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# CASE NO.

7636

APPlication,
Transcripts,
Small Exhibits,

ETC.

CASE

7636

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- 1		
2	MR. NUTTER: We'll call next Case Number	
3	7636, which is in the matter of the hearing called by the	
4	OCD on its own motion to permit CO2-In-Action, Travelers In-	
5	demnity, and other interested parties to appear and show	
6	cause why two certain wells in Union County, New Mexico, shou	
7	not be plugged and abandoned in accordance with a Division-	
8	approved plugging program.	
9	MR. PEARCE: Mr. Examiner, W. Perry Pearc	
10	appearing on behalf of New Mexico Oil Conservation Division.	
11	The applicant requests that this matter	
12	be dismissed.	
13	MR. NUTTER: Case 7636 will be dismissed.	
14		
15	(Hearing concluded.)	
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#### CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing Defore 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.

Socry W. Boyd CSR

, Examiner

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Gase No. 2636 neard by me on

Conservation Division

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CASE

7636

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BCFORE:

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

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit CO<sub>2</sub>-In Action, et al, to appear and show cause why the Amistad No. 1, located in Union County, should not be plugged and abandoned in accordance with a Division approved plugging program.

Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

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:

MR. STAMETS: We'll call next Case 7636, which concerns the same parties, same style, and the plugging or proposed plugging of the Amistad Well No. 1, the Amistad Well No. 2, both in Union County, New Mexico.

MR. PEARCE: Once again, Mr. Examiner, I am W. Perry Pearce, appearing in this matter on behalf of the Oil Conservation Division.

I would again request that this matter be continued until September the 15th.

MR. STAMETS: Case 7636 will be continued until the September 15th Examiner Hearing.

(Hearing concluded.)

24

#### CERTIFICATE

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.

Sarry to Boyd CSR

ETST AVAILABLE COPY

a consider the foregoing is a consider of the proceedings in the Examiner hearing of Case No. 7636.

Oil Conservation Division

MAA. DEOTE, C.S.
Den 19.3
Den 79.4
Den 79.4
Phone (95) 455.70

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Santa Fe, New Mexico 87501

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For the Applicant:

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motion to permit CO<sub>2</sub>-In-Action, Traveler's Indemnity, and all other interested parties to appear and show cause why a certain well in San Miguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

Also, at this time I'll call Case Number

is in the matter of the hearing called by the OCD on its own

MR. NUTTER: Call Case Number 7635, which

7636, which is in the matter of the hearing called by the OCD to permit the same companies to appear and show cause why certain other wells in Union County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

MR. PEARCE: Mr. Examiner, I am W. Porry Pearce, appearing in this matter on behalf of the New Mexico Oil Conservation Division, and the Division requests that both of these cases, 7635 and 7636, be continued until the hearing scheduled to be heard on September 1st, 1982.

MR. NUTTER: Case Number 7635 and Case
Number 7636 will be continued to the Examiner Hearing
scheduled to be held at this same place at 9:00 o'clock a. m.
September 1, 1982.

(Hearing concluded.)

#### CERTIFICATE

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.

Suly w. Boyd CSR

Oil Conservation Division



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

September 30, 1982

POST OFFICE SCH. SCHN STATE LAND OFFICE SULLDING SANTA PE, NSW MEDICO 67901 SCHN 867-MSA

CO <sub>2</sub> -In-Action Box 2748 Amarillo, Texas 79105	Re: CASE NO. 7636 ORDER NO. R-7081
	Applicant:
	OCD (CO <sub>2</sub> -In-Action)
Dear Sir:	
Enclosed herewith are two co Division order recently ente	pies of the above-referenced red in the subject case.
JOE D. RAMEY Director	- -
JDR/fd	
Copy of order also sent to:	
Hobbs OCD x Artesia OCD x Aztec OCD	
Other The Blackwell Agency	

#### 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. 7636 Order No. R-7081

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT CO\_-IN-ACTION, TRAVELERS INDEMNITY AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE AMISTAD NO. 1 LOCATED IN UNIT E OF SECTION 18, AND THE AMISTAD NO. 2 LOCATED IN UNIT D OF SECTION 7, BOTH IN TOWNSHIP 19 NORTH, RANGE 36 EAST, UNION COUNTY, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

#### ORDER OF THE DIVISION

#### BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 15, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NCW, on this 30th day of September, 1982, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

#### FINDS:

That inasmuch as one of the subject wells has been plugged and abandoned and satisfactory arrangements have been made with respect to the other well, this case should be <u>dismissed</u>.

#### IT IS THEREFORE ORDERED:

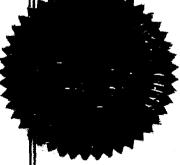
That Case No. 7636 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,

Director



SEAL

BAKER AND TAYLOR DRILLING CO PO BOX 2748 AMARILLO TX 79105



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THE STATE OF NEW MEXICO ENERGY AND MINERALS DEPT

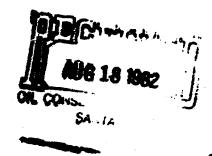
OIL CONSERVATION DIVISION PO BOX 2088 STATE LAND OFFICE BLDG SANTA FE NM 87501

THIS IS A CONFIRMATION COPY OF A TELEGRAM ADDRESSED TO YOU ATTN MR CARL ULVOG AND MR W PERRY PEARCE REFERENCE TRIGG WELL #3, LOCATED IN UNIT J OF SECTION 25, TOWNSHIP 15 NORTH, RANGE 28 EAST, SAN MIGUEL COUNTY NEW MEXICO AMISTAD WELL #1, LOCATED IN UNIT E OF SECTION 18 AND AMISTAD WELL #2, LOCATED IN UNIT D OF SECTION 7, BOTH IN TOWNSHIP 19 NORTH, RANGE 36 EAST, UNION COUNTY NEW MEXICO GENTLEMEN IN RESPONSE TO YOUR LETTERS DATED 9 AUGUST 1982 CONCERNING PLUGGING BONDS ON THE REFERENCED WELLS. CO2 - IN - ACTION HAS HAD TITLE PROBLEMS ON THE TRIG WELL #3 AND AS SOON AS THESE PROBLEMS HAVE BEEN CLEARED AN ATTEMPT WILL BE MADE TO COMPLETE THIS WELL. WE PLAN TO USE AMISTAD WELLS #1 AND #2 FOR SALT WATER DISPOSAL AS SOON AS PRODUCTION IS STARTED IN THE BRAVO DOME ALL STATE OF NEW MEXICO OIL CONSERVATION DIVISION FORMS AND RELATED DOCUMENTS WILL BE FORWARDED IN A FEW DAYS. SINCERELY CHESTER LAMBERT VICE PRES GEOLOGICAL DEPT CO2 IN ACTION PO BOX 2748

AMARILLO TX 79105 PO BOX 2748 AMARILLO TX 79105

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

August 9, 1982

POST OFFICE BOX 2008 STATE LAND OFFICE BLALDING SANTA FE, NEW MEXICO 67901 (509) 627-8434

CERTIFIED - RETURN RECEIPT REQUESTED

CO<sub>2</sub>-In-Action Box 2748 Amarillo, Texas 79105

The Blackwell Agency P. O. Box 330 Canyon, Texas 79015

Re: Amistad Well No. 1, located in Unit E of Section 18 and Amistad Well No. 2, located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County Plugging Bond

#### Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing to be held on Wednesday, August 18, 1982, at 9 o'clock a.m. in Morgan Hall, State Land Office Building, Santa Fe, New Mexico. Case 7636 concerns the above captioned subject matter.

Sincerely,

W. PERRY PEARCE General Counsel

WPP/fd enc. Dockets Nos. 31-82 and 32-82 are tentatively set for September 29 and October 13, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

#### DOCKET: EXAMINER HEARING WEDNESDAY-SEPTEMBER 15, 1982

#### 9 A.H. - MORGAN HALL, STATE LAND OFFICE BUILDING SANTA PE, NEW MEXICO

The following cases will be heard before Deniel S. Mutter, Examiner, or Richard L. Stamats, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1982, from fifteen provated pools in Les, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for October, 1982, from four protected pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

#### CASE 7638: (Continued and Readvertised)

In the matter of the hearing called by the Cil Conservation Division on its own motion to permit Cibela Energy Corporation, American Employers Insurance Company and all other interested parties to appear and show cause why the Simms Ranch Well No. 1, located in Unit N, Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both in Section 21, the Mora Ranch Well No. 3 located in Unit N and the Mora Ranch Well No. 4, located in Unit H, both in Section 5, all in Township 21 North, Range 21 East, Mora County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7637: (Continued from August 18, 1982, Examiner Searing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R.A.F. Enterprises, Firemen's Fund Insurance Company and all other interested perties to appear and show causa why the Show Well Mo. 1, located in Unit M. Section 18, Township 4 Morth, Range 8 East, Torrance County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7635: (Continued from September 1, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO2-In-Action, Travelers Indeanity and all other interested parties to appear and show cause why the Trigg Well Bo. 3 located in Unit J. Section 25, Township 15 North, Range 28 East, San Miguel County, should not be plugged and abendoned in accordance with a Division-approved plugging program.

CASE 7636: (Continued from September 1, 1982, Examiner Hearing)

-in the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO2-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Amistad Bo. 1 located in Unit E of Section 18, and the Amistad Bo. 2 located in Unit D of Section 7, both in Township 19 Borth, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

- CASE 7673: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the Almost Texas Unit Area, comprising 3,840 acres, more or less, of State and Pederal lands in Township 26 South, Range 31 East.
- CASE 7664: (Continued from September 1, 1982, Exeminer Rearing)

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Application of Yares Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Little Cuevo Unit Area, comprising 13,407 acres, more or less, of State and Fee Lands in Township 17 South, Range 18 East.

- CASE 7674: Application of Trican Energy, Inc. for a unit agreement, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the Javalins Basin Unit Area, comprising 3,840 acres, more or less, of State and Federal Lands in Township 25 South, Range 34 East.
- CASE 7675: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the downhole commingling of Justis

  Blinebry, Justis Tubb-Drinkard, and Justis Devonian production in the wellbore of its C. L. Erwin

  "A" Federal Well No. 2 located in Unit K, Section 35, Township 24 South, Range 37 East.

- CASE 7676: Application of Tennaco Oil Company for salt water disposal, Les County, New Mexico.

  Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the

  Delaware formation in the perforated interval from 4970 feet to 4982 feet in its Jennings Fed. Well

  No. 3 located in Unit 8 of Section 14, Township 24 South, Range 32 East.
- CASE 7677: Application of Amadarko Production Company for a waterflood expansion, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks authority to expand its Teas Yates Waterflood Project by converting two wells located in Unit F of Sections 13 and 14, Township 27 South, Range 33 East and drilling three new injection wells at unorthodox locations in Units N of Section 11 and Unit L of Section 13, Township 20 South, Range 33 East, and Unit E of Section 18, Township 20 South, Range 34 East.
- CASE 7678: Application of Phillips Petroleum Company for a pressure maintenance project, Lea County, New Maxico. Applicant in the above-styled cause, seeks authority to institute a pressure maintenance project in the Vacuum Grayburg-San Andree Pool by the injection of water into the Grayburg San Andree formation through eight injection wells to be drilled at unorthodox locations in Section 35, Township 17 South, Range 34 East, as follows: 2630 feet from the South line and 1330 feet from the West line; 2630 feet from the South and West lines; 2630 feet from the South line and 1330 feet from the Bouth line and 10 feet from the Bouth line and 10 feet from the East line; 10 feet from the South line and 1310 feet from the Borth line and 1310 feet from the West line; and 1330 feet from the West line. Applicant also proposes two production wells at unorthodox locations in said Section 35 as follows: 1310 feet from the South line and 2630 feet from the East line and 1310 feet from the South and Rast lines.
- CASE 7630: (Continued from September 1, 1982, Examiner Hearing This Case will be Dismissed)

  Application of Ralph Mix for an oil treating plant permit, Eddy County, New Mexico.

  Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SW/4 NE/4 of Section 18, Township 19 South, Range 26 East.
- CASE 7671: (Continued from September 1, 1982, Examiner Hearing)

  Application of Texas Eastern Developments. Inc. for an exception to Rule 307, Sen Juan County, New Mexico. Applicant in the above-styled cause, sucks an exception to Rule 307 of the Division Rules and Regulations to permit it to draw a vacuum on the Shiprock Gallup Oil Pool reservoir through 16 wells in Sections 16 and 17, Township 29 North, Range 18 West. Applicant further seeks an administrative procedure whereby it could extend the proposed vacuum system to include additional wells in the same reservoir.
- CASE 7679: Application of C & K Petroleum, Inc. for the amendment of Order No. R-4857-A and for compulsory pooling, Lea County, New Maxico. Applicant, in the above-atyled cause, seeks the amendment of Division Order No. R-4857-A to provide that the lands pooled by said order shall be the W/2 SE/4 of Section 27, Township 16 South, Hange 37 East, dedicated to its Shi/p 27 Well No. 2 located in Unit O in said Section 27. Applicant further seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 SE/4 of the aforesaid Section 27, to be iedicated to a well to be drilled in Unit P of said Section 27. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7680: Application of Unichem International, Inc. for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, is the showe-styled cause, seeks an exception to Order No. R-3221 to permit the commercial disposal of produced brine into several unlined surface pits located in Section 11, Township 23 South, Range 29 East.
- CASE 7681: Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Ordovicism gas well to be drilled 330 feet from the North line and 990 feet from the East line of Section 13, Township 9 South, Range 27 East, the E/2 of said Section 13 to be dedicated to the well.

- CASE 7682: Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico.

  Applicant, in the above-styled cause, seeks approved for the unorthodox location of a Mississippian gas well drilled 330 feet from the North line and 330 feet from the West line of Section 34, Township 11 South, Renge 28 East, the W/2 of said Section 34 to be dedicated to the well.
- CASE 7683: Application of S & I Oil Company for compulsory pooling, San Juan County, Nam Marico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation underlying the E/2 SE/4 of Section 12, Township 29 Borth, Range 15 West, to be dedicated to a well drillad 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 tosts and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7684: Application of R. E. Lauritsen for compulsory pooling, San Juan County, New Mexico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interasts in the Gallup and Dakota formations underlying the W/2 of Section 11, Township 29 North, Range 15 West, 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 c charge for risk involved in drilling said well.
- CASE 7685: Application of Cimerron Energy Corporation for an unorthodox location, Eddy County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian test to be drilled 1980 feet from the South line and 660 feet from the West line of Section 34, Township 22 South, Range 28 East, the S/2 of said Section 34 to be dedicated to the well.
- CASES 7528 and 7529: (Continued and Readvertised)

Application of Jack J. Grysberg for compulsory pooling, Chaves County, New Mexico.

Applicant, in each of the following two cases, seeks an order pooling all mineral increases down through the abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and provation unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case 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 7528: BW/4 Section 4, Township 5 South, Range 24 East

CASE 7529: HE/4 Section 4, Township 5 South, Range 24 East

(Continued from September 1, 1982, Examiner Hearing)

CASES 7666, 7667, 7668, and 7669: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County,

New Merico. Applicant, in each of the four following cases, seeks an order pooling all mineral interests
down through the Abo formation underlying the lands specified in each case, each to form a standard 160acre gas spacing and provation unit to be dedicated to a well to be drilled at a standard location
thereon. Also to be considered in each case 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 7666: \$3/4 Section 3;

CASE 7667: 154/4 Section 4;

CASE 7668: 8W/4 Section 14;

All of the above being in Township 5 South, Range 24 East and

CASE 7669: HW/4 Section 2, Township 9 South, Range 25 East.

CASE 7670: (Continued from September 1, 1982, Examiner Hearing)

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

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the M/2 of Section 26, Township 14 South, Range 27 Rast, 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 7652: (Continued from August 18, 1982, Exeminer Hearing)

Application of Conoce Inc. for compulsory poeling, Eddy County, Her Herice.

Applicant, in the shows-etyled cases, easts an order pooling all mineral interests in the Cisco formation underlying all of partial Sections 34 and 35, Township 20 1/2 South, Kange 23 East, underlying a proviously approved 688-acre non-standard prevation unit, to be dedicated to a well at a previously approved uncerthodox location which is to be re-entered. Also to be considered will be the cost of re-entering said well and the allocation of the cost thermof as well as actual operating cooks and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in re-entering said well.

#### CASE 7672: (Continued from September 1, 1962, Examiner Searing)

In the matter of the bearing called by the Oil Conservation Division on its own motion for an order creating, assigning discovery allowable, contracting, and extending certain pools in Chaves, Eddy, Lee and Roseswelt Counties, New Maxico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Brushy Camyon production and designated as the Brushy Draw-Brushy Camyon Pool. Further, to assign approximately 25,410 berrals of discovery allowable to the discovery well, the J. C. Williamson UCHERN Federal Well No. 1 located in Unit H of Section 25, Township 26 South, Range 29 East, NRPM. Said pool would comprise:

# TOSMONTE 26 SOUTH, RANGE 29 LAST, MANN Section 25: SW/4

(b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for San Andres production and designered as the Hobbe Channel-San Andres Pool. The discovery well is the Rass Enterprises Production Company Hamble City Unit Well No. 1 located in Unit D of Section 36, Township 17 South, Range 37 East, MAPM. Said pool would comprise:

# TORNSHIP 17 SOUTH, RAPGE 37 EAST, MMPH Section 36: MM74

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Humphreys Hill-Morrow Gas Pool. The discovery well is the Florida Exploration Company Hano Com Well No. 1 located in Unit D of Section 11, Township 25 South, Range 35 East, MRM. Said pool would comprise:

# TORNSHIP 25 SOUTH, RANGE 35 EAST, 1:4PM Section 11: 8/2

(d) CERATE a new pool in Les County, New Merico, classified as an oil pool for Abo production and designated as the Justis-Abo Pool. The discovery well is the Sents Fe Energy Company Carlson B-25 Federal Well No. 3 located in Unit 0 of Section 25, Township 25 South, Amer 37 East, MMSTM. Said pool would comprise:

# TOWNSELP 25 SOUTH, RANGE 37 EAST, NHPH Section 25: SE/4

(e) CREATS a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the McMillan-Upper Pennsylvanian Gas Fool. The discovery well is the Southland Royalty Company Pecos River Federal 20 Com Well No. 1 located in Unit J of Section 2G, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

# TOWNSHIP 19 SOUTH, RANGE 27 EAST, WHEN Section 20: E/2

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Mosley Cauyon-Strawn Gas Pool. The discovery well is W. A. Moncrief, Jr., Jurgegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, MMPM. Said pool would comprise:

> TOWNSHIP 24 SOUTH, BANGE 25 EAST, HMPH Section 8: M/2

(g) CREATE a new pool in Lee County, New Mexico, classified as an oil pool for Tubb production and designated as the West Medine-Tubb Pool. The discovery wall is the Temperate Petroleum Company, Inc. Kornegsy & Well No. 1 located in Unit F of Section 9, Trumchip 20 South, Renge 35 East, MEMI. Said pool would comprise:

#### TORNSETP 20 SOUTH, BANCE 36 EAST, WOPH Section 9: WH/4

(b) CRRATE a new pool in Lee County, Her Herico, classified as a gas pool for Horrow production and designated as the Pitchfork Ranch-Horrow Gas Peol. The discovery well is the MMC Oil Company Medera 32 State Com Well Ho. 1 located in Unit C of Section 32, Township 24 S. eth, Range 34 East, MRML. Said pool would comprise:

#### TORRESTY 2A SOUTH, BANGE 34 BAST, MAPE Section 32: Y/2

(1) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Teso production and designated as the Seven Rivers-Yeso Pool: The discovery wall is Chann Petroleum Corporation Irani Federal Well No. 1 located in Unit N of Section 34, Township 19 South, Range 25 East, MRM. Said pool would comprise:

#### TORRESELP 19 SOUTH, MARCE 25 MAST, HIGH Section 34: 58/4

(j) CREATE a new pool in Lee County, New Herico, classified as an oil pool for Abo production and designated as the Rest Staggs-Abo Pool. The discovery well is the Texaco Inc. Ch. H. Weir A Well No. 12 located in Unit G of Section 12, Township 20 South, Range 37 East, MRTM. Said pool would comprise:

# TORNSHIP 20 SHITER, MARCE 37 EAST, MEE'K Section 12: WE/A

(k) CREATS a new pool in Lea County, New Herrico, classified as an oil pool for Tubb production and designated as the Tengue-Tubb Pool. The discovery well is the Alpha Twenty-One Production Company Lea Well No. 2 located in Unit A of Section 17, Township 23 South, Range 37 East, NRFM. Said pool would comprise:

#### TOWNSHIP 23 SOUTH, NAMES 37 BAST, MARY Section 17: ME/4

(1) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonien production and designated as the Townsend-Devonien Pool. The discovery wall is the Kimbark Oil and Gas Company New Mexico 1-4 State Com Well No. 1 located in Unit N of Section 4, Township 16 South, Range 35 East, NOPH. Said pool would comprise:

# TOWNSHIP 16 SOUTH, RANGE 35 EAST, MMPM Section 4: Lots 11, 12, 13, and 14

(a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Welch-Bone Spring Pool. The discovery well in the Quench Petrolems, Inc. Hay B Federal Com Well Ho. 1 located in Unit K of Section 9, Township 26 South, Range 27 East, MRPH. Said pool would comprise:

### TORRISHIP 26 SOUTH, RANGE 27 EAST, WHEN Section 9: SW/4

(n) CONTRACT the horizontal limits of the Buckeys-Abo Pool in Lan County, Hes Hexico, by the deletion of the following described area:

TOWNSHIF 18 SOUTH, RANGE 35 BAST, MAPH Section 3: W/2 WW/4 (o) CONTRACT the torisontal limits of the Vacuum-Abo Reef Poul in Lea County, New Harico, by the deletion of the following described area:

#### TORREST 18 SOUTH, BANGE 35 MAST, MANN Section 3: E/2 NB/4

(p) EXTERO the Antelope Sink-Opper Pennsylvenian Gas Pool in Eddy County, New Maxico, to include therein:

TORNERIP 19 SOUTH, BANCE 23 EAST, MAYN Section 13: E/2 Section 14: H/2

(q) EXTEND the West Arkeness Junction-Sem Andres Pool in Les County, New Mexico, to include therein:

TORMSHIP 18 SOUTH, RANGE 36 BAST, MAPH Section 20: HR/4

(r) EXTERD the Atoka-Teso Pool in Eddy County, New Mexico, to include therain:

TORRESETP 18 SOUTH, RANGE 26 BAST, WASH Section 26: 8/2

(s) EXTEND the Bilbrey-Horrow Gas Pool in Les County, New Mexico, to include therein:

TORRISHTY 22 SOUTH, RANGE 32 EAST, WHEN Section 5: WH/4 Section 6: 1/2

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

TOWNSHIP 16 SOUTH, MANGE 31 BAST, MEPH Section 14: 8/2 5/2 and NE/4

(u) EXTERD the Cemetery-Horrow Gas Pool in Eddy County, New Herrico, to include therein:

TOWNSHIP 20 SOUTH, MANGE 25 EAST, MRPH Section 3: \$/2 Section 4: All

(v) EXTEND the Commande Stateline Tanaill-Tates-Seven Rivers-Queen Pool in Lac County, New Mexico, to include therein:

> TOWNSHIP 26 SOUTH, BANCE 36 EAST, HEPM Section 26: MH/4 Section 27: ME/4 and E/2 MH/4

(w) EXTEND the South Empire-Horrow Gas Pool in Eddy County, New Maxico to include therein:

TOWESTIP 17 SOUTE, BANGE 28 EAST, HEPH Section 35: \$/2 Section 36: W/2

(x) EXTEND the South Empire-Wolfcamp Pool in Eddy County, New Mexico, to include therein:

TORNSHIP 17 SOUTH, RANGE 28 EAST, IMPN Section 36: E/2 ME/4

TOWNSHIP 17 SOUTH, RANGE 29 BAST, NIGHT Section 31: NW/4 and S/2 HE/4

(y) EXTEND the Forty Winer Ridge-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 30 BAST, NHPM Section 16: SE/4 (s) EXTEND the Mardy-Tubb Pool in Lea County, New Marico, to include therein:

NUMBER 21 SOUTH, MARCE 36 MAST, MARM Section 2: Lots 11, 12, 13, 14, and \$/2 Section 11: MR/4

(as) EXTERN the Northeast Lowington-Pennsylvanian Pool in Les County, New Mexico, to include therein:

TORRSELP 16 SOUTH, RANGE 37 EAST, HIGH Section 20: W//4

(bb) EXTRID the West Milmesend-Pennsylvanian Pool is Rossavelt County, New Nextco, to include therein:

TORRESELP 8 SOUTH, RANGE 34 EAST, HEPH Section 19: W/2

(cc) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTE, RANGE 33 PAST, HOPM Section 30: SE/4 Section 31: N/2 ME/6

TORRESELE 6 SOUTH, MARGE 33 BAST, MARK Section 15: 5/2

(dd) EXTERO the Eace Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, HMPM Section 18: ME/4 and S/2 SE/4

(ea) EXTERD the Bose Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, HERRI Section 23: S/2 Section 26: H/2

(ff) EXTERO the West Sand Dusse-Atoka Gas Pool in Eddy County, New Herrico, to include therein:

TOWNSHIP 23 SOUTH, BANGE 31 SAST, NHPH Section 17: S/2 Section 20: All

(ii) MATERIO the Saunders Perro-Upper Fennsylvanian Pool in Lea County, New Mexico, to include therein:

TORRISHIP 14 SOUTH, RANGE 33 EAST, MIPH Section 21: HE/4

Docket 30-82

#### DOCKET: COMMISSION HEARING - WEDNESDAY - SEPTEMBER 22, 1902

OIL CONSERVATION COMMISSION-HORGAN MALL - 9 A.H. STATE LAND OFFICE BUILDING, SANTA FE, MEN MEXICO

The following cases were continued from the August 26, 1982, Commission Mearing:

CASE 7656: Application of Cities Service Company for determination of reasonable well costs, Las County, New Harico. Applicant, in the above-styled cause, pursuant to the provisions of Section 70-2-17 C, NSSA, 1978 Comp., and Paragraph (5) of Division Order No. R-6781, seeks a determination of reasonable well costs for two wells drilled under the provisions of said Order No. R-6781 by Doyle Hartman or lands pooled by said

CASE 7657: Application of Enrwey E. Yates Company for non-rescission of Order No. R-6873, Chaves County, New Mexico. Applicant, in the shows-styled cause, seeks the non-rescission of Order No. R-6873, which order pooled certain lands to be dedicated to a proposed Ordovician test well to be drilled thereon, being the W/2 of Section 18, Township 9 South, Range 27 East. Said order provided that should the unit well not be drilled to completion, or abandonment, within 120 days after commencement thereof, operator shall appear and above cause why the pooling order should not be rescinded.

CASE 7658: (Readvertised)

Application of Harvey E. Tates Company for a dual completion and downhole containgling, Charve County, New Marico. Applicant, in the above-styled cause, seems approval for the dual completion of its Seymour State No. 1 located in Section 15, Tourship ? South, Mange 27 East, in such a manner that Abo perforations from 4912 fast to 4929 feet would be commingled with Upper Atoka perforations from 5926 feet to 5952 feet and the aforesaid intervals dually completed with Lower Atoka perforations from 6008 feet to 6048 feet and produced through parallel strings of tubing.

Deckets Nos. 29-82 and 30-82 are tentatively set for September 15 and September 29, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

#### DOCKET: CONKESSION MENAZING - THURSDAY - AUJUST 26, 1982

OIL COMMENTATION CONSISSION - 9 A.M. NORGAN HALL, STATE LAND OFFICE BUILDING SANTA PE, NEW NEXICO

- CASE 7656: Application of Cities Service Company for determination of reasonable well costs, Lee County, New Mexico. Applicant, in the above-styled cause, pursuant to the provisions of Section 70-2-17 C, MMSA, 1978 Comp., and Paragraph (5) of Division Order No. R-6781, seeks a determination of reasonable well costs for two wells drilled under the provisions of said Order No. R-6781 by Doyle Hartman on lands pooled by said order.
- CASE 7657: Application of Harvey E. Tates Company for non-rescission of Order Ho. R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the non-rescission of Order Ho. R-6873, which order pooled certain lands to be dedicated to a proposed Ordervician test will to be drilled thereon, being the W/2 of Section 18, Township 9 South, Range 27 East. Said order provided that should the unit well not be drilled to completion, or abandomment, within 120 days after commencement thereof, operator shall appear and show cause why the pooling order should not be rescinded.
- CASE 7658: Application of Harvey B. Yates Company for a dual completion and downhole commingling, Chaves County, New Nexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Seymour State #1 located in Section 18, Township 9 South, Range 27 East, in such a manner that Abo perforations from 4912 feet to 4929 feet would be commingled with Upper Atoka perforations from 5926 feet to 5952 feet and the aforesaid intervals dually completed with Lower Atoka perforations from 6009 feet to 6048 feet and produced through parallel strings of tubing.

Docket No. 28-62

#### DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 1, 1962

OIL COMMENTATION DIVISION - 9 A.M., MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, HEN MEXICO

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

CASE 7635: (Continued from August 18, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO2-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Trigg Well No. 3 located in Unit J, Section 25, Township 15 North, Range 28 East, San Riguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7636: (Continued from August 18, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO<sub>2</sub>-In-Action. Travelers Indemnity and all other interested parties to appear and show cause why the Amistad No. 1 located in Unit E of Section 18, and the Amistad No. 2 located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

- CASE 7659: Application of Sun Exploration and Production Company for an unorthodox gas well location, Chaves County, Hew Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian gas well drilled 660 feet from the North and West lines of Section 21, Township 7 South, Range 26 East, the N/2 of said Section 21 to be dedicated to the well.
- CASE 7660: Application of Pauley Fetroleux, Inc. for salt water disposal, Roosevelt County, New Mexico.

  Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 3862 feet to 3874 feet in its State Well No. 1 located in Unit B of Section 16, Township 7 South, Range 33 East.
- CASE 7661: Application of George Sardella and Gery Plesans for an oil treating plant permit, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NM/4 NM/4 of Section 33,

  Township 16 South, Range 33 East.
- CASE 7630: (Continued from August 4, 1982, Examiner Hearing)

Application of Ralph Nix for an oil treating plant permit, Eddy County, New Mexico.

Applicant, in the above-styled cause, socks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SM/4 ME/4 of Section 18, Township 19 South, Range 26 East.

CASE 7662: Application of Carter Foundation Production Company for a waterflood project, Lee County, New Mexico.

Applicant, in the above-styled cause, seeks authority to expand its Bline-Cade Waterflood Project
by converting its Mattix Federal Wells Nos. 2, 5, 6, located in Units C. 2, and D, respectively,
in Section 3, Township 24 South, Range 37 East, by the injection of water into the Queen formation.

CASE 7639: (Continued from August 18, 1982 Examiner Bearing)

Application of Acoma Gil Corporation for downhole commingling, Lee County, New Merico.
Applicant, in the above-styled cause, seeks approval for the downhole commingling of Mantz Abo,
Cristard and Blinebry Pool production in the wellbore of its S. J. Starkeys Lease Well No. 2,
located in Unit B of Section 26, Township 21 South, Range 37 East.

CASE 7663: Application of Dugan Production Corporation for compulsory pooling, San Juan County, New Mexico.
Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 18, Township 30 North, Range 14 West, 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 ar 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 7568: (Continued and Readvertised)

Application of Petroleum Corp. of Delaware for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Superior Federal Well No. 6 located in Unit N of Section 6, Township 20 South, Range 29 East, East Burton Flat Field, to produce oil from the Strawn formation through the casing-tubing annulus and gas from the Morrow formation through tubing.

CASE 7651: (Continued from August 18, 1982, Examiner Hearing)

Application of Nortex Gas & Oil Company for the amendment of Order No. R-6903, Lee County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6903 to provide that non-consenting working interest owners shall have thirty days following final adjudication of title in which to pay their proportionate share of well costs.

CASE 7664: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the Little Cuevo Unit Area, comprising 13,407 acres, more or less, of State and Fee lands in Township 17 South, Range 18 East.

CASE 7655: (Continued from August 18, 1982 Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order proling all mineral interests from the surface down through the Abo formation underlying the NM/4 of Section 20, Township 7 Couth, Range 26 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.

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico.

Applicant, in the bove-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the N/2 of Section 35, Township 13 South, Range 35 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.

CASES 7666, 7667, 7668, and 7669: Application of Yatas Petroleum Corporation for compulsory pooling. Chaves County, New Mexico. Applicant, in each of the four following cases, seeks an order pooling all mineral interests down through the abo formation underlying the lands specified in each case, each to form a standard 160-acre gas specing and provation unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and complating 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 7666: SW/4 Section 3;

CASE 7667: NW/4 Section 4;

CASE 7668: NM/4 Section 14;

3

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All of the above being in Township 5 South, Range 24 East and CASE 7669: NM/4 Section 2, Township 9 South, Range 25 East

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Page 3 of 6 Examiner Hearing - SEPTEMBER 1, 1982

- CASE 7670: Application of Yates Petroleus Corporation for compulsory pooling, Chaves County, New Maxico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the M/2 of Section 26, Township 14 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 \*.M 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.
- CA 3 7648: (Continued from August 18, 1982 Examiner Hearing)

Application of Rio Percs Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation underlying the W/2 of Section 35, Township 18 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 7642: Application of Doyle Hartman for compulsory pooling, Las County, New Mexico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Jalmat Pool, underlying a previously approved 120-acre non-standard promotion unit comprising the S/2 NE/4 and NE/4 of Section 26, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a previously approved unorthodox location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7671: Application of Texas Eastern Developments, Inc. for an exception to Rule 307, San Juan County, New Mexico.

  Applicant, in the above-styled cause, seeks an exception to Rule 307 of the Division Rules and Regulations to permit it to draw a vacuum on the Shiprock Gallup Oil Pool reservoir through 16 wells in Sections 16 and 17, Township 29 North, Range 18 West. Applicant further seeks an administrative procedure whereby it could extend the proposed vacuum system to include additional wells in the same reservoir.
- CASE 7649: Application of Southern Union Emploration Company for retroactive examption, San Juan and Ric Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the retroactive examption from Section 5 of the New Mexico Matural Gas Pricing Act of the following Basin Dakota infill wells: Jicarilla A No. 13-E in Unit N of Section 13 and Jicarilla A No. 10-E in Unit G of Section 23, both in Township 26 North, Range 4 West, and Jicarilla K No. 15-E in Unit A of Section 1, Township 25 North, Range 5 Nest, all in Ric Arriba County, and the Hodges No. 15-E in Unit J of Section 27, Township 26 North, Range 8 Nest in San Juan County. Also the following Ballard-Pictured Cliffs replacement well in San Juan County: Newsom No. 10-R in Unit N of Section 20, Township 26 North, Range 8 Nest. Each of the aforesaid wells was subject to the New Mexico Natural Gas Pricing Act until exempted from same by the Division on July 23, 1982, and applicant seeks the retroactive exemption of each of said wells to date of first delivery into the pipeline which ranges from December 24, 1980 to January 11, 1982.
- CASE 7672: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning discovery allowable, contracting, and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:
  - (a) CREMTE a new pool in Eddy County, New Mexico, classified as an oil pool for Brushy Canyon production and designated as the Brushy Draw-Brushy Canyon Pool. Purther, to assign approximately 25,410 narrels of discovery allowable to the discovery well, the J. C. Williamson UCBHNW Federal Well No. 1 located in Unit N of Section 25, Township 26 South, Range 29 East, NEFN. Said pool would comprise:

TOMESHIP 26 SOUTH, RANGE 29 EAST, HMPH Section 25: SM/4

(b) CREATE a new pool in Les County, New Mexico classified as an oil pool for San Andres production and designated as the Hobbs Channel-San Andres Pool. The discovery well is the Bass Enterprises Production Company Humble City Unit Well No. 1 located in Unit D of Section 36, Township 17 South, Range 37 East, NEFM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, HMPM Section 36: HM/4

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Rumphreys Mill-Morrow Gas Pool. The discovery wall is the Florida Exploration Company Reno Com Well No. 1 located in Unit D of Section 11, Township 25 South, Range 35 East, MRPM. Said pool would comprise:

#### TORREST 25 SOUTH, RANGE 35 EAST, MERN Section 11: W/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Justis-Abo Pool. The discovery well is the Santa Pe Energy Company Carlson B-25 Pederal Well Bo. 3 located in Unit O of Section 25, Township 25 South, Range 37 East, NRPM. Said pool would comprise:

#### TORRISEIP 25 SOUTH, RANGE 37 EAST, HRPM Section 25: SE/4

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the McMillan-Upper Pennsylvanian Gas Pool. The discovery well is the Southland Royalty Company Pecos River Federal 20 Com Well No. 1 located in Unit J of Section 20, Township 19 South, Range 27 East, NRTM. Said pool would comprise:

#### TOWNSHIP 19 SOUTH, RANGE 27 EAST, WHEN Section 20: 8/2

(f) CREATE a new pool in Eddy County, New Maxico, classified as a gas pool for Strawn production and designated as the Moeley Canyon-Strawn Gas Pool. The discovery well is W. A. Monorief, Jr., Jurnegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, NMPM. Said pool would comprise:

#### TOWESHIP 24 SOUTH, RANGE 25 EAST, HREPK Saction 8: M/2

(g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the West Hadine-Tubb Pool. The discovery well is the Tamerack Petroleum Company, Inc. Kornegay A Well No. 1 located in Unit F of Section 9, Township 20 South, Range 38 East, MEPM. Said pool would comprise:

#### TOMESHIP 20 SOUTH, RANGE 38 EAST, NHPM Section 9: NM/4

(h) CHERTE a new pool in Les County, Her Mexico, classified as a gas pool for Morrow production and designated as the Pitchfork Ranch-Norrow Gas Pool. The discovery well is the HNG Oil Company Madera 32 State Com Well No. 1 located in Unit C of Section 32, Township 24 South, Range 34 East, NMPM. Said pool would comprise:

#### TOMUSEIP 24 SOUTH, REAGE 34 EAST; WHIPH Section 32: M/2

(i) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yeso production and designated as the Seven Rivers-Yeso Pool. The discovery well is Chama PetroLoum Corporation Irami Pederal Well No. 1 located in Unit N of Section 34, Township 19 South, Range 25 East, IMPM. Said pool would comprise:

#### TOMESHIP 19 SOUTH, RANGE 25 EAST, HMPM Section 34: SW/4

(j) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the East Skaggs-Abo Pool. The discovery well is the Texaco Inc. C. H. Weir A Well Mo. 12 located in Unit G of Section 12, Township 20 South, Range 37 East, MEPM. Said pool would comprise:

### TORISHIP 20 SOUTH, RANGE 37 EAST, NORTH Section 12: NE/4

(k) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the Teague-Tubb Pool. The discovery well is the Alpha Twenty-One Production Company Lea Well No. 2 located in Unit A of Section 17, Townshy 23 South, Range 37 East, NMPM. Said pool would comprise:

#### TOWNSHIP 23 SOUTS, RANGE 37 EAST, HMPH Section 17: ME/4

(1) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Townsend-Devonian Pool.

The discovery well is the Kimberk Dil and Gas Company New Mexico 1-4
State Com Mell No. 1 located in Unit N of Section 4, Township 16 South, Range 35 East, MRTM. Said pool would comprise:

TORRENTP 16 SOUTH, NAMEZ 35 EAST, MMPH Section 4: Lots 11, 12, 13, and 14

(m) CHEATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Welch-Bone Spring Pool. The discovery well is the Quanah Petroleum, Inc. Hay B Federal Com Well No. 1 located in Unit K of Section 9, Township 26 South, Range 27 East, MERN. Said nool would comprise:

> TORGETP 26 SOUTH, RANGE 27 EAST, MAPK Section 9: SM/4

(n) COMPRACT the horizontal limits of the Buckeye-Abo Pool in Lea County, New Mexico, by the deletion of the following described area:

TOMESSELP LB SOUTH, RANGE 35 EAST, MHPH Section 3: W/2 MW/4

(o) COMPRACT the horizontal limits of the Vacuum-Abo Reef Pool in Lea County, New Mexico, by the delation of the following described area:

TORRESTIP 18 SOUTH, RANGE 35 EAST, MACH Section 3: E/2 MM/4

(p) EXTERD the Antelope Sink-Opper Pennsylvanian Gas Pool in Eddy County, New Maxico, to include therein:

TOKERSHIP 19 SOUTH, RANGE 23 EAST, NHFM Section 13: E/2 Section 14: H/2

(q) EXTEND the West Arkansas Junction-San Andres Pool in Los County, New Maxico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, MAPPE Section 20: MM/4

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, MEPH Section 26: E/2

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

TOMMSHIP 22 SOUTH, RANGE 32 EAST, SHPM Section 5: BM/4 Section 6: E/2

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

TOWNSHIP 16 SOUTH, RANGE 31 EAST, MMPM Section 14: M/2 S/2 and ME/4

(u) EXTEND the Cometery-Morrow Gas Pool in Eddy Chunty, New Mexico, to include therein:

TORRISHIP 20 SOUTH, RANGE 25 EAST, MAPM Section 3: S/2 Section 4: All

(v) EXTZED the Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, MAPA

Section 26: MM/4 Section 27: ME/4 and E/2 MM/4 (w) EXCESSO the South Empire-Morrow Gas Pool in Eddy County, New Maxico to include therein:

TORREST 17 SOURS, NAMES 29 EAST, NAMES Section 25: 5/2 Section 36: W/2

(x) RICHERO the South Empire-Wolfcamp Pool in Eddy County, New Mexico, to include therein:

TORRELLY 17 SOUTH, RANCE 28 EAST, WHENE Section 36: E/2 NE/4

TOMMETP 17 SOUTH, RANGE 29 TAST, IMPM Section 31: MM/4 and S/2 ME/4

(y) ETTERD the Forty Biner Ridge-Bone Spring Pool in Eddy County, New Maxico, to include therein:

TORROWIP 23 SOUTH, BANCE 30 EAST, WHEN Section 16: 52/4

(g) EXTERN the Hardy-Tubb Pool in Lea County, New Mexico, to include therein:

POMENIP 21 SOUTH, PANCE 36 KAST, Section 2: Lots 11, 12, 13, 14, and \$/2 Section 11: #6/4

(aa) EXTERNO the Mortheast Lowington-Pennsylvanian Pool in Las County, Hew Hexico, to include therein:

TORNESTP 16 SOUTH, RANGE 37 EAST, MEDIC Section 20: WH6/4

(bh) EXTERD the West Milnesand-Pennsylvanian Fool in Roogywelt County, New Mexico, to include therein:

TORREST 8 SOUTH, PANCE 34 EAST, 18824 Saction 19: W/2

(cc) EXTEND the South Peterson-Pennsylvanian Associated Pool in Boosewelt County, New Mexico, to include therein:

TORRIGETP 5 SOUTE, RANGE 33 EAST, MARK Section 30: SE/4 Section 31: M/2 ME/4

TORRESTIP 6 SOUTH, RANGE 33 EAST, MICH. Section 15: 8/2

(dd) EXTERN the Pace Track-San Andres Pool in Charge County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, HMPM Section 18: ME/4 and S/2 SE/4

(ee) EXTEND the Ross Draw-Molfcamp Gas Pool in Eddy County, New Maxico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, MAPH Section 23: S/2 Section 26: N/2

(ff) EXTERN the West Sand Dunes-Atoka Gas Pool in Eddy County, New Agrico, to

TOWNSHIP 23 SOUTH, RANGE 31 EAST, MEGH Section 17: 5/2 Section 20: All

(gg) EXTERD the San lers Permo-Upper Pennsylvanian Pool in Les County, New Mexico, to include therein:

TORMESTE 14 SOUTH, RANGE 33 EAST, MENS Section 21: NE/4

Bockets Nos. 27-82 and 28-82 are tentatively set for September 1 and September 15, 1982. Applications for hearing must be filed at least 22 day; in advance of hearing date.

DOCKET: EXAMINER HEARING - HEDNESDAY - AUGUST 18, 1982

9 A.M. - OIL COMSERVATION DIVISION - MORSAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be been before Danie! 5. Mutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for September, 1982, from fifteen prorated pools in Lee, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allomble production of gas for September, 1982, from four prorated pools in Sen Juan, Rio Arriba, and Sendoval Counties, New Mexico.
- CASE 7635: In the metter of the hearing called by the Oil Conservation Division on its own motion to permit CO<sub>2</sub>-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Trigg Hell No. 3 located in Unit J. Section 25, Township 15 North, Range 28 East, San Niguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7636: In the matter of the hearing cailed by the Oil Conservation Division on its own motion to permit CO2-In-Action, Travelers Indumnity and all other interested parties to appear and show cause why the Amistad No. 1 located in Unit E of Section 18, and the Amistad No. 2 located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7637: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R.A.F. Enterprises, Fireman's Fund Insurance Company and all other interested parties to appear and show cause why the Shaw Well No. 1, located in Unit M, Section 18, Township 4 North, Range 8 East, Torrance County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7638: In the matter of the hearing called by the Oil Conservation Division on its commotion to permit Cibola Energy Corporation, Mid-Continent Casualty Company, and all other interested parties to appear and show cause why the Simus Ranch Well Me. 1, located in Unit M. Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both in Section 21, the Mora Ranch Well No. 3 located in Unit M and the Mora Ranch Well No. 4, located in Unit M, both in Section 5, all in Township 21-North, Range 21 East, Mora County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7639: Application of Acome 011 Corporation for dommhole commingling, Lea County, New Mexico.

  Application of Acome 011 Corporation for dommhole countingling of Mexico.

  Application of Acome 011 Corporation for dommhole countingling of Mexico.

  Orinkerd and Blinebry Pool production in the wellbore of its S. J. Starkeys Lease Well No. 2, located in Unit B of Section 26, Township 21 South, Range 37 East.
- CASE 7640: Application of Morris R. Anomeil for compulsory pooling, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through and including the Abo formation in and under the NE/4 NE/4 of Section 12, Township 20 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 7641: Application of Reading & Bates Petroleum Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through the Devonian formation underlying the NM/4 SE/4 of Section 33, Township 14 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 7642: Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Jalmat Pool, underlying a previously approved 120-acre non-standard proration unit comprising the \$/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a previously approved unorthodox location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

- CASE 7643: Application of Texaco, Inc. for compulsory pooling, Lea County, New Mexico.
  Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Stream formations underlying the N/2 NE/4 of Section 33. Township 16 South, Range 37 East, Casey-West Knowles A.aa, 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 7650: Application of Texaco Inc. for compulsory pooling, Lea County, Hew Mexico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Strawn formations underlying the E/2 NE/4 of Section 33, Township 16 South, Range 37 East, Casey-West Knowles Area, 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 7644: Application of Rault Petroleum Corporation & McKay Petroleum Corporation for compulsory pooling.

  De Baca 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 SM/4 of Section 33, Township 3 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 7645: Application of Stevens Operating Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down to the base of the Abo formation underlying the NE/4 of Section 29, Township 7 South, Range 26 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 7652: Application of Conoco Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause; seeks an order pooling all mineral interests in the Cisco formetion underlying all of partial Sections 34 and 35, Township 20 1/2 South, Range 23 East, underlying a previously approved 688-acre non-standard proration unit, to be dedicated to a well at a previously approved unorthodox location which is to be re-entered. Also to be considered will be the cost of re-entering 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 7645: Application of Tenneco Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above styled cause, seeks approval for the unorthodox location of a Pennsylvenian gas well to be drilled 1855 feet from the North line and 660 feet from the East line of Section 25, Township 16 South, Range 33 East, the N/2 of said Section 25 to be dedicated to the well.
- CASE 7651: Application of Nortex Gas & Oil Company for the amendment of Order No. R-6903, Lee County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6903 to previde that non-consenting working interest owners shall have thirty days following final adjudication of title in which to pay their proportionate share of well costs.
- CASE 7647: Application of Guest Energy Corporation for salt water disposal, Lee County, New Mexico.
  Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the open hole interval from 4150 feet to 5600 feet in its State A Well No. 2, located in Unit L of Section 26, Township 14 South, Range 33 East.
- CASE 7653: Application of Rio Pecos Corporation for a unit agreement, Cheves County, New Mexico.

  Applicant, in the above-styled cause, seeks approval for the Cheverlee-Nerth Federal Unit Area, comprising 1,920 acres, more or less, of Federal and Fee lands in Township 8 South, Range 31 East.
- Application of Rio Pecos Corporation for compulsory pooling, Eddy County, New Mexico.

  Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Molfcamp to the base of the Pennsylvanian formation, underlying the M/2 : Section 35.

  Township 18 South, Range 24 East, to be dedicated to a well to be drilled at a scandard 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 7654: Application of Rault Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location for an undesignated Pennsylvanian gas well to be drilled 600 feet from the South line and 660 feet from the West line of Section 13, Township 8 South, Range 27 East, the S/2 of said Section 13 to be dedicated to the well.

CASE 7306: (Reopened)

In the matter of Case 7306 being reopened pursuant to the provisions of Order No. R-6769 which promulgated temporary pool rules for Madera-Lower Penn Gas Pool in Lea County, including provision for 640-acre spacing units. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

CASE 7655: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation underlying the NM/4 of Section 20, Township 7 South, Range 26 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.

CASES 7528 and 7529: (Continued from July 7, 1982, Examiner Hearing)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico.

Application, in each of the following two cases, seeks an order pooling all mineral interests down through the Abp formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case 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 7528: NM/4 Section 4, Township 5 South, Range 24 East

CASE 7529: NE/4 Section 4, Township 5 South, Range 24 East

CASE 7649: Application of Southern Union Exploration Company for retroactive examption, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the retroactive examption from Section 5 of the New Mexico Natural Bas Pricing Act of the following Basin Dakota infill wells:

Jicarilla A No. 13-E in Unit N of Section 13 and Jicarilla A No. 10-E in Unit G of Section 23, both in Township 26 North, Range 4 Nest, and Jicarilla K No. 15-E in Unit A of Section 1, Township 25 North, Range 5 Nest, all in Rio Arriba County, and the Hodges No. 15-E in Unit J of Section 27, Township 26 North, Range 8 Nest. Each of the aforesaid wells was subject to the New Mexico Natural Gas Pricing Act until exampted from same by the Division on July 23, 1982, and applicant seeks the retroactive examption of each of said wells to date of first delivery into the pipeline which ranges from December 24, 1980 to January 11, 1982.

CASE 7594: (Continued from July 21, 1982, Examiner Hearing)

Application of Harvey E. Yates Company for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of a secondary recovery project, all mineral interests in that portion of the Bene Spring formation described as the Carbonate unit between the first and second Bone Spring Sands underlying the Young Deep Unit, encompassing 560 acres, more or less, of Federal lands underlying portions of Sections 3, 4, 9 and 10, Township 18 South, Range 32 East.

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

T AVAILABLE COPY

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

> 07475 CASE NO. 7536 Order No. R- 708/

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT CO2-IN-ACTION, TRAVELERS INDEMNITY AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE AMISTAD NO. 1 LOCATED IN UNIT E OF SECTION 18, AND THE AMISTAD NO. 2 LOCATED IN UNIT D OF SECTION 7, BOTH IN TOWNSHIP 19 NORTH, RANGE 36 EAST, UNION COUNTY, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 15, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of September, 1982, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

That the applicant's request for dismissal should be granted. and standows and sacrifactory arrangements have been made with respect to the other was, this send should be IT IS THEREFORE ORDERED:

That Case No. 7636 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. PAMEY, Director

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