
E	317.34	10	E/2 E/2, SW/4 SE/4
		11	W/2 W/2, E/2 SW/4
F	328.17	11	Lots 1, 2, 3, SE/4
		12	W/2 W/2
G	305.18	12	E/2 W/2, E/2
H	312.56	7	S/2 SW/4
		18	W/2
		19	W/2 NW/4
I	316.35	19	E/2 NW/4, SW/4
		30	NW/4, NW/4 SW/4
J	316.70	30	NE/4 SW/4, S/2 SW/4
		31	W/2

TOWNSHIP 32 NORTH, RANGE 11 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	332.27	7	All /
B	327.80	8	W/2 /
		17	W/2 W/2 /
C	328.20	8	E/2 /
		17	E/2 E/2 /
D	320.00	17	E/2 W/2, W/2 E/2 /
E	336.40	9	All /
F	335.60	10	All /
G	334.00	11	All /
H	333.60	12	All /

TOWNSHIP 32 NORTH, RANGE 12 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	335.38	7	All /
B	309.43	8	All /
C	280.38	9	All /
D	326.68	10	All /
E	336.40	11	All /
F	336.00	12	All /

TOWNSHIP 32 NORTH, RANGE 13 WEST

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	363.83	7	All
		8	W/2, W/2 E/2
B	339.80	8	E/2 E/2
		9	All
		10	SW/4 SW/4

TOWNSHIP 32 NORTH, RANGE 13 WEST - (CONTINUED)

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
C	336.95	10	Lot 8, E/2 W/2, E/2
		11	Lot 6, W/2
D	345.89	11	Lot 5, S/2 SE/4
		12	All
E	325.32	18	Lot 13, N/2, NW/4 SE/4
F	321.40	18	NE/4 SE/4, S/2 S/2
		19	N/2 N/2, SE/4 NE/4
G	320.48	19	Lots 8, 13, 14, SW/4 NE/4, SE/4
H	335.02	30	Lot 13, NW/4 SE/4, N/2
I	325.85	30	Lot 14, NE/4 SE/4, S/2 SE/4
		31	Lot 6, SE/4 NE/4, N/2 NE/4
J	328.45	31	Lot 7, SW/4 NE/4, S/2

(2) That the acreage contained in each of the above-described proration units shall be based on the latest official surveys and resurveys accepted by the Federal Bureau of Land Management, and, in the event further official surveys are made in any subject Township, the acreage in each affected proration unit shall conform to the change.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

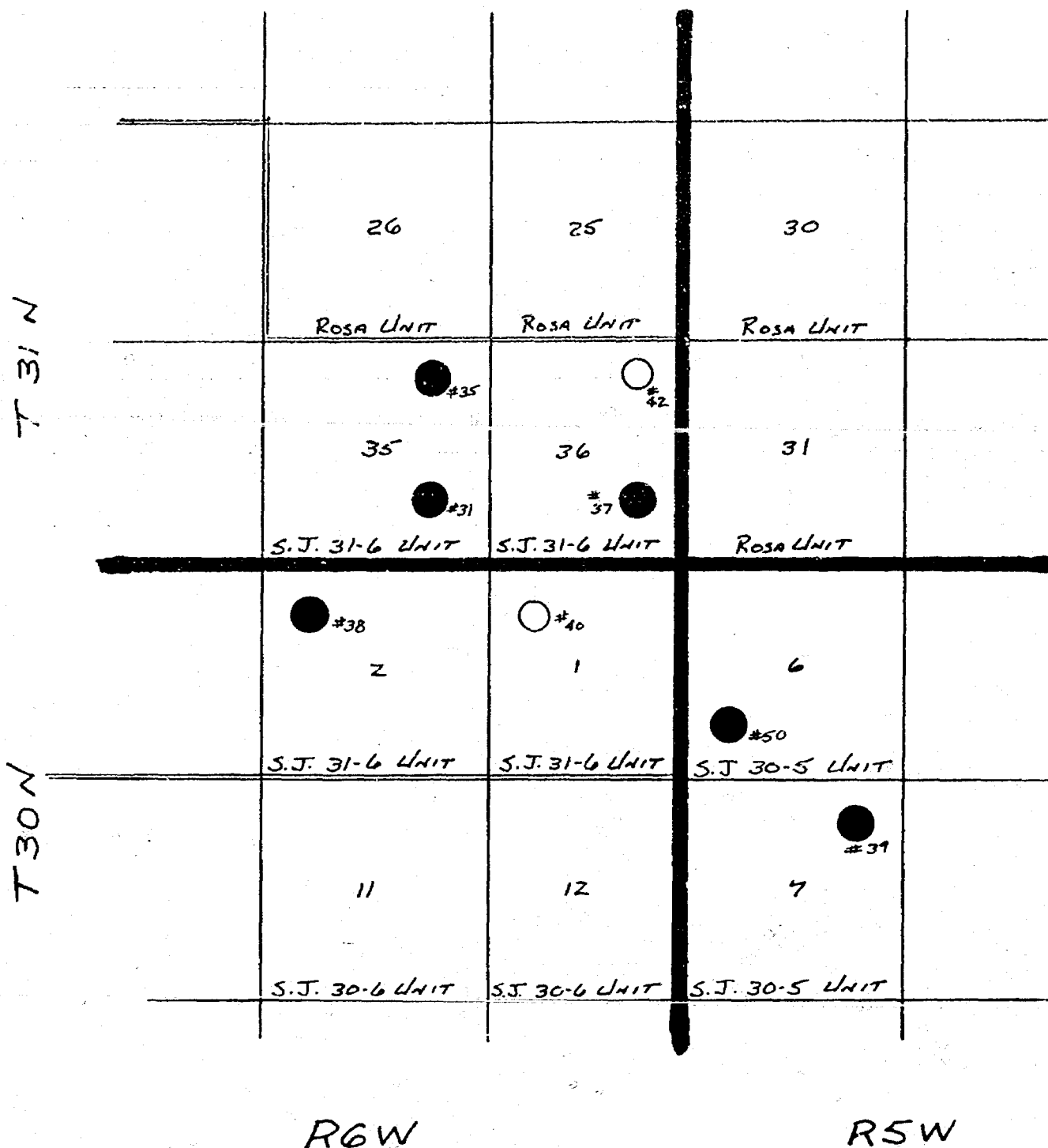
EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

E A L

A. L. PORTER, Jr., Member & Secretary

BASIN - DAKOTA PRODUCTION SURROUNDING
 SECTIONS 25 & 36, T31N, R6W
 AND SECTION 1, T30N, R6W



BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

~~NORTHWEST~~ EXHIBIT NO. 3

CASE NO. 7479

Submitted by Michael

Hearing Date 2/17/82

Dockets Nos. 7-82 and 8-82 are tentatively set for March 3 and March 17, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

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 March, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for March, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1982, for both of the above areas.

CASE 7445: (Continued from December 16, 1981, Examiner Hearing)
(THIS CASE WILL BE CONTINUED TO THE EXAMINER HEARING ON MARCH 17, 1982)

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 7479: Application of Northwest Pipeline Corporation for amendment of Order No. R-2046, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the Amendment of Division Order No. R-2046, which authorized approval of six non-standard proration units, Basin-Dakota Gas Pool.

The amendment sought is for the creation of the following non-standard proration units to be drilled at standard locations thereon: Township 31 North, Range 6 West, Section 25: N/2 (272.16 acres) and S/2 (273.3 acres); Section 36: N/2 (272.56 acres) and S/2 (272.88 acres); Township 30 North, Range 6 West; Section 1: N/2 (272.81 acres) and S/2 (273.49 acres).

CASE 7480: Application of Arco Oil & Gas Company for pool creation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Upper Devonian gas pool for its Custer Well No. 1 located 1810 feet from the North line and 2164 feet from the West line of Section 6, Township 25 South, Range 37 East, Custer Field.

CASE 7481: Application of Arco Oil & Gas Company for amendment of Order No. R-6792, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6792, which authorized the directional drilling of applicant's Custer Wells Well No. 1 to an unorthodox location in the Devonian and Ellenburger formations and imposed a penalty in the Devonian. By stipulation applicant and the offset operator have agreed that the subject well is not affecting the offsetting property and applicant herein seeks removal of the penalty imposed for so long as the well produces only from the present perforated interval in the Upper Devonian.

CASE 7459: (Continued from January 20, 1982, Examiner Hearing)

Application of Red Mountain Associates for the Amendment of Order No. R-6538, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6538, which authorized applicant to conduct waterflood operations in the Chaco Wash-Mesa Verde Oil Pool. Applicant seeks approval for the injection of water through various other wells than those originally approved, seeks deletion of the requirement for packers in injection wells, and seeks an increase in the previously authorized 68-pound limitation on injection pressure.

CASE 7410: (Continued from January 20, 1982, 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.

EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

CASE 7457: (Continued from January 20, 1982, Examiner Hearing)

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 7482: Application of Wiser Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinberry production in the wellbore of its C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East.CASE 7483: Application of Adams Exploration Company for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4176 feet to 4293 feet in its Griffin Well No. 4 located in Unit A, of Section 10, Township 8 South, Range 32 East, Chaveroo-San Andres Pool.CASE 7462: (Continued from February 3, 1982, Examiner Hearing)

Application of Marathon Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinberry production in the wellbore of its C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East.

CASE 7474: (Continued from February 3, 1982, Examiner Hearing)

Application of Union Oil Company of California for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn, Atoka and Morrow formations underlying the E/2 of Section 1, Township 19 South, Range 33 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 7484: Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Atoka and Morrow formations underlying the E/2 of Section 1, Township 19 South, Range 25 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 7485: Application of Berge Exploration 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 two 160-acre proration units, the first being the NW/4 and the second being the SW/4 of Section 27, Township 7 South, Range 26 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.CASE 7486: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation underlying the NE/4 NE/4 of Section 6, Township 20 South, Range 39 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 7487: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation underlying the SE/4 SE/4 of Section 31, Township 19 South, Range 39 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 7488: Application of Burkhart Petroleum Company for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 NW/4 of Section 13, Township 8 South, Range 37 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 7073: (Reopened and Readvertised)

In the matter of Case 7073 being reopened pursuant to the provisions of Order No. R-6558, which order promulgated special rules for the South Elkins-Fusselman Pool in Chaves County including provisions for 80-acre spacing units and a limiting gas-oil ratio of 3000 to one. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units with a limiting gas-oil ratio of 2000 to one.

CASE 7074: (Reopened and Readvertised)

In the matter of Case 7074 being reopened pursuant to the provisions of Orders Nos. R-6565 and R-6565-B, which created the South Elkins-Fusselman Gas Pool in Chaves County. All interested parties may appear and present evidence as to the exact nature of the reservoir, and more particularly, as to the proper rate of withdrawal from the reservoir if it is determined that said pool is producing from a retrograde gas condensate reservoir.

CASE 6373: (Reopened and Readvertised)

In the matter of Case 6373 being reopened pursuant to the provisions of Orders Nos. R-5875 and R-5875-A, which created the East High Hope - Abo Gas pool in Eddy County, and promulgated special rules therefor, including a provision for 320-acre spacing units. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

CASE 7489: Application of Curtis J. Little for designation of a tight formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Chacra formation underlying portions of Township 25 North, Range 6 West, containing 6,720 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 7490: Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Atoka-Morrow formation, underlying the N/2 of Section 19, Township 8 South, Range 30 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 7491: Application of Harvey E. Yates Company for designation of a tight formation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Atoka formation underlying portions of Townships 12, 13, and 14 South, Ranges 35 and 36 East, containing 46,720 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, said area being an eastward and westward extension of previously approved tight formation area.

CASE 7492: Application of Harvey E. Yates Company for designation of a tight formation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Atoka-Morrow formation underlying all or portions of Townships 7, 8, and 9 South, Ranges 29, 30, and 31 East, containing 115,200 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 7493: 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 Morrow production and designated as the East Bootleg Ridge-Morrow Gas Pool. The discovery well is Getty Oil Company Getty 15 Federal Well No. 1 located in Unit J of Section 15, Township 22 South, Range 33 East, NMPM. Said Pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 15: S/2

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the North King-Devonian Pool. The discovery well is Samedan Oil Corporation Speight Well No. 1 located in Unit B of Section 3, Township 13 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM
Section 3: NE/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the North Loving-Atoka Gas Pool. The discovery well is Gulf Oil Corporation Eddy GR State Well No. 1 located in Unit E of Section 16, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 12: N/2

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 4: S/2
Section 7: All
Section 8: All
Section 9: All
Section 16: All
Section 17: All
Section 18: E/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Drinkard production and designated as the Teague-Drinkard Pool. The discovery well is Alpha Twenty-One Production Company Lea Well No. 1 located in Unit B of Section 17, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 17: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 23: All
Section 24: W/2

(f) EXTEND the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 16: W/2

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 2: Lots 1 through 8

(h) EXTEND the Brunson-Fusselman Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 5: SE/4

(i) EXTEND the Brushy Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 26: E/2

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

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 23: All
Section 26: All

PAGE 5

EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

(k) EXTEND the Cary-Montoya Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 4: W/2 SW/4
Section 5: SE/4
Section 9: W/2 W/2

(l) EXTEND the Crow Flats-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 35: E/2
Section 36: W/2

(m) 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: S/2 SW/4
Section 27: SW/4

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

TOWNSHIP 7 SOUTH, RANGE 23 EAST, NMPM
Section 21: NE/4

(o) EXTEND the Empire-Abdo Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 19: S/2 SW/4

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

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 19: NE/4 NW/4

(q) EXTEND the Indian Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 25: W/2

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 8: NW/4

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

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

(t) EXTEND the Race Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM
Section 7: S/2 SW/4
Section 18: NW/4 and N/2 SW/4 and SW/4 SW/4

PAGE 6

EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 1982

(u) EXTEND the Railroad Mountain-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM
Section 2: NE/4 and E/2 NW/4

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 7: S/2
Section 8: SW/4
Section 18: E/2 NW/4

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

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM
Section 5: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 15: All

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

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM
Section 11: SE/4
Section 24: NE/4

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NMPM
Section 12: S/2 NE/4

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM
Section 7: S/2
Section 8: NW/4

CAMPBELL, BYRD & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE
KEMP W. GORTHEY

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

January 21, 1982

Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 7479

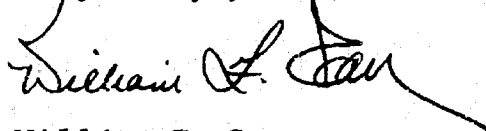
Re: Application of Northwest Pipeline Corporation
for Amendment of Order No. R-2046, Rio Arriba
County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Northwest Pipeline Corporation in the above-referenced matter.

The applicant requests that this matter be included on the docket for the examiner hearing scheduled to be held on February 17, 1982.

Very truly yours,



William F. Carr

WFC:lr

Enclosures

cc: Mr. Lawrence L. Waggoner
Mr. Paul Thompson
Ms. Kathy Michaels

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

IN THE MATTER OF THE APPLICATION
OF NORTHWEST PIPELINE CORPORATION
FOR AMENDMENT OF ORDER NO. R-2046,
RIO ARriba COUNTY, NEW MEXICO

CASE 7479

APPLICATION

Comes now NORTHWEST PIPELINE CORPORATION, by and through its undersigned attorneys, and hereby applies to the New Mexico Oil Conservation Division for amendment of Order No. R-2046 to create six nonstandard gas proration units, Basin Dakota Gas Pool, San Juan County, New Mexico, and in support of its application states:

1. Applicant is the operator of certain tracts located in Sections 25 and 36 of Township 31 North, Range 6 West and in Section 1 of Township 30 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, which, due to variations in the legal subdivisions of the U.S. Public Land Surveys, do not contain 640 acres.
2. Oil Conservation Commission Order R-2046 entered on August 14, 1961 in Case 2327 created a number of non-standard proration units in the Basin-Dakota Gas Pool including a 337.04 acre unit comprised of the E/2 of Section 25 and the NE/4 of Section 36, Township 31 North, Range 6 West and a 339.46 acre unit comprised of the SE/4 of Section 36, Township 31 North, Range 6 West and the E/2 of Section 36, Township 31 North, Range 6 West and the E/2 of Section 1, Township 30 North, Range 6 West, Rio Arriba County, New Mexico.

3. Applicant proposes the amendment of Order R-2046 for the creation of the following non-standard proration units in the Basin Dakota Gas Pool to be dedicated to Basin Dakota Wells to be drilled at standard locations thereon:

Township 31 North, Range 6 West, N.M.P.M.

Section 25: N/2 (272.16 acres)
S/2 (273.3 acres)
Section 36: N/2 (272.56 acres)
S/2 (272.88 acres)

Township 30 North, Range 6 West, N.M.P.M.

Section 1: N/2 (272.81 acres)
S/2 (273.49 acres)

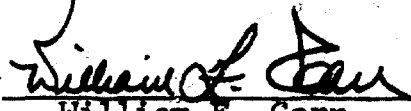
4. The amendment of Order R-2046 and the approval of the six proposed non-standard proration units in one hearing will avoid additional hearings before the Oil Conservation Division and will simplify accounting procedures since, as presently approved, one of the units lies partially in the San Juan 31-6 Unit and partially in the Rosa Unit.

5. Granting the application and drilling of the proposed wells will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, applicant respectfully requests that this matter be set for hearing before one of the Division's duly appointed examiners on February 17, 1982 and, that after notice and hearing as required by law, the Division enter its order approving the application.

Respectfully submitted,
CAMPBELL, BYRD & BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

all

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

MS.

CASE NO. 7479

Order No. R-2046-A

APPLICATION OF NORTHWEST PIPELINE
CORPORATION FOR AMENDMENT OF ORDER
NO. R-2046, RIO ARRIBA COUNTY,
NEW MEXICO.

OK
ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 17,
1982, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets.

NOW, on this March day of February, 1982, 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 Division Order No R-2046 established a large number of nonstandard proration units for the Basin-Dakota Gas Pool in ~~San Juan~~ ^{Rio Arriba} County, New Mexico, including the following:

<u>Township 30 North, Range 6 West, NMPM</u>			
<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
A	339.46	1	E 1/2 (This unit also contains the SE 1/4 of Section 36, Township 31 North, Range 6 West)
B	319.69	1	W 1/2
<u>Township 31 North, Range 6 West, NMPM</u>			
<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
I	337.04	25	E 1/2
		36	NE 1/4
J	339.46	36	A portion of this unit contains acreage in Township 30 North, Range 6 West described under that Township.

(3) That the applicant, Northwest Pipeline Corporation, seeks the amendment of Division Order No. R-2046, ^{to delete} ~~which~~ ^{the} ~~above~~ ^{four} ~~nonstandard~~ ^{proration} ~~units,~~ ^{described in Finding} ~~authorized approval of six non-standard proration units,~~ ^{Na(2) above and the} ~~to create~~ ^{six new} ~~creation of the following~~ ^{creation of the following} non-standard proration units for wells ^{in the Basin-Dakota Pool} to be drilled ~~at standard locations.~~ ~~Detected~~

(4) That the six new proposed non-standard units consist of the following described acreage:

<u>Township 30 North, Range 6 West, NMPM</u>			
<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
1	272.81	1	N/2
2	273.49	1	S/2

<u>Township 31 North, Range 6 West, NMPM</u>			
<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
3	272.16	25	N/2
4	272.32	25	S/2
5	272.56	36	N/2
6	272.88	36	S/2

(5) That the non-standard proration units may reasonably be presumed productive of gas from the Basin-Dakota Gas Pool and that the all of the non-standard gas proration units can be efficiently and economically drained and developed by the aforesaid wells.

(6) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Basin-Dakota Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That Division Order No B-2046 is hereby amended by deletion therefrom of the four nonstandard proration units described in Finding No (2) of this order.

(2) That six new nonstandard proration units for Basin-Dakota production are hereby created and designated as follows:
in ~~Santa Juan~~ ^{Rio Arriba} County, New Mexico, as follows:

<u>Township 30 North, Range 6 West, NMPM</u>			
<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
1	272.81	1	N/2
2	273.49	1	S/2
<u>Township 31 North, Range 6 West, NMPM</u>			
<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
3	272.16	25	N/2
4	272.32	25	S/2
5	272.56	36	N/2
6	272.84	36	S/2

(2) 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.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

JOE D. RAMEY,

Director

CASE 7480: ARCO OIL AND GAS COMPANY FOR
POOL CREATION, LEA COUNTY, NEW MEXICO /