

DOCKET: REGULAR HEARING - WEDNESDAY - JUNE 16, 1971

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

- ALLOWABLE: (1) Consideration of the oil allowable for July and August, 1971;
- (2) Consideration of the allowable production of gas for July, 1971, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico for July, 1971; also presentation of purchaser's nominations for the six-month period beginning August 1, 1971, for that area.

CASE 4487: (De Novo) This case will be continued to the August 18, 1971, Regular Hearing.

✓ Application of Pennzoil United, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn formation underlying the W/2 of Section 6, Township 23 South, Range 27 East, South Carlsbad-Strawn Gas Pool, Eddy County, New Mexico, said acreage to be dedicated to the Morris R. Antweil Joell Well No. 1 located 660 feet from the North line and 1980 feet from the West line of said Section 6. Also to be considered will be the cost of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

Upon application of Pennzoil United, Inc., this case will be heard De Novo under the provisions of Rule 1220.

CASE 4503: (De Novo)
In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Penroc Oil Corporation and all other interested persons to appear and show cause why the intentional deviation of Penroc Oil Corporation State Well No. 2, having a surface location 360 feet from the South line and 330 feet from the East line of Section 28, Township 17 South, Range 28 East, Empire-Abo Pool, Eddy County, New Mexico, to a bottom hole-location 123 feet from the South line and 149 feet from the East line of said Section 28 should be approved and why the allowable assigned to said well should not be reduced to offset any advantage gained by said bottom hole location over other producers.

Upon application of Amoco Production Company, this case will be heard De Novo under the provisions of Rule 1220.

THE FOLLOWING CASES WILL BE HEARD BEFORE DANIEL S. NUTTER, EXAMINER, OR ELVIS A. UTZ, ALTERNATE EXAMINER, IN THE OIL CONSERVATION COMMISSION CONFERENCE ROOM ON THE SECOND FLOOR OF THE LAND OFFICE BUILDING AT 10:30 a.m.:

~~(Case 4537 - R-4747)~~
✓
CASE 4547: Application of Hanson Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation in the perforated interval from 4009 feet to 4036 feet in its Mescalero Ridge Unit "35" Well No. 17 located in Unit G of Section 35, Township 19 South, Range 34 East, Pearl-Seven Rivers Pool, Lea County, New Mexico.

~~(Case 4434 - R-4058)~~
✓
CASE 4548: Application of Hanagan Petroleum Corporation for creation of a new gas pool and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow gas pool for its Catclaw Draw Unit Well No. 1-Y located in Unit F of Section 26, Township 21 South, Range 25 East, Eddy County, New Mexico. Applicant further seeks the promulgation of special rules therefor, including a provision for 640-acre spacing units.

~~(Case 4358 - R-3985)~~
CASE 4549: Application of Tom L. Ingram for unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for his Light Well No. 1 located 1980 feet from the South line and 660 feet from the East line of Section 15, Township 8 South, Range 37 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, the S/2 of said Section 15 to be dedicated to the well.

~~(Case 4507 - R-4114)~~
✓
CASE 4550: Application of Roger C. Hanks for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation at approximately 10,500 feet in a well located 660 feet from the North and West lines of Section 5, Township 20 South, Range 25 East, Eddy County, New Mexico.

~~(Case 4425 - R-4045)~~
1/2 ✓
CASE 4551: Application of Roger C. Hanks for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 of the Commission Rules and Regulations to drill a well at an unorthodox gas well location 1900 feet from the South line

(Case 4551 continued)

and 850 feet from the West line of Section 35, Township 20 South, Range 24 East, undesignated Pennsylvanian gas pool, Eddy County, New Mexico, the S/2 of said Section 35 to be dedicated to the well.

CASE 4552: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the amendment of Rule 506 of the Commission Rules and Regulations by deleting therefrom the provision that all gas produced with the current oil allowable determined in accordance with Rule 506 shall be deemed to have been lawfully produced.

CASE 4554: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Henry S. Birdseye and all other interested persons to appear and show cause why the following-described wells in the Chaco Wash-Mesaverde Pool in Township 20 North, Range 9 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Santa Fe Railroad Wells Nos. 1, 2, 3, and 4 and in Unit P of Section 21; Well No. 6 in Unit M of Section 22; and Wells Nos. 5, 7, 8, 9, 11, and 12 in Units D, D, C, F, D, and F, respectively, of Section 27.

CASE 4555: Application of BTA Oil Producers for expansion of a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its BTA Vada Bond Pressure Maintenance Project, Vada Pennsylvanian Pool, by the conversion to water injection of its Bond Wells Nos. 2 and 3 located, respectively, in Units L and A of Section 5 and its Bond Well No. 4 located in Unit J of Section 4, all in Township 9 South, Range 36 East, Lea County, New Mexico. Applicant proposes to complete the above-described wells in such a manner as to cause, by means of down-hole equipment, water from the Bough "D" zone to flood the Bough "C" zone in each of the wells.

CASE 4553: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Lea, Eddy and Chaves 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 Aid-Morrow Gas Pool. The discovery well is Pennzoil United,

(Case 4553 continued)

Inc., Aid State No. 1 located in Unit A of Section 24, Township 17 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
SECTION 24: N/2

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Blinebry production and designated as the East Terry-Blinebry Pool. The discovery well is Mark Production Company, Conoco Federal No. 2 located in Unit J of Section 30, Township 20 South, Range 39 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
SECTION 30: SE/4

(c) Extend the Arrowhead-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 20: NW/4

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

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
SECTION 5: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
SECTION 10: S/2

(f) Extend the Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
SECTION 30: W/2 W/2

(g) Extend the Double L-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
SECTION 23: SE/4 SE/4

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
SECTION 12: NW/4 NE/4

(h) Extend the Lea-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
SECTION 25: SW/4

(i) Extend the South McCormack-Silurian Pool in Lea County, New Mexico, to include therein:

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

(j) Extend the Power Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
SECTION 32: SW/4 SW/4

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
SECTION 6: NW/4 NW/4

(k) Extend the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
SECTION 21: SE/4

(l) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 13: NE/4
SECTION 15: S/2 SW/4
SECTION 23: W/2

(m) Extend the Northwest Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 5: NE/4

DOCKET: REGULAR HEARING - WEDNESDAY - JUNE 16, 1971

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

- ALLOWABLE: (1) Consideration of the oil allowable for July and August, 1971;
- (2) Consideration of the allowable production of gas for July, 1971, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico for July, 1971; also presentation of purchaser's nominations for the six-month period beginning August 1, 1971, for that area.

CASE 4487: (De Novo) This case will be continued to the August 18, 1971, Regular Hearing.

Application of Pennzoil United, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn formation underlying the W/2 of Section 6, Township 23 South, Range 27 East, South Carlsbad-Strawn Gas Pool, Eddy County, New Mexico, said acreage to be dedicated to the Morris R. Antweil Joell Well No. 1 located 660 feet from the North line and 1980 feet from the West line of said Section 6. Also to be considered will be the cost of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

Upon application of Pennzoil United, Inc., this case will be heard De Novo under the provisions of Rule 1220.

CASE 4503: (De Novo)
In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Penroc Oil Corporation and all other interested persons to appear and show cause why the intentional deviation of Penroc Oil Corporation State Well No. 2, having a surface location 360 feet from the South line and 330 feet from the East line of Section 28, Township 17 South, Range 28 East, Empire-Abo Pool, Eddy County, New Mexico, to a bottom hole-location 123 feet from the South line and 149 feet from the East line of said Section 28 should be approved and why the allowable assigned to said well should not be reduced to offset any advantage gained by said bottom hole location over other producers.

Upon application of Amoco Production Company, this case will be heard De Novo under the provisions of Rule 1220.

THE FOLLOWING CASES WILL BE HEARD BEFORE DANIEL S. NUTTER, EXAMINER, OR ELVIS A. UTZ, ALTERNATE EXAMINER, IN THE OIL CONSERVATION COMMISSION CONFERENCE ROOM ON THE SECOND FLOOR OF THE LAND OFFICE BUILDING AT 10:30 a.m.:

- CASE 4547: Application of Hanson Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation in the perforated interval from 4009 feet to 4036 feet in its Mescalero Ridge Unit "35" Well No. 17 located in Unit G of Section 35, Township 19 South, Range 34 East, Pearl-Seven Rivers Pool, Lea County, New Mexico.
- CASE 4548: Application of Hanagan Petroleum Corporation for creation of a new gas pool and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow gas pool for its Catclaw Draw Unit Well No. 1-Y located in Unit F of Section 26, Township 21 South, Range 25 East, Eddy County, New Mexico. Applicant further seeks the promulgation of special rules therefor, including a provision for 640-acre spacing units.
- CASE 4549: Application of Tom L. Ingram for unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for his Light Well No. 1 located 1980 feet from the South line and 660 feet from the East line of Section 15, Township 8 South, Range 37 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, the S/2 of said Section 15 to be dedicated to the well.
- CASE 4550: Application of Roger C. Hanks for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation at approximately 10,500 feet in a well located 660 feet from the North and West lines of Section 5, Township 20 South, Range 25 East, Eddy County, New Mexico.
- CASE 4551: Application of Roger C. Hanks for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 of the Commission Rules and Regulations to drill a well at an unorthodox gas well location 1900 feet from the South line

(Case 4551 continued)

and 850 feet from the West line of Section 35, Township 20 South, Range 24 East, undesignated Pennsylvanian gas pool, Eddy County, New Mexico, the S/2 of said Section 35 to be dedicated to the well.

CASE 4552: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the amendment of Rule 506 of the Commission Rules and Regulations by deleting therefrom the provision that all gas produced with the current oil allowable determined in accordance with Rule 506 shall be deemed to have been lawfully produced.

CASE 4554: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Henry S. Birdseye and all other interested persons to appear and show cause why the following-described wells in the Chaco Wash-Mesaverde Pool in Township 20 North, Range 9 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Santa Fe Railroad Wells Nos. 1, 2, 3, and 4 and in Unit P of Section 21; Well No. 6 in Unit M of Section 22; and Wells Nos. 5, 7, 8, 9, 11, and 12 in Units D, D, C, F, D, and F, respectively, of Section 27.

CASE 4555: Application of BTA Oil Producers for expansion of a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its BTA Vada Bond Pressure Maintenance Project, Vada Pennsylvanian Pool, by the conversion to water injection of its Bond Wells Nos. 2 and ~~3~~ located, respectively, in Units L and A of Section 5 and its Bond Well No. 4 located in Unit J of Section 4, all in Township 9 South, Range 36 East, Lea County, New Mexico. Applicant proposes to complete the above-described wells in such a manner as to cause, by means of down-hole equipment, water from the Bough "D" zone to flood the Bough "C" zone in each of the wells.

CASE 4552: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Lea, Eddy and Chaves 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 Aid-Morrow Gas Pool. The discovery well is Pennzoil United,

(Case 4553 continued)

Inc., Aid State No. 1 located in Unit A of Section 24, Township 17 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
SECTION 24: N/2

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Blinebry production and designated as the East-Terry-Blinebry Pool. The discovery well is Mark Production Company, Conoco Federal No. 2 located in Unit J of Section 30, Township 20 South, Range 39 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
SECTION 30: SE/4

(c) Extend the Arrowhead-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 20: NW/4

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

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
SECTION 5: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
SECTION 10: S/2

(f) Extend the Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
SECTION 30: W/2 W/2

(g) Extend the Double L-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
SECTION 23: SE/4 SE/4

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
SECTION 12: NW/4 NE/4

(h) Extend the Lea-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
SECTION 25: SW/4

(i) Extend the South McCormack-Silurian Pool in Lea County, New Mexico, to include therein:

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

(j) Extend the Power Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
SECTION 32: SW/4 SW/4

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
SECTION 6: NW/4 NW/4

(k) Extend the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
SECTION 21: SE/4

(l) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 13: NE/4
SECTION 15: S/2 SW/4
SECTION 23: W/2

(m) Extend the Northwest Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 5: NE/4