

Dockets Nos. 36-79 and 37-79 are tentatively set for September 19 and October 3, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 5, 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 6640: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Miles Production Company, National Surety Corporation, and all other interested parties to appear and show cause why the Thomas Drought Well No. 1 located in Unit A of Section 4, Township 15 North, Range 6 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6641: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Willow Creek Unit Area, comprising 25,881 acres, more or less, of State, federal, and fee lands in Townships 4 and 5 South, Range 25 East.
- CASE 6642: Application of Bass Enterprises Production Company for pool contraction and creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Indian Flats-Morrow Gas Pool by the deletion of the S/2 of Section 25, Township 21 South, Range 28 East, and the creation of a new Morrow gas pool comprising said lands for its Big Eddy Unit Well No. 66 in Unit K of said Section 25.
- CASE 6635: (Continued from August 22, 1979, Examiner Hearing)
- Application of Exxon Corporation for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of the W/2 of Section 31, Township 20 South, Range 37 East, Eumont Pool, to its Aggies State Well No. 4 located in Unit F, and to its Well No. 13, at an unorthodox location 660 feet from the South line and 1650 feet from the West line, both in said Section 31.
- CASE 6636: (Continued from August 22, 1979, Examiner Hearing)
- Application of Exxon Corporation for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of all of Section 23, Township 21 South, Range 36 East, Eumont Pool, to its New Mexico "C" State Well No. 5 located in Unit E, and to its Well No. 20, at an unorthodox location in Unit M, both in said Section 23.
- CASE 6637: (Continued from August 22, 1979, Examiner Hearing)
- Application of Exxon Corporation for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of the E/2 of Section 10, Township 21 South, Range 36 East, Eumont Pool, to its Knox Well No. 1 located in Unit J, and to its Well No. 13, at an unorthodox location 1650 feet from the North line and 990 feet from the East line, both in said Section 10.
- CASE 6643: Application of BTA Oil Producers for the amendment of Order No. R-5905, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5905 to provide that the N/2 of Section 27, Township 25 South, Range 33 East, be dedicated to its 7811 JV-P Rojo Well No. 1 rather than the W/2.
- CASE 6655: Application of BTA Oil Producers for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its 7811 JV-P Rojo "B" Well No. 1, a Devonian test to be located 660 feet from the South line and 1980 feet from the East line of Section 28, Township 25 South, Range 33 East, the E/2 of said Section 28 to be dedicated to the well.
- CASE 6644: Application of Tenneco Oil Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Pictured Cliffs production in the wellbores of its State K Com Well No. 12 located in Unit E of Section 16, Township 30 North, Range 9 West, and its Florence Well No. 60R in Unit L of Section 1, Township 29 North, Range 9 West.

- CASE 6645: Application of Depco Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Apache Springs Unit Area, comprising 31,199 acres, more or less, of State, federal, and fee lands in Townships 10, 11, and 12 South, Ranges 30 and 31 East.
- CASE 6646: Application of Belco Petroleum Corporation for approval of infill drilling and simultaneous dedication, 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 its James Ranch Unit Well No. 10 to be located in Unit H of Section 1, Township 23 South, Range 30 East, Morrow formation, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6638: (Continued from August 22, 1979, Examiner Hearing)
- Application of Ladd Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Largo-Gallup and Basin-Dakota production in the wellbore of its Lindrith Well No. 24 located in Unit F of Section 4, Township 26 North, Range 7 West.
- CASE 6647: Application of O. H. Berry for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Seven Rivers well to be located 1650 feet from the North line and 330 feet from the East line of Section 15, Township 24 South, Range 36 East, Jalmat Gas Pool, the NE/4 of said Section 15 to be dedicated to the well.
- CASE 6648: Application of Morris R. Antweil for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Mississippian oil pool for its Landlady Well No. 1 located in Unit B of Section 8, Township 12 South, Range 32 East, and special rules therefor, including 160-acre oil well spacing and a 4,000 to 1 gas-oil ratio.
- CASE 6649: Application of Morris R. Antweil for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be located 660 feet from the South line and 1980 feet from the East line of Section 5, Township 12 South, Range 32 East, the E/2 of said Section 5 to be dedicated to the well.
- CASE 6650: Application of Doyle Hartman for compulsory pooling, non-standard gas proration unit, and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the W/2 NE/4 of Section 36, Township 24 South, Range 36 East, to form an 80-acre non-standard gas proration unit 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. 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 6651: Application of Alpha Twenty-One Production Company for a non-standard proration unit, unorthodox well location, and 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 El Paso Plant Well No. 1 at an unorthodox location 1650 feet from the South line and 660 feet from the West line of Section 32, Township 23 South, Range 37 East, Jalmat Gas Pool, is necessary to effectively and efficiently drain that portion of the non-standard proration unit, to comprise the N/2 SW/4 of said Section 32, which cannot be so drained by the existing well.
- CASE 6652: Application of Shell Oil Company for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of a pressure maintenance project, all mineral interests in the North Hobbs Grayburg-San Andres Unit encompassing 10,650 acres, more or less, underlying all or portions of the following lands in Lea County, New Mexico: Sections 13, 14, 23, 24, 25, 26, and 36, Township 18 South, Range 37 East; Sections 17 thru 21 and 27 thru 34, Township 18 South, Range 38 East.

The unitized interval would be the Grayburg-San Andres Formation between the depths of 3,698 feet and 4,500 feet in Shell's State A Well No. 7, located in Unit H of Section 32, Township 18 South, Range 38 East.

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. (This case will be continued to September 19, 1979.)