

CASE 8602: Application of TXO Production Corp. 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 top of the Wolfcamp formation underlying the NW/4 of Section 29, Township 22 South, Range 26 East, to form a standard 160-acre 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 location thereon. Applicant further seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of said Section 29 to form a standard 320-acre gas spacing and proration unit within said vertical limits also to be dedicated to the above-mentioned well at a standard gas well location for a 320-acre gas spacing and proration unit. In the event oil is encountered in any producing horizon from the surface to the base of the Morrow formation, the applicant proposes to dedicate the SW/4 NW/4 of said Section 29, forming a standard 40-acre oil spacing and proration unit also to be dedicated to said well. Also to be considered, in any 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 8564: (Continued and Readvertised)

Application of the Commissioner of Public Lands for the State of New Mexico for amendment of Division Order No. R-7817, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7817 to rescind that portion of said Order No. R-7817 which authorized TXO Production Corp. to pool all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Section 2, Township 22 South, Range 27 East.

CASE 8603: Application of Sage Energy Company for salt water disposal, Roosevelt County, New Mexico.

Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bough "C" member of the Cisco formation in the perforated interval from 9777 feet to 9795 feet in its Cabot State Well No. 4 located 1980 feet from the North and East lines of Section 32, Township 8 South, Range 36 East.

CASE 8604: 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 the well and a charge for risk involved in drilling said well.

CASE 8545: (Continued from May 8, 1985, Examiner Hearing)

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 8605: 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 and Readvertised)

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. 17-85 and 18-85 are tentatively set for June 5th and June 19th, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 22, 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 8599: Application of L. L. Robinett to remove and market oil from the Ogalalla formation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to remove and market oil from the Ogalalla formation underlying the S/2 SE/4 of Section 29, Township 19 South, Range 37 East, without restriction concerning the method of operation or quantity of oil recovered.

CASE 8461: (Continued from April 24, 1985, Examiner Hearing)

Application of Alpha Twenty-One Production Company 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 Grayburg formation underlying the SE/4 NE/4 of Section 32, Township 18 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 3600: Application of Wayne Newkumet for the contraction and extension of the horizontal limits of two Permo Pennsylvanian oil pools, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the North Morton-Permo Pennsylvanian Pool by the deletion therefrom of the S/2 of Section 25, SE/4 of Section 26, and the N/2 of Section 36, Township 14 South, Range 34 East, and the extension of the High Plains-Permo Pennsylvanian Pool to include the SW/4 of Section 25, the SE/4 of Section 26, and the NW/4 of Section 36, Township 14 South, Range 34 East. Applicant also seeks an exception to the well location requirements for the High Plains-Permo Pennsylvanian Pool for any well reclassified from the North Morton-Permo Pennsylvanian Pool, which well's location does not satisfy the High Plains-Permo Pennsylvanian Pool Rules requirements.

CASE 8593: (Continued from May 8, 1985, Examiner Hearing)

Application of Corrine B. Grace for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Carlsbad Grace Well No. 1 located 1980 feet from the South line and 660 feet from the East line of Section 36, Township 22 South, Range 26 East, South Carlsbad-Strawn Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8601: Application of Read & Stevens, Inc. for three unorthodox gas well locations, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for three unorthodox gas well locations in the Buffalo Valley-Pennsylvanian Gas Pool at the following locations, all within Township 15 South, Range 27 East:

Langley Federal Com Well No. 4
1570' FNL - 1780' FEL
Section 14, N/2 dedication;

Langley Federal Com Well No. 3
1190' FSL - 2310' FEL
Section 14, S/2 dedication;

Toles Federal Well No. 2
1980' FSL - 990' FWL
Section 24, S/2 dedication.

CASE 8563: (Continued from April 24, 1985, Examiner Hearing)

Application of Cabot Petroleum 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 and Glorieta formations in the open-hole interval from 4583 feet to 6730 feet in the J. L. Reed Well No. 3 located 1980 feet from the North line and 1650 feet from East line of Section 35, Township 13 South, Range 37 East.

CASE 8563: (Continued from May 22, 1985, Examiner Hearing) (This case will be dismissed)

Application of Cabot Petroleum 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 and Glorieta formations in the open-hole interval from 4583 feet to 6730 feet in the J. L. Reed Well No. 3 located 1980 feet from the North line and 1650 feet from the East line of Section 35, Township 13 South, Range 37 East.

CASE 8602: (Continued from May 22, 1985, Examiner Hearing (This case will be dismissed)

Application of TXO Production Corp. 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 top of the Wolfcamp formation underlying the NW/4 of Section 29, Township 22 South, Range 26 East, to form a standard 160-acre 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 location thereon. Applicant further seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of said Section 29 to form a standard 320-acre gas spacing and proration unit within said vertical limits also to be dedicated to the above-mentioned well at a standard gas well location for a 320-acre gas spacing and proration unit. In the event oil is encountered in any producing horizon from the surface to the base of the Morrow formation, the applicant proposes to dedicate the SW/4 NW/4 of said Section 29, forming a standard 40-acre oil spacing and proration unit also to be dedicated to said well. Also to be considered, in any 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 8564: (Continued from May 22, 1985 Examiner Hearing)

Application of the Commissioner of Public Lands for the State of New Mexico for amendment of Division Order No. R-7817, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7817 to rescind that portion of said Order No. R-7817 which authorized TXO Production Corp. to pool all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Section 2, Township 22 South, Range 27 East.

CASE 8603: (Continued from May 22, 1985, Examiner Hearing)

Application of Sage Energy Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bough "C" member of the Cisco formation in the perforated interval from 9777 feet to 9795 feet in its Cabot State Well No. 4 located 1980 feet from the North and East lines of Section 32, Township 8 South, Range 36 East.

CASE 8604: (Continued from May 22, 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 8605: (Continued from May 22, 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.

THE COMMISSION HEARING SCHEDULED FOR MAY 29, 1985, HAS BEEN CONTINUED TO JUNE 12, 1985, AT 9 O'CLOCK A.M. IN THE OIL CONSERVATION DIVISION CONFERENCE ROOM.

Dockets Nos. 20-85 and 21-85 are tentatively set for June 19th and July 2, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 5, 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 3599: (Continued from May 22, 1985, Examiner Hearing)

Application of L. L. Robinett to remove and market oil from the Ogalalla formation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to remove and market oil from the Ogalalla formation underlying the S/2 SE/4 of Section 29, Township 19 South, Range 37 East, without restriction concerning the method of operation or quantity of oil recovered.

CASE 3461: (Continued from May 22, 1985, Examiner Hearing) (This case will be dismissed)

Application of Alpha Twenty-One Production Company 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 Grayburg formation underlying the SE/4 NE/4 of Section 32, Township 18 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 3600: (Continued from May 22, 1985, Examiner Hearing)

Application of Wayne Newkumet for the contraction and extension of the horizontal limits of two Permo Pennsylvanian oil pools, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the North Morton-Permo Pennsylvanian Pool by the deletion therefrom of the S/2 of Section 25, SE/4 of Section 26, and the N/2 of Section 36, Township 14 South, Range 34 East, and the extension of the High Plains-Permo Pennsylvanian Pool to include the SW/4 of Section 25, the SE/4 of Section 26, and the NW/4 of Section 36, Township 14 South, Range 34 East. Applicant also seeks an exception to the well location requirements for the High Plains-Permo Pennsylvanian Pool for any well reclassified from the North Morton-Permo Pennsylvanian Pool, which well's location does not satisfy the High Plains-Permo Pennsylvanian Pool Rules requirements.

CASE 3601: (Continued from May 22, 1985, Examiner Hearing)

Application of Read & Stevens, Inc. for three unorthodox gas well locations, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for three unorthodox gas well locations in the Buffalo Valley-Pennsylvanian Gas Pool at the following locations, all within Township 15 South, Range 27 East:

Langley Federal Com Well No. 4
1570' FNL - 1780' FEL
Section 14, N/2 dedication;

Langley Federal Com Well No. 3
1190' FSL - 2310' FEL
Section 14, S/2 dedication;

Toles Federal Well No. 2
1980' FSL - 990' FWL
Section 24, S/2 dedication.

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 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: 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 No. 31-85

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.