

Dockets Nos. 26-85 and 27-85 are tentatively set for August 28 and September 11, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 14, 1985

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for September, 1985, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for September, 1985, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 8672: Application of Armstrong Energy for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Blue Lagoon Unit Area comprising 1600 acres, more or less, of State lands in Township 11 South, Range 34 East.
- CASE 8673: Application of Chevron USA Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Trooper Unit Area comprising 2,880 acres, more or less, of State lands in Township 11 South, Range 35 East.
- CASE 8562: (Continued from July 17, 1985, Examiner Hearing)
- Application of Mar Oil & Gas Corp. Inc. for a unit agreement, Torrance County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Berkshire Unit Area comprising 27,840 acres, more or less, of State, Federal, and Fee lands in Townships 6 and 7 North, Ranges 9 and 10 East.
- CASE 8650: (Readvertised)
- Application of Amerada Hess Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the N/2 SW/4 of Section 9, Township 16 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 8674: Application of Jack Plemons for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to a depth of 3500 feet underlying the NW/4 NW/4 of Section 27, Township 17 South, Range 29 East, to be dedicated to its Continental "27" State Well No. 6 located 990 feet from the North line and 330 feet from the West line of said Section 27. 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 8635: (Continued from July 2, 1985, Examiner Hearing)
- Application of Energy Reserves Group, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Fusselman Formation in the perforated interval from 8150 feet to 8220 feet in its McClellan Well No. 1 located 2000 feet from the South line and 1900 feet from the West line of Section 10, Township 6 South, Range 33 East.
- CASE 8669: (Readvertised)
- Application of Doyle Hartman for an unorthodox gas well location, simultaneous dedication, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its Olsen-Blinebry Well No. 2 to be located at an unorthodox gas well location 660 feet from the South line and 500 feet from the West line (Unit M) of Section 29, Township 23 South, Range 37 East, Jalmart Gas Pool, is necessary to effectively and efficiently drain that portion of the previously approved 160-acre non-standard proration unit consisting of the SW/4 of said Section 29 which cannot be so drained by the existing Olsen-Blinebry Well No. 1 located 1650 feet from the South line and 990 feet from the West line (Unit L) of said Section 29. Applicant further seeks approval for the simultaneous dedication of said 160-acre unit to both of the above-described wells.

CASE 7619: (Reopened)

In the matter of Case 7619 being reopened on the motion of the Oil Conservation Division and pursuant to the provisions of Order No. R-7034 which order promulgated temporary special rules and regulations for the Counselors-Gallup Oil Pool in Rio Arriba County, including a provision for 160-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on less than 160-acre spacing with a depth bracket allowable in accordance with statewide rules.

CASE 8153: (Reopened)

In the matter of Case 8153 being reopened on the motion of the Oil Conservation Division and pursuant to the provisions of Order No. R-7034-A which order extended the vertical limits of the Counselors-Gallup Oil Pool to include the Dakota formation, redesignated said pool as the Counselors Gallup-Dakota Oil Pool, and made applicable the temporary special rules and regulations established under Division Order No. R-7034 to the Counselors Gallup-Dakota Oil Pool. Operators in said pool may appear and show cause why the pool should not be developed on less than 160-acre spacing with a depth bracket allowable in accordance with statewide rules.

CASE 8675: Application of Mesa Petroleum Co. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Northeast Eidson-Mississippian Pool including a provision for a gas-oil ratio limitation of 4000 cubic feet of gas per barrel of oil.

CASE 8676: Application of Southland Royalty Company for pool creation, special pool rules, and the contraction of the horizontal limits of the Scharb-Wolfcamp Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Scharb-Wolfcamp Pool by the deletion therefrom of the SW/4 of Section 33, Township 18 South, Range 35 East, the N/2 and SW/4 of Section 4 and the E/2 of Section 5, Township 19 South, Range 35 East. Applicant further seeks the creation of a new oil pool for Wolfcamp production comprising Sections 28, 29, 32, and 33, Township 18 South, Range 35 East, and Sections 4 and 5, Township 19 South, Range 35 East, and the promulgation of special pool rules therefor including a provision for 80-acre well spacing and proration units.

CASE 8677: Application of Texaco Producing Inc. 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 and open-hole interval from approximately 3913 feet to 5120 feet in its Skelly Penrose "A" Unit Well No. 62 located 2200 feet from the South and West lines of Section 3, Township 23 South, Range 37 East.

CASE 8678: Application of Wilton Scott to vacate and void Division Order No. R-7983, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to vacate and void Division Order No. R-7983 which promulgated temporary special pool rules and regulations for the Northeast Caudill-Wolfcamp Pool including a provision for 80-acre spacing.

CASE 8679: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider an order contracting and extending certain pools in Chaves County, New Mexico:

(a) CONTRACT the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, by the deletion of the following described area:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 36: All

(b) EXTEND the Diamond Mound Atoka-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 36: All

CASE 8680: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider an order creating, contracting, and extending certain pools in McKinley, Rio Arriba, San Juan, and Sandoval Counties:

(a) CREATE a new pool in McKinley County, New Mexico, classified as an oil pool for Mesaverde production and designated as the Papers Wash-Mesaverde Oil Pool. The discovery well is the James L. Ludwick Federal 8 Well No. 4 located in Unit M of Section 8, Township 19 North, Range 5 West, NMPM. Said pool would comprise:

TOWNSHIP 19 NORTH, RANGE 5 WEST, NMPM
Section 7: S/2 N/2 and SE/4
Section 8: SW/4 SW/4
Section 17: NW/4 and NW/4 SW/4
Section 18: NE/4 and NE/4 SE/4

(b) CONTRACT the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, by the deletion of the following described area:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 14: S/2 SW/4

(c) EXTEND the BS Mesa-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 8: SE/4

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
Section 1: All
Section 2: SE/4

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM
Section 35: SE/4