

June 12

CASE 8331: (De Novo) (Continued from December 12, 1984, Commission Hearing)

Application of Amoco Production Company for an extension of the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Gavilan-Mancos Oil Pool to include Sections 10, 11, 12, 13, 14, 23 and 24 in Township 24 North, Range 2 West. Upon application of Amoco Production Company, this case will be heard De Novo pursuant to the provisions of Division Rule 1220.

(Continued and Readvertised)

CASE 8400: (~~Continued from December 12, 1984, Commission Hearing~~)

Application of Jack J. Grynberg for amendment of Division Order R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-6873 to 1) declare the applicant to be the operator of said Order's subject well and unit, 2) allow for the drilling of a second PrePermian well on the established 320-acre proration unit and 3) the establishment of risk factor and overhead charges for the new well.

Docket Nos. 3-85 and 4-85 are tentatively set for January 16 and January 30, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1985

8:00 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 Gilbert P. Quintana, Alternate Examiner:

CASE 8426: (Continued and Readvertised)

Application of Harper Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Snake Eyes Unit Area comprising 9,946.34 acres, more or less, of State, Federal and Fee lands in Township 14 South, Ranges 20 and 21 East.

CASE 8382: (Continued from December 19, 1984, Examiner Hearing)

Application of TXO Production Company for dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the dual completion of its Pioneer Federal Com Well No. 1 located 1980 feet from the North line and 1740 feet from the East line (Unit G) of Section 19, Township 21 South, Range 27 East, to produce oil and gas from the Lahuerta-Wolfcamp Pool through a string of tubing and gas from the Burton Flat-Morrow Gas Pool through the casing-tubing annulus.

CASE 8445: Application of GeoEngineering, Inc. for an exception to General Rules 104-F and 104 C.I., Mckinley County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rules 104-F and 104 C.I. of the Division's General Rules and Regulations within portions of Sections 20, 21, 22, 27, 28, 29, and 30, all in Township 20 North, Range 9 West, to provide for Mesaverde oil wells to be located not nearer than 10 feet to the quarter-quarter section line nor nearer than 165 feet to lands owned by an offset operator and to also permit applicant to develop the Mesaverde formation within said area with more than four wells on each 40-acre tract.

CASE 8446: Application of Chama Petroleum Company for two unorthodox gas well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two unorthodox gas well locations, one well to be located 660 feet from the South and East lines of Section 23 and another to be located 1650 feet from the North line and 1980 feet from the West line of Section 25, both located in Township 20 South, Range 34 East, NMPM, Pennsylvanian and Devonian formations. The S/2 of Section 23 and the W/2 of Section 25, respectively, are to be dedicated to said wells.

CASE 8447: Application of Chama Petroleum Company to limit the Lea-Pennsylvanian Gas Pool Rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to limit pool rules for the Lea-Pennsylvanian Gas Pool in Township 20 South, Range 34 East, to the pool boundaries only.

DOCKET: COMMISSION HEARING - WEDNESDAY - JANUARY 10, 1985

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

CASE 8139: (Continued and Readvertised) (De Novo)

Application of BBC, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the open-hole interval from 2,800 feet to 3,750 feet in its SWD Well No. 1 located 660 feet from the South line and 1980 feet from the East line of Section 18, Township 20 South, Range 28 East. Upon request of Robert N. Enfield and Penroc Oil Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

- (d) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for Cisco production and designated as the East New Hope-Cisco Gas Pool. The discovery well is the L & B Oil Company, Inc. Boys Ranch Well No. 1 located in Unit O of Section 29, Township 6 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 34 EAST, NMPM

Section 29: S/2

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

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM

Section 13: NW/4

- (f) EXTEND the West Caprock-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 31 EAST, NMPM

Section 14: E/2

- (g) EXTEND the EK-Bona Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 36: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 32: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 28: NE/4

- (j) EXTEND the Mescalero Escarpe-Bona Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 11: NE/4

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

TOWNSHIP 6 SOUTH, RANGE 34 EAST, NMPM

Section 17: W/2

- (l) EXTEND the Saunders-Permo Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM

Section 10: NE/4

- (m) EXTEND the East Skaggs-Abo Pool Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 19: S/2 NE/4 and SE/4
 Section 20: SW/4
 Section 29: NW/4

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

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM

Section 35: SE/4

- (o) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 7: SE/4

Docket No. 18-85

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 12, 1985

8:45 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 Gilbert P. Quintana, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for July, 1985, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for July, 1985, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

Docket No. 19-85.

DOCKET: COMMISSION HEARING - WEDNESDAY - JUNE 12, 1985

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

CASE 3447: (Continued from May 29, 1985, Examiner Hearing) (De Novo)

Application of Chama Petroleum Company to limit the Lea-Pennsylvanian Gas Pool Rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to limit pool rules for the Lea-Pennsylvanian Gas Pool in Township 20 South, Range 34 East, to the pool boundaries only. Upon request of Chama Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 3400: (Continued and Readvertised)

Application of Jack J. Grynberg for amendment of Division Order No. R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6873 to 1) declare the applicant to be the operator of said Order's subject well and unit, 2) allow for the drilling of a second PrePermian well on the established 320-acre proration unit and 3) the establishment of risk factor and overhead charges for the new well.

CASE 8605: (Continued from June 5, 1985, Examiner Hearing)

Application of Doyle Hartman to rescind Division Order No. R-3690, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to rescind Division Order No. R-3690 which authorized the disposal of produced water into the Seven Rivers formation through the Etz Well No. 3 located 330 feet from the South line and 1650 feet from the West line of Section 27, Township 23 South, Range 36 East, Jalmat Gas Pool, in which HCW Exploration, Inc. is the operator.

CASE 8594: (Continued from June 5, 1985, Examiner Hearing)

Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Jalmat Gas Pool underlying the SE/4 of Section 27, Township 23 South, Range 36 East, forming a 160-acre spacing and proration unit, to be dedicated to a well to be drilled 660 feet from the South line and 330 feet from the East line of said Section 27. Applicant further seeks approval for a 160-acre non-standard Jalmat Gas Pool spacing and proration unit comprising said SE/4 of Section 27 also to be dedicated to the aforementioned well which is an unorthodox gas well location in the Jalmat Gas Pool. 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 8323: (DE NOVO)

Application of Blanco Engineering, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Atoka Penn formation in the perforated interval from 9,094 feet to 9,116 feet in its Pan American Flint Gas Com Well No. 1 located in Section 22, Township 18 South, Range 26 East. Upon application of Yates Petroleum Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

Dockets Nos. 23-85 and 24-85 are tentatively set for July 17 and 31, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - WEDNESDAY - JULY 10, 1985

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

- CASE 8643: In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rule 0.1, Rule 1, Rule 2, Rule 3, Rule 7, Rule 709, and Rule 710 to define fresh water and produced water and to provide for protection of fresh water.
- CASE 8644: In the matter of the hearing called by the Oil Conservation Commission on its own motion to promulgate a new Rule 8 to provide for the approval of the use of lined pits or below grade tanks for disposal or storage of produced water and other oil field fluids.
- CASE 8645: In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rule 102 to require a copy of Form C-101 (permit) on location during drilling operations and to provide for notice to landowners and/or tenants prior to the staking of well locations.
- CASE 8646: In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rules 108 and 113 to provide for notice of defective casing and for the notice of damage to casing, cement, or the formation as a result of well treatment.
- CASE 8647: In the matter of the hearing called by the Oil Conservation Commission on its own motion to delete Rule 308 in order to clarify the need for reporting of small volumes of produced water.
- CASE 8648: In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rule 111 to provide for operator calculation of maximum bottomhole displacement when the deviation during drilling averages more than five degrees in any 500-foot interval.
- CASE 8649: In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rule 1204 and Rule 1205, to delete present Rule 1206, to renumber and amend Rule 1207, and to promulgate a new Rule 1207. The Commission, in the above-styled cause, seeks to amend its rules relative to giving notice of hearings and to establish additional notice requirements for applicants for hearings.

Copies of the proposed rule changes, deletions, and new rules are available at Oil Conservation Division offices in Santa Fe, Hobbs, Artesia, and Aztec.

- CASE 5958: (DE NOVO) (This case will be dismissed.)

Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gonzales-Mesaverde and Otero-Chacra production in the wellbores of its AXI Apache "J" Wells Nos. 18, 23, and 24 located in Units A, D, and P of Section 8; Nos. 19 and 22 in Units D and L of Section 6; Nos. 20 and 21 in Units C and I of Section 5; and No. 25 in Unit A of Section 7, all in Township 25 North, Range 5 West. Upon application of Conoco Inc. this case will be heard De Novo pursuant to the provisions of Rule 1220.

- CASE 8400: (Continued from June 12, 1985, Commission Hearing)

Application of Jack J. Grynberg for amendment of Division Order No. R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6873 to 1) declare the applicant to be the operator of said Order's subject well and unit, 2) allow for the drilling of a second PrePermian well on the established 320-acre proration unit and 3) the establishment of risk factor and overhead charges for the new well.

- CASE 8604: (Continued from June 5, 1985, Examiner Hearing)

Application of HCW Exploration, Inc. for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Jalmat Gas Pool, underlying the SE/4 of Section 27, Township 23 South, Range 36 East, forming 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8690: Application of Doyle Hartman for a non-standard proration unit, two unorthodox locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of two wells to be located at unorthodox well locations, the first of which is to be at least 1325 feet from the South line but not more than 1650 feet from the South line and at least 660 feet from the West line but not more than 850 feet from the West line of Section 22, and the second of which is to be at least 250 feet from the North line but not more than 990 feet from the North line and at least 660 feet from the West line but not more than 1980 feet from the West line of Section 27, all in Township 25 South, Range 37 East, Jalmat Gas Pool and Langlie Mattix Pool, is necessary to effectively and efficiently drain that portion of a 240-acre non-standard gas proration unit in the Jalmat Gas Pool only, comprising the W/2 SW/4 of Section 22 and the NW/4 of Section 27, Township 25 South, Range 37 East, which cannot be so drained by the existing Jalmat wells. Applicant further seeks approval for the simultaneous dedication of said 240-acre non-standard Jalmat proration unit to the subject wells and the currently producing Carlson-Harrison Federal Com Wells Nos. 1, 2, and 3.

DOCKET: COMMISSION HEARING - WEDNESDAY - SEPTEMBER 18, 1985

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

CASE 8645: (Reopened)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rule 102 to require a copy of Form C-101 (Permit) on location during drilling operations, to provide for notice to landowners and/or tenants prior to the staking of well locations, and to provide for notice to the operator of any other well located on the same quarter-quarter section. This case is being reopened to additionally consider requiring notice to the operator of any other well on a 40-acre tract by the operator of a new well to be drilled thereon.

NOTE: Following consideration of this matter on July 10, 1985, an operator requested that the case be reopened for consideration of an additional requirement for notice to the operator of any other well on a 40-acre tract by the operator of a new well proposed to be drilled on such tract. This case is reopened for consideration of such request.

CASE 8704: In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rule 313 by the addition of fresh waters to said rule.

CASE 8649: (Continued from July 10, 1985, Commission Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rule 1204 and Rule 1205, to delete present Rule 1206, to renumber and amend Rule 1207, and to promulgate a new Rule 1207. The Commission, in the above-styled cause, seeks to amend its rules relative to giving notice of hearings and to establish additional notice requirements for applicants for hearings.

Copies of the proposed rule changes, deletions, and new rules are available at Oil Conservation Division offices in Santa Fe, Hobbs, Artesia, and Aztec.

PLEASE NOTE CHANGES IN PROPOSED RULE 1207:

- (1) The language of paragraphs (a)(2), (a)(5), and (a)(7) has been amended to clarify the party(ies) who should receive notice.
- (2) A new paragraph (a)(8) has been added for exceptions to rules or orders controlling surface disposition of produced water or other fluids.
- (3) A new paragraph (a)(9) has been added to address notice requirements for all other applications.
- (4) Paragraph (b) has been amended to clarify the required content of the "additional notice."
- (5) The final paragraph of part (a) has been redesignated part (c).

CASE 8463: (DE NOVO)

Application of David Fasken for termination of prorationing in the Burton Flat-Morrow Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order terminating prorationing in the Burton Flat-Morrow Gas Pool located in portions of Townships 20 and 21 South, Ranges 26, 27, and 28 East, and to also cancel all cumulative over-production and under-production within said pool.

Upon application of David Fasken this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 3457: (Reopened)

In the matter of Case 3457 being reopened on the motion of LeFlore Oil and Gas, Inc. to require Amerind Oil Company to appear and show cause why Division Order No. R-7796, as amended, which authorized compulsory pooling and an unorthodox oil well location in Section 28, Township 16 South, Range 37 East, should not be rescinded.

CASE 3400: (Continued from July 10, 1985, Commission Hearing)

Application of Jack J. Grynberg for amendment of Division Order No. R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6873 to 1) declare the applicant to be the operator of said Order's subject well and unit, 2) allow for the drilling of a second PrePermian well on the established 320-acre proration unit and 3) the establishment of risk factor and overhead charges for the new well.

CASE 3604: (Continued from July 10, 1985, Commission Hearing)

Application of HCW Exploration, Inc. for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Jalmat Gas Pool, underlying the SE/4 of Section 27, Township 23 South, Range 36 East, forming 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 3605: (Continued from July 10, 1985, Commission Hearing)

Application of Doyle Hartman to rescind Division Order No. R-3690, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to rescind Division Order No. R-3690 which authorized the disposal of produced water into the Seven Rivers formation through the Etz Well No. 3 located 330 feet from the South line and 1650 feet from the West line of Section 27, Township 23 South, Range 36 East, Jalmat Gas Pool, in which HCW Exploration, Inc. is the operator.

CASE 3594: (Continued from July 10, 1985, Commission Hearing)

Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Jalmat Gas Pool underlying the SE/4 of Section 27, Township 23 South, Range 36 East, forming a 160-acre spacing and proration unit, to be dedicated to a well to be drilled 660 feet from the South line and 330 feet from the East line of said Section 27. Applicant further seeks approval for a 160-acre non-standard Jalmat Gas Pool spacing and proration unit comprising said SE/4 of Section 27 also to be dedicated to the aforementioned well which is an unorthodox gas well location in the Jalmat Gas Pool. 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 8457: (Reopened)

In the matter of Case 8457 being reopened on the motion of LeFlore Oil and Gas, Inc. to require Amerind Oil Company to appear and show cause why Division Order No. R-7796, as amended, which authorized compulsory pooling and an unorthodox oil well location in Section 28, Township 16 South, Range 37 East, should not be rescinded.

CASE 8400: (Continued from July 10, 1985, Commission Hearing)

Application of Jack J. Grynberg for amendment of Division Order No. R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6873 to 1) declare the applicant to be the operator of said Order's subject well and unit, 2) allow for the drilling of a second PrePermian well on the established 320-acre proration unit and 3) the establishment of risk factor and overhead charges for the new well.

CASE 8604: (Continued from July 10, 1985, Commission Hearing)

Application of HCW Exploration, Inc. for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Jalmat Gas Pool, underlying the SE/4 of Section 27, Township 23 South, Range 36 East, forming 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8605: (Continued from July 10, 1985, Commission Hearing)

Application of Doyle Hartman to rescind Division Order No. R-3690, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to rescind Division Order No. R-3690 which authorized the disposal of produced water into the Seven Rivers formation through the Etz Well No. 3 located 330 feet from the South line and 1650 feet from the West line of Section 27, Township 23 South, Range 36 East, Jalmat Gas Pool, in which HCW Exploration, Inc. is the operator.

CASE 8594: (Continued from July 10, 1985, Commission Hearing)

Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Jalmat Gas Pool underlying the SE/4 of Section 27, Township 23 South, Range 36 East, forming a 160-acre spacing and proration unit, to be dedicated to a well to be drilled 660 feet from the South line and 330 feet from the East line of said Section 27. Applicant further seeks approval for a 160-acre non-standard Jalmat Gas Pool spacing and proration unit comprising said SE/4 of Section 27 also to be dedicated to the aforementioned well which is an unorthodox gas well location in the Jalmat Gas Pool. 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 8690: Application of Doyle Hartman for a non-standard proration unit, two unorthodox locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of two wells to be located at unorthodox well locations, the first of which is to be at least 1325 feet from the South line but not more than 1650 feet from the South line and at least 660 feet from the West line but not more than 850 feet from the West line of Section 22, and the second of which is to be at least 250 feet from the North line but not more than 990 feet from the North line and at least 660 feet from the West line but not more than 1980 feet from the West line of Section 27, all in Township 25 South, Range 37 East, Jalmat Gas Pool and Langlie Mattix Pool, is necessary to effectively and efficiently drain that portion of a 240-acre non-standard gas proration unit in the Jalmat Gas Pool only, comprising the W/2 SW/4 of Section 22 and the NW/4 of Section 27, Township 25 South, Range 37 East, which cannot be so drained by the existing Jalmat wells. Applicant further seeks approval for the simultaneous dedication of said 240-acre non-standard Jalmat proration unit to the subject wells and the currently producing Carlson-Harrison Federal Com Wells Nos. 1, 2, and 3.

Docket No. 28-85

DOCKET: COMMISSION HEARING - WEDNESDAY - SEPTEMBER 18, 1985

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

CASE 8645: (Reopened)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rule 102 to require a copy of Form C-101 (Permit) on location during drilling operations, to provide for notice to landowners and/or tenants prior to the staking of well locations, and to provide for notice to the operator of any other well located on the same quarter-quarter section. This case is being reopened to additionally consider requiring notice to the operator of any other well on a 40-acre tract by the operator of a new well to be drilled thereon.

NOTE: Following consideration of this matter on July 10, 1985, an operator requested that the case be reopened for consideration of an additional requirement for notice to the operator of any other well on a 40-acre tract by the operator of a new well proposed to be drilled on such tract. This case is reopened for consideration of such request.

CASE 8704: In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rule 313 by the addition of fresh waters to said rule.

CASE 8649: (Continued from July 10, 1985, Commission Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rule 1204 and Rule 1205, to delete present Rule 1206, to renumber and amend Rule 1207, and to promulgate a new Rule 1207. The Commission, in the above-styled cause, seeks to amend its rules relative to giving notice of hearings and to establish additional notice requirements for applicants for hearings.

Copies of the proposed rule changes, deletions, and new rules are available at Oil Conservation Division offices in Santa Fe, Hobbs, Artesia, and Aztec.

PLEASE NOTE CHANGES IN PROPOSED RULE 1207:

- (1) The language of paragraphs (a)(2), (a)(5), and (a)(7) has been amended to clarify the party(ies) who should receive notice.
- (2) A new paragraph (a)(8) has been added for exceptions to rules or orders controlling surface disposition of produced water or other fluids.
- (3) A new paragraph (a)(9) has been added to address notice requirements for all other applications.
- (4) Paragraph (b) has been amended to clarify the required content of the "additional notice."
- (5) The final paragraph of part (a) has been redesignated part (c).

CASE 8463: (DE NOVO)

Application of David Fasken for termination of prorationing in the Burton Flat-Morrow Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order terminating prorationing in the Burton Flat-Morrow Gas Pool located in portions of Townships 20 and 21 South, Ranges 26, 27, and 28 East, and to also cancel all cumulative over-production and under-production within said pool.

Upon application of David Fasken this case will be heard De Novo pursuant to the provisions of Rule 1220.

- CASE 8724: Application of Benson-Montin-Greer Drilling Corp. for the extension of the vertical limits of the East Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the vertical limits of the East Puerto Chiquito-Mancos Oil Pool to include that portion of the Mancos formation occurring between the base of the Mesaverde formation and the top of the Graneros member.
- CASE 8725: Application of Tenneco Oil Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the South line and 1800 feet from the East line of Section 18, Township 10 South, Range 28 East, to test all formations from the top of the Wolfcamp to the base of the Morrow, the E/2 of said Section 18 to be dedicated to the well.
- CASE 8726: Application of Anadarko Production Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Foster-San Andres Pool in Section 31, Township 18 South, Range 39 East, and Sections 5 and 6, Township 19 South, Range 39 East, including a provision for a gas-oil ratio limitation of 5,000 cubic feet of gas per barrel of oil with a retroactive effective date for such special pool rules to remedy current overproduction in said pool.
- CASE 8727: Application of Pennzoil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn formation underlying the E/2 NE/4 of Section 4, Township 17 South, Range 37 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 8728: Application of Pennzoil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn formation underlying the W/2 NE/4 of Section 4, Township 17 South, Range 37 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 8729: Application of HCW Exploration, Inc. for a non-standard proration unit, unorthodox gas well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1650 feet from the North line and 800 feet from the East line of Section 31, Township 23 South, Range 37 East, a non-standard proration unit comprising the N/2 of said Section 31 to be simultaneously dedicated to the R. W. Cowden "C" Wells Nos. 4 and 9 in Section 31.

DOCKET: COMMISSION HEARING - THURSDAY - OCTOBER 17, 1985

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

CASE 8645: (Continued from September 18, 1985, Commission Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rule 102 to require a copy of Form C-101 (Permit) on location during drilling operations, to provide for notice to landowners and/or tenants prior to the staking of well locations, and to provide for notice to the operator of any other well located on the same quarter-quarter section. This case is being reopened to additionally consider requiring notice to the operator of any other well on a 40-acre tract by the operator of a new well to be drilled thereon.

NOTE: Following consideration of this matter on July 10, 1985, an operator requested that the case be reopened for consideration of an additional requirement for notice to the operator of any other well on a 40-acre tract by the operator of a new well proposed to be drilled on such tract. This case is reopened for consideration of such request.

CASE 8631: (DE NOVO)

Application of Lynx Petroleum Consultants, Inc. for an unorthodox gas well location, compulsory pooling, and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Queen formation underlying the SW/4 of Section 25, Township 16 South, Range 36 East, to be dedicated to a well to be recompleted at an unorthodox gas well location 1650 feet from the South line and 2100 feet from the West line of said Section 25. Also to be considered will be the cost of drilling and recompleting a well from the surface to the base of the Queen formation 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 recompleting said well. Applicant further seeks the dual completion of said well with the production from the Paddock formation.

Upon application of Lynx Petroleum Consultants, Inc. this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8463: (Continued from September 18, 1985, Commission Hearing)

Application of David Fasken for termination of prorationing in the Burton Flat-Morrow Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order terminating prorationing in the Burton Flat-Morrow Gas Pool located in portions of Townships 20 and 21 South, Ranges 26, 27, and 28 East, and to also cancel all cumulative overproduction and underproduction within said pool.

Upon application of David Fasken this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8502: (DE NOVO)

Application of Yates Drilling Company for a pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Southeast Chaves Queen Gas Area Associated Pool by the injection of water into the Queen formation through the perforated interval from approximately 2991 feet to 2997 feet in its Doyal Well No. 3 located 1980 feet from the South line and 990 feet from the East line (Unit I) of Section 27, Township 12 South, Range 31 East.

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

CASE 8400: (Continued and Readvertised)

Application of Jack J. Grynberg for amendment of Division Order No. R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6873 to: 1) allow for the drilling of a second PrePermian and Abo well at an unorthodox location in the SW/4 SW/4 of Section 18, Township 9 South, Range 27 East, on the established 320-acre proration unit, 2) declare the applicant to be the operator of the second well or, in the alternative, to be the operator of the unit, and 3) the establishment of risk factor and overhead charges for the new well.

CASE 8604: (Continued from September 18, 1985, Commission Hearing)

Application of HCW Exploration, Inc. for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Jalmat Gas Pool, underlying the SE/4 of Section 27, Township 23 South, Range 36 East, forming 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8594: (Continued from September 18, 1985, Commission Hearing)

Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Jalmat Gas Pool underlying the SE/4 of Section 27, Township 23 South, Range 36 East, forming a 160-acre spacing and proration unit, to be dedicated to a well to be drilled 660 feet from the South line and 330 feet from the East line of said Section 27. Applicant further seeks approval for a 160-acre non-standard Jalmat Gas Pool spacing and proration unit comprising said SE/4 of Section 27 also to be dedicated to the aforementioned well which is an unorthodox gas well location in the Jalmat Gas Pool. 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.

Dockets Nos. 1-85 and 2-85 are tentatively set for January 3 and January 17, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - WEDNESDAY - DECEMBER 12, 1984

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

CASE 7438: (Continued and Readvertised)

The Commission will consider the amendment of Division Rule No. 1204 to require applicants for hearings to make a reasonable effort to provide notice of hearings to adversely affected persons or, in the alternative, to adversely affected operators. This case will be dismissed.

CASE 8226: (Continued and Readvertised) (This case will be dismissed)

Application of Doyle Hartman for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its South Empire State Com Well No. 1 located in Unit M of Section 24, Township 17 South, Range 28 East, South Empire-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8400: (Continued from November 7, 1984, Commission Hearing)

Application of Jack J. Grynberg for amendment of Division Order R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-6873 to 1) declare the applicant to be the operator of said Order's subject well and unit, 2) allow for the drilling of a second PrePermian well on the established 320-acre proration unit and 3) the establishment of a risk factor and overhead charges for the new well.

CASE 8373: (De Novo)

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 from the surface to the base of the Morrow formation underlying the N/2 of Section 11, Township 18 South, Range 31 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. Upon application of Harvey E. Yates Company, this case will be heard De Novo pursuant to the provisions of Division Rule 1220.

CASE 8139: (De Novo)

Application of BBC, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the open-hole interval from 2,800 feet to 3,750 feet in its SWD Well No. 1 located 660 feet from the South line and 1980 feet from the East line of Section 18, Township 20 South, Range 28 East. Upon request of Robert N. Enfield and Penroc Oil Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8359: (Continued from October 31, 1984, Examiner Hearing)

Application of Doyle Hartman for the reinstatement of cancelled underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order to reinstate the cancelled underproduction assigned to the existing 320-acre non-standard gas proration unit comprised of the S/2 of Section 17, Township 24 South, Range 37 East, Jalmat Gas Pool, and dedicated to its Late Thomas Wells Nos. 1, 2, and 3 located in Units M, L, and J, respectively, of said Section 17.

CASE 8360: (Continued from October 31, 1984, Examiner Hearing)

Application of Doyle Hartman for reinstatement of cancelled underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order to reinstate the cancelled underproduction assigned to the existing 80-acre non-standard gas proration unit comprised of the E/2 SW/4 of Section 36, Township 23 South, Range 36 East, Jalmat Gas Pool, and dedicated to its Maralo State Well No. 1 located in the SE/4 SW/4 of said Section 36.

CASE 8361: (Continued from October 31, 1984, Examiner Hearing)

Application of Doyle Hartman for the reinstatement of cancelled underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order to reinstate the cancelled underproduction assigned to the existing 80-acre non-standard gas proration unit comprised of the SE/4 NW/4 and SW/4 NE/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, and dedicated to its Custer State Well No. 1 located in the SW/4 NE/4 of Section 36.

CASE 8425: Application of Doyle Hartman for reinstatement of cancelled underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order to reinstate the cancelled underproduction assigned to the existing 160-acre non-standard gas proration unit comprised of the SE/4 of Section 13, Township 23 South, Range 36 East, Jalmat Gas Pool, and dedicated to its Shell State Wells Nos. 2 and 5 located in Units P and J, respectively, of said Section 13.

CASE 8182: (Continued from November 7, 1984, Commission Hearing)

(De Novo)

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 located in the NW/4 NW/4 of Section 31, Township 32 North, Range 12 West, is above normal NGPA stripper well levels as a result of the recognized enhanced recovery techniques as defined by 18 CFR 271.803 (a).

Upon application of Mesa Petroleum Co., this case will be heard De Novo pursuant to the provisions of Division Rule 1220.

CASE 8183: (Continued from November 7, 1984, Commission Hearing)

(De Novo)

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 located in the NW/4 NW/4 of Section 32, Township 27 North, Range 9 West, is above normal NGPA stripper well levels as a result of the recognized enhanced recovery techniques as defined by 18 CFR 271.803 (a).

Upon application of Mesa Petroleum Co., this case will be heard De Novo pursuant to the provisions of Division Rule 1220.

CASE 8331: (De Novo)

Application of Amoco Production Company for an extension of the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Gavilan-Mancos Oil Pool to include Sections 10, 11, 12, 13, 14, 23 and 24 in Township 24 North, Range 2 West. Upon application of Amoco Production Company, this case will be heard De Novo pursuant to the provisions of Division Rule 1220.

- CASE 8398: Application of Gulf Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the producing interval which shall include the formations which extend from an upper limit of 100 feet below mean sea level or at the top of the Grayburg formation, whichever is higher, to a lower limit to the base of the San Andres formation in the proposed Eunice Monument South Unit Area, in portions of Sections 25 and 36 of Township 20 South, Range 36 East, Sections 30 through 32 of Township 20 South, Range 37 East, and Sections 2 through 18, 21, and 22 of Township 21 South, Range 36 East, Lea County, New Mexico.
- CASE 8399: Application of Gulf Oil Corporation for pool extension and contraction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the upward extension of the vertical limits of the Eunice-Monument Pool to include either the top of the Grayburg formation or to a subsea datum of minus 100 feet, whichever is higher, underlying their proposed Eunice Monument South Unit Area in portions of Sections 25 and 36 of Township 20 South, Range 36 East, Sections 30 through 32 of Township 20 South, Range 37 East, and Sections 2 through 18, 21, and 22 of Township 21 South, Range 36 East, Lea County, New Mexico. Applicant also proposes the contraction of the vertical limits of the Eumont Gas Pool by contracting its lower limits to either the top of the Grayburg formation or to a subsea datum of minus 100 feet, whichever is higher, underlying the same area as described above.
- CASE 8182: (De Novo)
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 located in the NW/4 NW/4 of Section 31, Township 32 North, Range 12 West, is above normal NGPA stripper well levels as a result of the recognized enhanced recovery techniques as defined by 18 CFR 271.803 (a).
Upon application of Mesa Petroleum Co., this case will be heard De Novo pursuant to the provisions of Division Rule 1220.
- CASE 8183: (De Novo)
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 located in the NW/4 NW/4 of Section 32, Township 27 North, Range 9 West, is above normal NGPA stripper well levels as a result of the recognized enhanced recovery techniques as defined by 18 CFR 271.803 (a).
Upon application of Mesa Petroleum Co., this case will be heard De Novo pursuant to the provisions of Division Rule 1220.
- CASE 8106: (Reopened)
Application of Caulkins Oil Co. 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 8400: Application of Jack J. Grynberg for amendment of Division Order R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6873 to 1) declare the applicant to be the operator of said Order's subject well and unit, 2) allow for the drilling of a second PrePermian well on the established 320-acre proration unit and 3) the establishment of a risk factor and overhead charges for the new well.
- CASE 8087: (De Novo)
Application of Union Oil Company of California for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow well location 2050 feet from the South line and 825 feet from the West line of Section 27, Township 24 South, Range 26 East, White City-Pennsylvanian Gas Pool, all of said Section 27 to be dedicated to the well.
Upon application of Gulf Oil Exploration and Production, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8228: (De Novo)

Application of Doyle Hartman for HARDSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Langlie "A" State Well No. 3 located in Unit I of Section 36, Township 24 South, Range 36 East, Salmat Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

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