

Dockets Nos. 38-85 and 1-86 are tentatively set for December 18 and January 9, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 4, 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 David R. Catanach, Examiner or Michael E. Stogner Alternate Examiner:

CASE 8771: Application of Leonard Minerals Company for a unit agreement, Colfax, Mora, and Taos Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Taos Trough Unit Agreement comprising 113,000 acres, more or less, of Federal and Fee lands in Townships 21, 22, 23, 24, and 25 North, Ranges 13, 14, and 15 East (either projected or surveyed).

CASE 8772: Application of Merrion Oil and Gas Corporation for pool creation, assignment of discovery allowable, and a special depth bracket allowable, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Entrada production comprising the S/2 NE/4 and N/2 SE/4 of Section 36, Township 20 North, Range 5 West, and the assignment of an oil discovery allowable to exceed that as allowed by General Rule 509 to the discovery well for said pool being the Arena Blanca Well No. 1 located 2360 feet from the South line and 1200 feet from the East line of said Section 36. Applicant further seeks the establishment of a special depth bracket allowable for said pool to exceed that as prescribed by General Rule 505.(a).

CASE 8751: (Continued from November 21, 1985, Examiner Hearing)

Application of Merrion Oil & Gas Corporation for an unorthodox oil well location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Entrada formation 2310 feet from the North line and 1200 feet from the East line of Section 36, Township 20 North, Range 5 West, the SE/4 NE/4 (Unit H) of said Section 36 to be dedicated to the well.

CASE 8773: Application of Bliss Petroleum, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its existing J. W. Grizzell "A" Well No. 1 located 1034 feet from the South line and 2635 feet from the West line of Section 5, Township 22 South, Range 37 East, San Andres formation, the SW/4 of said Section 5 to be dedicated to said well.

CASE 8774: (This case will be dismissed)

Application of Texaco, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pecos Slope-Abo Gas Pool, underlying the SE/4 of Section 17, Township 6 South, Range 26 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 8753: (Continued from November 21, 1985, Examiner Hearing)

Application of Mallon Oil Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos and Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the N/2 of Section 13, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard oil 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 8775: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the SW/4 of Section 23, Township 5 South, Range 25 East, Undesignated Pecos Slope Abo Gas Pool, 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 8744: (Continued from November 6, 1985, Examiner Hearing)

Application of Union Texas Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval for the downhole commingling of Otero-Gallup and Basin-Dakota production in the wellbore of all existing wells and all wells subsequently to be drilled in the Jicarilla "L" and "N" Leases in Townships 24 and 25 North, Range 5 West.

CASE 8766: (Continued and Readvertised)

Application of Reading & Bates Petroleum Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan Greenhorn Graneros Dakota Oil Pool underlying the E/2 of Section 15, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard oil 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 8776: Application of Bradley H. and Margaret N. Keyes, Trustees for surface and downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Aztec-Fruitland Pool and Bloomfield-Farmington Oil Pool production in the wellbore of its Ransom Well No. 1-M located 1240 feet from the South line and 2435 feet from the East line (Unit 0) of Section 13, Township 29 North, Range 11 West. Applicant further seeks authority to commingle the aforementioned production from said Ransom Well No. 1-M with the previously approved downhole commingled Aztec-Fruitland and Aztec-Pictured Cliffs Gas Pool production from their Ransom Well No. 1 located 1850 feet from the South line and 790 feet from the East line (Unit 1) of said Section 13.

CASE 8777: Application of Pennzoil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1400 feet from the South line and 660 feet from the West line of Section 17, Township 16 South, Range 37 East, Undesignated Northeast Lovington-Pennsylvanian Pool, the W/2 SW/4 of said Section 17 to be dedicated to the well.

CASE 8778: Application of John Yuronka for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Langlie Mattix Pool in the perforated interval from 3351 feet to 3546 feet in his Hodges Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit 0) of Section 8, Township 24 South, Range 37 East.

CASE 8760: (Continued from November 21, 1985, Examiner Hearing)

Application of Western Oil Producers, Inc. for a non-standard proration and spacing unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration and spacing unit for Queen formation gas production comprising the E/2 SW/4 of Section 3, Township 19 South, Range 35 East, to be dedicated to the applicant's Fee "KJ" Well No. 1 located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 3.

CASE 8779: Application of Murphy Operating Corporation for statutory unitization, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of a secondary recovery project, all mineral interests in the San Andres formation underlying 2160 acres, more or less, of Federal lands in either all or portions of Sections 11, 12, 13, 14, and 24, Township 8 South, Range 37 East, and Sections 18 and 19, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, said unit to be designated the Bluit-San Andres (Federal) Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in well and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 8780: Application of Murphy Operating Corporation for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation in the proposed Bluit-San Andres (Federal) Unit Area underlying either all or portions of Sections 11, 12, 13, 14, and 24, Township 8 South, Range 37 East, and Sections 18 and 19, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool.

- CASE 8750: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Bagley State Unit Area comprising 1105.77 acres, more or less, of State lands in Township 12 South, Range 34 East.
- CASE 8751: Application of Merrion Oil & Gas Corporation for an unorthodox oil well location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Entrada formation 2310 feet from the North line and 1200 feet from the East line of Section 36, Township 20 North, Range 5 West, the SE/4 NE/4 (Unit H) of said Section 36 to be dedicated to the well.
- CASE 8752: Application of Merrion Oil & Gas Corporation for an unorthodox oil well location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Entrada formation 1200 feet from the South line and 650 feet from the East line of Section 28, Township 20 North, Range 6 West, the SE/4 SE/4 (Unit P) of said Section 28 to be dedicated to the well.
- CASE 8753: Application of Mallon Oil Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos and Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the N/2 of Section 13, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard oil 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 8754: Application of McClellan Oil Corporation for a non-standard oil proration unit and an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 51.02-acre non-standard oil spacing and proration unit comprising Lots 1 and 2 of Section 19, Township 16 South, Range 29 East, to be drilled at an unorthodox oil well location 1330 feet from the North line and 421 feet from the West line of said Section 19 to test the High Lonesome-Queen Pool.
- CASE 8755: Application of TXO Production Corp. for compulsory pooling, 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 to the base of the Bone Spring formation underlying the SW/4 NW/4 of Section 36, Township 18 South, Range 32 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil 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 8756: Application of Cibola Energy Corporation for salt water disposal, Chaves 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 2234 feet to 2298 feet in its Aciete Negra Well No. 2 located 1650 feet from the South line and 1200 feet from the East line (Unit I) of Section 12, Township 9 South, Range 27 East.
- CASE 8757: Application of Cibola Energy Corporation for salt water disposal, Chaves 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 2209 feet to 2241 feet in its Plains 29 Well No. 9 located 990 feet from the North and West lines of Section 29, Township 10 South, Range 28 East, Undesignated Race Track-San Andres Pool.
- CASE 8758: Application of Monsanto Company for an unorthodox gas well location, dual completion, and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of a well to be drilled at an unorthodox gas well location 330 feet from the South and West lines of Section 36, Township 21 South, Range 23 East, to produce gas from the Indian Basin-Upper Pennsylvanian and Indian Basin-Morrow Gas Pools, all of said Section 36 to be simultaneously dedicated in both zones to the well and to their existing Lowe State Gas Com Well No. 1 located 1995 feet from the North line and 1712 feet from the West line of said Section 36.
- CASE 8759: Application of Penroc Oil Corporation for HARDSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Madera Com Well No. 1 located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 11, Township 24 South, Range 34 East, Antelope Ridge-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

- CASE 8760: Application of Western Oil Producers, Inc. for a non-standard proration and spacing unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration and spacing unit for Queen formation gas production comprising the E/2 SW/4 of Section 3, Township 19 South, Range 35 East, to be dedicated to the applicant's Fee "KJ" Well No. 1 located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 3.
- CASE 8761: Application of Chaveroo Operating Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Vacuum Grayburg-San Andres Pool in the perforated interval from approximately 4804 feet to 5212 feet in the Apollo Energy, Inc. State G-36 Well No. 1 located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 36, Township 17 South, Range 35 East.
- CASE 8762: Application of Tenneco Oil Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Basin Dakota and Blanco Mesaverde Gas Pools in the wellbore of its Florance Well No. 36 located 1850 feet from the North line and 990 feet from the East line (Unit H) of Section 3, Township 30 North, Range 8 West.
- CASE 8763: Application of Tenneco Oil Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Basin Dakota and Blanco Mesaverde Gas Pools in the wellbore of its State Com Well No. 1 located 990 feet from the South and West lines (Unit M) of Section 32, Township 30 North, Range 9 West.
- CASE 8764: Application of Tenneco Oil Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Basin Dakota and Blanco Mesaverde Gas Pools in the wellbore of its Dawson "A" Well No. 1 located 790 feet from the South line and 1450 feet from the West line (Unit N) of Section 4, Township 27 North, Range 8 West.
- CASE 8765: Application of Tenneco Oil Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Basin Dakota and Blanco Mesaverde Gas Pools in the wellbore of its Florance Well No. 6 located 990 feet from the South and West lines (Unit M) of Section 23, Township 30 North, Range 9 West.
- CASE 8766: Application of Reading & Bates Petroleum Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Pool underlying the E/2 of Section 15, Township 25 North, Range 2 West, 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 8767: Application of Amoco Production Company for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp formation in the perforated interval from approximately 7272 feet to 7304 feet in its State "DQ" Well No. 3 located 2305 feet from the North line and 2290 feet from the East line (Unit G) of Section 32, Township 9 South, Range 30 East, Undesignated Many Gates-Wolfcamp Pool.
- CASE 8768: Application of Union Texas Petroleum Corporation for an extension of the West Lindrith Gallup-Dakota Oil Pool, and the contraction of the Otero-Gallup Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order contracting the Otero-Gallup Oil Pool by deleting therefrom a portion of said pool in Sections 33 and 34, Township 25 North, Range 5 West, and Sections 1, 2, 3, 4, 9, and 10, Township 24 North, Range 5 West, and extending the West Lindrith Gallup-Dakota Oil Pool to include portions of the aforementioned area.