

Case Number

60002

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 3, 1977

IN THE MATTER OF:

Application of New Mexico Salt Water Disposal Company, Inc., for salt water disposal, Lea County, New Mexico.) CASE 6002

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 MR. NUTTER: Call next Case Number 6002.

2 MS. TESCHENDORF: Case 6002, application of New
3 Mexico Salt Water Disposal Company, Inc., for salt water
4 disposal, Lea County, New Mexico.

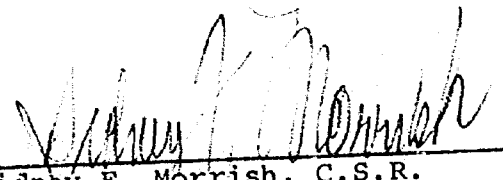
5 The applicant has requested that this case be
6 dismissed.

7 MR. NUTTER: Case Number 6002 will be dismissed.
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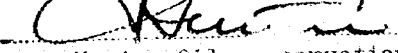
sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill
and ability.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a copy of the transcript of the proceedings in
the Examiner's Hearing of case No. 6002
heard by me on Aug 3, 19 77.

, Examiner
New Mexico Oil Conservation Commission

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 · SANTA FE
87501



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
August 12, 1977

STATE GEOLOGIST
EMERY C. ARNOLD

Charles C. Loveless, Jr.
New Mexico Salt Water Disposal
Company, Inc.
P. O. Box 566
Roswell, New Mexico 88201

Re: CASE NO. 6002
ORDER NO. R-5508

Applicant:

New Mexico Salt Water Disposal Co., Inc.

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC	x
Artesia OCC	x
Aztec OCC	

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 6002
Order No. R-5508

APPLICATION OF NEW MEXICO SALT
WATER DISPOSAL COMPANY, INC.
FOR SALT WATER DISPOSAL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 3, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of August, 1977, the Commission, a
quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the
premises,

FINDS:

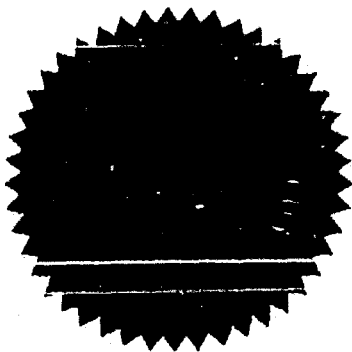
That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6002 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

jr/

NEW MEXICO SALT WATER DISPOSAL COMPANY, INC.

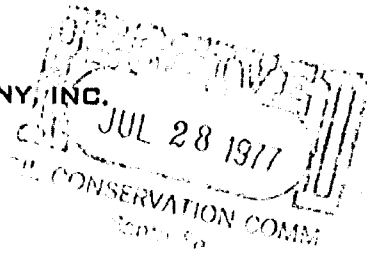
212 PETROLEUM BLDG.

P. O. BOX 566

ROSWELL, NEW MEXICO 88201

PHONE 622-1958 AREA CODE 505

July 28, 1977



New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

CLM

Gentlemen:

Will you please remove from your hearing docket for Wednesday August 3, 1977,
Case No. 6002.

Very truly yours,

Charles C. Loveless, Jr.
Charles C. Loveless, Jr.

CCL/jdc

*Dismiss
Case 6002*

Dockets Nos. 26-77 and 27-77 are tentatively set for hearing on August 17 and 31, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 3, 1977

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

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

CASE 4962: (Reopened) (Continued from July 6, 1977 Examiner Hearing)

In the matter of Case 4962 being reopened pursuant to the provisions of Order No. R-4298 which order established temporary special pool rules for the Peterson-Pennsylvanian Associated Pool, Roosevelt County, New Mexico. All interested parties may appear and show cause why said temporary special pool rules should not be rescinded.

CASE 5974: (Continued from July 6, 1977 Examiner Hearing)

Application of Maddox Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 9, Township 18 South, Range 26 East, Atoka-Pennsylvanian Pool, Eddy County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5981: (Continued from July 6, 1977 Examiner Hearing)

Application of W. A. Moncrief, Jr., for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of an oil pool for Upper-Pennsylvanian production for his State Well No. 1 located in Unit E of Section 26, Township 16 South, Range 33 East, Lea County, New Mexico, and the promulgation of special rules therefor, including a provision for 80-acre spacing.

CASE 6001: Application of Mesa Petroleum Co. for an exception to Order No. R-5459, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Order No. R-5459 to exclude its Primo Well No. 1-A located in Unit D of Section 6, Township 31 North, Range 10 West, San Juan County, New Mexico, from the vertical limits of the Blanco-Mesaverde Pool as defined by said order.CASE 6002: Application of New Mexico Salt Water Disposal Company, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bough formation in its Read & Stevens Skelly State Well No. 1 located in Unit H of Section 10, Township 10 South, Range 33 East, Lea County, New Mexico.CASE 6003: Application of Aztec Oil & Gas Company for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Arizona Jicarilla B Well No. 8 to be located in the NW/4 of Section 9, Township 26 North, Range 5 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, this being the first Mesaverde well on its proration unit, the W/2 of said Section 9.CASE 6004: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Blanco-Pictured Cliffs and Blanco Mesaverde production in the wellbore of its San Juan 28-7 Unit Well No. 76 located in Unit A of Section 22, Township 28 North, Range 7 West, Rio Arriba County, New Mexico.CASE 6005: Application of J. M. Huber Corporation for a non-standard unit or compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, proposes to drill its Parr Well No. 1 to the Delaware formation at a point 990 feet from the South and East lines of Section 15, Township 23 South, Range 26 East, Eddy County, New Mexico, and for said well, seeks approval for a 39-acre non-standard oil proration unit comprising all of the SE/4, SE/4 of said Section, except that tract of land owned by Mr. Monk Lofton and described as being one acre, more or less, lying immediately North of the South line of said Section 15 and immediately East of the Eastern boundary of the right of way of U. S. Highways Nos. 62 and 180; in the alternative, applicant seeks an order pooling all mineral interests in the Delaware formation underlying the SE/4, SE/4 of said Section 15 to form a standard 40-acre unit to be dedicated to the aforesaid well. If said well is classified as a gas well, applicant seeks approval for a 159-acre non-standard gas

proration unit comprising all of the SE/4 of said Section 15 except the above-described one-acre tract, or in the alternative, an order pooling all mineral interests in the Delaware formation underlying the SE/4 of said Section 15 to form a standard 160-acre unit to be dedicated to the aforesaid well. If either of the above-described pooling orders is entered, also to be considered will be the cost of drilling and completing the unit well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6006: In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for the creation, contraction, and extension of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Brynes Tank-Middle Delaware Gas Pool. The discovery well is the Hanagan Petroleum Corporation Newman Well No. 1 located in Unit O of Section 7, Township 23 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 7: SE/4

(b) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the Calumet-San Andres Pool. The discovery well is the Elk Oil Company Dexter State Well No. 1 located in Unit D of Section 36, Township 12 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 26 EAST, NMPM
Section 36: NW/4

(c) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production and designated as the Carson-Morrow Gas Pool. The discovery well is Maralo, Inc. Chavelea-Carson Well No. 1 located in Unit F of Section 10, Township 9 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 31 EAST, NMPM
Section 10: N/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Cisco production and designated as the South Kennitz-Cisco Pool. The discovery well is the W. A. Moncrief, Jr., State Well No. 1 located in Unit E of Section 26, Township 16 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 26: W/2
Section 27: S/2

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the South Paduca-Wolfcamp Gas Pool. The discovery well is the Texaco Inc. Cotton Draw Unit Well No. 68 located in Unit F of Section 12, Township 25 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 31 EAST, NMPM
Section 12: W/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the Reeves-Queen Pool. The discovery well is the Honeysuckle Exploration Corporation State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 22: SE/4

(g) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for San Andres production and designated as the Tomhawk-San Andres Pool. The discovery well is the Sundance Oil Company Cone "31" Federal Well No. 1 located in Unit A of Section 31, Township 7 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 31: NE/4

- (h) EXTEND the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 5: SW/4
Section 8: W/2

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

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 15: SE/4

- (j) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 28: S/2 NW/4

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

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM
Section 36: N/2

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 7: N/2

- (l) EXTEND the East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 4: W/2
Section 9: W/2

- (m) EXTEND the North Burton Flat-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 9: All

- (n) EXTEND the North Cemetery-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 34: N/2

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

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 9: N/2

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

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 25: W/2 NE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 18: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 33: SE/4

- (r) EXTEND THE South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 30: S/2

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 27: N/2

- (t) EXTEND the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 12: W/2

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

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM
Section 31: NE/4, NE/4

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

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 18: E/2
Section 19: N/2

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

TOWNSHIP 16 SOUTH, RANGE 26 EAST, NMPM
Section 32: S/2
Section 33: S/2

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 4: Lots 9, 10, 15, 16, and SE/4

- (y) CONTRACT the vertical limits of the Sams Ranch Grayburg-San Andres Gas Pool in Chaves County, New Mexico, to the Grayburg formation only, redesignate said pool as the Sams Ranch-Grayburg Gas Pool, and extend horizontal limits of said pool to include therein:

TOWNSHIP 14 SOUTH, RANGE 28 EAST, NMPM
Section 8: S/2
Section 9: S/2
Section 17: N/2
Section 18: E/2

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 2: NW/4
Section 3: NE/4

- (aa) EXTEND the North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 8: NE/4
Section 17: W/2

- (bb) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 2: NW/4

- (cc) EXTEND the Wilson-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 12: E/2

Case 6002

NEW MEXICO SALT WATER DISPOSAL COMPANY, INC.

731 PETROLEUM BLDG.

P.O. BOX 566

ROSWELL, NEW MEXICO 88201

PHONE 622-1958 AREA CODE 505

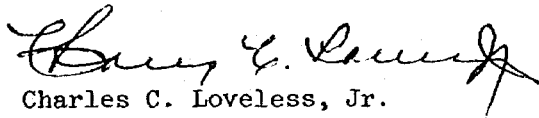
July 8, 1977

State of New Mexico
Oil Conservation Commission
Land Office Building
Santa Fe, New Mexico 87501

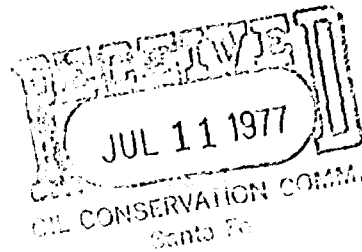
Gentlemen:

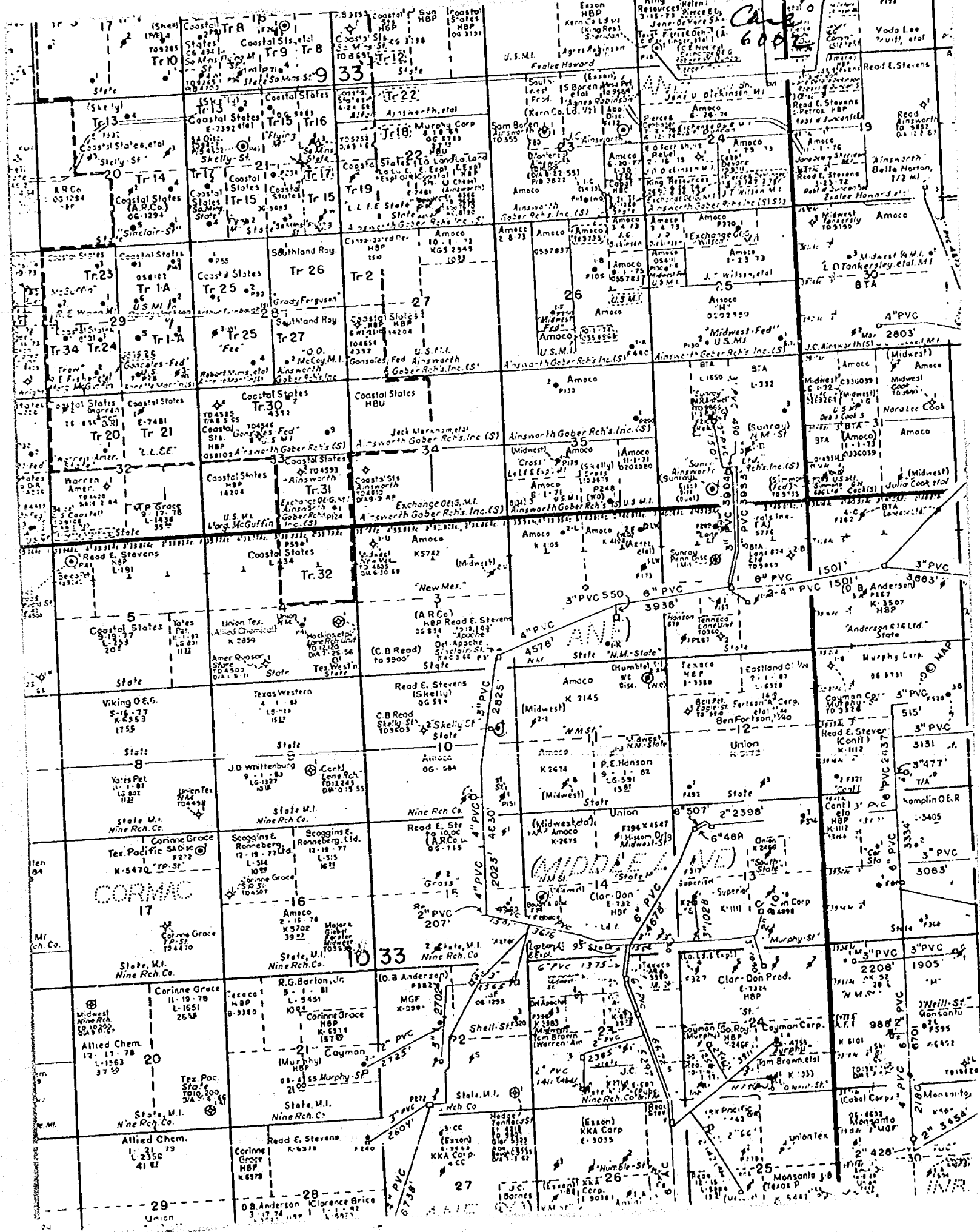
The purpose of this letter is to request a hearing be docketed for consideration of our converting Read & Stevens No. 1 Skelly State located in Unit H, Section 10, T10S-R33E, Lea County, New Mexico, to a salt water disposal well in the Bough formation. Enclosed is a plat showing offset operators within one mile of the proposed location. Please advise if further information may be needed.

Respectfully,


Charles C. Loveless, Jr.

CCL/jd





j
DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

all
CASE NO. 6002

Order No. R- 5508

APPLICATION OF NEW MEXICO SALT
WATER DISPOSAL COMPANY, INC. FOR
SALT WATER DISPOSAL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION *W*
LJ

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 3, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of August, 1977, the Commission,
a quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 6002 is hereby dismissed.

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

