

et Nos. 4-85 and 5-85 are tentatively set for January 30 and February 13, 1985. Applications for hearing must be filed at least 12 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 16, 1985

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

The following cases will be heard before Gilbert P. Quintana, Examiner, or Michael E. Stogner, Alternate Examiner.

CASE 8440: (Continued and Readvertised)

Application of Conoco Inc. to amend Administrative Division Order DHC-417, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Administrative Division Order DHC-417 to allow its State H-35 Well No. 9 located in Unit H of Section 35, Township 17 South, Range 34 East, to produce approximately 120 more barrels of water per day than presently allowed.

CASE 8437: (Continued from December 19, 1984, Examiner Hearing)

Application of Champlin Petroleum Company for two waterflood projects, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its State 5-8-33 Lease by the injection of water into the San Andres formation through the perforated interval from 4223 feet to 4401 feet in its State 5-8-33 Well No. 5 located 1980 feet from the North and East lines (Unit G) of Section 5, and to also institute a waterflood project on its State 5-A Lease by the injection of water into the San Andres formation through the perforated interval from 4216 feet to 4398 feet in its State 5-A Well No. 1 located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 5, both wells located in Township 8 South, Range 33 East, NMPH, Chaveroo-San Andres Pool, Chaves County.

CASE 8448: Gary-Williams Oil Producer, Inc. for pool extension, amendment of Division Order No. R-7471 and for twelve non-standard oil proration units, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Rio Puerco-Mancos Oil Pool to include Sections 3, 4, 5, 8, 9, 10, 15, 16, and 17 of Township 20 North, Range 2 West, Sections 19 through 22 and 27 through 34 of Township 21 North, Range 2 West, Sections 21 through 28 of Township 20 North, Range 3 West, and Sections 25, 26, 35 and 36 of Township 21 North, Range 3 West and the amendment of the SPECIAL RULES AND REGULATIONS FOR THE RIO PUERCO-MANCOS OIL POOL, as promulgated in Division Order No. R-7471, to further restrict the well location requirements. Applicant further seeks approval of twelve non-standard oil proration and spacing units, all within the above-described pool extension area and necessitated by irregularities in section sizes and shapes, each comprised of various contiguous lots and/or tracts in Sections 3, 4, and 5 of Township 20 North, Range 2 West and Sections 19, 30, and 31 of Township 21 North, Range 2 West.

CASE 8449: Application of Tenneco Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin Dakota Gas Pool underlying the N/2 of Section 11, Township 29 North, Range 10 West, 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 8450: Application of Robert E. Chandler Corporation for compulsory pooling and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blinebry formation underlying a non-standard oil proration unit, consisting of approximately 25.9 acres, comprising Lot 4 of Section 29, Township 18 South, Range 39 East, NMPM, East Hobbs-Blinebry Pool, 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 8451: Application of Robert L. Bayless for an unorthodox well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 560 feet from the South line and 890 feet from the West line of Section 16, Township 23 North, Range 4 West, NMPM, Ballard Pictured Cliffs Gas Pool, the SW/4 of said Section 16 to be dedicated to the well.

CASE 8452: Application of Spence Energy Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1980 feet from the South and East lines of Section 25, Township 9 South, Range 32 East, South Flying "M"-Pennsylvanian Pool, the N/2 SE/4 of said Section 25 to be dedicated to the well.

CASE 3453: Application of Chama Petroleum Company 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 North line and 1980 feet from the West line of Section 10, Township 20 South, Range 25 East, Pennsylvanian formation, the W/2 of said Section 10 to be dedicated to the well.

CASE 3445: (Continued from January 3, 1985, Examiner Hearing)

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 8323: (Reopened)

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.

CASE 8454: Application of TXO Production Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Morrow formation underlying the S/2 of Section 2, Township 22 South, Range 27 East, to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the South and East lines of said Section 2, East Carlsbad-Morrow 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 8455: Application of TXO Production Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 14, Township 22 South, Range 27 East, to be dedicated to a well to be drilled at an unorthodox gas well location 1907 feet from the North line and 635 feet from the West line of said Section 14. 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 8456: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the South Hackberry-Bone Spring Pool. The discovery well is the Perry R. Bass Big Eddy Unit Well No. 33 located in Unit P of Section 4, Township 20 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 31 EAST, NMPM
Section 4: SE/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Scoggin Draw-Strawn Gas Pool. The discovery well is the Amoco Production Company Federal DH Gas Com Well No. 1 located in Unit M of Section 11, Township 18 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 11: S/2

- (c) EXTEND the East Avalon-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 25: S/2
Section 26: S/2
Section 35: N/2

- CASE 8429: Application of Exxon 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 Cruz-Delaware Pool by the injection of water into the Ramsey Sand member of the Bell Canyon formation through its New Mexico State "DL" Well No. 3 located 990 feet from the South line and 330 feet from the West line of Section 17, Township 23 South, Range 33 East.
- CASE 8430: Application of Yates Petroleum Corporation 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 North and East lines of Section 32, Township 19 South, Range 24 East, Morrow formation, the N/4 of said Section 32 to be dedicated to the well.
- CASE 8431: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 600 feet from the South and East lines of Section 8, Township 18 South, Range 25 East, Morrow formation, the S/2 of said Section 8 to be dedicated to the well.
- CASE 8432: Application of Marbob Energy Corporation for three unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of three unorthodox oil well locations as follows:

2310' FNL and 25' FWL
SW/4 NW/4 (Unit E)

1425' FNL and 330' FEL
SE/4 NE/4 (Unit H)

1425' FNL and 1345' FEL
SW/4 NE/4 (Unit G)

All in Section 14, Township 17 South, Range 29 East, Grayburg-Jackson Pool.

- CASE 8433: Application of Marbob Energy Corporation for an exception to General Rule 104-F and for infill well findings, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104-F of the Division's General Rules and Regulations within portions of Sections 10, 11, 17, and 27 and all of Sections 14, 15, 16, 21, 22, and 28, all in Township 17 South, Range 29 East, NMPM, Grayburg-Jackson Pool, to provide for wells to be located not nearer than 10 feet to the quarter-quarter section line nor nearer than 330 feet to lands owned by an offset operator and to also permit the optional drilling and production of more than one well on a proration unit, such wells being necessary to effectively and efficiently drain the reserves under said proration unit.
- CASE 8434: Application of Stevens Operating Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down to and including the base of the San Andres formation underlying the SW/4 SW/4 of Section 10, Township 9 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.
- CASE 8435: Application of Coastal Oil & Gas Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian formation underlying the S/2 of Section 6, Township 13 South, Range 35 East, to be dedicated to a well to be drilled at an unorthodox gas well location 1650 feet from the South line and 660 feet from the West line of said Section 6 and pooling all mineral interests from the top of the Wolfcamp to the base of the Atoka formation underlying the NW/4 SW/4 of said Section 6, 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 8436: Application of Sage Energy Company 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 and West lines of Section 8, Township 19 South, Range 24 East, Antelope Sink-Upper Pennsylvanian Pool, the S/2 of said Section 8 to be dedicated to the well.
- CASE 8437: Application of Champlin Petroleum Company for two waterflood projects, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its State 5-8-33 Lease by the injection of water into the San Andres formation through the perforated interval from 4223 feet to 4401 feet in its State 5-8-33 Well No. 5 located 1980 feet from the North and East lines (Unit G) of Section 5, and to also institute a waterflood project on its State 5-A Lease by the injection of water into the San Andres formation through the perforated interval from 4216 feet to 1398 feet in its State 5-A Well No. 1 located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 5, both wells located in Township 8 South, Range 33 East, NMPM, Chareroo-San Andres Pool, Chaves County.

Dockets Nos. 1-85 and 2-85 are tentatively set for January 3 and January 16, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 19, 1984

8:00 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Gilbert P. Quintana, Examiner, or Michael E. Stogner, Alternate Examiner:

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

CASE 8426: Application of McClellan Oil Corporation 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 8427: Application of McClellan Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Flying "H" Unit Area comprising 18,301.69 acres, more or less, of State, Federal and Fee lands in Townships 14 and 15 South, Ranges 19 and 20 East.

CASE 8387: (Continued from November 28, 1984, Examiner Hearing)

Application of Inexco Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Arroyo Del Mancho Unit Area comprising 25,214.78 acres, more or less, of State, Federal and Fee lands in Townships 4, 5, and 6 South, Ranges 21 and 22 East.

CASE 8388: (Continued from November 28, 1984, Examiner Hearing)

Application of Inexco Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Five Mile Draw Unit Area comprising 6,457.74 acres, more or less, of State, Federal and Fee lands in Townships 4, 6, and 7 South, Ranges 23 and 24 East.

CASE 8389: (Continued from November 28, 1984, Examiner Hearing)

Application of Inexco Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Huggins Draw Unit Area comprising 29,351.91 acres, more or less, of State, Federal and Fee lands in Townships 4 and 5 South, Ranges 22, 23, and 24 East.

CASE 8410: (Continued from November 28, 1984, Examiner Hearing)

Application of Inexco Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Madewell Anticline Unit Area comprising 39,278.45 acres, more or less, of State, Federal and Fee lands in Townships 12, 13, and 14 South, Ranges 21 and 22 East.

CASE 8423: (Continued and Readvertised)

Application of Braden-Deem, Inc. for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Andres formation by the injection of water in the perforated interval from approximately 4189 feet to 4382 feet in its State "DB" Well No. 6 located 660 feet from the South and West lines (Unit M) of Section 25, Township 7 South, Range 33 East, NMPM, Chaveroo-San Andres Pool, Chaves County.

CASE 8428: Application of Jubilee Energy Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware Sand formation in the perforated interval from 4854 feet to 4872 feet in its Exxon "A" Federal Well No. 2 located 1980 feet from the South and West lines of Section 27, Township 24 South, Range 32 East.