

CASE NO.

6487

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

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. 6487
Order No. R-6404

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR APPROVAL OF INFILL
DRILLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 25, 1980,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 22nd day of July, 1980, the Division
Director, having considered the record and the recommendations
of the Examiner, and being fully advised in the premises,

FINDS:

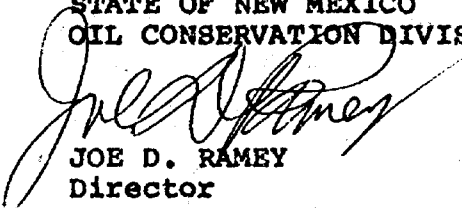
That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 6487 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L
fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
25 June 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas Com-
pany for approval of infill drilling,
Lea County, New Mexico.

CASE
6487

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

SALLY W. BOYD, C.S.R.

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

MR. STAMETS: Call next Case 6487.

MR. PADILLA: Application of El Paso
Natural Gas Company for approval of infill drilling, Lea
County, New Mexico.

MR. STAMETS: At the request of the appli-
cant this case will be dismissed.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.

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

C E R T I F I C A T E

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

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

Rt. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6487 heard by me on 6-25 1980.
Richard A. Blum, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
25 June 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas Com-
pany for approval of infill drilling,
Lea County, New Mexico.

CASE
6487

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

SALLY W. BOYD, C.S.R.

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

1 MR. STAMETS: Call next Case 6487.

2 MR. PADILLA: Application of El Paso

3 Natural Gas Company for approval of infill drilling, Lea

4 County, New Mexico.

5 MR. STAMETS: At the request of the appli-

6 cant this case will be dismissed.

7
8 (Hearing concluded.)
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SALLY W. BOYD, C.S.R.

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

C E R T I F I C A T E

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

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

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

El Paso NATURAL GAS
COMPANY

RECEIVED
JUN 19 1980
P.O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600
OIL CONSERVATION DIVISION
SANTA FE
June 17, 1980

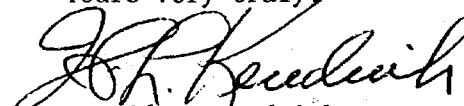
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 6487
EPNG Shell E State Com No. 2
Hearing Date, June 25, 1980

Dear Mr. Ramey:


Upon receipt of Administrative Order NFL 18 dated June 11, 1980, El Paso Natural Gas Company believes there is not a need for the Commission or an Examiner to hear the above referenced case and therefore respectfully requests that this case be dismissed.

Yours very truly,


Harold L. Kendrick

HK:rs

cc: Don Balmer
D. T. Burleson
Bob Carroll



Dockets Nos. 20-80 and 21-80 are tentatively set for July 9 and 23, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 25, 1980

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

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

CASE 6891: (Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Midwest Refining Company, United States Fidelity & Guaranty Company, and all other interested parties to appear and show cause why the State Well No. 1 located in Unit A of Section 16, Township 33 South, Range 14 West, Hidalgo County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6929: Application of Consolidated Oil & Gas, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco Mesaverde and Basin-Dakota production in the wellbore of its NCRA Well No. 1-E located in Unit C of Section 22, Township 26 North, Range 7 West, by using the Dakota gas for gas lift of Mesaverde liquids after metering on the surface.

CASE 6930: Application of Amoco Production Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Empire South Deep Unit Well No. 21 to be drilled 660 feet from the North and East lines of Section 36, Township 17 South, Range 28 East, the E/2 of said Section 36 to be dedicated to the well.

CASE 6931: Application of H. L. Harvey for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Aztec-Fruitland and Bloomfield-Farmington production in the wellbore of his Jones Well No. 3 located in Unit B of Section 13, Township 29 North, Range 11 West.

CASE 6917: (Continued from June 4, 1980, Examiner Hearing)

Application of Yates Petroleum Corporation for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Goat Roper "LP" Com. Well No. 1 located in Unit P of Section 30, Township 17 South, Range 26 East.

CASE 6932: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State "JM" Well No. 2, a Morrow test to be drilled 660 feet from the South and East lines of Section 25, Township 18 South, Range 24 East, the S/2 of said Section 25 to be dedicated to the well.

CASE 6933: Application of Yates Petroleum Corporation for two compulsory poolings, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying two 320-acre proration units, being the N/2 and the S/2 of Section 2, Township 19 South, Range 25 East, each to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 6934: Application of Coronado Exploration Corporation for three compulsory poolings, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying three 40-acre proration units, being the NW/4 SE/4 of Section 6, the NE/4 SE/4 of Section 28, and the SW/4 NW/4 of Section 33, all in Township 11 South, Range 28 East, each to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 6901: (Continued from May 21, 1980, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Mississippian formations underlying the E/2 of Section 19, Township 14 South, Range 36 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. 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 6935: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and undesignated Gallup production in the wellbore of its June Joy Well No. 2 located in Unit B of Section 25, Township 24 North, Range 10 West.
- CASE 6936: 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 26, 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 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 6916: (Continued from June 4, 1980, Examiner Hearing)
Application of Petro-Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinbry production in the wellbore of its State DC Well No. 1, a quadruple completion located in Unit F of Section 19, Township 21 South, Range 37 East.
- CASE 6937: Application of R. N. Hillin for an unorthodox location and dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of his DWV Well No. 4 to produce gas from the Wolfcamp and Morrow formations thru tubing and the annulus, respectively. Applicant further seeks approval of the unorthodox location of said well in the Wolfcamp and Pennsylvanian formations at a point 800 feet from the South line and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East.
- CASE 6938: Application of Anadarko Production Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Dalport Federal Well No. 1 660 feet from the South and West lines of Section 20, Township 13 South, Range 31 East, Southeast Chaves Queen Gas Area, the W/2 of said Section 20 to be dedicated to the well.
- CASE 6939: Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests at a depth from 2400 feet to 5000 feet below the surface, Turkey Track Field, underlying the NE/4 SE/4 of Section 10, Township 19 South, Range 29 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 6940: Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6941: Application of Ellwade Corporation for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 129.52-acre non-standard gas proration unit comprising the W/2 of partial Section 33, Township 26 South, Range 30 East, Ross Draw-Wolfcamp area, to be dedicated to its Ross Draw Well No. 1 located in Unit C of said Section 33.
- CASE 6942: Application of Benson-Montin-Greer Drilling Corporation for amendment of Order No. R-2565-B, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 2 of the Special Pool Rules for the West Puerto Chiquito-Mancos Oil Pool as promulgated by Order No. R-2565-B to provide that all 320-acre spacing and proration units in said pool would comprise either the W/2 or the E/2 of a governmental section, provided however, that one injection well would have dedicated thereto the N/2 of Section 1, Township 24 North, Range 1 West, and also that the short 400-acre sections on the South side of Township 27 North, Range 1 West, would each comprise a single spacing unit.
- CASE 6943: Application of Benson-Montin-Greer Drilling Corporation for a unit agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the East Puerto Chiquito-Mancos Unit Area, comprising 9,769 acres, more or less, of Federal, Indian, and fee lands in Townships 26 and 27 North, Ranges 1 East and 1 West.

- CASE 6944: Application of Benson-Montin-Greer Drilling Corporation for a pressure maintenance project, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of gas, air, LPG, water, or chemicals into the Mancos formation thru 7 wells on its East Puerto Chiquito-Mancos Unit Area.
- CASE 6945: Application of ARCO Oil and Gas Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates-Seven Rivers formation in the interval from 3550 feet to 4000 feet in its Fletcher Well No. 4 in Unit J of Section 27, Township 20 South, Range 34 East, Lynch Field.
- CASE 6946: Application of Knox Industries, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be recompleted in the Morrow formation at a point 1980 feet from the North line and 660 feet from the East line of Section 1, Township 19 South, Range 34 East, the N/2 of said Section 1 to be dedicated to the well.
- CASE 6947: Application of Knox Industries, Inc. for pool contraction and creation and an NCPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order deleting certain lands from the La Rica-Morrow Gas Pool and creating a new gas pool from said lands together with a determination that applicant's NM State Well No. 1 located in Unit F of Section 2, Township 19 South, Range 34 East, has discovered a new onshore reservoir pursuant to Section 102 of the NCPA.
- CASE 6948: Application of Maralo, Inc. for dual completions and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) and simultaneous dedication in the Jalmat Pool of four wells in its Jalmat Yates Unit to produce oil from, and later on to inject water into, its Yates formation waterflood, and to produce oil from the Seven Rivers formation from two of the wells, the Nos. 19 and 20 located in Units C and D and to produce gas from the Seven Rivers from the other two wells, the Nos. 25 and 31 located in Units F and K, all in Section 18, Township 25 South, Range 37 East.
- CASE 6949: Application of Grace Petroleum Corporation for four compulsory poolings, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Escrito-Gallup Pool underlying four 80-acre proration units, being the E/2 NE/4, the S/2 NW/4, and the W/2 NW/4 of Section 28, and the W/2 SE/4 of Section 29, all in Township 24 North, Range 7 West, each to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.
- CASE 6950: Application of Bass Enterprises Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the North line and 1980 feet from the East line of Section 4, Township 25 South, Range 31 East, the E/2 of said Section 4 to be dedicated to the well.
- CASE 6951: Application of Bass Enterprises Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 21, Township 22 South, Range 30 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6952: Application of Exxon Corporation for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 378.11-acre non-standard gas proration unit comprising Lots 1 and 2 and the N/2 NE/4 of Section 31, and Lots 1, 2, 3, 4, and the N/2 N/2 of Section 32, all in Township 26 South, Range 26 East, Morrow formation, to be dedicated to its Milepost Federal Com 2 Well No. 1 located in Unit A of said Section 31.
- CASE 6925: (Readvertised)
- Application of Caribou Four Corners, Inc. for two exceptions to Rule 306, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 306 of the Division Rules and Regulations to permit the permanent flaring of gas from its Kirtland Wells Nos. 1 and 2, located in Units A and B, respectively, of Section 13, Township 29 North, Range 15 West.

CASE 6914: (Continued from June 4, 1980, Examiner Hearing)

Application of Wilson Oil Company for a non-standard proration unit and unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the S/2 of Section 29, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, to be dedicated to its State JD Well No. 1 at an unorthodox location 1650 feet from the South line and 1980 feet from the West line of said Section 29.

CASE 6896: (This case will be continued to the July 9, 1980, Examiner Hearing)

Application of John E. Schalk for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard Blanco Mesaverde gas proration unit comprising the NE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to his Gulf Well No. 2 to be drilled at an unorthodox location 1925 feet from the North line and 790 feet from the East line of said Section 8.

CASE 6487: (Continued from April 23, 1980, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eunont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
23 April 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas) CASE
Company for approval of infill) 6487
drilling, Lea County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. STAMETS: Call next Case 6487.

MR. PADILLA: Application of El Paso
Natural Gas Company for approval of infill drilling, Lea
County, New Mexico.

MR. STAMETS: The applicant has requested
that this case be continued to the June 25th Examiner Hearing,
and it shall be.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

REPORTER'S 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.

Sally W. Boyd CSR

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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4187, heard by me on 4-23 1980.
Richard P. Ham, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
23 April 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas)
Company for approval of infill)
drilling, Lea County, New Mexico.)

CASE
6487

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

SALLY W. BOYD, C.S.R.

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

1 MR. STAMETS: Call next Case 6487.

2 MR. PADILLA: Application of El Paso
3 Natural Gas Company for approval of infill drilling, Lea
4 County, New Mexico.

5 MR. STAMETS: The applicant has requested
6 that this case be continued to the June 25th Examiner Hearing,
7 and it shall be.

8
9 (Hearing concluded.)
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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

REPORTER'S 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.

SALLY W. BOYD, C.S.R.

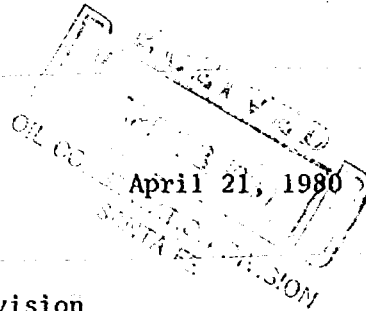
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. _____, heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

El Paso NATURAL GAS
COMPANY

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600



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

Re: Case Number 6487
April 23, 1980

Gentlemen:

El Paso Natural Gas Company respectfully requests that the above referenced Case be continued to a hearing date in June, 1980. We are still hopeful that this case can be resolved through a normal NGPA filing rather than through a hearing with the New Mexico Oil Conservation Division.

If there are any questions regarding this matter, please call me.

Yours very truly,

H. L. Kendrick

HLK/mep

cc: Messrs. D. R. Balmer
D. T. Burleson
R. C. Carroll
D. E. Adams

Dockets Nos. 11-80 and 14-80 are tentatively set for May 7 and 21, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 23, 1980

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

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

CASE 6803: (Continued from February 13, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit EPROC Associates, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why its Monsanto State H Well No. 1 located in Unit E of Section 2, Township 30 North, Range 16 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6866: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Hare and McCoy and all other interested parties to appear and show cause why the H. L. Hare Well No. 2 located in Unit B of Section 23, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6867: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit all interested parties to appear and show cause why the following abandoned wells drilled by unknown party or parties and located in Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program: a well in the SW/4 of Section 24, a well in the SE/4 of Section 22, and a well in the SE/4 of Section 28.

CASE 6850: (Continued from April 9, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Jack F. Grimm, N. B. Hunt, George R. Brown, Am-Arctic, Ltd., The Travelers Indemnity Company, and all other interested parties to appear and show cause why the Mobil 32 Well No. 1 located in Unit D of Section 32, Township 25 South, Range 1 East, Dona Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6870: Application of Bass Enterprises Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Bass State 56 Well No. 1 located in Unit E of Section 36, Township 15 South, Range 34 East, to produce oil from the Townsend-Wolfcamp Pool and gas from an undesignated Morrow pool thru the tubing and casing-tubing annulus, respectively, by means of a cross-over assembly.

CASE 6871: Application of Bass Enterprises Production Company to amend Order No. R-5693, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Order No. R-5693 to remove the restriction as to the time limit in which salt water may be disposed into Big Eddy Unit Well No. 56 located in Unit G of Section 35, Township 21 South, Range 28 East.

CASE 6872: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its State "HQ" Well No. 1 located in Unit P of Section 26, Township 18 South, Range 34 East, Airstrip Field, to produce Bone Springs and Wolfcamp oil thru parallel strings of tubing.

CASE 6873: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Travis Deep Well No. 5, a Morrow test to be drilled 660 feet from the South line and 1650 feet from the East line of Section 12, Township 18 South, Range 28 East, the S/2 of said Section 12 to be dedicated to the well.

CASE 6874: Application of HNG Oil Company for compulsory pooling, Lea 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 6, Township 22 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. 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 6853: (Continued from April 9, 1980, Examiner Hearing)

Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cha Cha-Gallup Pool underlying the N/2 NE/4 of Section 18, Township 29 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 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 6875: Application of Maurice L. Brown Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SE/4 NW/4 of Section 4, Township 9 South, Range 34 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. 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 6876: Application of Maurice L. Brown Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the SW/4 of Section 5, Township 9 South, Range 34 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. 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 6467: (Reopened and Readvertised)

In the matter of Case 6467 being reopened pursuant to the provisions of Order No. R-5958 which order created the Grama Ridge-Bone Spring Pool in Lea County with temporary special rules therefor providing for 160-acre spacing. All interested parties may appear and show cause why the Grama Ridge-Bone Spring Pool should not be developed on 40-acre spacing units.

CASE 6877: Application of Florida Exploration Company for compulsory pooling and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Ellenburger formations underlying the N/2 of Section 11, Township 25 South, Range 35 East, to be dedicated to a well to be drilled at an unorthodox location 1200 feet from the North and West lines of said Section 11. 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 6878: Application of Stevens Oil Company for a non-standard gas proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the N/2 SW/4 and S/2 NW/4 of Section 25, Township 8 South, Range 28 East, Twin Lakes-San Andres Associated Pool, to be dedicated to its O'Brien "F" Well No. 4 located in Unit K of said Section 25.

CASE 6879: Application of Jake L. Hamon for a tubingless completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce his Amerada Federal Well No. 2 located in Unit F of Section 17, Township 20 South, Range 36 East, North Osado-Morrow Gas Pool, thru 4 1/2-inch drill pipe cemented in the hole.

CASE 6861: (Continued from April 9, 1980, Examiner Hearing)

Application of Zia Energy, Inc. for pool creation, special pool rules, and an NCPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres oil pool for its State "C" Well No. 1 located in Unit F of Section 17, Township 22 South, Range 37 East, and special rules therefor, including a provision for a limiting gas-oil ratio of 10,000 to 1. Applicant further seeks a new onshore reservoir determination for said State "C" Well No. 1.

CASE 6837: (Continued from April 9, 1980, Examiner Hearing)

Application of Curtis Little for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 7, Township 25 North, Range 3 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. 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 6487: (Continued from February 13, 1980, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6868: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order contracting and extending certain pools in San Juan, Rio Arriba, Sandoval, and McKinley Counties, New Mexico:

- (a) CONTRACT the Bisti-Farmington Pool in San Juan County, New Mexico, by deleting:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 20: W/2

- (b) CONTRACT the Blanco-Pictured Cliffs Pool in San Juan and Rio Arriba Counties, New Mexico, by deleting:

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 35: NW/4

- (c) EXTEND the Albino-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM
Section 24: W/2
Section 25: W/2
Section 26: SE/4
Section 36: W/2

- (d) EXTEND the Aztec-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
Section 17: S/2

- (e) EXTEND the Aztec-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM
Section 34: NW/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 6: SE/4

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM
Section 7: SW/4
Section 17: S/2

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM
Section 23: NE/4

- (f) EXTEND the Ballard-Pictured Cliffs Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 8 WEST, NMPM
Section 15: NW/4

- (g) EXTEND the Bisti-Farmington Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 29: S/2
Section 30: SE/4 and W/2

- (h) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 22: NW/4

(i) EXTEND the Blanco-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM
Section 1: SW/4
Section 2: SE/4

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
Section 10: SW/4
Section 16: NW/4

(j) EXTEND the Blanco Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 3: N/2
Section 5: N/2
Section 6: All
Section 7: All
Section 8: W/2

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
Section 4: All

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM
Section 17: E/2

(k) EXTEND the Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM
Section 10: NE/4 and S/2

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM
Section 20: NE/4

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM
Section 19: All
Section 29: NW/4
Section 30: N/2

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
Section 10: SW/4
Section 24: E/2

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 8: NW/4

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 7: NE/4
Section 19: NW/4

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM
Section 24: E/2 and SW/4

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM
Section 15: SW/4
Section 18: NE/4
Section 21: NE/4
Section 22: NE/4

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM
Section 1: N/2

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM
Section 33: S/2

TOWNSHIP 32 NORTH, RANGE 12 WEST, NMPM
Section 10: E/2
Section 11: All
Section 13: SW/4
Section 14: All
Section 24: NW/4
Section 25: N/2
Section 26: NE/4
Section 35: E/2 and SW/4

- (1) EXTEND the South Blanco-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 1 WEST, NMPM
Section 19: E/2
Section 30: NE/4

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

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
Section 36: NW/4

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM
Section 12: SE/4

TOWNSHIP 28 NORTH, RANGE 6 WEST, NMPM
Section 34: NE/4

- (m) EXTEND the East Blanco-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

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

TOWNSHIP 31 NORTH, RANGE 4 WEST, NMPM
Section 33: SW/4

- (n) EXTEND the Bloomfield-Farmington Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 25: SE/4

- (o) EXTEND the Campo-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM
Section 12: SE/4
Section 13: NE/4

- (p) EXTEND the Cha Cha-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM
Section 18: N/2 SW/4 and NW/4 SE/4

TOWNSHIP 29 NORTH, RANGE 15 WEST, NMPM
Section 13: NE/4 and N/2 SE/4

- (q) EXTEND the Chacon-Dakota Associated Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM
Section 25: NW/4
Section 26: NE/4
Section 34: SW/4
Section 35: NE/4
Section 36: NW/4

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
Section 20: E/2
Section 34: NW/4

(r) EXTEND the Choza Mesa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 3 WEST, NMPM
 Section 19: S/2
 Section 30: N/2

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM
 Section 9: E/2
 Section 10: All
 Section 16: E/2
 Section 21: NE/4

(s) EXTEND the Escrito-Gallup Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
 Section 21: SW/4

(t) EXTEND the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
 Section 25: SE/4
 Section 36: NE/4 and S/2

(u) EXTEND the Gobernador-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 5 WEST, NMPM
 Section 4: N/2 and SE/4
 Section 5: N/2
 Section 6: N/2
 Section 15: S/2
 Section 23: NW/4 and SE/4
 Section 25: NW/4

TOWNSHIP 29 NORTH, RANGE 6 WEST, NMPM
 Section 1: NE/4

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

(v) EXTEND the Harper Hill Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM
 Section 27: SE/4
 Section 34: NE/4
 Section 35: SW/4

(w) EXTEND the Harris Mesa-Chacra Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
 Section 11: S/2
 Section 12: SW/4
 Section 13: N/2
 Section 14: NE/4

(x) EXTEND the West Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM
 Section 24: S/2

(y) EXTEND the Largo-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM
 Section 28: SE/4

(z) EXTEND the South Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
 Section 21: SW/4
 Section 27: N/2

(aa) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
Section 17: NW/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 3: SW/4
Section 5: S/2
Section 6: S/2
Section 7: N/2 and SW/4
Section 8: N/2
Section 11: SW/4
Section 14: NE/4
Section 24: SW/4

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 23: NW/4
Section 30: SW/4
Section 31: SE/4

(bb) EXTEND the South Los Pinos Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM
Section 1: W/2
Section 10: SE/4
Section 11: N/2

TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM
Section 26: SE/4
Section 34: SE/4

(cc) EXTEND the Otero-Chacra Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 23: N/2
Section 25: N/2 and SE/4

(dd) EXTEND the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
Section 2: N/2 NW/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 22: NE/4
Section 23: NW/4
Section 34: W/2 SW/4 and SE/4
Section 35: SW/4 SW/4

(ee) EXTEND the Rusty-Chacra Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 6 WEST, NMPM
Section 18: SW/4
Section 19: All
Section 20: SW/4
Section 28: NW/4
Section 29: N/2
Section 30: NE/4

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM
Section 10: S/2
Section 11: SW/4
Section 14: W/2
Section 15: SE/4
Section 20: NE/4

(ff) EXTEND the Star-Mesaverde Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 19 NORTH, RANGE 6 WEST, NMPM
Section 16: N/2 NE/4

(gg) EXTEND the Ute Dome-Dakota Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM
Section 25: W/2

(hh) EXTEND the WAW Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 19: S/2 and NW/4
Section 30: NW/4
Section 31: NE/4
Section 36: NW/4

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 2: S/2
Section 3: S/2
Section 9: NE/4
Section 10: N/2
Section 11: All
Section 12: W/2
Section 13: NW/4
Section 14: N/2
Section 24: E/2

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 7: W/2 and SE/4
Section 17: W/2 and SE/4
Section 20: E/2
Section 21: W/2
Section 28: All

CASE 6869: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting and extending the vertical and horizontal limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the East Anderson Ranch-Wolfcamp Pool. The discovery well is Holly Energy, Inc. Pogo State Well No. 1 located in Unit H of Section 19, Township 16 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 19: NE/4

(b) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the Bull's Eye-San Andres Pool. The discovery well is Ralph Nix Union Happy Well No. 1 located in Unit O of Section 1, Township 8 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM
Section 1: SE/4 and S/2 NE/4
Section 12: NE/4

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM
Section 6: W/2 SW/4
Section 7: W/2 NW/4

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Cary-San Andres Pool. The discovery well is Zia Energy, Inc. State C Well No. 1 located in Unit F of Section 17, Township 22 South, Range 37 East, NMPM. Said pool would comprise:

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

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Grayburg production and designated as the Diamond Mound-Grayburg Gas Pool. The discovery well is Mesa Petroleum Company Sink Federal Well No. 1 located in Unit 1 of Section 9, Township 16 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 9: SE/4

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Diamond Mound-Morrow Gas Pool. The discovery well is Mesa Petroleum Company Derrick Federal Com Well No. 1 located in Unit K of Section 5, Township 16 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 5: Lots 3, 4, 5, 6, 11, 12,
13, and 14

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Abo production and designated as the Gopher-Abo Gas Pool. The discovery well is Mesa Petroleum Company Catclaw State Well No. 1 located in Unit G of Section 31, Township 17 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM
Section 31: NE/4

(g) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Upper Pennsylvanian production and designated as the Grayburg-Upper Pennsylvanian Pool. The discovery well is Depco, Inc. Conoco State Well No. 1 located in Unit K of Section 15, Township 17 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 15: SW/4

(h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Drinkard production and designated as the Hardy-Drinkard Pool. The discovery well is Amoco Production Company State C Tr. 11 Well No. 11 located in Unit X of Section 2, Township 21 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 2: SE/4
Section 11: NE/4

(i) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Logan Draw-Atoka Gas Pool. The discovery well is Mesa Petroleum Company Maralo Federal Com Well No. 1 located in Unit L of Section 22, Township 17 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 22: W/2

(j) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Queen production and designated as the Rabbit Flats-Queen Pool. The discovery well is Rapid Company, Inc. Copelan State Well No. 1 located in Unit C of Section 31, Township 10 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 31: NE/4 NW/4 and N/2 NE/4

(k) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Ross Draw-Wolfcamp Gas Pool. The discovery well is Florida Gas Exploration Company Ross Draw Unit Well No. 1 located in Unit J of Section 26, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 26: S/2
Section 27: All

(l) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Sand Point-Morrow Gas Pool. The discovery well is Perry R. Bass Big Eddy Unit Well No. 72 located in Unit R of Section 3, Township 21 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 3: S/2

(m) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Mississippian production and designated as the Sand Ranch-Mississippian Gas Pool. The discovery well is MCF Oil Corporation Bicar Federal Well No. 1 located in Unit G of Section 14, Township 10 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM
Section 14: N/2

(n) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the North Tom Tom-San Andres Pool. The discovery well is NRM Petroleum Corporation Mooney Well No. 1 located in Unit A of Section 17, Township 7 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 17: NE/4

(o) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Springs production and designated as the Tonto-Bone Springs Pool. The discovery well is Amoco Production Company Nellis A Federal Well No. 1 located in Unit E of Section 8, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 8: NW/4

(p) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the Townsend-Mississippian Gas Pool. The discovery well is Allen K. Trobaugh Eidson Com Well No. 1 located in Unit C of Section 28, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 28: NE/4

(q) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Fusselman production and designated as the Wantz-Fusselman Pool. The discovery well is N. B. Hunt Mittie Weatherly Well No. 8 located in Unit C of Section 21, Township 21 South, Range 37 East, NMPM. Said pool would comprise:

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

(r) EXTEND the Airstrip-Lower Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 25: NW/4

(s) EXTEND the West Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM
Section 28: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 5: S/2

(u) EXTEND the Bar U-Pennsylvanian Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
Section 31: N/2

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

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

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 11: All

- (x) EXTEND the East Caprock-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 14: SW/4
Section 23: W/2

- (y) CONTRACT the horizontal limits of the Cato-San Andres Pool in Chaves County, New Mexico, by the deletion of the following described area:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 5: NW/4

- and EXTEND the horizontal limits of said pool to include therein:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
Section 4: SE/4

- (z) EXTEND the Chaveroo-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 34: NW/4

- (aa) EXTEND the Comanche Stateline Tansill-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 21: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 22: NE/4
Section 23: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 25: W/2

- (dd) EXTEND the Double L-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
Section 1: W/2, SW/4 NE/4 and W/2 SE/4

- (ee) EXTEND the Eagle Creek Permo-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 3: All

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 10: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 26: S/2

- (hh) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 1: W/2

- (ii) EXTEND the Grama Ridge-Wolfcamp Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 36: N/2 and SE/4

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

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 34: W/2

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 3: NW/4

- (kk) EXTEND the Jalmat Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 28: S/2 NW/4

- (ll) EXTEND the Justis-Paddock Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 25: S/2

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM
Section 30: SW/4

- (mm) EXTEND the Langley-Devonian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 17: S/2
Section 28: N/2

- (nn) EXTEND the Langley-Ellenburger Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 17: S/2

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 21: N/2 N/2

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

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 20: All
Section 21: S/2
Section 28: E/2
Section 33: E/2

- (qq) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 18: NE/4

- (rr) EXTEND the Parkway-Strawn Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 25: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 21: S/2
Section 22: All

(tt) EXTEND the South Peterson-Fusselman Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 32 EAST, NMPM
Section 25: SE/4

(uu) EXTEND the North Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 12: E/2

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 7: W/2

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

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 25: SW/4
Section 36: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 3: E/2
Section 10: E/2

(xx) EXTEND the Shugart Yates-Seven Rivers Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 35: N/2 NE/4

(yy) EXTEND the vertical limits of the Sioux-Yates Pool in Lea County, New Mexico, to include the Tansill formation and redesignate said pool as the Sioux Tansill-Yates Pool, and extend the horizontal limits of said pool to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 16: N/2 and SE/4

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

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 25: NW/4
Section 26: SE/4
Section 28: SW/4

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 5: NW/4 and N/2 SW/4

(aaa) EXTEND the West Tonto-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 18: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 11: All
Section 14: E/2

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 27: S/2

(ddd) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

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

(ccc) EXTEND the White Ranch Mississippian Gas Pool in Chavez County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 29 EAST, NMJM
Section 14: E/2

(fff) EXTEND the Wilson-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 14 EAST, NMJM
Section 12: SE/4
Section 13: NE/4

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
13 February 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas Com-) CASE
pany for approval of infill drilling,) 6487
Lea County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

SALLY W. BOYD, C.S.R.

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

1 MR. NUTTER: We'll call next Case Number

2 6487.

3 MR. PADILLA: Application of El Paso
4 Natural Gas Company for approval of infill drilling, Lea
5 County, New Mexico.

6 MR. NUTTER: Do you have a date on this,
7 Babe?

8 MR. KENDRICK: We don't know the date on
9 it but ask for a date in April.

10 MR. NUTTER: Case Number 6487, the appli-
11 cation of El Paso, will be continued to the Examiner Hearing
12 scheduled to be held at this same place at 9:00 o'clock a. m.
13 April 23rd, 1980.

14
15 (Hearing concluded.)
16
17
18
19
20
21
22
23
24
25

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

REPORTER'S 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.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6487 heard by me on 2/13 1980.

[Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
13 February 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas Com-) CASE
pany for approval of infill drilling,) 6487
Lea County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87301
Phone (505) 435-7409

1 MR. NUTTER: We'll call next Case Number
2 6487.

3 MR. PADILLA: Application of El Paso
4 Natural Gas Company for approval of infill drilling, Lea
5 County, New Mexico.

6 MR. NUTTER: Do you have a date on this,
7 Babe?

8 MR. KENDRICK: We don't know the date on
9 it but ask for a date in April.

10 MR. NUTTER: Case Number 6487, the appli-
11 cation of El Paso, will be continued to the Examiner Hearing
12 scheduled to be held at this same place at 9:00 o'clock a. m.
13 April 23rd, 1980.

14
15 (Hearing concluded.)
16
17
18
19
20
21
22
23
24
25

SALLY W. BOYD, C.S.R.

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

REPORTER'S 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.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6282 heard by me on 2/13 1980

[Signature], Examiner
Oil Conservation Division

Dockets Nos. 5-80 and 6-80 are tentatively set for February 27 and March 12, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 13, 1980

9 A.M. - OIL CONSERVATION DIVISION 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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1980, for both of the above areas.

CASE 6803: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit EPROC Associates, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why its Monsanto State H Well No. 1 located in Unit E of Section 2, Township 30 North, Range 16 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6787: (Continued from January 16, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the approval of 12 non-standard proration units ranging in size from 261.51 acres to 334.24 acres for 320-acre spaced pools, and 19 non-standard proration units ranging in size from 162.65 acres to 207.57 acres for 160-acre spaced pools, all of the aforesaid units being in and resulting from the irregular size and shape of Sections 1 thru 7 and 18, 19, 30, and 31, along the North and West sides of Township 28 North, Range 3 West, Rio Arriba County.

CASE 6487: (Continued from January 3, 1980, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6804: Application of The Superior 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 its Bondurant Federal Com Well No. 1; a Morrow test to be drilled 1930 feet from the South line and 660 feet from the East line of Section 1, Township 19 South, Range 32 East, the S/2 of said Section 1 to be dedicated to the well.

CASE 6767: (Continued from January 16, 1980, Examiner Hearing)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6805: Application of Hondo Oil and Gas Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 10 Well No. 1, a Wolfcamp-Pennsylvanian test to be drilled 1550 feet from the North line and 660 feet from the West line of Section 10, Township 18 South, Range 28 East, the W/2 of said Section 10 to be dedicated to the well.

CASE 6806: Application of Westall, Mask and Jennings for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into unlined surface pits adjacent to tank batteries in Sections 23, 24, 25, 26, 27, 34 and 35, Township 18 South, Range 31 East.

CASE 6807: Application of Meadco Properties, Ltd. for an exception to Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order No. R-111-A to permit a proposed well in Unit L of Section 4, Township 21 South, Range 29 East, to be completed by setting surface casing at 550 feet and production casing at total depth and cementing both casing strings to the surface.

CASE 6808: Application of Conoco Inc. for two non-standard gas proration units and two unorthodox well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of Section 24, Township 20 South, Range 37 East, Eumont Gas Pool, and also a 120-acre non-standard gas proration unit comprising the W/2 SW/4 and SE/4 of said Section 24, each of said units to be dedicated to a well to be drilled at an unorthodox location, the first being 990 feet from the North line and 330 feet from the West line of the section, and the second being 1650 feet from the South line and 330 feet from the East line.

CASE 6387: (Reopened and Readvertised)

In the matter of Case 6387 being reopened pursuant to the provisions of Order No. R-5353-E which order reclassified the North Tocito Dome-Pennsylvanian Gas Pool as an associated pool with special rules and regulations therefor. All interested parties may appear and show cause why the North Tocito Dome-Pennsylvanian Associated Pool should not be reclassified as a gas pool to be governed by statewide rules.

CASE 6809: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Betenbough Unit Area, comprising 1921 acres, more or less, of State and fee lands in Township 13 South, Range 36 East.

CASE 6790: (Continued from January 30, 1980, Examiner Hearing)

Application of Merrion & Bayless for gas well commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to temporarily commingle certain of its Pictured Cliffs gas wells in Sections 1, 2, 3, 9, 10, and 11, Township 26 North, Range 13 West, in a common gathering system and meter the entire lease output through the purchaser's sales meter located in Unit M of said Section 7.

CASE 6784: (Continued from January 30, 1980, Examiner Hearing)

Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, to be dedicated to its Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.

In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.

CASE 6795: (Continued and Readvertised)

Application of Torregon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Oil Pool by the injection of water into the Menafée formation through its San Luis Fed. Wells Nos. 1 and 2, located in Unit K of Section 21, Township 18 North, Range 3 West. Applicant further seeks an administrative procedure for approval of additional producing and injection wells at unorthodox locations in said project.

CASE 6810: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending the vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Fusselman production and designated as the Brunson-Fusselman Pool. The discovery well is Amoco Production Company Grizzell B Well No. 3 located in Unit H of Section 8, Township 22 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 8: NE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the North Illinois Camp-Morrow Gas Pool. The discovery well is Hondo Oil and Gas Company Exxon State Well No. 1 located in Unit K of Section 9, Township 18 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 9: All

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the Kennedy Farms-Upper Pennsylvanian Gas Pool. The discovery well is Yates Petroleum Corporation Seigenthaler "15" Com Well No. 2 located in Unit K of Section 21, Township 17 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 15: All
Section 16: E/2
Section 21: All
Section 28: E/2
Section 33: E/2

(d) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the East Siete-San Andres Pool. The discovery well is Sundance Oil Company Grynberg Federal Well No. 3 located in Unit D of Section 14, Township 8 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 14: NW/4

(e) EXTEND the vertical limits of the Angell Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include the Atoka formation and redesignate said pool as the Angell Ranch Atoka-Morrow Gas Pool and extend the horizontal limits of said pool to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 24: W/2

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

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

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 23: All

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 3: N/2

(h) EXTEND the West Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM
Section 29: NE/4

(i) EXTEND the Austin-Mississippian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM
Section 18: N/2

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

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 1: SE/4
Section 12: N/2

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

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

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

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM
Section 25: S/2

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 20: N/2

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 22: N/2

- (n) EXTEND the South Carlsbad-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 24: SW/4 NE/4

- (o) EXTEND the Caudill-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM
Section 9: NW/4 and N/2 SW/4

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

TOWNSHIP 11 SOUTH, RANGE 26 EAST, NMPM
Section 14: NW/4 NW/4

- (q) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 11: E/2

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

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 10: All
Section 12: S/2

- (s) EXTEND the Double L Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
Section 23: W/2
Section 24: W/2 NE/4

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

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 12: SW/4

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

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 15: S/2

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 25: N/2

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 4: S/2

- (w) EXTEND the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 22: NE/4 and NE/4 SE/4

- (x) EXTEND the Eumont Yates Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 4: Lots 9, 10, 11, 12, 13, 14,
15 and 16

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 33: E/2 NE/4
Section 34: W/2

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

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 5: S/2
Section 8: N/2

- (aa) EXTEND the Hardy-Blinebry Pool in Lea County, New Mexico, to include therein:

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

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

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 22: W/2

- (cc) EXTEND the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 23: NE/4
Section 24: NW/4

- (dd) EXTEND the Palmillo-Bone Springs Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 1: NE/4 and N/2 NW/4

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

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 27: W/2
Section 28: All

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 31: W/2 W/2

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

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM
Section 19: N/2 NE/4
Section 20: NW/4 NW/4

- (hh) EXTEND the Sand Dunes-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 18: W/2

- (ii) EXTEND the Sioux-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 16: NW/4

(jj) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

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

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 27: W/2

STATE OF NEW MEXICO
 ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 STATE LAND OFFICE BLDG.
 SANTA FE, NEW MEXICO
 3 January 1980

EXAMINER HEARING

 IN THE MATTER OF:)

Application of El Paso Natural Gas)
 Company for approval of Infill drilling,) CASE
 Lea County, New Mexico.) 6487
)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
 Division:

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

MR. STAMETS: We'll call next Case
6487.

MR. PADILLA: Application of El Paso
Natural Gas Company for approval of infill drilling, Lea
County, New Mexico.

MR. STAMETS: At the request of the
applicant Case 6487 will be continued to the February 13th,
1980, Examiner Hearing.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,
DO HEREBY CERTIFY that the foregoing and attached 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 from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6487
heard by me on 1-3 1980.

Richard D. Stewart, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
3 January 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas
Company for approval of Infill drilling,
Lea County, New Mexico.

CASE
6487

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

MR. STAMETS: We'll call next Case

6487.

MR. PADILLA: Application of El Paso
Natural Gas Company for approval of infill drilling, Lea
County, New Mexico.

MR. STAMETS: At the request of the
applicant Case 6487 will be continued to the February 13th,
1980, Examiner Hearing.

(Hearing concluded.)

REPORTER'S CERTIFICATION

I, SALLY W. BOYD, a Certified Shorthand Reporter,
DO HEREBY CERTIFY that the foregoing and attached 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 from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

Dockets Nos. 2-80 and 3-80 are tentatively set for January 16 and 30, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1980

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

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

CASE 6770: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit National Petroleum Company and all other interested parties to appear and show cause why its Well No. 1 located 905 feet from the North line and 1155 feet from the West line of Section 22, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6786: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of its administrative procedure for the approval of infill drilling on existing gas proration units as promulgated by Order No. R-6013 to permit the approval of infill wells as new onshore production wells pursuant to the Natural Gas Policy Act of 1978 without notice and hearing even though such wells have been spudded prior to receiving such approval.

CASE 6771: Application of Getty Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the E/2 SW/4 of Section 31, Township 24 South, Range 37 East, and the NW/4 NE/4 and NE/4 NW/4 of Section 6, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6772: Application of Reading & Bates Petroleum Co. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the SE/4 of Section 17, Township 24 North, Range 3 West, Chacon-Dakota Pool, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. 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 6773: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 20, Township 19 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. 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 6774: Application of Doyle Hartman for an unorthodox location, non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the NW/4 NW/4 of Section 6, Township 25 South, Range 37 East, and the W/2 SW/4 of Section 31, Township 24 South, Range 37 East, to be dedicated to his Federal Jalmat Com Well No. 1 at an unorthodox location 590 feet from the North line and 660 feet from the West line of said Section 6; applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6768: (Continued and Readvertised)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, compulsory pooling, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard gas proration unit comprising the SW/4 SE/4 of Section 21, Township 24 South, Range 37 East, Jalmat Gas Pool, to be dedicated to the El Paso Natural Gas Company Shell Black Well No. 2. Applicant also seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the E/2 SW/4 and NW/4 SE/4 of said Section 21 to form a 120-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South line and 1650 feet from the West line of said Section 21. 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. Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

CASE 6767: (Continued from December 12, 1979, Examiner Hearing)

Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6487: (Continued from October 17, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6732: (Continued from November 28, 1979, Examiner Hearing)

Application of Dorchester Exploration, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Morton Solid State Unit Well No. 1 located 2156 feet from the North line and 990 feet from the West line of Section 4, Township 15 South, Range 34 East, Tres Papalotes-Pennsylvanian Pool.

CASE 6775: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Young Deep Unit Area, comprising 2242 acres, more or less, of Federal lands in Township 18 South, Range 32 East.

CASE 6776: Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Young Deep Unit Well No. 1, a Morrow test to be drilled 660 feet from the North and West lines of Section 10, Township 18 South, Range 32 East, the W/2 of said Section 10 to be dedicated to the well.

CASE 6777: Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Amoco 22 State Well No. 2 located in Unit G of Section 22, Township 23 South, Range 27 East.

CASE 6778: Application of Harvey E. Yates Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Loco Hills Welch Well No. 2 located in Unit N of Section 4, Township 18 South, Range 29 East.

CASE 6745: (Continued from November 28, 1979, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the W/2 of Section 28, Township 23 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. 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 6779: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Pronghorn Unit Area, comprising 5,120 acres, more or less, of State and Federal lands in Townships 22 and 23 South, Range 33 East.

CASE 6780: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Serpentine Bends Unit Area, comprising 4,802 acres, more or less, of State and Federal lands in Township 24 South, Ranges 23 and 24 East.

CASE 6781: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South line and 1980 feet from the East line of Section 1, Township 20 South, Range 28 East, the E/2 of said Section 1 to be dedicated to the well.

CASE 6782: Application of Inesco Oil Company for an exception to Order No. R-3221, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit II of Section 7, Township 19 South, Range 33 East.

CASE 6783: Application of McClellan Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marlise State Well No. 6 located 1155 feet from the North line and 2475 feet from the West line of Section 24, Township 14 South, Range 29 East, Double "L"-Queen Associated Pool, the NE/4 NW/4 of said Section 24 to be dedicated to the well.

CASE 6784: Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, to be dedicated to its Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.

In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.

CASE 6785: Application of The Harlow Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 SW/4 of Section 18, Township 8 South, Range 29 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. 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.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
17 October, 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas Company
for approval of infill drilling, Lea
County, New Mexico.

CASE
6487

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Applicant:

No Attorney for the Applicant

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-2482
Santa Fe, New Mexico 87501

MR. NUTTER: Call Case Number 6487.

MR. PADILLA: Application of El Paso Natural
Gas Company for approval of infill drilling, Lea County, New
Mexico.

MR. BURLESON: Mr. Examiner, I understand
that this case will be continued to January 3rd, 1979, Case
6487.

MR. NUTTER: Case Number 6487, at the re-
quest of applicant, will be continued to the Examiner Hearing
scheduled to be held at this same place at 9:00 o'clock a.m.,
January 3rd, 1980.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S.S.) 471-2462
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY
CERTIFY that the foregoing and attached Transcript of Hearing
before the Oil Conservation Division was reported by me; that
said transcript is a full, true, and correct record of the hearing,
prepared by me to the best of my ability, from my notes taken
at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6487
heard by me on 10/17 19 79.

[Signature] Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
17 October, 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas Company
for approval of infill drilling, Lea
County, New Mexico.

CASE
6487

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Applicant:

No Attorney for the Applicant

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

1 MR. NUTTER: Call Case Number 6487.

2 MR. PADILLA: Application of El Paso Natural
3 Gas Company for approval of infill drilling, Lea County, New
4 Mexico.

5 MR. BUPLESON: Mr. Examiner, I understand
6 that this case will be continued to January 3rd, 1979, Case
7 6487.

8 MR. NUTTER: Case Number 6487, at the re-
9 quest of applicant, will be continued to the Examiner Hearing
10 scheduled to be held at this same place at 9:00 o'clock a.m.,
11 January 3rd, 1980.

12
13 (Hearing concluded.)
14
15
16
17
18
19
20
21
22
23
24
25

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (601) 471-3462
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY
CERTIFY that the foregoing and attached Transcript of Hearing
before the Oil Conservation Division was reported by me; that
said transcript is a full, true, and correct record of the hearing,
prepared by me to the best of my ability, from my notes taken
at the time of the hearing.

Sally W. Boyd, C. S. R.

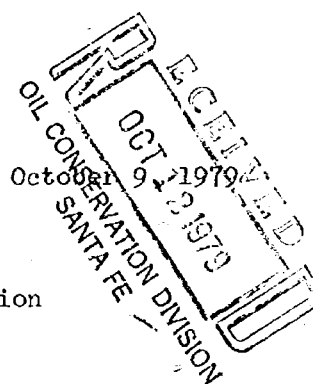
SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
a correct transcript of the proceedings in
the Examiner hearing of Case No. 6487
heard by me on 10/17 1979.

 Examiner
Oil Conservation Division

El Paso NATURAL GAS
COMPANY

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600



*Case 6487
cont to Jan 3*

New Mexico Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87501

Re: Case number 6487

Gentlemen:

El Paso Natural Gas Company respectfully requests that Case number 6487 as scheduled for the October 17, 1979 examiner hearing be continued to an examiner hearing in January 1980.

If there are any questions regarding this Case, please call.

Sincerely,

H. L. Kendrick

HLK:mep

Dockets Nos. 41-79 and 42-79 are tentatively set for October 31 and November 14, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 17, 1979

9 A.M. - OIL CONSERVATION DIVISION 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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for November, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for November, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 6693: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian test well to be located 1130 feet from the South line and 1300 feet from the East line of Section 30, Township 17 South, Range 26 East, the S/2 of said Section 30 to be dedicated to the well.
- CASE 6694: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the S/2 of Section 35, Township 18 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. 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 6695: Application of Millard Deck Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6696: Application of R. Q. Silverthorne for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Yates test well to be drilled 1310 feet from the South and West lines of Section 30, Township 18 South, Range 31 East, Shugart Pool.
- CASE 6697: Application of Conoco Inc. for an unorthodox location and dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Wells B-1 Well No. 5 at an unorthodox Devonian location 1650 feet from the North line and 660 feet from the East line of Section 1, Township 25 South, Range 36 East, to produce gas from the Devonian and Ellenburger formations, Custer Field, thru parallel strings of tubing, the E/2 of said Section 1 to be dedicated to the well.
- CASE 6671: (Continued from October 2, 1979, Examiner Hearing)
- Application of Chapman and Schneider for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Seven Rivers Reef formation in the open-hole interval from 3422 feet to 3504 feet in its I. B. Ogg "A" Well No. 3 located in Unit E of Section 35, Township 24 South, Range 36 East, Jalmat Pool.
- CASE 6698: Application of Stevens Oil Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 SW/4 of Section 30, Township 8 South, Range 29 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. 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 6699: Application of Robert C. Anderson for two unorthodox gas well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Ute Mountain Ute Well No. 1 located in the center of Unit L, and Well No. 3, located 2310 feet from the North and West lines, both in Section 14, Township 31 North, Range 16 West, the SW/4 of said Section 14 to be dedicated to Well No. 1 and the NW/4 to be dedicated to Well No. 3.

CASE 6680: (Continued from October 2, 1979, Examiner Hearing)

Application of Robert C. Anderson for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling of all production from his Ute Mountain Ute Lease, Wells Nos. 1, 3 and 4, located in Section 14, Township 31 North, Range 16 West.

CASE 6631: (Continued from August 22, 1979, Examiner Hearing)

Application of Reserve Oil, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat gas and Langlie Mattix oil production in the wellbore of its Cooper Jal Unit Well No. 149-306 located in Unit J of Section 18, Township 24 South, Range 37 East.

CASE 6700: Application of Doyle Hartman for an unorthodox well location, a non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the NW/4 NW/4 and S/2 NW/4 of Section 29, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the North line and 330 feet from the West line of said Section 29; applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

CASE 6701: Application of Doyle Hartman for compulsory pooling, non-standard gas proration unit, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Seven Rivers-Queen formations underlying the SE/4 of Section 30, Township 21 South, Range 36 East, Eumont Gas Pool, to form a 160-acre non-standard gas proration unit to be dedicated to his J. K. Rector Well No. 1 at an unorthodox location 2310 feet from the South line and 330 feet from the East line of said Section 30. 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. Applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

CASE 6676: (Continued from October 2, 1979, Examiner Hearing)

Application of Doyle Hartman for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the SW/4 NE/4 and SE/4 NW/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the North line and 1650 feet from the East line of said Section 36.

CASE 6664: (Continued from September 19, 1979, Examiner Hearing)

Application of Doyle Hartman for an unorthodox well location, two non-standard proration units and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 SW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 1, and also a 120-acre unit comprising the E/2 SW/4 and SW/4 SW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 330 feet from the South and West lines of the section; applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6662: (Continued from September 19, 1979, Examiner Hearing)

Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla "A" Well No. 22Y located in Unit K of Section 24, Township 26 North, Range 4 West, to produce gas from the Blanco Mesaverde Pool through tubing and to commingle and produce the Wildhorse Gallup and Basin-Dakota zones through a parallel tubing string.

CASE 6702: 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 27-5 Unit Well No. 67 located in Unit B of Section 31, Township 27 North, Range 5 West.

CASE 6487: (Continued from July 25, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6679: (Continued from October 2, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for a gas storage unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Washington Ranch Morrow Unit Area comprising the Morrow formation and the first 100 feet immediately above and below said formation underlying all or parts of Sections 21 thru 23, 26 thru 29, and 32 thru 36, Township 25 South, Range 24 East; Sections 1 thru 5 and 9 thru 14, Township 26 South, Range 24 East; and Sections 6, 7, and 18, Township 26 South, Range 25 East, Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico. Said unit area would be for the purpose of conducting a gas storage project and would comprise 12,158 acres, more or less, of State, federal and fee lands.

CASE 6703: Application of El Paso Natural Gas Company for underground gas storage, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas storage project in the Morrow formation underlying its Washington Ranch Morrow Unit Area in Townships 25 and 26 South, Ranges 24 and 25 East, Washington Ranch-Morrow Gas Pool. Applicant further seeks the promulgation of rules governing the drilling and completion of wells going thru the Morrow formation and the first 100 feet immediately above and below said formation underlying the unit area into deeper formations, and the establishment of an administrative procedure for the consideration of exceptions to the Division's well-spacing and casing and tubing requirements for its injection and withdrawal wells.

CASE 6704: Application of ARCO Oil and Gas Company for the amendment of Order No. R-6044, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6044 which authorized the drilling of a horizontal drainhole in the Empire-Abo Pool. Applicant proposes to amend the target area prescribed by said order for the drainhole.

CASE 6705: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Southwest Indian Flats-Morrow Gas Pool. The discovery well is Perry R. Bass Big Eddy Unit Well No. 68 located in Unit K of Section 10, Township 22 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 10: W/2

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka-Morrow production and designated as the South Kemnitz Atoka-Morrow Gas Pool. The discovery well is Tenneco Oil Company Kemnitz Deep Well No. 1 located in Unit G of Section 29, Township 16 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 29: E/2

(c) EXTEND the Anderson Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 3: S/2

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

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

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 23: S/2

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

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 22: S/2
Section 23: S/2
Section 28: E/2

- (g) EXTEND the Box Canyon-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 7: S/2
Section 18: N/2

- (h) EXTEND the Bluit-San Andres Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 22: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 12: W/2

- (j) EXTEND the South Brunson-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 30: NE/4

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

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
Section 4: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 18: All

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

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 3: NW/4

- (n) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 34: E/2

- (o) EXTEND the Diamond Mound-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 11: All

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 18: SW/4

- (q) EXTEND the Eagle Creek-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 36: N/2

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 19: N/2

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 12: SW/4

- (t) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 35: N/2
Section 36: N/2

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 2: SW/4

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 22: SW/4

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

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 14: W/2

- (w) EXTEND the Kemnitz-Cisco Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 8: SE/4
Section 9: SW/4

- (x) EXTEND the Langlie-Ellenburger Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 20: E/2

- (y) EXTEND the Langlie Mattix Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 32: SW/4

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 8: S/2
Section 16: E/2

- (aa) EXTEND the Penasco Draw-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 21: W/2

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

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 25: S/2
Section 36: All

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

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 31: SE/4

- (dd) EXTEND the South Peterson-Fusseiman Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 30: SE/4

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

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 31: N/2 SE/4 and S/2 NE/4

- (ff) EXTEND the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 31: W/2

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

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 27: W/2
Section 33: E/2
Section 34: W/2 and SE/4
Section 35: All

- (hh) EXTEND the North Teague-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 21: NE/4

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

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

- (jj) EXTEND the Travis-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 13: N/2 S/2

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
25 July 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas Company) CASE
for approval of infill drilling, Lea) 6487
County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

1 MR. NUTTER: We'll call now Case 6487.

2 MR. PADILLA: Application of El Paso
3 Natural Gas Company for approval of infill drilling, Lea
4 County, New Mexico.

5 MR. BURLESON: If the Examiner please, we
6 would like to request a continuance on that case to an
7 available date in October.

8 MR. NUTTER: Case Number 6487 will be
9 continued to the Examiner Hearing scheduled to be held at
10 this same place at 9:00 o'clock a. m. on October 17th,
11 1979.

12
13 (Hearing concluded.)
14
15
16
17
18
19
20
21
22
23
24
25

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (605) 471-2462
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowlege, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6487
heard by me on 9/25/79.

[Signature], Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (606) 471-2462
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
25 July 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas Company) CASE
for approval of infill drilling, Lea) 6487
County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (606) 471-2462
Santa Fe, New Mexico 87501

1 MR. NUTTER: We'll call now Case 6487.

2 MR. PADILLA: Application of El Paso
3 Natural Gas Company for approval of infill drilling, Lea
4 County, New Mexico.

5 MR. BURLESON: If the Examiner please, we
6 would like to request a continuance on that case to an
7 available date in October.

8 MR. NUTTER: Case Number 6487 will be
9 continued to the Examiner Hearing scheduled to be held at
10 this same place at 9:00 o'clock a. m. on October 17th,
11 1979.

12
13 (Hearing concluded.)
14
15
16
17
18
19
20
21
22
23
24
25

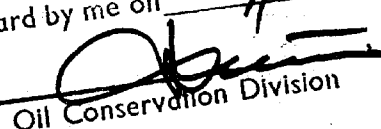
SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3010 Plaza Blanca (606) 471-2462
Santa Fe, New Mexico 87301

REPORTER'S CERTIFICATION

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowlege, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6487 heard by me on 7/25 1979.


Oil Conservation Division, Examiner

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (606) 471-1462
Santa Fe, New Mexico 87501

J. O. SETH (1883-1963)

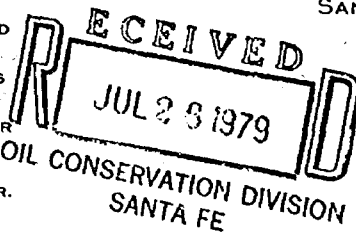
A. K. MONTGOMERY
FRANK ANDREWS
FRED C. HANNAHS
SETH D. MONTGOMERY
FRANK ANDREWS III
OWEN M. LOPEZ
VICTOR R. ORTEGA
JEFFREY R. BRANNEN
JOHN BENNETT POUND
GARY R. KILPATRICK
THOMAS W. OLSON
WALTER J. MELCNDRES
BRUCE L. HERR
MICHAEL W. BRENNAN
ROBERT R. WORCESTER
JOHN B. DRAPER
NANCY M. ANDERSON
JOHN K. SILVER
RUDOLPH B. SACKS, JR.

MONTGOMERY, ANDREWS & HANNAHS

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
328 PASEO DE PERALTA
POST OFFICE BOX 2307
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-3873

TELECOPY 505-982-4289



July 24, 1979

New Mexico Energy and
Minerals Department
Oil Conservation Division
Land Office Building
Santa Fe, New Mexico 87503

Re: NMOCC Case No. 6487 - Application of El Paso
Natural Gas Company for approval of infill
drilling, Lea County, New Mexico; Shell E State
Com Well No. 2, located in Unit N of Section 6,
Township 21 South, Range 36 East, Eumont Gas Pool,
Lea County, New Mexico.

Gentlemen:

Please be advised that Robert C. Carroll of the office of
General Counsel of El Paso Natural Gas Company, El Paso,
Texas, is associated with our firm for the presentation of
evidence and argument in the above-referenced case.

Sincerely,

Nancy M. Anderson
Nancy M. Anderson

NMA:to

J. O. SETH (1883-1963)

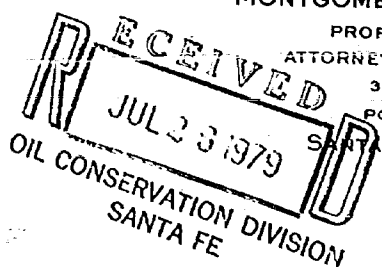
A. K. MONTGOMERY
FRANK ANDREWS
FRED C. HANNAHS
SETH D. MONTGOMERY
FRANK ANDREWS III
OWEN M. LOPEZ
VICTOR R. ORTEGA
JEFFREY R. BRANNEN
JOHN BENNETT POUND
GARY R. KILPATRICK
THOMAS W. OLSON
WALTER J. MELENDRES
BRUCE L. HERR
MICHAEL W. BRENNAN
ROBERT R. WORCESTER
JOHN B. DRAPER
NANCY M. ANDERSON
JOHN K. SILVER
RUDOLPH B. SACKS, JR.

MONTGOMERY, ANDREWS & HANNAHS

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
325 PASEO DE PERALTA
POST OFFICE BOX 2307
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-3873

TELECOPY 505-982-4289



July 24, 1979

New Mexico Energy and
Minerals Department
Oil Conservation Division
Land Office Building
Santa Fe, New Mexico 87503

Re: NMOCC Case No. 6487 - Application of El Paso
Natural Gas Company for approval of infill
drilling, Lea County, New Mexico; Shell E State
Com Well No. 2, located in Unit N of Section 6,
Township 21 South, Range 36 East, Eumont Gas Pool,
Lea County, New Mexico.

Gentlemen:

Please be advised that David T. Burleson of the office of
General Counsel of El Paso Natural Gas Company, El Paso,
Texas, is associated with our firm for the presentation of
evidence and argument in the above-referenced case.

Sincerely,

Nancy M. Anderson
Nancy M. Anderson

NMA:to

Dockets Nos. 29-79 and 31-79 are tentatively set for hearing on August 8 and 22, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - JULY 24, 1979

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

CASE 6596: Application of Harvey E. Yates Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Upper Pennsylvanian gas pool to be designated as the Southeast Indian Basin-Upper Pennsylvanian Gas Pool for its Southeast Indian Basin Well No. 1 located in Unit A of Section 23, Township 22 South, Range 23 East, and special pool rules therefor including 320-acre gas well spacing.

CASE 6597: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Southeast Indian Basin Well No. 2, an Upper Pennsylvanian well to be drilled 660 feet from the North and West lines of Section 24, Township 22 South, Range 23 East, with the N/2 or all of said Section 24 to be dedicated to the well, depending on the outcome of Case No. 6596.

Docket No. 28-79

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 25, 1979

9 A.M. - OIL CONSERVATION DIVISION 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 6545: (Continued from June 27, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Corinne Grace, Travelers Indemnity Company, and all other interested parties to appear and show cause why the Kuklah Baby Well No. 1 located in Unit G of Section 24, Township 22 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6598: Application of Gulf Oil Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Otero-Gallup and Basin-Dakota production in the wellbores of its Apache Federal Wells No. 8 located in Unit C of Section 8 and No. 9 located in Unit D of Section 17, both in Township 24 North, Range 5 West.

CASE 6599: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fusselman and Montoya production, North Justis Field, in the wellbore of its W. A. Ramsay Well No. 4 located in Unit M of Section 36, Township 24 South, Range 37 East.

CASE 6600: Application of Mesa Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 10, Township 16 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. 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 6601: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 8, Township 14 South, Range 36 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. 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 6602: Application of Tenneco Oil Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 33 C No. 2 Well 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, South Empire-Wolfcamp Pool, the E/2 NW/4 of said Section 33 to be dedicated to the well.

CASE 6603: (This case will be continued to the August 8 hearing.)

Application of Conoco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Penrose Skelly and Eumont production in the wellbore of its Hawk B-1 Well No. 12 located in Unit O of Section 8, Township 21 South, Range 37 East.

CASE 6604: Application of Cities Service Company for rescission of Division Order No. R-5921, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-5921 which order provided for the compulsory pooling of all of the mineral interests in the Pennsylvanian formation underlying the S/2 of Section 8, Township 23 South, Range 28 East.

CASE 6605: Application of Estoril Producing Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 15, Township 20 South, Range 34 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North and West lines of said Section 15. 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 6564: (Continued and Readvertised)

Application of Herndon Oil & Gas Co. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its O. A. Woody Well No. 1 to be drilled 2310 feet from the North line and 330 feet from the West line of Section 35, Township 16 South, Range 38 East, Knowles-Devonian Pool.

CASE 6606: Application of Getty Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Yates formation in the open-hole interval from 3810 feet to 4169 feet in its State "AA" Well No. 1 located in Unit I of Section 35, Township 21 South, Range 34 East.

CASE 6607: Application of Getty Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Getty 36 State Well No. 1 located in Unit F of Section 36, Township 21 South, Range 34 East, to produce oil from the Wolfcamp formation and gas from the Morrow formation through parallel strings of tubing.

CASE 6608: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Getty 36 State Well No. 1 located in Unit F of Section 36, Township 21 South, Range 34 East, and special rules therefor, including 160-acre oil well spacing.

CASE 6609: Application of Napeco Inc. for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn oil pool for its Benson Deep Unit Well No. 1 located in Unit O of Section 33, Township 18 South, Range 30 East, and special rules therefor, including 160-acre spacing and standard well locations.

CASE 6610: Application of Koch Industries, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Rustler formation through the perforated interval from 1190 feet to 1210 feet in its Wills "A" Well No. 7 located in Unit E of Section 35, Township 26 South, Range 37 East, Rhodes Field.

CASE 6611: Application of Cabot Corp. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the disposal of produced salt water in the Devonian formation through the perforated interval from 12,156 feet to 12,574 feet in its Reed Well No. 1 located in Unit H of Section 35, Township 13 South, Range 37 East, King Field.

CASE 6487: (Continued from May 23, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6471: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6472: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6473: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6474: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6475: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6535: (Continued from June 13, 1979, Examiner Hearing)

Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.

CASE 6579: (Continued from June 27, 1979, Examiner Hearing)

Application of R. N. Hillin for an unorthodox well location and approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of a Morrow gas well at an unorthodox location 800 feet from the South line and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East, is necessary to effectively and efficiently drain that portion of the E/2 of said Section 34 which cannot be so drained by the existing well.

CASE 6580: (Continued from June 27, 1979, Examiner Hearing) (This case will be continued to the August 22 hearing.)

Application of Continental Oil Company for a carbon dioxide injection project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot carbon dioxide injection project in the Grayburg-San Andres formation in Units H and I of Section 20, Township 17 South, Range 32 East, Maljamar Pool, for tertiary recovery purposes.

CASE 6270: (Continued from July 11, 1979, Examiner Hearing)

In the matter of Case 6270 being reopened pursuant to the provisions of Order No. R-5771 which order created the South Peterson-Fusselman Pool, Roosevelt County, New Mexico, and provided for 80-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 6590: (Continued from July 11, 1979, Examiner Hearing)

Application of Grace Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Lots 9, 10, 15, and 16 and the SE/4 of Section 6, Township 21 South, Range 32 East, to be dedicated to a well to be drilled at an unorthodox location 4650 feet from the South line and 660 feet from the East line of said Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs 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.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
23 May 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas
Company for approval of infill drilling,
Lea County, New Mexico.

CASE
6487

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

1 MR. STAMETS: Will go ahead and call next
2 case 6487.

3 MR. PADILLA: Application of El Paso Natural
4 Gas Company for approval of infill drilling, Lea County,
5 New Mexico.

6 MR. STAMETS: The Division has received and will
7 approve a request that this case be continued to the
8 July 25th Examiner Hearing.

9 (Hearing concluded.)
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (606) 471-2462
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

Sally W. Boyd CSR
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6487
heard by me on 5-23 1979
Richard R. Stamm Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
23 May 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas
Company for approval of infill drilling,
Lea County, New Mexico.

CASE
6487

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-2452
Santa Fe, New Mexico 87501

MR. STAMETS: Will go ahead and call next

case 6487.

MR. PADILLA: Application of El Paso Natural
Gas Company for approval of infill drilling, Lea County,
New Mexico.

MR. STAMETS: The Division has received and will
approve a request that this case be continued to the
July 25th Examiner Hearing.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-2162
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY
CERTIFY that the foregoing and attached Transcript of
Hearing before the Oil Conservation Division was reported
by me; that said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability, knowledge, and skill, from my notes taken at the
time of the hearing.

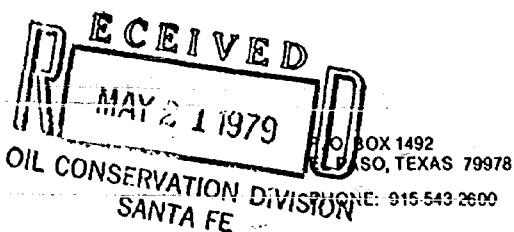
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (608) 471-2462
Santa Fe, New Mexico 87501

El Paso NATURAL GAS
COMPANY



May 18, 1979

State of New Mexico
Energy & Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Re: NMOCD Case 6487
May 23, 1979 Docket

Gentlemen:

El Paso Natural Gas Company respectfully requests a continuance in the above referenced case from the May 23, 1979, hearing to a date of about July 25, 1979.

This case was originally docketed for February 28, 1979, and was continued until May 23, 1979, with the idea that amended rules by the Federal Energy Regulatory Commission concerning '103 Catagory wells under the Natural Gas Policy Act of 1978 would be available. To date, we have not seen any amended rules from F.E.R.C. and therefore are asking for this continuance.

If there are any questions regarding this matter, please so advise.

Yours very truly,

H. E. Kendrick
H. E. Kendrick
Senior Proration Engineer

HLK:lp

cc: Don Balmer
Bob Carroll
Harrauld H. Lines
Jack Littlefield
Alan Olson
File

Dockets Nos. 23-79 and 24-79 are tentatively set for hearing on June 13 and 27, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 23, 1979

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

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

CASE 6545: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Corinne Grace, Travelers Indemnity Company, and all other interested parties to appear and show cause why the Kuklah Baby Well No. 1 located in Unit G of Section 24, Township 22 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6422: (Continued from February 28, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6546: Application of Black River Corporation for compulsory pooling and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the SW/4 of Section 32, Township 23 South, Range 37 East, to form a 160-acre non-standard gas proration unit 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 6536: (Continued from May 9, 1979, Examiner Hearing)

Application of Black River Corporation for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two 80-acre non-standard gas proration units in the Jalmat Gas Pool as follows: the N/2 SE/4 of Section 22, Township 23 South, Range 36 East, to be dedicated to applicant's well to be drilled in Unit J of said Section 22; and the S/2 SE/4 of said Section 22 to be dedicated to El Paso Natural Gas Company's Shell State Well No. 3 located in Unit P.

CASE 6535: (Continued from May 9, 1979, Examiner Hearing)

Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.

CASE 6547: Application of American Petrofina Company of Texas for the creation of a waterflood buffer zone, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a waterflood buffer zone comprising the NE/4 SE/4 of Section 26, Township 17 South, Range 32 East, Maljamar Grayburg-San Andres Pool, to enable applicant to produce its Johns B Well No. 4 located thereon at an unrestricted rate.

CASE 6548: Application of John F. Staver for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Dakota formation through the open hole interval from 1408 feet to 1412 feet in his Table Mesa Well No. 22 located in Unit N and from 1394 feet to 1400 feet in his Table Mesa Well No. 23 located in Unit O, both in Section 34, Township 28 North, Range 17 West, Table Mesa-Dakota Oil Pool.

CASE 6549: Application of Gulf Oil Corporation for pool creation, discovery allowable, and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new Bone Springs oil pool for its Lea "YH" State Well No. 1 located in Unit O of Section 25, Township 18 South, Range 34 East. Applicant also seeks a discovery allowable and promulgation of special pool rules, including a provision for 80-acre spacing.

CASE 6550: Application of Yates Petroleum Corporation for an unorthodox gas well location and compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the S/2 of Section 12, Township 19 South, Range 24 East, to be dedicated to its Allison Federal "CQ" Well No. 2 to be drilled at an unorthodox location 1980 feet from the South line and 660 feet from the West line of said Section 12. 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 6492: (Continued from May 9, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 NW/4 of Section 13, Township 17 South, Range 25 East, 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 6551: Application of Bass Enterprises Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Lower Morrow gas well location 1980 feet from the North line and 660 feet from the East line of Section 1, Township 19 South, Range 28 East, the N/2 of said Section 1 to be dedicated to the well.

CASE 6528: (Continued from April 25, 1979, Examiner Hearing)

Application of Bass Enterprises Production Co. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Morrow test well location to be drilled 660 feet from the North and West lines of Section 10, Township 21 South, Range 32 East, Lea County, New Mexico, the W/2 of said Section 10 to be dedicated to the well.

CASE 6552: 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 3, Township 24 South, Range 28 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. 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 6553: Application of The Atlantic Richfield Company for approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the Division waived existing well-spacing requirements and found that the drilling of additional wells was necessary to effectively and efficiently drain those portions of the proration units in the Empire Abo Unit located in Townships 17 and 18 South, Ranges 27, 28 and 29 East, which could not be so drained by the existing wells.

CASE 6554: Application of The Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all royalty interests in the Devonian, McKee, and Ellenburger formations underlying the E/2 of Section 20, Township 22 South, Range 36 East, Langlie Field, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6555: Application of Jake L. Hamon for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 660 feet from the North line and 560 feet from the East line of Section 30, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, all of said Section 30 to be dedicated to the well.

CASE 6556: Application of Curtis Little for the amendment of Order No. R-5962, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5962 to provide for the unorthodox location of a well to be drilled 1000 feet from the South line and 50 feet from the East line of Section 11, Township 28 North, Range 12 West, Basin-Dakota Pool, and for the extension of the date to commence drilling.

CASE 6435: (Continued from February 28, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6559: Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his Horton Solid State Unit Area, comprising 1,480 acres, more or less, of State lands in Township 15 South, Range 34 East.

CASE 6487: (Continued from February 28, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Humont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6471: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6472: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6473: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6474: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6475: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

DOCKET: COMMISSION HEARING - TUESDAY - MAY 29, 1979

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

CASE 6557: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new Morrow gas pool for its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, and its Getty Two State Well No. 1 located in Unit F of Section 2, Township 22 South, Range 34 East, and for promulgation of special pool rules, including provision for 640-acre gas well spacing.

CASE 6497: (DE NOVO)

Application of Llano, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 1650 feet from the South line and 660 feet from the East line of Section 34, Township 21 South, Range 34 East, Grama Ridge-Morrow Gas Pool, the E/2 of said Section 34 to be dedicated to the well.

Upon application of Getty Oil Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6558: Application of Llano, Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the E/2 of Section 34, Township 21 South, Range 34 East, to be dedicated to its Llano 34 State Com Well No. 1 located in Unit I of said Section 34.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
28 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas) CASE
Company for infill drilling, Lea County,) 6487
New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant:

Bob Carroll, Esq.
El Paso Natural Gas Company

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SSE) 471-2463
Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next Case 6487. Appli-
2 cation of El Paso Natural Gas Company for infill drilling,
3 Lea County, New Mexico.

4 MR. CARROLL: My name is Bob Carroll. I'm
5 counsel for El Paso Natural Gas Company, and based on the
6 recommendation of the Division's attorney, El Paso requests
7 the case be -- Case 6487 be continued until such time as
8 the FERC issues its final regulations implementing the
9 Natural Gas Policy Act.

10 MR. STAMETS: Mr. Carroll, we are continuing
11 all such cases to May 23, 1979. I think we'll continue this
12 one to that date in hopes that that will resolve the matter.

13 MR. CARROLL: That's fine with us.

14 MR. STAMETS: Okay.

15 (Hearing concluded.)
16
17
18
19
20
21
22
23
24
25

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY
 CERTIFY that the foregoing and attached 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, knowledge, and skill, from my notes taken at the
 time of the hearing.

Sally W. Boyd
 Sally W. Boyd, C.S.R.

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 8830 Plaza Blanca (SOS) 471-2462
 Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
 a correct and true transcript of the hearing in
 File No. 6487,
 held on 2-28-79 at 10:00 AM.
Richard P. Stam, Examiner
 Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
28 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas) CASE
Company for infill drilling, Lea County,) 6487
New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant: Bob Carroll, Esq.
El Paso Natural Gas Company

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
8020 Plaza Blanca (SSE) 471-9463
Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next Case 6487. Appli-
2 cation of El Paso Natural Gas Company for infill drilling,
3 Lea County, New Mexico.

4 MR. CARROLL: My name is Bob Carroll. I'm
5 counsel for El Paso Natural Gas Company, and based on the
6 recommendation of the Division's attorney, El Paso requests
7 the case be -- Case 6487 be continued until such time as
8 the FERC issues its final regulations implementing the
9 Natural Gas Policy Act.

10 MR. STAMETS: Mr. Carroll, we are continuing
11 all such cases to May 23, 1979. I think we'll continue this
12 one to that date in hopes that that will resolve the matter.

13 MR. CARROLL: That's fine with us.

14 MR. STAMETS: Okay.

15 (Hearing concluded.)
16
17
18
19
20
21
22
23
24
25

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (666) 471-2467
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY
 CERTIFY that the foregoing and attached 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, knowledge, and skill, from my notes taken at the
 time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
 a complete and correct transcript of the hearing in
 the case of 3-38 No. 6487
 heard by me on 19 79
Richard P. [Signature], Examiner
 Oil Conservation Division

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 3930 Plaza Blanca (985) 471-2463
 Santa Fe, New Mexico 87501

J. O. SETH (1883-1963)

A. K. MONTGOMERY
FRANK ANDREWS
FRED C. HANNAHS
SETH O. MONTGOMERY
FRANK ANDREWS III
OWEN M. LOPEZ
VICTOR R. ORTEGA
JEFFREY R. BRANNEN
JOHN BENNETT POUND
GARY R. KILPATRICK
THOMAS W. OLSON
WALTER J. MELENDRES
BRUCE L. HERR
MICHAEL W. BRENNAN
ROBERT P. WORCESTER
JOHN B. DRAPER
NANCY M. ANDERSON
JOHN K. SILVER

MONTGOMERY, ANDREWS & HANNAHS

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
325 PASEO DE PERALTA
POST OFFICE BOX 2307
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-3873

TELECOPY 505-982-4289

February 26, 1979

New Mexico Energy and
Minerals Department
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87503

Re: NMOCD Case No. 6487 - Application for a well
classification under Section 103 of the EGPA,
Lea County, New Mexico

Gentlemen:

Please be advised that Robert Carroll of the office of
General Counsel of El Paso Natural Gas Company, El Paso,
Texas, is associated with our firm for the presentation of
evidence and argument in the above-referenced case.

Sincerely,

Owen M. Lopez
Owen M. Lopez

OML:to

Received February 26, 1979

Dockets Nos. 9-79 and 10-79 are tentatively set for hearing on March 14 and 28, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

Docket No. 7-79

DOCKET: COMMISSION HEARING - FRIDAY - FEBRUARY 23, 1979

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

CASE 6461: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Mayor Eddie Armenta, the Village of Jemez Springs, and all other interested parties to appear and show cause why the Jemez Well No. 1 located in Unit A of Section 26, Township 18 North, Range 2 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

Docket No. 8-79

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 28, 1979

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

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

CASE 6422: (Continued from January 31, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6434: (Continued from January 31, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "O" Well No. 5 to be located in Unit H of Section 30, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6435: (Continued from February 14, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6436: (Continued from January 31, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "U" Gas Com Well No. 2 to be located in Unit C of Section 32, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6462: Application of McClellan Oil Corporation for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marlise State Well No. 3 to be located 1155 feet from the North line and 1485 feet from the West line of Section 24, Township 14 South, Range 29 East, Double "L" Queen Associated Pool, Chaves County, New Mexico, the NE/4 NW/4 of said Section 24 to be dedicated to the well.

CASE 6463: Application of Orville Slaughter for pool and lease commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Oswell-Farmington Pool production from his Sangre de Cristo Well No. 1 with undesignated Fruitland production from his Sangre de Cristo Well No. 2, both located in Unit D of Section 34, Township 30 North, Range 11 West, San Juan County, New Mexico.

- CASE 6464: Application of Dallas McCasland for clarification of Orders Nos. R-2789 and R-2794, Lea County, New Mexico. Applicant, in the above-styled cause, seeks clarification of Orders Nos. R-2789 and R-2794 to determine what formations have been unitized and what formations are subject to a waterflood project under the South Penrose-Skelly Unit, Sections 6 and 7, Township 22 South, Range 37 East, Lea County, New Mexico, and of the vertical limits of the Eumont and Penrose-Skelly Pools in said sections.
- CASE 6465: Application of Getty Oil Company for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 31, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its J. W. Sherrell Well No. 9 located 2250 feet from the South line and 1650 feet from the East line of said Section 31.
- CASE 6466: Application of Getty Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, to produce oil from an undesignated Wolfcamp pool and gas from the Grama Ridge-Morrow Gas Pool through parallel strings of tubing.
- CASE 6467: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Wolfcamp formation for its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing.
- CASE 6468: Application of Dome Petroleum Corporation for an exception to Order No. R-1069, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2 of Order No. R-1069, as amended, for the Bisti-Lower Gallup Oil Pool to approve the following 13 non-standard proration units: the W/2 NW/4, W/2 NE/4, E/2 SW/4, and the E/2 SE/4 of Sections 3, 4, and 9, and the W/2 NW/4 of Section 10, all in Township 26 North, Range 14 West, San Juan County, New Mexico.
- CASE 6469: Application of Continental Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Fed. 34 Well No. 1 located in Unit N of Section 34, Township 20 South, Range 26 East, Eddy County, New Mexico, to produce gas from the Springs-Upper Pennsylvanian Pool and an undesignated Morrow pool through parallel strings of tubing.
- CASE 6470: Application of Phillips Petroleum Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements to permit an infill drilling program in its East Vacuum Unit Area, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, and a finding that such infill wells are necessary to effectively and efficiently drain that portion of their proration units which is not presently being drained by any existing well. Applicant specifically seeks such waivers and findings now for ten wells, all in Township 17 South, Range 35 East, and located as follows: Unit K of Section 27; Units M and O, Section 28; Units B, I, and M of Section 32; Units C, H, and M of Section 33; and Unit C of Section 34.
- CASE 6471: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6472: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6473: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6474: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

- CASE 6475: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6476: Application of Pennzoil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the South line and 990 feet from the West line of Section 24, Township 17 South, Range 28 East, Aid-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 24 to be dedicated to the well.
- CASE 6477: Application of Sun Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Millman Pool Unit Area by the injection of water into the Queen and Grayburg formations through eleven wells located in Sections 12 and 13 of Township 19 South, Range 28 East, East Millman Pool, Eddy County, New Mexico.
- CASE 6437: (Continued and Readvertised)
- Application of Curtis Little for compulsory pooling, approval of infill drilling, and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-4556 and approval of an order pooling all mineral interests in the Dakota formation underlying all of Section 11 and Lot 4 and the SW/4 SW/4 of Section 12, Township 28 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, to form a 344.36-acre non-standard gas proration unit to be dedicated to a well to be located 1085 feet from the South line and 285 feet from the West line of said Section 12. 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.
- Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6478: Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NW/4 SE/4 of Section 26, Township 10 South, Range 28 East, Chaves County, New Mexico, to be dedicated to a well to be located 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 6479: Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SE/4 SE/4 of Section 5, Township 10 South, Range 28 East, Chaves County, New Mexico, to be dedicated to a well to be located 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 6480: Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6481: Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Hanlad State Well No. 1 located in Unit K of Section 2, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6482: Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Mobil 27 State Well No. 1 located in Unit A of Section 27, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6483: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the S/2 of Section 8, Township 14 South, Range 36 East, Lea 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 6484: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the E/2 of Section 28, Township 16 South, Range 37 East, Lea 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 6485: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the S/2 of Section 13, Township 18 South, Range 28 East, 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 6486: Application of Depco Inc. for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the North and East lines of Section 21, Township 13 South, Range 30 East, undesignated Morrow pool, Chaves County, New Mexico, the E/2 of said Section 21 to be dedicated to the well.

CASE 6487: Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

El Paso NATURAL GAS
COMPANY

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

February 9, 1979

New Mexico Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87501

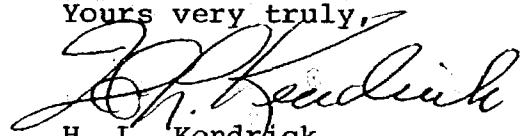
FEB 9 1979
Case 6487

Dear Mr. Ramey:

El Paso Natural Gas Company respectfully requests a hearing at the earliest possible date before the Commission or one of its designated Examiners to seek a finding by the Oil Conservation Division that before the commencement of drilling of the second well the Division implicitly found that the drilling of the second well was necessary to effectively and efficiently drain a portion of the proration unit which could not be effectively and efficiently drained by the existing well.

The wells producing from this proration unit are the Shell E State Com No. 1 (the first well) located 3300 feet from the North line and 1980 feet from the East line of Section 6, Township 21 South, Range 36 East, and the Shell E State Com No. 2 (the second well) located 3566 feet from the South line and 1980 feet from the West line of said Section 6. Each of the two wells are drilled at standard locations on the same 230.32-acre proration unit comprised of Lots 9, 10, 11, 12, 13 and 14 of said Section 6 and are completed as gas wells in the Eumont Gas Pool, Lea County, New Mexico.

Yours very truly,


H. L. Kendrick
Senior Proration Engineer

HLK/fd

EL PASO NATURAL GAS
COMPANY

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2000

February 9, 1979

FEB 9 1979

New Mexico Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87501

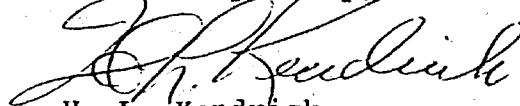
Case 6487

Dear Mr. Ramey:

El Paso Natural Gas Company respectfully requests a hearing at the earliest possible date before the Commission or one of its designated Examiners to seek a finding by the Oil Conservation Division that before the commencement of drilling of the second well the Division implicitly found that the drilling of the second well was necessary to effectively and efficiently drain a portion of the proration unit which could not be effectively and efficiently drained by the existing well.

The wells producing from this proration unit are the Shell E State Com No. 1 (the first well) located 3300 feet from the North line and 1980 feet from the East line of Section 6, Township 21 South, Range 36 East, and the Shell E State Com No. 2 (the second well) located 3566 feet from the South line and 1980 feet from the West line of said Section 6. Each of the two wells are drilled at standard locations on the same 230.32-acre proration unit comprised of Lots 9, 10, 11, 12, 13 and 14 of said Section 6 and are completed as gas wells in the Eumont Gas Pool, Lea County, New Mexico.

Yours very truly,



H. L. Kendrick
Senior Proration Engineer

HLK/fd

EL PASO NATURAL GAS
COMPANY

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

February 9, 1979

FEB 10 1979

Case 6487

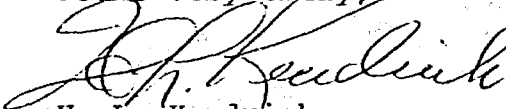
New Mexico Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

El Paso Natural Gas Company respectfully requests a hearing at the earliest possible date before the Commission or one of its designated Examiners to seek a finding by the Oil Conservation Division that before the commencement of drilling of the second well the Division implicitly found that the drilling of the second well was necessary to effectively and efficiently drain a portion of the proration unit which could not be effectively and efficiently drained by the existing well.

The wells producing from this proration unit are the Shell E State Com No. 1 (the first well) located 3300 feet from the North line and 1980 feet from the East line of Section 6, Township 21 South, Range 36 East, and the Shell E State Com No. 2 (the second well) located 3566 feet from the South line and 1980 feet from the West line of said Section 6. Each of the two wells are drilled at standard locations on the same 230.32-acre proration unit comprised of Lots 9, 10, 11, 12, 13 and 14 of said Section 6 and are completed as gas wells in the Eumont Gas Pool, Lea County, New Mexico.

Yours very truly,



H. L. Kendrick
Senior Proration Engineer

HLK/fd

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



JERRY APDACA
GOVERNOR
MICK FRANKLIN
SECRETARY

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

Re: Wellhead price ceiling
determination, NGPA of
1978

Gentlemen:

The New Mexico Oil Conservation Division has received your application for a wellhead price ceiling category determination under the section(s) of the Natural Gas Policy Act of 1978 indicated below. If your application is incomplete, forms are attached hereto, indicating the documents and further information which must be filed before your application can be considered. If your application is complete, it will be acted upon administratively unless written objection is received within 15 days of its filing.

WELL NAME AND LOCATION Shell "E" State Com # 2 N-6-21S-36E
SECTION(S) APPLIED FOR 103
DATE APPLICATION RECEIVED 2-27-79
APPLICATION INCOMPLETE 7/0

Sincerely,
Al Kendrick

DATE: 3-21-79

POST OFFICE BOX 2000
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

POST OFFICE BOX 2000
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Re: Wellhead price ceiling
determination, NGPA of
1978

Gentlemen:

The New Mexico Oil Conservation Division has received your application for a wellhead price ceiling category determination under the section(s) of the Natural Gas Policy Act of 1978 indicated below. If your application is incomplete, forms are attached hereto, indicating the documents and further information which must be filed before your application can be considered. If your application is complete, it will be acted upon administratively unless written objection is received within 15 days of its filing.

WELL NAME AND LOCATION Shell "E" State Com # 2 N-6-21S-36E

SECTION(S) APPLIED FOR 103

DATE APPLICATION RECEIVED 2-27-79

APPLICATION INCOMPLETE No

Sincerely,

Al Renduck

DATE: 3-21-79

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator El Paso Natural Gas Co. Well Name and No. Shell State E Com Well No. 2

Location: Unit N Sec. 6 Twp. 21S Rng. 36E Cty. Lea

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.

(2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) That the well for which a finding is sought is to be completed in the Eumont Gas Pool, and the standard spacing unit in said pool is 640 acres.

(4) That a 230.32 -acre proration unit comprising ~~the~~ Lots 9, 10, 11, 12, 13, and 14 of Sec. 6, Twp. 21S, Rng. 36E, is currently dedicated to the Shell State E Com No. 1 located in Unit J of said section.

(5) That this proration unit is () standard (X) nonstandard; if nonstandard, said unit was previously approved by Order No. R-3327.

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 507 M MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

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

DONE at Santa Fe, New Mexico, on this 11th day of June, 19 80.


DIVISION DIRECTOR X EXAMINER

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator El Paso Natural Gas Co. Well Name and No. Shell State E Com Well No. 2

Location: Unit N Sec. 6 Twp. 21S Rng. 36E Cty. Lea

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.

(2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) That the well for which a finding is sought is to be completed in the Eumont Gas Pool, and the standard spacing unit in said pool is 640 acres.

(4) That a 230.32 -acre proration unit comprising ~~the~~ Lots 9, 10, 11, 12, 13, and 14 of Sec. 6, Twp. 21S, Rng. 36E, is currently dedicated to the Shell State E Com No. 1 located in Unit J of said section.

(5) That this proration unit is () standard (X) nonstandard; if nonstandard, said unit was previously approved by Order No. R-3327.

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 507 M MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

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

DONE at Santa Fe, New Mexico, on this 11th day of June, 19 80.


DIVISION DIRECTOR

EXAMINER



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 10, 1979

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

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

Mr. Harrauld H. Lines
Assistant Treasurer
El Paso Natural Gas Co.
P. O. Box 1492
El Paso, Texas

Dear Mr. Lines:

If you will refer to the attached letter it will be seen that the Division's Category 103 Determination for the EPNG Shell E State Com Well No. 2, Unit N, Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, resulted from clerical error. The FERC is returning their copy of the application to the Division. El Paso should consider their copies of Form C-132 for the subject well approved March 21, 1979, as void and of no effect whatsoever.

Case No. 6487 will be reopened May 23, 1979, and the Division will take no further action on this application prior to that date.

Very truly yours,

R. L. STAMETS
Technical Support Chief

RLS/dr

enc.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

May 9, 1979

POST OFFICE BOX 2038
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Federal Energy Regulatory Commission
Department of Energy
825 N. Capitol Street NE
Washington, D. C. 20425

Attention: Howard Kilchrest

Re: Category 103 Determination
El Paso Natural Gas Co.
Shell E State Com Well No. 2,
Unit N, Section 6, Township 21
South, Range 36 East, Eumont Gas
Pool, Lea County, New Mexico

Dear Mr. Kilchrest:

By Case No. 6487 heard February 28, 1978, El Paso Natural Gas Company sought Division approval of the infill drilling of the subject well in order that the same would qualify for a Category 103 determination.

At the hearing, Mr. Bob Carroll, counsel for El Paso Natural Gas Company, requested that the case "be continued until such time as the FERC issues its final regulations implementing the Natural Gas Policy Act." This request was made as it appeared the well could not qualify under interim FERC regulations.

Through clerical error Division Examiner A. R. Kendrick approved the Category 103 determination on March 21, 1979. The clerical error now having been discovered the Division hereby requests that the FERC return said determination to the Division.

Very truly yours,

R. L. STAMETS
Division Examiner

RLS/dr

APPLICATION FOR WELLHEAD
PRICE CEILING CATEGORY DETERMINATION

1. FOR DIVISION USE ONLY

DATE OF: APPLICATION 2-27-79
DETERMINATION 3-21-79
CONTESTED NO
PARTICIPANTS APPLICANT ONLY

Kind of Lease	State, Federal or Fee	State
5. State Oil & Gas Lease No.		
NMB 1398-10		
7. Unit Agreement Name		
8. Farm or Lease Name		
Shell "E" State Com		
9. Well No.		
2		
10. Field and Pool, or Wildcat		
Eumont		
Yates, Seven River, Queen		
12. County		
Lea		

2. Name of Operator	EL PASO NATURAL GAS COMPANY
3. Address of Operator	P.O. Box 1492 El Paso, Texas 79978
4. Location of Well	UNIT LETTER <u>N</u> <u>3566</u> FEET FROM THE <u>South</u> LINE AND <u>1980</u> FEET FROM THE <u>West</u> LINE, SECTION <u>6</u> TOWNSHIP <u>21S</u> RANGE <u>36E</u> NMPM.
13. Name and Address of Transporter(s)	El Paso Natural Gas Co./P. O. Box 1492 El Paso, Texas 79978

WELL CATEGORY INFORMATION

Check appropriate box for category sought and information submitted.

- ☒ 1. Category(ies) Sought (By NGPA Section No.) 103
2. All Applications must contain:
- ☒ a. C-101 APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK
- ☒ b. C-105 WELL COMPLETION OR RECOMPLETION REPORT AND LOG
- ☐ c. DIRECTIONAL DRILLING SURVEY, IF REQUIRED UNDER RULE 111
- ☒ d. AFFIDAVITS OF MAILING OR DELIVERY
- ☐ 3. NEW NATURAL GAS UNDER SEC. 102(c) (1) (B) (using 2.5 Mile or 1000 Feet Deeper Test)
- ☐ a. Location Plat
- ☐ 4. NEW NATURAL GAS UNDER SEC. 102(c) (1) (C) (new onshore reservoir)
- ☐ a. C-122 Multipoint and one point back pressure test
- ☒ 5. NEW ONSHORE PRODUCTION WELL
- ☒ a. C-102 WELL LOCATION AND ACREAGE DEDICATION PLAT
- ☐ b. No. of order authorizing infill program _____
- ☐ 6. STRIPPER GAS
- ☐ a. C-116 GAS-OIL RATIO TEST
- ☐ b. PRODUCTION CURVE FOR 12-MONTH PERIOD PRECEDING DECEMBER 1, 1978.
- ☐ c. PRODUCTION CURVE FOR THE 90-DAY PERIOD ON WHICH THE APPLICATION IS BASED

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED
HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY
KNOWLEDGE AND BELIEF.

HARRALD H. LINES

NAME OF APPLICANT (Type or Print)

Title ASSISTANT TREASURER

Date FEB 21 1979

Signed Harrald H. Lines

DIVISION USE ONLY

- ☒ Approved
- ☐ Disapproved

The information contained herein includes
all of the information required to be
filed by the applicant under Subpart B
of Part 274.

EXAMINER

RECEIVED

FEB 27 1979

Oil Conservation

1.0 API well number: (If not available, leave blank. 14 digits.)	30-025-25773			
2.0 Type of determination being sought: (Use the codes found on the front of this form.)	103 Section of NGPA		Category Code	
3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.)	2924 GR. feet			
4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.)	EL PASO NATURAL GAS COMPANY Name P.O. Box 1492 Street El Paso, City		Texas State	79978 Zip Code
5.0 Location of this well: [Complete (a) or (b).] (a) For onshore wells (35 letters maximum for field name.)	Eumont Field Name Lea County		NM State	
(b) For OCS wells:	Area Name _____ Block Number _____ Date of Lease: _____ Mo. Day Yr. OCS Lease Number _____			
(c) Name and identification number of this well: (35 letters and digits maximum.)	Shell "E" State Com #2		RECEIVED FEB 27 1979	
(d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)	Oil Conservation			
6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.)	EL PASO NATURAL GAS COMPANY Name		005708 Buyer Code	
(b) Date of the contract:	SEE ATTACHED Mo. Day Yr.			
(c) Estimated annual production:	73 MMcf.			
	(a) Base Price (\$/MMBTU)	(b) Tax	(c) All Other Prices (Indicate (+) or (-).)	(d) Total of (a), (b) and (c)
7.0 Contract price: (As of filing date. Complete to 3 decimal places.)	SEE ATTACHED	---	---	---
8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.)	SEE ATTACHED	---	---	---
9.0 Person responsible for this application:	HARRALD H. LINES Name Assistant Treasurer Title Signature FEB 21 1979 Date Application is Completed 915-543-2600 Phone Number			
Agency Use Only Date Received by Juris. Agency Date Received by FERC				

EL PASO NATURAL GAS COMPANY (EPNG)
INFORMATION ATTACHED TO PERC FORM 121 RESPONDING TO ITEMS
6.0(B), 7.0 AND 8.0 APPLICABLE TO WELL SHOWN

PAGE 1

WELL NAME: SHELL STATE F COM #1 (SEE FORM P-104) METER NO. 58031
SECTION OF NGPA: 103 FOR WELL NAME CHANGE)

SELLER NAME
EL PASO NATURAL GAS COMPANY PRODUCED GAS

6.0(B)-CONTRACT DATE	RATE COMPONENT	7.0-CONTRACT PRICE	8.0-MAXIMUM LAWFUL RATE
06/16/80	BASE PRICE	SEE	\$1.969
	TAX	NOTE	\$0.117
	ALL OTHER	BELOW	\$0.000
	TOTAL		\$2.086

*NOTE:

NO GAS PURCHASE CONTRACT PRICE APPLIES TO EPNG'S COMPANY-OWNED WORKING INTEREST IN GAS PRODUCED FROM THIS WELL. THE INDICATED LAWFUL RATE IS THE LEVEL WHICH EPNG WILL USE TO VALUE ITS COMPANY-OWNED AREA RATE GAS PRODUCTION FOR ALL PURPOSES AND WHICH EPNG WILL USE TO VALUE ITS COMPANY-OWNED COST OF SERVICE GAS PRODUCTION FOR ROYALTY AND PRODUCTION TAX PURPOSES. EPNG CONTRACT DATE SHOWN IS LEASE AGREEMENT DATE.

El Paso NATURAL GAS
COMPANY

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2000

NGPA

February 21, 1979

Re: Shell "E" State Com #2
N-6-21S-36E
Lea County, New Mexico

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

Dear Sir:

Attached is our application for a well classification under Section 103 of the NGPA of 1978. A copy of this letter, FERC Form 121, and New Mexico Oil Conservation Division Form C-132 have been mailed to each working interest owner and identified purchaser of natural gas from the subject well.

El Paso Natural Gas Company submits this application as operator of the subject well. Any interested party receiving a copy of this letter who does not agree with this well classification application may object to the application under Rule 5 of the Oil Conservation Division's Special Rules for Applications for Wellhead Price Ceiling Category Determinations.

If there are any questions concerning this application, please contact the undersigned.

Very truly yours,

Robert D. Habbit

Robert D. Habbit
Manager, Reservoir Engineering

RECEIVED
FEB 27 1979

Oil Conservation

U.S. DEPARTMENT OF ENERGY
Federal Energy Regulatory Commission
Washington, D.C. 20426

APPLICATION FOR DETERMINATION OF THE MAXIMUM LAWFUL
PRICE UNDER THE NATURAL GAS POLICY ACT (NGPA)
(Sections 102, 103, 107 and 108)

PLEASE READ BEFORE COMPLETING THIS FORM:

General Instructions:

Complete this form if you are applying for price classification under sections 102, 103, 107 or 108 of the NGPA. A separate application is required for each well. If any reservoir qualifies for a category which differs from the category applicable to the producing well, separate applications must be made for the producing well and the reservoir. Complete each appropriate item on the reverse side of this page. The code numbers used in items 4.0 and 6.0 can be obtained from the Buyer/Seller Code Book. If there is more than one purchaser or contract, identify the additional information in the space below. Enter any additional remarks in the space below.

Submit the completed application to the appropriate Jurisdictional Agency as listed in title 18 of the CFR, part 270.103. If there are any questions, call (202) 275-4539.

Specific Instructions for Item 2.0, Type of Determination:

<u>Section of NGPA</u>	<u>Category Code</u>	<u>Description</u>
102	1	New OCS Lease
102	2	New onshore well (2.5 mile test)
102	3	New onshore well (1,000 feet deeper test)
102	4	New onshore reservoir
102	5	New reservoir on old OCS Lease
103	—	New onshore production well
107	—	High cost natural gas
108	—	Stripper well

Other Purchasers/Contracts:

Contract Date
(Mo. Day Yr.)

Purchaser

Buyer Code

Remarks:

EL PASO NATURAL GAS COMPANY (EPNG)
INFORMATION ATTACHED TO FERC FORM 121 RESPONDING TO ITEMS
6.0(B), 7.0 AND 8.0 APPLICABLE TO WELL SHOWN

PAGE 1

WELL NAME: SHELL STATE F COM #1 (SEE FORM 0-104) METER NO. 58031
SECTION OF NGPA: 103 FOR WELL NAME CHANGE)

SELLER NAME
EL PASO NATURAL GAS COMPANY PRODUCED GAS

6.0(B)-CONTRACT	RATE	7.0-CONTRACT	8.0-MAXIMUM
DATE	COMPONENT	PRICE	LAWFUL RATE
06/16/80	BASE PRICE	SEE	\$1.969
	TAX	NOTE	\$0.117
	ALL OTHER	BELOW	\$0.000
	TOTAL		\$2.086

*NOTE:

NO GAS PURCHASE CONTRACT PRICE APPLIES TO EPNG'S COMPANY-OWNED WORKING INTEREST IN GAS PRODUCED FROM THIS WELL. THE INDICATED LAWFUL RATE IS THE LEVEL WHICH EPNG WILL USE TO VALUE ITS COMPANY-OWNED AREA RATE GAS PRODUCTION FOR ALL PURPOSES AND WHICH EPNG WILL USE TO VALUE ITS COMPANY-OWNED COST OF SERVICE GAS PRODUCTION FOR ROYALTY AND PRODUCTION TAX PURPOSES. EPNG CONTRACT DATE SHOWN IS LEASE AGREEMENT DATE.

El Paso NATURAL GAS
COMPANY

P. O. BOX 1452
EL PASO, TEXAS 79978
PHONE: 915-543-2600

NGPA

February 21, 1979

Re: Shell "E" State Com #2
N-6-21S-36E
Lea County, New Mexico

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

Dear Sir:

Attached is our application for a well classification under Section 103 of the NGPA of 1978. A copy of this letter, FERC Form 121, and New Mexico Oil Conservation Division Form C-132 have been mailed to each working interest owner and identified purchaser of natural gas from the subject well.

El Paso Natural Gas Company submits this application as operator of the subject well. Any interested party receiving a copy of this letter who does not agree with this well classification application may object to the application under Rule 5 of the Oil Conservation Division's Special Rules for Applications for Wellhead Price Ceiling Category Determinations.

If there are any questions concerning this application, please contact the undersigned.

Very truly yours,

Robert D. Habbit

Robert D. Habbit
Manager, Reservoir Engineering

RECEIVED
FEB 27 1979
Oil Conservation

NGPA Section 103
(OCD)

APPLICANT'S STATEMENT AND AFFIDAVIT

BEFORE ME, the undersigned authority, on this day personally appeared _____ known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

- (1) That this Statement and Affidavit is made concerning the application for determination of the following well as a new onshore production well: Shell "E" State Com #2
N-6-21S-36E
Lea County, New Mexico
- (2) That he has concluded that to the best of his information, knowledge and belief, the natural gas produced from said well is production from a new onshore production well; that the basis of this conclusion is:
 - (a) an examination made or caused to be made by the affiant of El Paso Natural Gas Company's ("El Paso") records, including copies of those records furnished by El Paso as the well operator to the New Mexico Oil Conservation Division ("Division"), which shows that the surface drilling of said well was begun on or after February 19, 1977, and that said well was drilled in accordance with applicable well spacing requirements;
 - (b) El Paso's belief that the evidence to be presented to the Division at the hearing scheduled for February 28, 1979, shows that the drilling of said well was necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which could not be effectively and efficiently drained by any existing well within the proration unit.
- (3) That he has no knowledge of any other information not described in the application which is inconsistent with his conclusions.

- (4) That he is of lawful age, that he is ASSISTANT TREASURER of El Paso, that he is a responsible official of El Paso, that he is duly authorized to make this Statement and Affidavit on behalf of El Paso, that he has knowledge of the facts contained herein, that this Statement and Affidavit is true and correct, and that he adopts the allegations herein as his sworn statement.

Harold A. Jones
Affiant

SUBSCRIBED AND SWORN TO before me, the undersigned authority, on this 21ST day of February, 1979.

Terrence L. Thomas
Notary Public in and for
El Paso County, Texas

My Commission Expires:

TERRENCE L. THOMAS

Notary Public in and for El Paso County, Texas

My Commission Expires April 30, 1979

STATEMENT IN LIEU OF

AFFIDAVIT OF MAILING

OR

CERTIFICATE OF SERVICE

BEFORE ME, the undersigned authority, on this day personally appeared HARRALD H. LINES, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, on oath, states: That he is of lawful age; that there are no owners of a working interest in the well for which this application is made, other than El Paso Natural Gas Company; that there are no purchasers or parties to a contract; therefore, no parties are required to be served with notice of the application; and that, consequently, no mailing or service of notice occurred.

Harold H. Lines

SUBSCRIBED AND SWORN TO before me, the undersigned authority, on this 21ST day of February, 1979.

Terrence L. Thomas
Notary Public in and for
El Paso County, Texas

My Commission Expires:

TERRENCE L. THOMAS
Notary Public in and for El Paso County, Texas
My Commission Expires April 30, 1979

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	OIL GAS
OPERATOR	
PRORATION OFFICE	

NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104
 Supersedes Old C-104 and C-110
 Effective 1-1-65

Operator El Paso Natural Gas Company	
Address 1800 Wilco Bldg. Midland, TX 79701	
Reason(s) for filing (Check proper box)	Other (Please explain)
New Well <input checked="" type="checkbox"/>	Well Name Change from Shell "F" State Com #1
Recompletion <input type="checkbox"/>	
Change in Ownership <input type="checkbox"/>	
Change in Transporter of: Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>	

If change of ownership give name
 and address of previous owner _____

DESCRIPTION OF WELL AND LEASE

Lease Name Shell "E" State Com	Lease No. 2	Well No. 2	Pool Name, including Formation Eumont-Yates	Kind of Lease State, Federal or Fee State
Location Unit Letter N ; 3566 Feet From The South Line and 1980 Feet From The West				
Line of Section 6 Township 21-S Range 36-E , NMPM, Lea , County				

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
El Paso Natural Gas Company	1800 Wilco Bldg. Midland, TX 79701
If well produces oil or liquids, give location of tanks.	Unit Sec. Twp. Rge. Is gas actually connected? When Yes 7/21/78

If this production is commingled with that from any other lease or pool, give commingling order number: _____

COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
		X	X					
Date Spudded 3/25/78	Date Compl. Ready to Prod. 7/10/78	Total Depth 3713		P.B.T.D. 3065				
Elevations (DF, RKB, RT, GR, etc.) 3556	Name of Producing Formation Yates-Sandstone	Top Oil/Gas Pay 2946		Tubing Depth 2918				
Perforations		Depth Casing Shoe						

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	OIL GAS
OPERATOR	
PRORATION OFFICE	

**NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS**

Form C-104
Supersedes Old C-104 and C-110
Effective 1-1-65

Operator El Paso Natural Gas Company	
Address 1900 Wilco Bldg. Midland, TX 79701	
Reason(s) for filing (Check proper box)	
New Well <input checked="" type="checkbox"/>	Change in Transporter of: Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>
Recompletion <input type="checkbox"/>	Well Name Change from Shell "F" State Com #1
Change in Ownership <input type="checkbox"/>	

If change of ownership give name
and address of previous owner

DESCRIPTION OF WELL AND LEASE

Lease Name Shell "E" State Com	Lease No. 2	Well No. 2	Pool Name, including Formation Eumont-Yates	Kind of Lease State, Federal or Fee State
Location Unit Letter N ; 3566 Feet From The South Line and 1980 Feet From The West				
Line of Section 6 Township 21-S Range 36-E , NMPM, Lea County				

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
El Paso Natural Gas Company	1800 Wilco Bldg. Midland, TX 79701
If well produces oil or liquids, give location of tanks.	Unit Sec. Twp. Rge. Is gas actually connected? When Yes 7/21/78

If this production is commingled with that from any other lease or pool, give commingling order number:

COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Date Spudded 3/25/78	Date Compl. Ready to Prod. 7/10/78	Total Depth 3713	P.B.T.D. 3065					
Elevations (DF, RKB, RT, CR, etc.) 3556	Name of Producing Formation Yates-Sandstone	Top Oil/Gas Pay 2946	Tubing Depth 2918					
Perforations 2946-2996	Depth Casing Shoe							

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
11	8 5/8	1205.00	550 sx Cl "C"
7 7/8	4 1/2	3710.49	1035 sx Cl "C"
7 7/8	2 3/8	2918.35	

TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL

(Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)


Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

GAS WELL

Actual Prod. Test - MCF/D 701	Length of Test 4 1/2	Bbls. Condensate/MMCF	Gravity of Condensate NA
Testing Method (pilot, back pr.) Back Pressure	Tubing Pressure 250.2	Casing Pressure 326.2	Choke Size 3/8

I. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.


(Signature)
Administrator of Production Services
(Title)
January 18, 1979
(Date)

OIL CONSERVATION COMMISSION

APPROVED _____, 19____
BY _____
TITLE _____

This form is to be filed in compliance with RULE 1104.
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.
All sections of this form must be filled out completely for allowable on new and recompleted wells.
Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.
Separate Forms C-104 must be filed for each pool in multiply completed wells.

CONTRIBUTION	
DATE	
FILE	
REMARKS	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form O-101
Revised 1-1-65

1A. Indicate Type of Lease	
STATE <input checked="" type="checkbox"/>	FED <input type="checkbox"/>
2. State Oil & Gas Lease No.	
NMB 1398-10	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work	
b. Type of Well	
DRILL <input checked="" type="checkbox"/>	DEEPEN <input type="checkbox"/>
PLUG BACK <input type="checkbox"/>	
Oil Well <input type="checkbox"/>	Gas Well <input checked="" type="checkbox"/>
c. Kind of Formation	
Oil <input type="checkbox"/> Gas <input checked="" type="checkbox"/> Other <input type="checkbox"/>	
d. Name of Operator	
El Paso Natural Gas Company	
e. Address of Operator	
1800 Wilco Building; Midland, Texas 79701	
f. Location of Well	
UNIT LETTER N	LOCATED 3566 FEET FROM THE South LINE
AND 1980	FEET FROM THE West LINE OF SEC. 6 TWP. 21S RGE. 36E NMPM
g. Field and Pool, or Wildcat	
Eumont	
h. Field and Pool, or Wildcat	
Eumont	
i. County	
Lea	
j. Proposed Depth	
3,700	
k. Formation	
Yates, Seven River, Queen	
l. Rotary or C.T.	
Rotary	
m. Estimated (Show whether DE, RT, etc.)	
3,554 GR	
n. Kind & Status Plug. Bond	
On File	
o. Drilling Contractor	
Capitan Drlg. Co.	
p. Approx. Date Work will start	
Jan. 15, 1978	

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	32.0	1200	600	Surf.
7 1/2"	4 1/2"	10.5	3700	800	Surf.

Plan is to drill 12 1/4" hole to approximately 1,200', run 8 5/8" 32# csg & cmt to surface. WOC 18 hrs and test to 1000#. Drill 7 7/8" hole to TD (3700'). Run 4 1/2" 10.5# csg & cmt to surface pipe. WOC 24 hrs & test to 1500#. Will perforate Yates, Seven Rivers & Queen zones at selected intervals. 5000# Double gated BOP equipment will be used. Brine based drilling fluids will be used after surface casing is set.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed C. C. Goodwin Title Adm. Prod. Services Date 12/13/77

(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT 1 DATE _____

CONDITIONS OF APPROVAL, IF ANY:

1. NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

Form C-105
Revised 1-1-85

Well
File

3a. Indicate Type of Lease	
State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>	
3. State Oil & Gas Lease No.	

1a. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DEW <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
1b. TYPE OF COMPLETION NEW <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESER. <input type="checkbox"/> OTHER <input type="checkbox"/>	8. Form of Lease Name Shell "F" State Com
1. Name of Operator El Paso Natural Gas Company	9. Well No. 1
2. Address of Operator 1800 Hilco Building, Midland, Texas 79702	10. Field and Pool, or Wildcat Sumont
4. Location of Well UNIT LETTER H LOCATED 3566 FEET FROM THE South LINE AND 1980 FEET FROM THE West LINE OF SEC. 6 TWP. 21S RGE. 36E NMPM	12. County

15. Date Spudded 3/25/78	16. Date T.D. Reached 4/3/78	17. Date Compl. (Ready to Prod.) 5/10/78	18. Elevations (OF, RKB, RT, GR, etc.) GR 3554'	19. Elev. Casinghead 3556'
20. Total Depth 3713	21. Plug Back T.D. 3065	22. If Multiple Compl., How Many Single	23. Intervals Drilled By Rotary Tools	Cable Tools
24. Producing Interval(s), of this completion - Top, Bottom, Name 2946-2996 Yates Sandstone				25. Was Directional Survey Made no
26. Type Electric and Other Logs Run Comp Neutron-Formation Density-Dual Laterlog-Micro LWD				27. Was Well Cored No

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	20#	1205.00	11"	550 axs C1 C	0
4 1/2"	10.50#	3710.49	7 7/8"	685 axs HOWCO LT and 350 axs C1 C	0

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8"	2918.35	None

31. Perforation Record (Interval, size and number) 2946-2996 - .46 13 Holes	32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL 2946-2996 AMOUNT AND KIND MATERIAL USED 42,450 gals, 70% Westform, 35,400# 20/40 sand, 540,000 standard cubic feet of H₂
---	---

33. PRODUCTION							
Date First Production 7/12/78 (Testing only)		Production Method (Flowing gas lift, pumping - Size and type pump) Flowing thru tubing				Well Status (Prod. or Shut-in) Shut-in	
Date of Test 7/12/78	Hours Tested 4 1/2	Choke Size 3/8	Prod'n. For Test Period None	Oil - Bbl. None	Gas - MCF 76	Water - Bbl. None	Gas - Oil Ratio -
Flow Tubing Press. 250.2	Casing Pressure 326.2	Calculated 24-Hour Rate None	Oil - Bbl. None	Gas - MCF 2,116	Water - Bbl. None	Oil Gravity - API (Corr.) None	
34. Disposition of Gas (Sold, used for fuel, vented, etc.) Awaiting Connection to EPNG Pipeline						Test Witnessed By	

35. List of Attachments		
36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.		
SIGNED John S. Seck	TITLE Production Clerk	DATE 7-21-78

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

Southeastern New Mexico

T. Any _____
T. Salt _____
D. Sait _____
T. Yates 2709
T. 7 Rivers 3015
T. Queen 3354
T. Grayburg _____
T. San Andres _____
T. Glorieta _____
T. Paddock _____
T. Blaineby _____
T. Tubb _____
T. Drinkard _____
T. Abo _____
T. Wolfcamp _____
T. Penn. _____
T. Cisco (Bough C) _____

T. Canyon _____
T. Strawn _____
T. Atoka _____
T. Miss _____
T. Devonian _____
T. Silurian _____
T. Montoya _____
T. Simpson _____
T. McKee _____
T. Ellenburger _____
T. Gr. Wash _____
T. Granite _____
T. Delaware Sand _____
T. Bone Springs _____
T. _____
T. _____
T. _____

Northwestern New Mexico

- T. Ojo Alamo _____
- T. Kirtland-Fruitland _____
- T. Pictured Cliffs _____
- T. Cliff House _____
- T. Menefee _____
- T. Point Lookout _____
- T. Mancos _____
- T. Gallup _____
- Base Greenhorn _____
- T. Dakota _____
- T. Morrison _____
- T. Todilto _____
- T. Entrada _____
- T. Wingate _____
- T. Chinle _____
- T. Permian _____
- T. Penn. "A" _____

T. Penn. "B" _____
T. Penn. "C" _____
T. Penn. "D" _____
T. Leadville _____
T. Madison _____
T. Elbert _____
T. McCracken _____
T. Ignacio Qtzite _____
T. Granite _____
T. _____
T. _____
T. _____
T. _____
T. _____
T. _____
T. _____
T. _____

From	To	Thickness In Feet	Formation	From	To	Thickness In Feet	Formation
1160			Rustler				
2559			Tansill				
2709			Yates				
3015			Seven Rivers				
3354			Queen				
3547			Penrose				

RECEIVED

JUL 24 1978

CONSERVATION COMM.

MOORE, N. M.

RECEIVED

JUL 24 1978

CIL CONSERVATION COMM.
HONOLULU, H. I.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-2-65

All distances must be from the outer boundaries of the Section.

El Paso Natural Gas Company			Shell "E" State Com		Well No. 2
Section N	6	Township 21South	Range 36East	County Lea	
Section Location of Well:					
3566	feet from the South	line on 1	1980	feet from the West	line
3554.1	Producing Formation Yates, Seven River, Queen	Pool Eumont	Dedicated Acreage: 228 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatch marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

[Signature]
Name: _____
Administrator of Prod Svs

Position: _____
El Paso Natural Gas Co.

Company: _____
January 19, 1979

Date: _____

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

December 6, 1977

Date Surveyed: _____
Truman Gaskin
Registered Professional Engineer
and/or Land Surveyor

2126
Certificate No.

LEGEND

- * GAS WELL
- * P&A GAS WELL
- OIL WELL
- P&A OIL WELL
- Y7Q-YATES, SEVEN RIVERS, QUEEN
- G-SA-GRAYBURG-SAN ANDRES

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

dr/

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

CASE NO. 6487

Order No. R- 6404

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR APPROVAL OF INFILL
DRILLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 25,
19 80, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this _____ day of June, 19 80, the Division
Director, having considered the record and the recommendations of
the Examiner, and being fully advised in the premises,

FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 6487 is hereby dismissed.

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