

Dockets Nos. 21-84 and 22-84 are tentatively set for May 23 and June 6, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 9, 1984

8 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 Michael E. Stogner, Alternate Examiner:

- CASE 8171: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Manvar Mining, Inc., Ohio Casualty Insurance Co., and all other interested parties to appear and show cause why the Manvar Well No. 1 located 330 feet from the North and East lines of Section 20, Township 14 North, Range 7 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 8172: Application of James F. Devenport & Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Enterprise (Deep) Unit Area comprising 3,519.20 acres, more or less, of State and Federal lands in Townships 20 and 21 South, Ranges 33 and 34 East.
- CASE 8173: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Brown State Unit Area comprising 640 acres, more or less, of State land in Township 15 South, Range 32 East.
- CASE 8174: Application of Bill Scott, dba Cedar Lake Oil, for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SW/4 of Section 19, Township 17 South, Range 31 East.
- CASE 8161: (Continued from April 25, 1984, Examiner Hearing)
- Application of Corrida Oil Inc. for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the SW/4 SE/4 of Section 13 and the NW/4 NE/4 of Section 24, Township 25 North, Range 13 West, Bisti-Lower Gallup Oil Pool.
- CASE 8162: (Continued from April 25, 1984, Examiner Hearing)
- Application of Corrida Oil Inc. for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the E/2 SE/4 of Section 13, Township 25 North, Range 13 West, Bisti-Lower Gallup Oil Pool.
- CASE 8163: (Continued from April 25, 1984, Examiner Hearing)
- Application of Corrida Oil Inc. for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the E/2 NE/4 of Section 24, Township 25 North, Range 13 West, Bisti-Lower Gallup Oil Pool.
- CASE 8175: Application of Charles E. Gillespie, Jr. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Townsend Wolfcamp (Permo-Upper Penn) formation in the perforated interval from 10,546 feet to 10,598 feet in its State "D" Well No. 3 located 3000 feet from the South line and 330 feet from the West line of Section 1, Township 16 South, Range 35 East.
- CASE 8176: Application of Mesa Grande Resources, Inc. for downhole commingling and dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Greenhorn and Dakota production in the wellbore of its Howard Gavilan Well No. 1 located 1850 feet from the North line and 1650 feet from the West line of Section 23, Township 25 North, Range 2 West, and the dual completion of said well to produce oil from the Gavilan-Mancos Oil Pool and from the aforesaid commingled production through parallel strings of tubing.
- CASE 8177: Application of Robert N. Enfield for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the South line and 300 feet from the East line of Section 18, Township 21 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, all of said Section 18 to be dedicated to the well.

CASE 8165: (Continued from April 25, 1984, Examiner Hearing)

Application of Echo Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Atoka formation underlying the N/2 of Section 23, Township 9 South, Range 32 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 8166: (Continued from April 25, 1984, Examiner Hearing)

Application of Energy Reserves Group, Inc. for an unorthodox well location and a non-standard proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 228.89-acre non-standard proration unit comprising the N/2 of Section 18, Township 6 South, Range 34 East, South Peterson-Pennsylvanian Associated Pool, for a well to be drilled at an unorthodox location 660 feet from the North and West lines of said Section 18.

CASE 8178: Application of Belco Development Corp. for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Union Mead Well No. 3 located in Unit J of Section 5, Township 22 South, Range 27 East, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8143: (Continued and Readvertised)

Application of Marline Petroleum Corporation for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 7,000 cubic feet of gas per barrel of oil for the Bishop Canyon-San Andres Pool and the cancellation of accrued overproduction.

CASE 8179: Application of Mabee Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry, Drinkard, and Tubb production in the wellbore of its Belcher Well No. 1 located in Unit M of Section 7, Township 22 South, Range 38 East.

CASE 8180: Application of OGR Operating Company, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the E/2 of Section 17, Township 6 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8140: (Continued from April 11, 1984, Examiner Hearing)

Application of C. W. Trainer for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Wolfcamp formation underlying the SW/4 SW/4 of Section 15, Township 19 South, Range 35 East, and the W/2 SW/4 of the section in the Bone Spring formation, 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 8141: (Continued from April 11, 1984, Examiner Hearing)

Application of C. W. Trainer for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Wolfcamp formation underlying the NW/4 NE/4 of Section 22, Township 19 South, Range 35 East, and the W/2 NE/4 of the section in the Bone Spring formation, 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 8095: (Continued from April 11, 1984, Examiner Hearing)

Application of Cities Service Oil & Gas Corporation for amendment of Division Order No. R-4808, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-4808 which authorized the Empire-Abo Pressure Maintenance Project to abolish the present maximum daily project allowable and to establish a new maximum daily project allowable of 4 mmcf per day.

CASE 8070: (Continued from April 11, 1984, Examiner Hearing)

Application of Robert M. Edsel, Inc. for directional drilling, non-standard proration unit, creation of a new oil pool, and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the directional drilling of its Scott Well No. 2 from a surface location 2310 feet from the South line and 1980 feet from the West line of Section 1, Township 15 South, Range 36 East, to a bottomhole location in the Wolfcamp formation at an approximate vertical depth of 10,800 feet within a 100 foot radius of a point 3370 feet from the South line and 1670 feet from the West line of said Section 1 and for approval of a non-standard 80-acre proration and spacing unit consisting of the SE/4 NW/4 and the NE/4 SW/4 of said Section 1. Applicant further seeks the creation of a new Wolfcamp oil pool with special pool rules including a provision for 80-acre spacing and proration units.

CASE 8124: (Continued from April 11, 1984, Examiner Hearing)

Application of Robert M. Edsel, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the SE/4 NW/4 and NE/4 SW/4 of Section 1, Township 15 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8082: (Readvertised)

Application of Amoco Production Company for amendment of Division Order No. R-4934, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-4934 which authorized the Amoco South Hobbs Grayburg-San Andres Pressure Maintenance Project to provide administrative approval procedures for unorthodox locations closer than 330 feet to the outer unit boundary when covered by a lease line agreement, directional drilling, and a water injection credit allowable.

In addition, applicant seeks the amendment of Division Order No. R-4934 to include expansion of the pressure maintenance project area to include all proration units within the boundary of the South Hobbs Unit upon which a well is completed in the Hobbs Grayburg-San Andres Pool. In the absence of objection, this application will be approved based upon evidence presented in Case 8082 heard by the Division on February 29, 1984.

CASE 8181: Application of Amoco Production Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry, Drinkard, and Tubb production in the wellbores of the following four wells:

- Southland Royalty "A" No. 1
1980' FNL and 1980' FEL
Unit G, Section 9, Township 21 South, Range 37 East
- Southland Royalty "A" No. 2
660' FNL and 1980' FEL
Unit B, Section 9, Township 21 South, Range 37 East
- Southland Royalty "A" No. 3
660' FSL and 1650' FWL
Unit V, Section 4, Township 21 South, Range 37 East
- Southland Royalty "A" No. 7
660' FNL and 585' FWL
Unit A, Section 9, Township 21 South, Range 37 East

CASE 8182: Application of Mesa Petroleum Co. for NGPA determination, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that production from its State Com AJ Well No. 34 is above normal NGPA stripper well levels as a result of the recognized enhanced recovery techniques as defined by 18 CFR 271.803(a).

CASE 8183: Application of Mesa Petroleum Co. for NGPA determination, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that production from its State Com AI Well No. 33 is above normal NGPA stripper well levels as a result of the recognized enhanced recovery techniques as defined by 18 CFR 271.803(a).

- CASE 8184: Application of Union Texas Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup (Undesignated Gallup and 3S Mesa-Gallup) and Basin-Dakota production in the wellbore of its Jicarilla "G" Well No. 1-E located 1656 feet from the North line and 1979 feet from the West line of Section 1, Township 26 North, Range 5 West.
- CASE 8185: Application of Union Texas Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup (Undesignated Gallup and 3S Mesa-Gallup) and Basin-Dakota production in the wellbore of its Jicarilla "G" Well No. 8-E located 1710 feet from the South line and 810 feet from the East line of Section 2, Township 26 North, Range 5 West.
- CASE 8186: Application of Union Texas Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval for downhole commingling of Blanco Mesaverde, Undesignated Gallup, Basin-Dakota and Wildhorse-Dakota production in the wellbore of all existing wells and all wells subsequently to be drilled in the Jicarilla "F" Lease located in Township 26 North, Range 4 West.
- CASE 8187: 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 formations underlying the E/2 of Section 33, Township 24 South, Range 33 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 8188: 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 N/2 of Section 17, 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.

Docket No. 19-84

DOCKET: COMMISSION HEARING - TUESDAY - MAY 15, 1984

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

CASE 7827: (Continued from April 12, 1984, Commission Hearing)

Application of Millard Deck Estate for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Langlie-Mattix and Jalmat production in the wellbore of the following three wells: Possb Wells Nos. 1 in Unit C; 3 in Unit K; and 4 in Unit B, all located in Section 36, Township 24 South, Range 36 East.

Upon application of Doyle Hartman, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8078: (Readvertised)

Application of Doyle Hartman for a non-standard proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 480-acre non-standard Jalmat gas proration unit comprising the E/2 SE/4 of Section 19 and the E/2 and E/2 NW/4 of Section 30, both in Township 25 South, Range 37 East, to be simultaneously dedicated to his Winningham Well No. 8 and Winningham Well No. 2 located in said Section 19; Winningham Well No. 1, Winningham Well No. 3, Winningham Well No. 7, and Winningham Well No. 9 located in Section 30.

CASE 8088: (Continued from April 12, 1984, Commission Hearing)

Application of Llano, Inc. for special well testing requirements or expansion of its gas storage project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order requiring testing of the Morrow formation at Llano's option by use of a Repeat Formation Tester in the L & B Oil Company's Federal Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the East line of Section 5, Township 22 South, Range 34 East. In the alternative, applicant seeks the extension of its gas storage project to include the Morrow formation under all of said Section 5.

CASE 8189: Application of Llano, Inc. for expansion of a gas storage project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an expansion of its Grama Ridge Gas Storage Project to include Sections 4 and 10 of Township 22 South, Range 34 East, and Section 33 of Township 21 South, Range 34 East.

CASE 8155: (Continued from April 12, 1984, Commission Hearing)

Application of Jack J. Grynberg for compulsory pooling, unorthodox location, and simultaneous dedication, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through and including the Ordovician formation underlying the W/2 of Section 18, Township 9 South, Range 27 East. 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. Applicant further seeks approval of an unorthodox well location 660 feet from the South and West lines of said Section 18, the W/2 of the section to be simultaneously dedicated to this well and to the Seymour State Com Well No. 1.

CASE 8190: Application of Amoco Production Company for temporary special spacing rules, Union, Harding, and Quay Counties, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special spacing rules for the Bravo Dome CO₂ Gas Unit Area to provide for 640-acre spacing and specified well locations.

CASE 8191: Application of Cities Service Oil & Gas Corporation for 640-acre spacing in the West Bravo Dome Area, Harding County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary 640-acre spacing rules for portions of Townships 17, 18, 19, and 20 North, Ranges 29 and 30 East, in the West Bravo Dome Area.

CASE 8109: (Continued from April 12, 1984, Commission Hearing)

Application of Amoco Production Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of the wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in Order R-5436 will be granted.

CASE 8132: (Continued from April 12, 1984, Commission Hearing)

Application of Amoco Production Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of the wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8111: (Continued from April 12, 1984, Commission Hearing)

Application of Southland Royalty Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8133: (Continued from April 12, 1984, Commission Hearing)

Application of Gulf Oil Exploration for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8134: (Continued from April 12, 1984, Commission Hearing)

Application of Land Petroleum Corp. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota Pool of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8135: (Continued from April 12, 1984, Commission Hearing)

Application of Veryl F. Moore for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Pictured Cliffs formation of Northwest New Mexico as provided in Section 62-7-5, NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8104: (Continued from April 12, 1984, Commission Hearing)

Application of Tenneco Oil Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico and the Catciaw Draw Field of Southeast New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8105: (Continued from April 12, 1984, Commission Hearing)

Application of Conoco Inc. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

Docket No. 20-84

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 16, 1984

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

The following cases will be heard before Michael E. Stogner, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for June, 1984, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for June, 1984, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.