

Dockets Nos. 8-85 and 9-85 are tentatively set for March 13, and March 27, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 27, 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 8484:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit La Jet, Inc., the Travelers Indemnity Company, and all other interested parties to appear and show cause why the La Jet, Inc. State Well No. 1 located 660 feet from the South line and 2310 feet from the West line of Section 16, Township 21 South, Range 34 East, Lea County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8485:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit San Juan Petroleum Company, National Surety Co., and all other interested parties to appear and show cause why the Palmer Well No. 1 located 300 feet from the North line and 300 feet from the East line (Unit A) of Section 17, Township 29 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8486:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Warren J. Miller, San Juan Petroleum Company, the Maryland Casualty Company and all other interested parties to appear and show cause why the Umbenhour Well No. 1 located in the SE/4 SW/4 (Unit N) of Section 9, Township 29 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8487:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit J. Warren Miller and other interested parties to appear and show cause why the Culpepper Well No. 1 located 694 feet from the South line and 996 feet from the West line (Unit M) of Section 16, Township 29 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8488:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit J. E. Amenda and all other interested parties to appear and show cause why the Vergie Schenck Well No. 1, aka Schenckland Well No. 1, located 350 feet from the North line and 660 feet from the East line (Unit A) of Section 14, Township 29 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8489:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Animas Oil Company and all other interested parties to appear and show cause why the John C. Sutton Well No. 1 located 304 feet from the North line and 2242 feet from the West line (Unit C) of Section 12, Township 29 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8490:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Farmington Syndicate and all other interested parties to appear and show cause why the Blake Well No. 1 located in the SW/4 SE/4 (Unit O) of Section 16, Township 29 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8491:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Basin Company and all other interested parties to appear and show cause why the Ted White Well No. 78 located 1850 feet from the North line and 790 feet from the East line (Unit H) of Section 18, Township 29 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8492:

Application of Gulf Oil Corporation for a unit agreement, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Hospah Federal-State Unit Area comprising 1,280 acres, more or less, of Federal and State lands in Township 19 North, Range 8 West.

CASE 8493: Application of J. M. Huber 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 San Andres formation in the perforated interval from approximately 4630 feet to 6050 feet in the Cabot "Q" State Well No. 1 located 1980 feet from the South line and 560 feet from the West line of Section 7, Township 15 South, Range 35 East.

CASE 8494: Application of TXO Production Corp. for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from 4,825 feet beneath the surface through the base of the Bone Spring formation underlying the NW/4 NW/4 of Section 26, Township 18 South, Range 32 East, Querecho Plains-Lower and Upper Bone Spring Pools, to form a standard 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard oil well location 660 feet from the North and West lines of said Section 26. Applicant further seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the N/2 of said Section 26, to form a standard 320-acre gas spacing and proration unit also to be dedicated to the above-described well which is an unorthodox gas well location for the N/2, 320-acre gas spacing and proration unit in said Section 26. 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: (Continued from February 13, 1985, Examiner Hearing)

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 Blinberry 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-Blinberry 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 8495: Application of J. F. Herbig for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Abo formations underlying the NE/4 NE/4 of Section 11, Township 20 South, Range 38 East, House-Abo and House-Drinkard Pools, 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 8496: Application of Chaveroo Operating Co., Inc. for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to 4,400 feet underlying the NE/4 NE/4 of Section 25, Township 7 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 8497: Application of Chaveroo Operating Co., Inc. for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to 4,400 feet underlying the NW/4 NW/4 of Section 25, Township 7 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 8498: Application of Pennzoil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 990 feet from the South line and 660 feet from the East line of Section 35, Township 16 South, Range 34 East, to test all formations from the top of the Wolfcamp formation to the base of the Pennsylvanian formation, the E/2 of said Section 35 to be dedicated to the well.
- CASE 8499: Application of Pennzoil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 990 feet from the South line and 660 feet from the West line of Section 36, Township 16 South, Range 34 East, to test all formations from the top of the Wolfcamp formation to the base of the Pennsylvanian formation, the W/2 of said Section 36 to be dedicated to the well.
- CASE 8500: Application of Pennzoil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant in the above-styled cause, seeks approval of an unorthodox gas well location 510 feet from the South line and 990 feet from the East line of Section 30, Township 19 South, Range 34 East, to test various formations from the top of the Queen formation to the base of the Pennsylvanian formation. The above-described well is an unorthodox gas well location for any and all formations or pools dedicated to either 160-acre or 320-acre spacing and proration units. The SW/4 of said Section 30 is to be dedicated to the well if the gas produced is subject to 160-acre spacing and the S/2 of said Section 30 is to be dedicated to the well if the gas produced is subject to 320-acre spacing.
- CASE 8501: Application of Harben-Davis, a Partnership, for compulsory pooling, 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 Abo formation (approximate depth 8500 feet) underlying the SW/4 SW/4 (Unit M) of Section 22, Township 16 South, Range 38 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 8502: 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.
- CASE 8503: Application of Yates Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 35, Township 15 South, Range 36 East, Dean-Permo Pennsylvanian Pool, the W/2 SE/4 of said Section 35 to be dedicated to the well.
- CASE 8472: (Continued from February 13, 1985, Examiner Hearing)
- Application of Inexco Oil Company 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 all formations from the surface to the top of the Strawn formation underlying the NW/4 SE/4 of Section 13, Township 17 South, Range 37 East, to form a standard 40-acre oil proration unit to be dedicated to a well to be drilled at a standard oil well location 1980 feet from the South and East lines of said Section 13. Applicant further seeks an order pooling all mineral interests in the Strawn formation underlying the NE/4 SW/4 and NW/4 SE/4 of said Section 13, to form a non-standard 80-acre oil proration unit also to be dedicated to the above-described well. 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 8504: 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 from the top of the Wolfcamp formation to the base of the Pennsylvanian formation underlying the S/2 of Section 12, Township 19 South, Range 28 East, to be dedicated to a well to be drilled at a standard gas well 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 8478: (Continued from February 13, 1985, Examiner Hearing)
- Application of BTA Oil Producers for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the NE/4 of Section 25, Township 20 South, Range 34 East, Lea-Pennsylvanian Gas 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 8505:** Application of Chama Petroleum Company 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 from the surface to the top of the Wolfcamp formation and from the top of the Pennsylvanian to the base of the Morrow formation underlying the NE/4 of Section 25, Township 20 South, Range 34 East, to form a standard gas spacing and proration unit for any and all formations and/or pools dedicated on 160-acre spacing, to be dedicated to a well to be drilled at a standard gas well location 660 feet from the North line and 1980 feet from the East line of said Section 25. Applicant further seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the top of the Pennsylvanian formation underlying the E/2 of said Section 25, to form a standard 320-acre gas spacing and proration unit within said vertical limits also to be dedicated to the above-described well which is an unorthodox gas well location for an E/2, 320-acre gas spacing and proration unit in said Section 25. IN THE ALTERNATIVE, the applicant further seeks an order pooling all mineral interests from the surface to the top of the Wolfcamp formation for any and all formations and/or pools dedicated on 160-acre spacing and proration units, underlying the NE/4 of said Section 25, to be dedicated to the above-described well to be drilled at a standard gas well location for a 160-acre spacing and proration unit. Applicant further seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation for any and all formations and/or pools dedicated on 320-acre spacing and proration units, underlying the E/2 of said Section 25, also to be dedicated to the above-described well which is an unorthodox gas well location for an E/2, 320-acre, gas spacing and proration unit in said Section 25. Also to be considered, in either case, 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 8506:** Application of Amoco Production Company for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Menefee formation in the perforated interval from 3904 feet to 4106 feet in its Johnson Gas Com "E" Well No. 1 located 1100 feet from the North line and 990 feet from the West line of Section 15, Township 30 North, Range 12 West.
- CASE 8507:** Application of Amoco Production Company for an unorthodox well location and dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Basin Dakota Pool and an unorthodox oil well location in the Pinon Gallup Oil Pool for a well to be drilled 850 feet from the South line and 100 feet from the West line of Section 11, Township 28 North, Range 12 West, to be dually completed in both pools, the previously approved 366.46-acre non-standard gas proration unit comprising Lots 1, 2, 3, and 4, the SE/4 SW/4, and the S/2 SE/4 of partial Section 10, Township 28 North, Range 12 West, plus Lots 3 and 4, and the S/2 SW/4 of said partial Section 11 to be dedicated to the well in the Basin Dakota Pool and the S/2 SW/4 of said partial Section 11 forming a standard 80-acre proration unit to be dedicated to the well in the Pinon Gallup Pool.
- CASE 8468:** (Continued and Readvertised)
- Application of Damson Oil Corporation for certain findings for an infill well in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order determining that the Getty Oil Company (Texaco Inc.) operated Mexico Federal "K" Well No. 1-E located 1190 feet from the South line and 2020 feet from the West line of Section 8, Township 28 North, Range 10 West, NMPM, Basin-Dakota Pool, the previously approved 319.67-acre non-standard gas proration unit comprising Lots 1, 2, and 3, the SE/4 SW/4 and the S/2 SE/4 of partial Section 8 and Lots 3 and 4 and the S/2 SW/4 of partial Section 9, both in Township 28 North, Range 10 West, dedicated to the subject well in which Damson Oil Corporation owns an interest; is an authorized "infill well" within a designated pool where a second well on an established gas proration and drilling unit is necessary to recover additional gas from the pool; was drilled for the purpose of increasing the recovery of gas from the pool; and the operator has done nothing to restrict the ability of the original well in the above-described proration unit to produce into the pipeline; and, further, that said well is exempt from the provisions of the New Mexico Natural Gas Pricing Act (62-7-1 through 62-7-10, NMSA, 1978) pursuant to Laws of 1984, Chapter 123, Section 13.B.

CASE 8469: (Continued and Readvertised)

Application of Damson Oil Corporation for certain findings for an infill well in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order determining that the Mesa Petroleum Co. operated McLeod Well No. 2-E located 1530 feet from the North line and 930 feet from the West line of Section 34, Township 28 North, Range 10 West, NMPM, Basin-Dakota Pool, the S/2 of said Section 34 dedicated to the subject well in which Damson Oil Corporation owns an interest; is an authorized "infill well" within a designated pool where a second well on an established gas proration and drilling unit is necessary to recover additional gas from the pool; was drilled for the purpose of increasing the recovery of gas from the pool; and the operator has done nothing to restrict the ability of the original well in the above-described proration unit to produce into the pipeline; and, further, that said well is exempt from the provisions of the New Mexico Natural Gas Pricing Act (62-7-1 through 62-7-10, NMSA, 1978) pursuant to laws of 1984, Chapter 123, Section 13.B.

CASE 8508: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and assigning discovery allowable and extending certain pools in Chaves and Lea Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Northwest Antelope Ridge-Bone Spring Pool. The discovery well is the Curry Resources Pronghorn State Well No. 1 located in Unit J of Section 9, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 9: SE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Arkansas Junction-Bone Spring Pool. The discovery well is the Gulf Oil Corporation Lea ACF State Well No. 1 located in Unit A of Section 35, Township 18 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM

Section 35: NE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Bradley-Bone Spring Pool. The discovery well is the Gulf Oil Corporation Wilson C Federal Well No. 1 located in Unit E of Section 29, Township 26 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM

Section 29: NW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Langley-Strawn Pool. Further, assign approximately 186,400 barrels of discovery allowable to the discovery well, the ARCO Oil & Gas Company Langley Griffin Well No. 1 located in Unit J of Section 28, Township 22 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM

Section 28: SE/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the Lowe Ranch-Mississippian Gas Pool. The discovery well is the Kimbark Oil and Gas Company M. F. Walker Well No. 2 located in Unit J of Section 27, Township 12 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM

Section 27: SE/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production and designated as the Mescalero Escarpe-Grayburg Pool. The discovery well is the Cities Service Oil and Gas Corporation State DW Well No. 5 located in Unit P of Section 12, Township 18 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 12: SE/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Red Hills-Atoka Gas Pool. The discovery well is the HNG Oil Company Vaca 13 Federal Well No. 1 located in Unit C of Section 13, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 13: N/2

- (h) EXTEND the Anderson Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM

Section 32: S/2

- (i) EXTEND the lower vertical limits of the Bagley-Lower Pennsylvanian Gas Pool in Lea County, New Mexico, to 5700 feet subsea.
- (j) EXTEND the Northeast Caudill-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM

Section 1: NW/4

- (k) EXTEND the Cedar Point-Strawn Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM

Section 26: SW/4

- (l) EXTEND the Double X-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM

Section 14: SE/4

- (m) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 1: Lots 11, 12, 13, and 14

Section 2: Lots 9, 15, and 16

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 36: NE/4

- (o) EXTEND the West Hume-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM

Section 14: SW/4

- (p) EXTEND the Pearl-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 26: NE/4

Section 28: SE/4

- (q) EXTEND the Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM

Section 30: W/2
Section 31: W/2

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

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM

Section 12: SW/4

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 1: SW/4
Section 2: SE/4

Dockets Nos. 11-85 and 12-85 are tentatively set for April 10 and April 24, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 27, 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 8484: (Continued from February 27, 1985, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit La Jet, Inc., the Travelers Indemnity Company, and all other interested parties to appear and show cause why the La Jet, Inc. State Well No. 1 located 660 feet from the South line and 2310 feet from the West line of Section 16, Township 21 South, Range 34 East, Lea County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8530: Application of Reading & Bates Petroleum Co. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the North Tocito Dome-Pennsylvanian Associated Pool in the perforated interval from approximately 6382 feet to 6386 feet in its Navajo Tocito Well No. 4 located 1963 feet from the South line and 997 feet from the West line of Section 10, Township 26 North, Range 18 West.

CASE 8531: Application of Metex Pipe & Supply Company for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 2970 feet from the South line and 1270 feet from the West line of Section 4, Township 16 South, Range 31 East, North Square Lake Grayburg-San Andres Pool, Lot 13, (Unit M) of said Section 4 to be dedicated to the well.

CASE 8532: Application of Fred G. Yates, Inc. for compulsory pooling, 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 Baum-Upper Pennsylvanian Pool underlying the SW/4 of Section 13, Township 13 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 8533: Application of Ike Lovelady, Inc. for HARDSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Sam H. Snoddy Federal Well No. 1 located 660 feet from the North and East lines (Unit A) of Section 26, Township 20 South, Range 32 East, South Salt Lake-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8509: (Continued from March 13, 1985, Examiner Hearing)

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 from the top of the Wolfcamp formation to the base of the Strawn formation underlying the E/2 of Section 14, Township 22 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit, to be dedicated to a well to be drilled at an unorthodox gas well location 990 feet from the North line and 1980 feet from the East 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 8429: (Readvertised)

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 "EF" 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 8534: Application of A. M. Kalaf and George Kalaf for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the East Puerto Chiquito-Mancos Oil Pool underlying the SE/4 of Section 4, Township 25 North, Range 1 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 8535: Application of Slayton Oil Corporation for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 70.5-acre, more or less, non-standard proration unit comprising Lots 8 and 9 of Section 18, Township 29 North, Range 14 West, Cha Cha-Gallup Oil Pool.
- CASE 8510: (Continued from March 13, 1985, Examiner Hearing)
- Application of Santa Fe 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 990 feet from the North line and 660 feet from the West line (Unit D) of Section 25, Township 22 South, Range 27 East, to test the Wolfcamp, Strawn and Morrow formations, the W/2 of said Section 25 to be dedicated to the well.
- CASE 8519: (Continued from March 13, 1985, Examiner Hearing)
- Application of ARCO Oil and Gas Co. for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Upper Pennsylvanian production comprising the E/2 NW/4 of Section 35, Township 17 South, Range 29 East, and the promulgation of temporary special pool rules therefor including a provision for 80-acre well spacing and proration units and special well location requirements.
- CASE 8536: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1190 feet from the South line and 1840 feet from the East line of Section 13, Township 28 North, Range 13 West, Totah-Gallup Oil Pool, the S/2 SE/4 of said Section 13 to be dedicated to the well.
- CASE 8537: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1010 feet from the North line and 1450 feet from the West line of Section 24, Township 28 North, Range 13 West, Cha Cha-Gallup Oil Pool, the N/2 NW/4 of said Section 24 to be dedicated to the well.
- CASE 8538: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1190 feet from the South and West lines of Section 25, Township 28 North, Range 13 West, Cha Cha-Gallup Oil Pool, the S/2 SW/4 of said Section 25 to be dedicated to the well.
- CASE 8539: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1080 feet from the South line and 1110 feet from the East line of Section 35, Township 28 North, Range 13 West, Cha Cha-Gallup Oil Pool, the S/2 SE/4 of said Section 35 to be dedicated to the well.
- CASE 8540: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1460 feet from the North and East lines of Section 32, Township 28 North, Range 12 West, Cha Cha-Gallup Oil Pool, the S/2 NE/4 of said Section 32 to be dedicated to the well.
- CASE 8541: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1110 feet from the South line and 940 feet from the West line of Section 36, Township 28 North, Range 13 West, Cha Cha-Gallup Oil Pool, the S/2 SW/4 of said Section 36 to be dedicated to the well.
- CASE 8542: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 820 feet from the South line and 920 feet from the East line of Section 29, Township 28 North, Range 12 West, Cha Cha-Gallup Oil Pool, the S/2 SE/4 of said Section 29 to be dedicated to the well.

- CASE 8543: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1050 feet from the South line and 1090 feet from the East line of Section 5, Township 27 North, Range 12 West, Gallup formation, the SE/4 SE/4 (Unit P) of said Section 5 to be dedicated to the well.
- CASE 8544: Application of Amoco Production Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 515 feet from the South line and 770 feet from the East line of Section 14, Township 28 North, Range 13 West, Basin-Dakota Pool, the S/2 of said Section 14 to be dedicated to the well.
- CASE 8471: (Continued from January 30, 1985, Examiner Hearing)(This Case will be continued to April 24, 1985)
- Application of Amoco Production Company for NGPA Wellhead Price Ceiling Category Determination, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the determination that its Wood Gas Com "A" Well No. 1 located in the NW/4 NE/4 of Section 4, Township 31 North, Range 10 West, NMPM, Cedar Hill Fruitland Basal Coal Gas Pool, meets the NGPA well category criteria for Section 107, High Cost Occluded Gas Produced from Coal Seams, under Section 107 of the Natural Gas Policy Act of 1978.
- CASE 8476: (Reopened and Readvertised)
- Application of Cavalcade Oil Corporation for compulsory pooling, 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 Wolfcamp formation underlying the SW/4 NW/4 of Section 18, Township 12 South, Range 38 East, to be dedicated to a well to be re-entered or, in the alternative, to a new well to be drilled, either well to be located at a standard location thereon. Also to be considered will be the cost of re-entering or drilling and completing a 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 8521: (Continued from March 13, 1985, Examiner Hearing)
- Application of Cavalcade Oil Corporation for compulsory pooling, 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 Wolfcamp formation underlying the NW/4 SW/4 of Section 18, Township 12 South, Range 38 East, to form a standard 40-acre oil spacing and 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 8503: (Continued and Readvertised)
- Application of Yates Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 35, Township 15 South, Range 36 East, Dean-Devonian Pool, the W/2 SE/4 of said Section 35 to be dedicated to the well.
- CASE 8545: Application of Myco Industries for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the perforated interval from 13,820 feet to 14,200 feet in the Shell Oil Company Big Eddy Unit Well No. 1 located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 36, Township 21 South, Range 28 East.
- CASE 8512: (Continued and Readvertised)
- Application of Gary-Williams Oil Producer for an unorthodox oil well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Tayler "32" Well No. 6 located 1789 feet from the North line and 2107 feet from the West line of Section 32, Township 21 North, Range 3 West, Rio Puerco-Mancos Oil Pool, the W/2 of said Section 32 to be dedicated to the well.
- CASE 8525: (Continued from March 13, 1985, Examiner Hearing)
- Application of Hicks Oil & Gas, Inc. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cha Cha-Gallup Oil Pool in the perforated interval from 5492 feet to 5824 feet in its Southeast Cha Cha Unit Well No. 37 located 550 feet from the South line and 2100 feet from the East line (Unit O) of Section 15, Township 28 North, Range 13 West.

- CASE 8546: Application of Hicks Oil & Gas, Inc. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Gallup formation in the perforated interval from approximately 5684 feet to 5706 feet in its S.E. Cha Cha Unit Well No. 16 located 1980 feet from the North line and 660 feet from the East line of Section 17, Township 28 North, Range 13 West.
- CASE 8547: Application of Hicks Oil & Gas, Inc. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Gallup formation in the perforated interval from approximately 5689 feet to 5696 feet in its S.E. Cha Cha Unit Well No. 34 located 1980 feet from the North and West lines of Section 22, Township 28 North, Range 13 West.
- CASE 8548: Application of Hicks Oil & Gas, Inc. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Gallup formation in the perforated interval from approximately 5623 feet to 5627 feet in its S.E. Cha Cha Unit Well No. 20 located 1980 feet from the North and West lines of Section 17, Township 28 North, Range 13 West.
- CASE 8549: (This Case will be Dismissed)
- Application of Clements Energy, Inc. for compulsory pooling, 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 Tres Papalotes-Pennsylvanian Pool underlying the SE/4 of Section 8, Township 15 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 actual operating costs and charges for supervision, designation of applicant as operator of the well, a charge for risk involved in drilling said well.
- CASE 8468: (Continued from February 27, 1985 Examiner Hearing)
- Application of Damson Oil Corporation for certain findings for an infill well in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order determining that the Getty Oil Company (Texaco Inc.) operated Mexico Federal "K" Well No. 1-E located 1190 feet from the South line and 2020 feet from the West line of Section 8, Township 28 North, Range 10 West, NMPM, Basin-Dakota Pool, the previously approved 319.67-acre non-standard gas proration unit comprising Lots 1, 2, and 3, the SE/4 SW/4 and the S/2 SE/4 of partial Section 8 and Lots 3 and 4 and the S/2 SW/4 of partial Section 9, both in Township 28 North, Range 10 West, dedicated to the subject well in which Damson Oil Corporation owns an interest; is an authorized "infill well" within a designated pool where a second well on an established gas proration and drilling unit is necessary to recover additional gas from the pool; was drilled for the purpose of increasing the recovery of gas from the pool; and the operator has done nothing to restrict the ability of the original well in the above-described proration unit to produce into the pipeline; and, further, that said well is exempt from the provisions of the New Mexico Natural Gas Pricing Act (62-7-1 through 62-7-10, NMSA, 1978) pursuant to Laws of 1984, Chapter 123, Section 13.B.
- CASE 8469: (Continued from February 27, Examiner Hearing)
- Application of Damson Oil Corporation for certain findings for an infill well in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order determining that the Mesa Petroleum Co. operated McLeod Well No. 2-E located 1530 feet from the North line and 930 feet from the West line of Section 34, Township 28 North, Range 10 West, NMPM, Basin-Dakota Pool, the S/2 of said Section 34 dedicated to the subject well in which Damson Oil Corporation owns an interest; is an authorized "infill well" within a designated pool where a second well on an established gas proration and drilling unit is necessary to recover additional gas from the pool; was drilled for the purpose of increasing the recovery of gas from the pool; and the operator has done nothing to restrict the ability of the original well in the above-described proration unit to produce into the pipeline; and, further, that said well is exempt from the provisions of the New Mexico Natural Gas Pricing Act (62-7-1 through 62-7-10, NMSA, 1978) pursuant to laws of 1984, Chapter 123, Section 13.B.
- CASE 8550: Application of R. N. Ainsworth for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the Halvey Energy Company State Well No. 1 located 2310 feet from the South line and 660 feet from the West line (Unit L) of Section 30, Township 12 South, Range 38 East.
- CASE 8323: (Reopened)
- In the matter of Case No. 8323 being reopened on the motion of the Oil Conservation Division and pursuant to the provisions of Division Order No. R-7693-A, which order granted Yates Petroleum Corporation 45 days in which to determine if the Pan American Flint Gas Com Well No. 1 located 1980 feet from the South and East lines of Section 22, Township 18 South, Range 26 East, is capable of commercial oil and gas production. Yates Petroleum Corporation may appear and show cause why said Pan American Flint Gas Com Well No. 1 should not be utilized as a salt water disposal well.

CASE 8551: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, discovery allowable assignment, and extending certain pools in Lea, Roosevelt and Chaves Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the Southwest Austin-Mississippian Gas Pool. The discovery well is the Harvey E. Yates Company Goodrich Unit Well No. 1 located in Unit J of Section 11, Township 15 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 11: E/2

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Austin-Pennsylvanian Pool. The discovery well is the Adobe Oil and Gas Corporation State 16 Well No. 1 located in Unit M of Section 16, Township 14 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM

Section 16: SW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Atoka production and designated as the Bagley-Atoka Pool. Further, assign approximately 51,855 barrels of discovery allowable to the discovery well, the Petrus Operating Company State A Well No. 1 located in Unit K of Section 34, Township 11 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM

Section 34: SW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Hobbs Channel-Bone Spring Pool. The discovery well is the Harvey E. Yates Company Howry 25 Well No. 1 located in Unit E of Section 25, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 25: NW/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the West Osudo-Wolfcamp Pool. The discovery well is the Amoco Production Company Best Well No. 1 located in Unit G of Section 23, Township 20 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM

Section 23: NE/4

- (f) CONTRACT the Rhodes-Yates-Seven Rivers Gas Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 21: W/2 NW/4

- (g) EXTEND the Rhodes-Yates-Seven Rivers Oil Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 21: W/2 NW/4

- (h) EXTEND the Air Strip-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 15: SE/4

Section 22: E/2

- (i) EXTEND the East Brunson-McKee Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 25: NW/4

- (j) EXTEND the North Chaveroo-Permo Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM

Section 10: SE/4

- (k) EXTEND the East Grama Ridge-Strawn Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 10: E/2

- (l) EXTEND the Hardy-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 2: Lots 3, 4, 5, and 6

Section 3: Lots 1, 2, 7, and 8

- (m) EXTEND the North King-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM

Section 3: NW/4

- (n) EXTEND the Lea-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 2: E/2

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 9: S/2 and NE/4

- (p) EXTEND the East Paduca-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 32 EAST, NMPM

Section 23: NE/4

- (q) EXTEND the Quail-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 18: NW/4

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

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM

Section 6: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 16: SW/4

Docket No. 10-85

DOCKET: COMMISSION HEARING - WEDNESDAY - APRIL 3, 1985

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

CASE 8224: (Continued from February 20, 1985, Commission Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to define the vertical and areal extent of aquifers potentially vulnerable to contamination by the surface disposition of water produced in conjunction with the production of oil and gas in McKinley, Rio Arriba, Sandoval and San Juan Counties, New Mexico. Applicant seeks to define such areas and prohibit and/or limit the disposition of such produced waters on the surface of the ground therein at any location where such waters are produced or collected.