

Dockets Nos. 21-78 and 22-78 are tentatively set for hearing on June 21 and July 6, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 7, 1978

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 6235: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Black Diamond Oil Company and all other interested parties to appear and show cause why the Well No. 1 located in Unit C of Section 27, 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 6236: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Bloomfield Oil & Gas Company and all other interested parties to appear and show cause why the C. Hare Well No. 3 located in Unit N of Section 15 and the H. D. Abrams Well No. 5 located in Unit E of Section 23, both in 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 6237: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Finley & Johansen and all other interested parties to appear and show cause why the Hare Well No. 1 located in Unit C 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 6238: Application of Barber Oil, Inc., for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Saladar Unit Area comprising 240 acres, more or less, of Federal and fee lands in Township 20 South, Range 28 East, Eddy County, New Mexico.
- CASE 6226: (Continued from May 17, 1978 Examiner Hearing)
- Application of Barber Oil, Inc. for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Saladar Unit, by the injection of water into the Yates formation through five wells located in Units K, L, N and O of Section 33, Township 20 South, Range 28 East, Saladar-Yates Pool, Eddy County, New Mexico.
- CASE 6239: Application of Robert N. Enfield for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for his North Lake McMillan Unit Area comprising 3194 acres, more or less, of Federal and fee lands in Township 19 South, Ranges 26 and 27 East, Eddy County, New Mexico.
- CASE 6240: Application of Bass Enterprises Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Navajo 20 Well No. 1, a Barker Creek oil test to be drilled 1190 feet from the South line and 2510 feet from the East line of Section 20, Township 27 North, Range 19 West, San Juan County, New Mexico, the SW/4 SE/4 of said Section 20 to be dedicated to the well.
- CASE 6241: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Eagle Creek Permo-Penn and West Atoka-Morrow gas production in the wellbore of its Powell DG Well No. 1 located in Unit O of Section 35, Township 17 South, Range 25 East, Eddy County, New Mexico.
- CASE 6242: Application of C & E Operators, Inc., for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SE/4 of Section 32, Township 32 North, Range 10 West, San Juan 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 6243: Application of Caulkins Oil Company for four unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Breech "E" Wells Nos. 104 and 587, located in Unit P of Section 5 and Unit J of Section 4, respectively; and its Breech "A" Wells Nos. 207 and 679, located in Unit J of Sections 10 and 9, respectively, all in Township 26 North, Range 6 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico.

CASE 6204: (Reopened and Readvertised)

Application of Producing Royalties, Inc., for an exemption from the Natural Gas Pricing Act, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination as to whether the proration unit consisting of the NW/4 of Section 12, Township 29 North, Range 12 West, San Juan County, New Mexico, on which the Carroll-Cornell Well No. 2 is located was producing or capable of producing natural gas prior to January 1, 1975, from the Fulcher Kutz-Pictured Cliffs reservoir; if so, applicant seeks exemption from the Natural Gas Pricing Act for two replacement Pictured Cliffs wells in the same proration unit pursuant to a finding that the wells are justified for reasons other than avoiding the application of the Act.

CASE 6244: Application of Tom L. Ingram for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo Reef formation through the perforated interval from 8915 feet to 8992 feet in his State M Well No. 1 located in Unit O of Section 18, Township 17 South, Range 36 East, Vacuum-Abo Pool, Lea County, New Mexico.

CASE 6245: Application of Germany Investment Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Wolfcamp and Canyon production in the wellbore of its USA 9 Well No. 1 located in Unit I of Section 9, Township 20 South, Range 28 East, North Burton Flat Field, Eddy County, New Mexico.

CASE 6246: Application of Exxon Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location for a Silurian test to be drilled 1880 feet from the South line and 825 feet from the West line of Section 30, Township 26 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.

CASE 6247: Application of Mobil Oil Corporation for a unit agreement, Lea County, New Mexico, or statutory unitization. Applicant, in the above-styled cause, seeks approval of its North Vacuum Abo East Unit Area, comprising 866 acres, more or less, of State lands in Township 17 South, Range 35 East, Lea County, New Mexico.

In the absence of voluntary unitization, applicant seeks statutory unitization, for the purpose of pressure maintenance, of all mineral interests in the North Vacuum Abo East Unit underlying the following described lands in Township 17 South, Range 35 East, Lea County, New Mexico:

Section 7: S/2  
Section 18: N/2, SW/4, and W/2 SE/4

The unitized interval would be from a depth of 4385 feet subsea to 5225 feet subsea in the Mobil State "UU" Com. Well No. 1, located in Unit F of the aforesaid Section 7.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 6248: Application of Mobil Oil Corporation for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the North Vacuum Abo East Unit Area by the injection of water into the Abo formation through five wells located in Units N and P of Section 7, and Units F, H, and N of Section 18, all in Township 17 South, Range 35 East, North Vacuum Abo Pool, Lea County, New Mexico, and the promulgation of special rules governing said project.

CASE 6249: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Chaves, Lea, and Eddy Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Mississippian production and designated as the Bar U-Mississippian Pool. The discovery well is Charles F. Harding State "3" Well No. 1 located in Unit G of Section 3, Township 9 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM  
Section 3: NE/4