

Dockets Nos. 28-87 and 29-87 are tentatively set for September 23 and October 7, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 9, 1987

8:15 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 David R. Catanach, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for October, 1987, from fourteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for October, 1987, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9169: (Continued from August 12, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit C.R. (Carl) Robinson, John Iley, Eastern Indemnity Company of Maryland, and all other interested parties to appear and show cause why the O.F. Baca Well No. 1 located 660 feet from the North line and 1920 feet from the West line (Unit C) of Section 3, Township 5 North, Range 4 East, Valencia County, New Mexico, as projected into the Tome Land Claim, should not be plugged and abandoned in accordance with a Division-approved plugging program, said well being located approximately 15 miles east of Belen, New Mexico.

CASE 9179: (Continued from August 12, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Turman & Hayes, Western Surety Company, and all other interested parties to appear and show cause why the following four wells located on the "B" Lee State Lease in Section 7, Township 18 South, Range 35 East, Lea County, should not be plugged and abandoned in accordance with a Division-approved plugging program:

- Well No. 1 located 1650 feet from the North line and 2236 feet from the West line (Unit F);
- Well No. 3 located 2319 feet from the North line and 918 feet from the West line (Unit E);
- Well No. 4 located 2055 feet from the South line and 660 feet from the West line (Unit L);
- and Well No. 5 located 994 feet from the South line and 330 feet from the West line (Unit M).

All of these wells are located approximately 2.5 to 3 miles south of Buckeye, New Mexico.

CASE 9206: Application of Tipperary Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an exploratory unit area comprising 160 acres of State lands underlying the SW/4 of Section 29, Township 16 South, Range 37 East, said acreage being approximately 5.5 miles southeast of Lovington, New Mexico.

CASE 8863: (Continued from August 12, 1987, Examiner Hearing) (Reopened)

In the matter of Case 8863 being reopened upon application of Alana Oil and Gas Corporation to vacate or modify Division Order No. R-8210 entered in said Case 8863, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8210:

- Samantha Well No. 1 located 1580' FSL - 1202' FWL (Unit L),
- Samantha Well No. 2 located 1985' FSL - 2290' FWL (Unit K),
- Samantha Well No. 3 located 1105' FSL - 2490' FWL (Unit N),
- all in Section 26, Township 28 North, Range 1 East; and
- Alana Well No. 1 located 511' FSL - 2144' FWL (Unit N) of Section 11, Township 27 North, Range 1 West.

CASE 8864: (Continued from August 12, 1987, Examiner Hearing) (Reopened)

In the matter of Case 8864 being reopened upon the application of Suntex Energy Corporation to vacate or modify Division Order No. R-8223 entered in said Case 8864, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8223:

- Suntex Well No. 1 located 1824' FNL - 570' FWL (Unit E) of Section 26,
- Suntex Well No. 2 located 660' FSL - 365' FEL (Unit P) of Section 22,

designated as the Oasis-Abo Gas Pool. The discovery well is the Tom Brown, Inc. Middlebrook "3" Well No. 1 located in Unit K of Section 3, Township 10 South, Range 30 East, NPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 30 EAST, NPM
Section 3: SW/4

- (b) EXTEND the North Hume-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15, SOUTH, RANGE 33 EAST, NPM
Section 36: SW/4

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

TOWNSHIP 25, SOUTH, RANGE 34 EAST, NPM
Section 3: NE/4

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

TOWNSHIP 24, SOUTH, RANGE 34 EAST, NPM
Section 27: W/2
Section 28: N/2

TOWNSHIP 25, SOUTH, RANGE 34 EAST, NPM
Section 4: S/2
Section 9: N/2

- (e) EXTEND the Reeves-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18, SOUTH, RANGE 35 EAST, NPM
Section 11: SE/4
Section 14: NE/4

- (f) EXTEND the San Simon-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22, SOUTH, RANGE 35 EAST, NPM
Section 4: NE/4

- (g) EXTEND the Shipp-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16, SOUTH, RANGE 37 EAST, NPM
Section 33: SE/4

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

TOWNSHIP 18, SOUTH, RANGE 32 EAST, NPM
Section 11: NE/4

percent penalty to be assessed as a charge for the risk involved in the drilling of said well, \$5,000.00 per month while drilling and \$500.00 per month while producing to be fixed as reasonable charges, and that the applicant be named operator of said well and unit. Said location is approximately 6.5 miles east-southeast of Lovington, New Mexico. IF THERE ARE NO OBJECTIONS THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

CASE 9209: Application of Amerind Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the W/2 SW/4 of Section 27, Township 16 South, Range 37 East, Undesignated Casey-Strawn, Undesignated West Casey-Strawn, and Undesignated Northeast Lovington-Pennsylvanian Pools, forming a standard 80-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. Said location is approximately 7 miles southeast of Lovington, New Mexico.

CASE 9210: Application of Pelto Oil Company for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of establishing a secondary recovery project, all mineral interests in the Twin Lakes-San Andres Associated Pool underlying 4863.82 acres, more or less, of State and Fee lands in either all or portions of the following described lands: Sections 25, 26, 35, and 36, Township 8 South, Range 28 East; Sections 30, 31, and 32, Township 8 South, Range 29 East; Sections 1, 2, and 12, Township 9 South, Range 28 East; and Sections 5, 6, 7, 8, and 18, Township 9 South, Range 29 East. The center of said area is approximately 9 miles south of Elkins, New Mexico. Said unit is to be designated the Twin Lakes-San Andres 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 9211: Application of Pelto Oil Company for a water flood project, Chaves 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 its proposed Twin Lakes-San Andres Unit Area (Division Case No. 9210) underlying portions of Township 8 and 9 South, Ranges 28 and 29 East, Twin Lakes-San Andres Associated Pool. Said area is centered approximately 9 miles south of Elkins, New Mexico.

CASE 9168: (Continued from August 12, 1987, Examiner Hearing)

Application of J. (James) A. Davidson for a determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, as an interested owner in the Marathon Oil Company Benson Well No. 1 located 330 feet from the South line and 990 feet from the East line (Unit P) of Section 14, Township 16 South, Range 38 East (located approximately 2 1/2 miles south of the old Hobbs Army Air Corps Auxiliary Airfield No. 1 on State Highway No. 132), which was drilled pursuant to the compulsory pooling provisions of Division Order No. R-8282, as amended, seeks an order ascertaining the reasonableness of actual well costs for the subject well.

CASE 8668: (Reopened) (This case will be continued to October 7, 1987.)

In the matter of Case No. 8668 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8031, issued in said Case No. 8668 and dated September 27, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 SE/4 (Unit P) of Section 23, Township 25 South, Range 37 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. Said well is located approximately 4 miles east of Jal, New Mexico.

CASE 8769: (Reopened) (This case will be continued to October 7, 1987.)

In the matter of Case No. 8769 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8091, issued in said Case No. 8769 and dated December 6, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 NE/4 (Unit H) of Section 26, Township 25 South, Range 37 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. Said well is located approximately 4 miles east of Jal, New Mexico.

CASE 9212: In the matter of the hearing called by the Oil Conservation Division called on its own motion for an order creating and extending certain pools in Chaves and Lea Counties, New Mexico:

(a) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Abo production and

Suntex Well No. 3 located 1858' FNL - 1800' FWL (Unit F) of Section 14,
Suntex Well No. 4 located 935' FNL - 1650' FWL (Unit C) of Section 23,
Suntex Well No. 5 located 2004' FSL - 2310' FWL (Unit K) of Section 11, and
Suntex Well No. 6 located 1980' FSL - 660' FWL (Unit L) of Section 23,
all in Township 28 North, Range 1 East.

CASE 9074: (Continued from August 12, 1987, Examiner Hearing) (Reopened)

In the matter of Case 9074 being reopened upon application of Suntex Energy Corporation to vacate or modify Division Order No. R-8404 entered in said Case 9074, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells formerly operated by Texas Rose Petroleum, Inc. which were ordered plugged pursuant to the provisions of said Order No. R-8404:

Well No. 1 located 1824' FSL - 1778' FEL (Unit J) of Section 14,
Well No. 2 located 618' FSL - 2418' FWL (Unit N) of Section 14,
Well No. 3 located 967' FSL - 2148' FWL (Unit N) of Section 11,
Well No. 7 located 990' FSL - 2310' FEL (Unit O) of Section 14, and
Well No. 8 located 2310' FS and WT. (Unit K) of Section 14,
all on the El Poso Ranch Lease in Township 28 North, Range 1 East, as
projected into the unsurveyed Tierra Amarilla Land Grant.

CASE 9207: Application of Western Oil Producers, Inc. for an Unorthodox Gas Well Location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 1, Township 22 South, Range 27 East, Undesignated East Carlsbad-Wolfcamp Gas Pool, the S/2 of said Section 1 to be dedicated to the well. Said location is approximately 5 miles east of Carlsbad, New Mexico.

CASE 9189: (Readvertised)

Application of Ray Westall for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cherry Canyon formation in the perforated interval from approximately 3670 feet to 3720 feet in its Merland Well No. 1 located 990 feet from the South line and 1870 feet from the East line (Unit O) of Section 24, Township 22 South, Range 26 East, South Carlsbad-Delaware Pool. Said well is approximately 400 yards northeast of the intersection of Hidalgo Road and Mescalero Road in Carlsbad, New Mexico.

CASE 9208: Application of Hixon Development Company for a gas storage well, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization to utilize its Carson Unit Well No. 24-18 located 660 feet from the South line and 1930 feet from the West line (Unit N) of Section 18, Township 25 North, Range 11 West (which is approximately 5 miles south-southwest of the Carson Trading Post), as a gas storage well.

CASE 9123: (Continued from August 12, 1987, Examiner Hearing)

Application of Curtis J. Little for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the SE/4 of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1-F, located 1850 feet from the South line and 800 feet from the East line (Unit 1) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit.

CASE 9124: (Continued from August 12, 1987, Examiner Hearing)

Application of Rocanville Corporation for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the NE/4 of Section 14, Township 17 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1, located 1100 feet from the North line and 990 feet from the East line (Unit A) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit.

CASE 9191: (Readvertised) (This case will be dismissed.)

Application of Amerind Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order, pursuant to Division General Rule 1207.1.(ii), pooling all mineral interests in the Strawn and Atoka formations underlying the S/2 SE/4 of Section 28, Township 16 South, Range 37 East, Undesignated Casey-Strawn, Undesignated West Casey-Strawn, and Undesignated Northeast Lovington-Pennsylvanian Pools, forming a standard 80-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Applicant further seeks a 200

Dockets Nos. 26-87 and 27-87 are tentatively set for August 26 and September 9, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 12, 1987

8:15 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 David R. Catanach, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for September, 1987, from fourteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for September, 1987, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9169: (Continued from July 29, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit C.R. (Carl) Robinson, John Iley, Eastern Indemnity Company of Maryland, and all other interested parties to appear and show cause why the O.F. Baca Well No. 1 located 660 feet from the North line and 1920 feet from the West line (Unit C) of Section 3, Township 5 North, Range 4 East, Valencia County, New Mexico, as projected into the Tome Land Claim, should not be plugged and abandoned in accordance with a Division-approved plugging program, said well being located approximately 15 miles east of Belen, New Mexico.

CASE 9179: (Continued from July 29, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Turman & Hayes, Western Surety Company, and all other interested parties to appear and show cause why the following four wells located on the "B" Lee State Lease in Section 7, Township 18 South, Range 35 East, Lea County, should not be plugged and abandoned in accordance with a Division-approved plugging program:

- Well No. 1 located 1650 feet from the North line and 2236 feet from the West line (Unit F);
- Well No. 3 located 2319 feet from the North line and 918 feet from the West line (Unit E);
- Well No. 4 located 2055 feet from the South line and 660 feet from the West line (Unit L);
- and Well No. 5 located 994 feet from the South line and 330 feet from the West line (Unit M).

All of these wells are located approximately 2.5 to 3 miles south of Buckeye, New Mexico.

CASE 9187: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Evans Production Company, American Motorists Insurance Company and all other interested parties to appear and show cause why the five wells listed below should not be plugged and abandoned in accordance with a division-approved plugging program:

- Inditos Well No. 1 located 2310 feet from the North line and 330 feet from the East line (Unit H) of Section 15, Township 16 North, Range 9 West;
- Bullseye Well No. 2 located 540 feet from the South line and 1560 feet from the West line (Unit N) of Section 18, Township 16 North, Range 9 West;
- Bullseye Well No. 9 located 330 feet from the South line and 1650 feet from the East line (Unit O) of Section 18, Township 16 North, Range 9 West;
- Bullseye Well No. 8 located 330 feet from the North line and 990 feet from the West line (Unit D) of Section 19, Township 16 North, Range 9 West; and,
- Bullseye A Well No. 2 located 990 feet from the South and East lines (Unit P) of Section 13, Township 16 North, Range 10 West, all in McKinley County.

These wells are located in an area approximately 14 miles north of Ambrosia Lake, New Mexico.

CASE 9188: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Chaves Unit Area comprising 8,600.11 acres, more or less, of State, Federal and Fee lands in the eastern half of Township 5 South, Range 23 East. The middle of said acreage is approximately 7 miles southeast of Highway Junction US-285 and New Mexico 20.

CASE 8863: (Continued from July 1, 1987, Examiner Hearing) (Reopened)

In the matter of Case 8863 being reopened upon application of Alana Oil and Gas Corporation to vacate or modify Division Order No. R-8210 entered in said Case 8863, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8210:

Samantha Well No. 1 located 1580' FSL - 1202' FWL (Unit L),
 Samantha Well No. 2 located 1985' FSL - 2290' FWL (Unit K),
 Samantha Well No. 3 located 1105' FSL - 2490' FWL (Unit N),
 all in Section 26, Township 28 North, Range 1 East; and
 Alana Well No. 1 located 511' FSL - 2144' FWL (Unit N) of
 Section 11, Township 27 North, Range 1 West.

CASE 8864: (Continued from July 1, 1987, Examiner Hearing) (Reopened)

In the matter of Case 8864 being reopened upon the application of Suntex Energy Corporation to vacate or modify Division Order No. R-8223 entered in said Case 8864, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8223:

Suntex Well No. 1 located 1824' FNL - 570' FWL (Unit E) of Section 26,
 Suntex Well No. 2 located 660' FSL - 365' FEL (Unit P) of Section 22,
 Suntex Well No. 3 located 1858' FNL - 1800' FWL (Unit F) of Section 14,
 Suntex Well No. 4 located 935' FNL - 1650' FWL (Unit C) of Section 23,
 Suntex Well No. 5 located 2004' FSL - 2310' FWL (Unit K) of Section 11, and
 Suntex Well No. 6 located 1980' FSL - 660' FWL (Unit L) of Section 23,
 all in Township 28 North, Range 1 East.

CASE 9074: (Continued from July 1, 1987, Examiner Hearing) (Reopened)

In the matter of Case 9074 being reopened upon application of Suntex Energy Corporation to vacate or modify Division Order No. R-8404 entered in said Case 9074, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells formerly operated by Texas Rose Petroleum, Inc. which were ordered plugged pursuant to the provisions of said Order No. R-8404:

Well No. 1 located 1824' FSL - 1778' FEL (Unit J) of Section 14,
 Well No. 2 located 618' FSL - 2418' FWL (Unit N) of Section 14,
 Well No. 3 located 967' FSL - 2148' FWL (Unit N) of Section 11,
 Well No. 7 located 990' FSL - 2310' FEL (Unit O) of Section 14, and
 Well No. 8 located 2310' FS and WL (Unit K) of Section 14,
 all on the El Poso Ranch Lease in Township 28 North, Range 1 East, as
 projected into the unsurveyed Tierra Amarilla Land Grant.

CASE 9189: Application of Ray Westall for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cherry Canyon formation in the perforated interval from approximately 3670 feet to 3720 feet in its Merland Well No. 1 located 990 feet from the South line and 1870 feet from the East line (Unit O) of Section 24, Township 22 South, Range 26 East, South Carlsbad Delaware Pool, said well is approximately 6.5 miles south of Black River Village, New Mexico.

CASE 9180: (Continued from July 29, 1987, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling and a non-standard oil proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying either the NE/4 SW/4 (Unit K) of Section 30, Township 19 South, Range 25 East, to form a standard 40-acre oil spacing and proration unit within said vertical limits or the E/2 SW/4 and Lots 3 and 4 of said Section 30 to form a non-standard 162.76-acre oil spacing and proration unit within the North Dagger Draw-Upper Pennsylvanian Pool, both aforementioned units 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 the risk involved in drilling said well. Said location is approximately 8.75 miles west of Lakewood, New Mexico.

CASE 9171: (Continued from July 29, 1987, Examiner Hearing)

Application of MorOilCo, 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 Yates, Seven Rivers, and Queen formations in the perforated interval from approximately 3951 feet to 3995 feet and in the open hole interval from approximately 4064 feet to 5000 feet in the Atlantic Richfield Company's Mescalero Ridge Unit "MA" Well No. 31 located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 21, Township 19 South, Range 34 East, Undesignated Pearl-Queen Pool and Quail Ridge-Yates Gas Pool, which is approximately 2.5 miles north of N.M. milepost No. 77 on U.S. Highway 62/180.

CASE 9190: Application of Robert L. Bayless for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Gallup and Pictured Cliffs formations in the wellbore of its Jicarilla 519 Well No. 1 located 790 feet

from the South line and 1670 feet from the East line (Unit O) of Section 18, Township 30 North, Range 2 West, Jicarilla Apache Indian Reservation. Said Well is located approximately 2.5 miles west-northwest of Highway Junction US-64 and New Mexico 537.

CASE 9191: Application of Amerind Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the S/2 of Section 28, Township 16 South, Range 37 East, Undesignated Casey-Strawn, Undesignated West Casey-Strawn, and Undesignated Northeast Lovington-Pennsylvanian pools, forming a standard 80-acre oil spacing 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. Said location is approximately 6.5 miles east-southeast of Lovington, New Mexico.

CASE 9192: Application of Terra Resources, Inc. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Diamond Mound Atoka-Morrow Gas Pool underlying the E/2 of Section 7, Township 16 South, Range 28 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 660 feet from the North and East lines (Unit A) of said Section 7. 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. Said location is approximately 1 mile east from the top of Diamond Mound.

Case 9193: Application of Conoco Inc. for an unorthodox oil well location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1390 feet from the North line and 1720 feet from the West line (Unit F) of Section 9, Township 18 North, Range 10 West (which is approximately 2 miles northeast of Seven Lakes, New Mexico), to test the Entrada formation, the SE/4 NW/4 of said Section 9 to be dedicated to the well.

Case 9194: Application of Pennzoil Company for approval of an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 2310 feet from the North line and 1650 feet from the East line (Unit G) of Section 16, Township 16 South, Range 37 East, undesignated Northeast Lovington-Pennsylvanian Pool, the S/2 NE/4 of said Section 16 to be dedicated to the well. Said location is approximately 1.4 miles south of Milepost 5.5 on New Mexico Highway No. 83.

CASE 9195: Application of Pennzoil Company for approval of an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1650 feet from the North line and 2100 feet from the West line (Unit F) of Section 16, Township 16 South, Range 37 East, Undesignated Northeast Lovington-Pennsylvanian Pool, the E/2 NW/4 of said Section 16 to be dedicated to the well. Said location is approximately 1.3 miles south of Milepost 5.5 on New Mexico Highway No. 83.

CASE 9123: (Continued from July 15, 1987, Examiner Hearing)

Application of Curtis J. Little for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the SE/4 of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1-E, located 1850 feet from the South line and 800 feet from the East line (Unit I) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit.

CASE 9124: (Continued from July 15, 1987, Examiner Hearing)

Application of Rocanville Corporation for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the NE/4 of Section 14, Township 17 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1, located 1100 feet from the North line and 990 feet from the East line (Unit A) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit.

CASE 9196: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating the following pool in Harding and Union Counties, New Mexico:

(a) CREATE a new pool in Harding and Union Counties, New Mexico, classified as a carbon dioxide gas pool for Tubb production and designated as the Bravo Dome Carbon Dioxide (640-Acre) Gas Pool. Said pool would comprise:

TOWNSHIP 18 NORTH, RANGE 33 EAST, NMFM
Sections 1 through 4: All
Sections 9 through 16: All
Sections 23 through 26: All

TOWNSHIP 18 NORTH, RANGE 34 EAST, NMFM
Sections 1 through 30: All
Sections 33 through 36: All

TOWNSHIP 18 NORTH, RANGE 35 EAST, NMFM
Sections 1 through 24: All
Sections 27 through 32: All

TOWNSHIP 19 NORTH, RANGE 33 EAST, NMFM
Sections 1 through 4: All
Sections 9 through 16: All
Sections 20 through 29: All
Sections 34 through 36: All

TOWNSHIP 19 NORTH, RANGE 34 EAST, NMFM
Sections 1 through 36: All

TOWNSHIP 19 NORTH, RANGE 35 EAST, NMFM
Sections 1 through 11: All
Sections 13 through 36: All

TOWNSHIP 19 NORTH, RANGE 36 EAST, NMFM
Section 31: All

TOWNSHIP 20 NORTH, RANGE 33 EAST, NMFM
Sections 1 through 15: All
Sections 23 through 26: All
Sections 34 through 36: All

TOWNSHIP 20 NORTH, RANGE 34 EAST, NMFM
Sections 2 through 36: All

TOWNSHIP 20 NORTH, RANGE 35 EAST, NMFM
Sections 17 through 21: All
Sections 28 through 34: All

TOWNSHIP 21 NORTH, RANGE 33 EAST, NMFM
Sections 31 through 36: All

TOWNSHIP 21 NORTH, RANGE 34 EAST, NMFM
Sections 31 through 34: All

Suggested Name: Bravo Dome Carbon Dioxide (640-Acre) Gas Pool

CASE 9197: Application of Marshall & Winston, Inc. for the amendment of Division Order No. R-8457, Lea County, New Mexico. Division Order No. R-8457 issued in Case No. 9141 and pursuant to the provisions set forth by General Rule 1207.1(ii) on June 15, 1987 compulsorily pooled all mineral interests in the Abo formation underlying Lot 13 (Unit M) of Irregular Section 6, Township 21 South, Range 38 East (being approximately 1.2 miles east of Milepost 38 on New Mexico Highway No. 18), forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Applicant, in the above styled cause, now seeks the amendment of Order R-8457 changing the monthly overhead charges for supervision while drilling and producing said well to \$4,500.00 and \$450.00, respectively. All other provisions in said Order No. R-8457 shall remain in full force and effect. IF THERE ARE NO OBJECTIONS THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

CASE 9168: (Continued from July 1, 1987, Examiner Hearing)

Application of J. (James) A. Davidson for a determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, as an interested owner in the Marathon Oil Company Benson Well No. 1 located 330 feet from the South line and 990 feet from the East line (Unit P) of Section 14, Township 16 South, Range 38 East (located approximately 2 1/2 miles south of the old Hobbs Army Air Corps Auxiliary Airfield No. 1 on State Highway No. 132), which was drilled pursuant to the compulsory pooling provisions of Division Order No. R-8282, as amended, seeks an order ascertaining the reasonableness of actual well costs for the subject well.

Dockets Nos. 22-87 and 23-87 are tentatively set for July 15 and 29, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 1, 1987

8:15 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 9159: Application of Yates Petroleum Corporation for approval of a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Desert Rose State and Federal Unit comprising 2560.52 acres, more or less, of State and Federal lands in Townships 8 and 9 South, Range 26 East (19 miles northeast of Roswell, New Mexico).

CASE 8863: (Continued from June 3, 1987, Examiner Hearing) (Reopened)

In the matter of Case 8863 being reopened upon application of Alana Oil and Gas Corporation to vacate or modify Division Order No. R-8210 entered in said Case 8863, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8210:

Samantha Well No. 1 located 1580' FSL - 1202' FWL (Unit L),
Samantha Well No. 2 located 1985' FSL - 2290' FWL (Unit K),
Samantha Well No. 3 located 1105' FSL - 2490' FWL (Unit N),
all in Section 26, Township 28 North, Range 1 East; and
Alana Well No. 1 located 511' FSL - 2144' FWL (Unit N) of
Section 11, Township 27 North, Range 1 West.

CASE 8864: (Continued from June 3, 1987, Examiner Hearing) (Reopened)

In the matter of Case 8864 being reopened upon the application of Suntex Energy Corporation to vacate or modify Division Order No. R-8223 entered in said Case 8864, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8223:

Suntex Well No. 1 located 1824' FNL - 570' FWL (Unit E) of Section 26,
Suntex Well No. 2 located 660' FSL - 365' FEL (Unit P) of Section 22,
Suntex Well No. 3 located 1858' FNL - 1800' FWL (Unit F) of Section 14,
Suntex Well No. 4 located 935' FNL - 1650' FWL (Unit C) of Section 23,
Suntex Well No. 5 located 2004' FSL - 2310' FWL (Unit K) of Section 11, and
Suntex Well No. 6 located 1980' FSL - 660' FWL (Unit L) of Section 23,
all in Township 28 North, Range 1 East.

CASE 9074: (Continued from June 3, 1987, Examiner Hearing) (Reopened)

In the matter of Case 9074 being reopened upon application of Suntex Energy Corporation to vacate or modify Division Order No. R-8404 entered in said Case 9074, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells formerly operated by Texas Rose Petroleum, Inc. which were ordered plugged pursuant to the provisions of said Order No. R-8404:

Well No. 1 located 1824' FSL - 1778' FEL (Unit J) of Section 14,
Well No. 2 located 618' FSL - 2418' FWL (Unit N) of Section 14,
Well No. 3 located 967' FSL - 2148' FWL (Unit N) of Section 11,
Well No. 7 located 990' FSL - 2310' FEL (Unit O) of Section 14, and
Well No. 8 located 2310' FS and WL (Unit K) of Section 14,
all on the El Poso Ranch Lease in Township 28 North, Range 1 East, as
projected into the unsurveyed Tierra Amarilla Land Grant.

CASE 9160: Application of Santa Fe Energy Operating Partners, L.P. 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 base of the Morrow formation underlying the W/2 of Section 34, Township 23 South, Range 31 East (which is approximately 19½ miles east of Loving, New Mexico), forming a standard 320-acre gas proration unit 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 9161: Application of Crown Central Petroleum 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 Abo formation, underlying either the SE/4 SE/4 (Unit P) of Section 25, Township 19 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit within said vertical limits or the SE/4 of said Section 25 to form a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing, both aforementioned units 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. Said area is approximately 1 3/4 miles east of the community of Nadine, New Mexico.

CASE 9107: (Continued from June 3, 1987, Examiner Hearing) THIS CASE WILL BE DISMISSED.

Application of Mesa Grande Resources, Inc. 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 E/2 of Section 5, Township 25 North, Range 2 West, forming a standard 320-acre oil spacing and proration unit in both 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 8963: (Continued from June 3, 1987, Examiner Hearing) (Reopened) THIS CASE WILL BE DISMISSED.

Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the W/2 of Section 16, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 9151: (Continued from June 17, 1987, Examiner Hearing)

Application of Bettis, Boyle & Stovall for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for a well to be drilled 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 9, Township 25 South, Range 29 East, to test the Wolfcamp, Strawn, Atoka, and Morrow formations, the W/2 of said Section 9 to be dedicated to the well.

CASE 9162: Application of Amerind Oil Company for compulsory pooling and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn or Atoka formation underlying the SW/4 SE/4 and SE/4 SW/4 of Section 28, Township 16 South, Range 37 East, forming a non-standard 80-acre oil spacing and proration unit for either the West Casey-Strawn, Casey-Strawn, or Northeast Lovington-Pennsylvanian Oil Pools. 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. Said area is located approximately 6.5 miles east-southeast of Lovington, New Mexico.

CASE 9163: Application of ARCO Oil and Gas Company for pool creation, special pool rules, and discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Wolfcamp production comprising the W/2 NW/4 of Section 9, Township 16 South, Range 32 East, and the promulgation of special rules therefor including a provision for 80-acre spacing and designated well locations. Applicant further seeks the assignment of an oil discovery allowable, as provided by Rule 509 of the Division's General Rules, to the discovery well for said pool being its West Anderson Ranch State Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 9 (approximately 6 miles north of Maljamar, New Mexico).

CASE 9164: Application of Phillips Petroleum Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Eumont-Queen gas production and Eunice Monument-Grayburg-San Andres oil production in the wellbore of its New Well No. 2 located 1980 feet from the North line and 330 feet from the East line (Unit H) of Section 26, Township 20 South, Range 36 East, being approximately 4 1/2 miles northwest of Oil Center, New Mexico.

CASE 9165: Application of Terra Resources, Inc. for a non-standard gas proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas spacing and proration unit comprising the SW/4 of Section 1, Township 22 South, Range 27 East, Undesignated East Carlsbad-Wolfcamp Gas Pool, to be dedicated to a well to be drilled at an unorthodox gas well location 1330 feet from the South line and 660 feet from the West line (Unit L) of said Section 1, said well being approximately 5 miles east of Carlsbad, New Mexico.

CASE 9154: (Continued and Readvertised)

Application of Tenneco Oil 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 to be drilled 595 feet from the North line and 335 feet from the East line (Unit A) of Section 1, Township 31 North, Range 11 West, Blanco-Pictured Cliffs Pool, the NE/4 of said Section 1 to be dedicated to the well.

- CASE 9166: Application of Marathon Oil 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 Pennsylvanian formation in the perforated interval from approximately 9,960 feet to 10,250 feet in its J. M. Denton Well No. 5 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 11, Township 15 South, Range 37 East, which is approximately 11½ miles east-northeast of Lovington, New Mexico.
- CASE 9167: Application of Marathon Oil Company for lease commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Devonian oil production from its Benson Well No. 1 located 330 feet from the South line and 990 feet from the East line (Unit P) of Section 14 and its V. E. Roddy Well No. 1 located 750 feet from the North and East lines (Unit A) of Section 23, both in Township 16 South, Range 38 East (both wells being approximately 2½ miles south of the old Hobbs Army Air Corps Auxiliary Airfield No. 1 on State Highway No. 132), in a common tank battery located on the Benson Lease in the SE/4 SE/4 of said Section 14.
- CASE 9168: Application of J. (James) A. Davidson for a determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, as an interest owner in the Marathon Oil Company Benson Well No. 1 located 330 feet from the South line and 990 feet from the East line (Unit P) of Section 14, Township 16 South, Range 38 East (located approximately 2½ miles south of the old Hobbs Army Air Corps Auxiliary Airfield No. 1 on State Highway No. 132), which was drilled pursuant to the compulsory pooling provisions of Division Order No. R-8282, as amended, seeks an order ascertaining the reasonableness of actual well costs for the subject well.

Dockets Nos. 19-87 and 20-87 are tentatively set for June 17 and July 1, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 3, 1987

3:15 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 3878: (Reopened)

In the matter of Case 3878 being reopened pursuant to the provisions of Division Order No. R-8235, which order amended Rule 101 of the Division Rules to provide for the acceptance of cash bonds as well as surety bonds. Said rule will be reviewed to determine whether it is appropriate in meeting the needs of industry.

CASE 9139: Application of Elf Aquitaine Petroleum for a horizontal directional drilling pilot project and special operating rules therefor, West Lindrith Gallup-Dakota Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in the W/2 of Section 14, Township 23 North, Range 3 West, West Lindrith Gallup-Dakota Oil Pool. From a well to be located on the surface 500 feet from the North line and 1500 feet from the West line of Section 14, Township 23 North, Range 3 West, the applicant proposes to extend the wellbore horizontally and dedicate both the NW/4 and SW/4 of said Section 14 in the West Lindrith Gallup-Dakota Oil Pool to the well, either forming two standard 160-acre oil proration units or a single unorthodox 320-acre oil proration unit in said pool. Applicant further seeks special rules and provisions within the pilot project area including the designation of a prescribed area limiting the horizontal extent of the wellbore and special allowable considerations.

CASE 9140: Application of Permian Corporation for an exception to Division Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-3221, as amended, to permit the disposal of water produced in conjunction with the production of oil and gas into a salt lake located in the NW/4 of Section 2, Township 23 South, Range 29 East.

CASE 8190: (Reopened)

In the matter of Case 8190 being reopened pursuant to the provisions of Division Order No. R-7556, which order established special rules and regulations for the Bravo Dome 640-Acre Area in Union, Harding, and Quay Counties, including a provision for 640-acre spacing units. Interested parties may appear and show cause why the Bravo Dome 640-Acre Area should not be developed on less than 640-acre spacing and proration units.

CASE 8352: (Reopened)

In the matter of Case 8352 being reopened pursuant to the provisions of Division Order No. R-7737, which order established special rules and regulations for the West Bravo Dome Carbon Dioxide Gas Area in Harding County, including a provision for 640-acre spacing units. Interested parties may appear and show cause why the West Bravo Dome Carbon Dioxide Gas Area should not be developed on less than 640-acre spacing and proration units.

CASE 9126: (Continued from May 20, 1987, Examiner Hearing)

Application of I & W, 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 Undesignated Empire-Wolfcamp (abandoned) Pool in the perforated interval from approximately 7518 feet to 7832 feet and in the open-hole interval from 7832 feet to 7961 feet in the Frostman Oil Corporation Walter Solt State Well No. 1 located 2240 feet from the South line and 400 feet from the West line (Unit L) of Section 5, Township 18 South, Range 28 East.

CASE 9141: Application of Marshall & Winston, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order, pursuant to Division General Rule 1207.1.(ii), pooling all mineral interests from the surface to the base of the Abo formation underlying Lot No. 13 (Unit M) of Irregular Section 6, Township 21 South, Range 38 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location 3350 feet from the South line and 660 feet from the East line of said Section 6. Applicant further seeks a 200 percent penalty to be assessed as a charge for the risk involved in the drilling of said well, \$3600.00 per month while drilling and \$360.00 per month while producing to be fixed as reasonable overhead charges, and that the applicant be named operator of said well and unit.
IF THERE ARE NO OBJECTIONS THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

- CASE 9142: 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 the Strawn Formation underlying either the SW/4 NE/4 (Unit G) of Section 36, Township 16 South, Range 37 East, to form a standard 40-acre oil spacing and proration unit within the formation, or the W/2 NE/4 of said Section 36 to form an 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits which are developed on 80-acre spacing, either unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the costs incurred in the drilling and completion of the well and the allocation of the costs 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 9143: Application of Amerind Oil Co. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for a well to be drilled 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 33, Township 16 South, Range 37 East, Shipp-Strawn Pool, the E/2 SW/4 of said Section 33 to be dedicated to the well.
- CASE 9130: (Continued from May 6, 1987, Examiner Hearing) (This case will be continued to July 29, 1987.)
Application of Apache Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location to be drilled 660 feet from the North and East lines of Section 27, Township 22 South, Range 34 East, to test the Morrow formation, the N/2 of said Section 27 to be dedicated to the well.
- CASE 9131: (Continued from May 6, 1987, Examiner Hearing) (This case will be continued to July 29, 1987.)
Application of Apache Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location to be drilled 1980 feet from the South line and 990 feet from the East line of Section 22, Township 22 South, Range 34 East, to test the Morrow formation, the S/2 of said Section 22 to be dedicated to the well.
- CASE 9144: Application of Harvey E. Yates Company for revocation of Division Orders Nos. R-7240 and R-8190 and for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order revoking the provisions of Division Order No. R-7240 relating to the compulsory pooling of the S/2 SE/4 of Section 8, Township 16 South, Range 37 East, and revoking Division Order No. R-8190 in its entirety. Applicant now seeks to pool all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the E/2 SE/4 of said Section 8, forming a standard 80-acre oil spacing and proration unit to be dedicated to its existing East Lovington "8" Well No. 2 located 1874 feet from the South line and 554 feet from the East line (Unit I) of said Section 8, and further pooling all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the W/2 SE/4 of said Section 8, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the costs incurred in the drilling and completion of both wells and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.
- CASE 9107: (Continued from May 6, 1987, Examiner Hearing)
Application of Mesa Grande Resources, Inc. 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 E/2 of Section 5, Township 25 North, Range 2 West, forming a standard 320-acre oil spacing and proration unit in both 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 8963: (Continued from May 6, 1987, Examiner Hearing) (Reopened)
Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the W/2 of Section 16, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 9129: (Continued from May 6, 1987, Examiner Hearing)
Application of Virginia P. Uhden, Helen Orbesen, and Carroll O. Holmberg to void and vacate Division Order Nos. R-7588 and R-7588-A, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order vacating Division Order Nos. R-7588 and R-7588-A, which orders promulgated Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal Pool, including a provision for 320-acre spacing and designated well locations.

CASE 8863: (Reopened)

In the matter of Case 8863 being reopened upon application of Alana Oil and Gas Corporation to vacate or modify Division Order No. R-8210 entered in said Case 8863, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8210:

Samantha Well No. 1 located 1580' FSL - 1202' FWL (Unit L),
 Samantha Well No. 2 located 1985' FSL - 2290' FWL (Unit K),
 Samantha Well No. 3 located 1105' FSL - 2490' FWL (Unit N),
 all in Section 26, Township 28 North, Range 1 East; and
 Alana Well No. 1 located 511' FSL - 2144' FWL (Unit N) of
 Section 11, Township 27 North, Range 1 West.

CASE 8864: (Reopened)

In the matter of Case 8864 being reopened upon the application of Suintex Energy Corporation to vacate or modify Division Order No. R-8223 entered in said Case 8864, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8223:

Suintex Well No. 1 located 1824' FNL - 570' FWL (Unit E) of Section 26,
 Suintex Well No. 2 located 660' FSL - 365' FEL (Unit P) of Section 22,
 Suintex Well No. 3 located 1858' FNL - 1800' FWL (Unit F) of Section 14,
 Suintex Well No. 4 located 935' FNL - 1650' FWL (Unit C) of Section 23,
 Suintex Well No. 5 located 2004' FSL - 2310' FWL (Unit K) of Section 11, and
 Suintex Well No. 6 located 1980' FSL - 660' FWL (Unit L) of Section 23,
 all in Township 28 North, Range 1 East.

CASE 9074: (Reopened)

In the matter of Case 9074 being reopened upon application of Suintex Energy Corporation to vacate or modify Division Order No. R-8404 entered in said Case 9074, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells formerly operated by Texas Rose Petroleum, Inc. which were ordered plugged pursuant to the provisions of said Order No. R-8404:

Well No. 1 located 1824' FSL - 1778' FEL (Unit J) of Section 14,
 Well No. 2 located 618' FSL - 2418' FWL (Unit N) of Section 14,
 Well No. 3 located 967' FSL - 2148' FWL (Unit N) of Section 11,
 Well No. 7 located 990' FSL - 2310' FEL (Unit O) of Section 14, and
 Well No. 8 located 2310' FS and WL (Unit K) of Section 14,
 all on the El Poso Ranch Lease in Township 28 North, Range 1 East, as
 projected into the unsurveyed Tierra Amarilla Land Grant.

CASE 9145: Application of Marathon Oil Company for pool creation, special pool rules, and discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Siluro-Devonian production comprising the S/2 SE/4 of Section 14, Township 16 South, Range 38 East, and the promulgation of temporary special rules therefor including a provision for 80-acre spacing units and designated well locations. Applicant further seeks the assignment of a discovery allowable as provided by Rule 509 of the General Rules.

CASE 9146: Application of Marathon Oil Company for the amendment of Division Order No. R-8282, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-8282, as amended, which order compulsorily pooled all mineral interests from the surface to the base of the Siluro-Devonian formation underlying the SE/4 SE/4 of Section 14, Township 16 South, Range 38 East. Applicant now seeks an amendment to said order to include a provision pooling all mineral interests in the Siluro-Devonian formation underlying the S/2 SE/4 of said Section 14 to form an 80-acre spacing unit in the event of the approval of its pending pool creation request in Case No. 9145.

CASE 9132: (Continued from May 6, 1987, Examiner Hearing)

Application of Marathon Oil 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 Pennsylvanian formation underlying the N/2 of Section 17, Township 17 South, Range 35 East, forming a 320-acre proration unit for all formations and/or pools developed on 320-acre spacing, to be dedicated to a well to be drilled 1980 feet from the North and West lines of said Section 17. Also to be considered will be the costs incurred in the drilling and completion of the well and the allocation of the costs 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 9147: Application of Phillips Petroleum Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard oil proration unit comprising the N/2 NW/4 and SW/4 NW/4 of Section 2, Township 19 South, Range 32 East, Undesignated East Lusk-Bone Spring Pool, to be dedicated to its State "1-2" Well No. 1 located at a standard oil well location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 2.

CASE 9148: Application of Texaco Producing Inc. for a drilling permit in the Potash-Oil Area, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed Forty-Niner Ridge Unit Well No. 3 to test the Delaware formation at a location 2310 feet from the North and East lines of Section 16, Township 23 South, Range 30 East, said location being within the boundaries of the Potash-Oil Area as defined by Division Order No. R-111-A, as amended, and having been objected to by the owners of potash leases in the area.

CASE 9149: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning a discovery allowable, and extending certain pools in Chaves and Eddy Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Cisco production and designated as the Bear Grass Draw-Cisco Pool. The discovery well is the Phillips Petroleum Company Green B Well No. 12 located in Unit O of Section 18, Township 17 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 18: SE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Cabin Lake-Delaware Pool. Further, assign approximately 28,125 barrels of discovery allowable to the discovery well, the Phillips Petroleum Company James A Well No. 2 located in Unit J of Section 2, Township 22 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 2: SE/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Kaiser Ranch-Strawn Gas Pool. The discovery well is the Yates Petroleum Corporation Compromise AEJ Federal Com Well No. 1 located in Unit H of Section 30, Township 18 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 30: E/2

(d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Parkway-Delaware Pool. The discovery well is the Santa Fe Energy Operating Partners, L.P. Parkway 36 State Well No. 1 located in Unit F of Section 36, Township 19 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 36: NW/4

(e) EXTEND the Atoka-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 27: S/2 NE/4

(f) EXTEND the East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 2: W/2

(g) EXTEND the Grayburg Jackson-Queen-Grayburg-San Andres-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 1: SE/4

(h) EXTEND the Otis-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 24: E/2

(i) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 23 EAST, NMPM
Section 6: S/2

(j) EXTEND the Shugart Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 35: SW/4

Dockets Nos. 12-86 and 13-86 are tentatively set for April 16 and April 30, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 2, 1986
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 David R. Catanach, Alternate Examiner:

CASE 8852: (Continued from March 19, 1986, Examiner Hearing)

Application of the Oil Conservation Division on its own motion to consider establishing six non-standard proration and spacing units for all formations and/or pools developed on 160-acre spacing from the base of the Blanco Mesaverde Pool downward in Sections 6, 7, 18, 19, 30, and 31, Township 26 North, Range 2 West, Rio Arriba County, New Mexico. Said non-standard units are necessitated by irregular Sections resulting from survey corrections in the United States Public Lands Survey.

CASE 8853: (Continued from March 19, 1986, Examiner Hearing)

Application of the Oil Conservation Division on its own motion to consider establishing six non-standard proration and spacing units for any and all formations and/or pools developed on 320-acre spacing from the base of the Blanco Mesaverde Pool downward in Sections 5 through 8, 17 through 20, and 29 through 32, all in Township 26 North, Range 2 West, Rio Arriba County, New Mexico. Said non-standard units are necessitated for the orderly development of this area due to the irregular sections resulting from survey corrections in the United States Public Lands Survey.

CASE 8854: (Readvertised)

Application of the Oil Conservation Division on its own motion for exceptions to the Special Rules for the Gavilan-Greenhorn-Graneros-Dakota and Gavilan Mancos Oil Pools as promulgated by Division Order Nos. R-7745 and R-7407, respectively, Rio Arriba County, New Mexico, the OCD seeks exceptions to the spacing and one well per proration unit limitation provisions of the Special Rules and Regulations governing the Gavilan-Greenhorn-Graneros-Dakota and Gavilan-Mancos Oil Pools as promulgated by Division Orders Nos. R-7745 and R-7407, authorizing the establishment of seven non-standard oil spacing and proration units for both pools in Township 25 North, Range 2 West, as described below:

- 1) Lots 3 and 4, S/2 NW/4, SW/4 of Section 5 and all of Section 6 consisting of 505.20 acres, more or less;
- 2) All of Section 7 and the W/2 of Section 8 consisting of 505.84 acres, more or less;
- 3) W/2 of Section 17 and all of Section 18 consisting of 506.36 acres, more or less;
- 4) All of Section 19 and the W/2 of Section 20 consisting of 506.76 acres, more or less;
- 5) N/2 of Section 29 and Lots 1 and 2 of Section 30 consisting of 413.59 acres, more or less;
- 6) S/2 of Section 29 and Lots 3 and 4 of Section 30 consisting of 413.73 acres, more or less, and
- 7) All of Section 31 and the W/2 of Section 32 consisting of 507.88 acres, more or less.

Said units would allow for the orderly development of both pools within the irregular sections along the western side of the subject township resulting from survey corrections in the United States Land Survey. The OCD proposes to allow two wells to be completed in both pools in each of the above-described units.

CASE 8862: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Gipson Oil Corporation and other interested parties to appear and show cause why the John Bergin Well No. 2 located 2440 feet from the North line and 1520 feet from the West line of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8863: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Alana Oil & Gas Corporation, Fidelity and Deposit Company, and other interested parties to appear and show cause why the Samantha Wells Nos. 1, 2, and 3 located 1580 feet from the South line and 1202 feet from the West line (Unit L), 1985 feet from the South line and 2290 feet from the West line (Unit K), and 1105 feet from the South line and 2490 feet from the West line (Unit N), respectively, all in Section 26, Township 28 North, Range 1 East, and the Alana Well No. 1 located 511 feet from the South line and 2144 feet from the West line (Unit N) of Section 11, Township 27 North, Range 1 East, all in Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8864: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Suntex Energy Corporation, Fidelity and Deposit Company of Maryland, and other interested parties to appear and show cause why the following wells in Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program:

Suntex #1
1824 feet from the North line and 570 feet from the West line
(Unit E) of Section 26;

Suntex #2
660 feet from the South line and 365 feet from the East line
(Unit P) of Section 22;

Suntex #3
1858 feet from the North line and 1800 feet from the West line
(Unit F) of Section 14;

Suntex #4
935 feet from the North line and 1650 feet from the West line
(Unit C) of Section 23;

Suntex #5
2004 feet from the South line and 2310 feet from the West line
(Unit K) of Section 11;

Suntex #6
1980 feet from the South line and 660 feet from the West line
(Unit L) of Section 23.

CASE 8855: (Continued from March 19, 1986, Examiner Hearing)

Application of Loco Hills Water Disposal Company for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at the site of its commercial salt water disposal facility located in the SW/4 SW/4 of Section 16, Township 17 South, Range 30 East.

CASE 8773: (Continued from March 19, 1986, Examiner Hearing)

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 8865: Application of Santa Fe Exploration Company for Hardship Gas Well Classification, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Exxon State Com Well No. 1 located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 2, Township 20 South, Range 25 East, Cemetery-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8805: (Continued from February 5, 1986, Examiner Hearing)

Application of Gary-Williams Oil Producer for a pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Rio Puerco-Mancos Oil Pool by the reinjection of natural gas into the perforated interval from approximately 3691 feet to 4127 feet in its San Isidro "13" Well No. 11 located 1980 feet from the South and West lines of Section 13, Township 20 North, Range 3 West.

SE 8866: 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 well location 180 feet from the South line and 130 feet from the East line of Section 9, Township 27 North, Range 12 West, Wildcat Gallup/Basin Dakota Pool, the SW/4 and S/2, respectively, of said Section 9, to be dedicated to the well.

SE 8849: (Continued from March 5, 1986, Examiner Hearing)

Application of Southland Royalty Company for NGPA Wellhead Price Ceiling Category Determinations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination by the Division that the following four wells in Township 19 South, Range 35 East, Scharb-Bone Springs Pool, meet the NGPA well category criteria for New Onshore Reservoir under Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission:

- 1) Smith "5" Well No. 2 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5;
- 2) Smith "5" Well No. 4 located 2149 feet from the South line and 700 feet from the East line (Unit I) of Section 5;
- 3) Scharb "8" Well No. 2 located 660 feet from the North line and 2180 feet from the East line (Unit B) of Section 8; and,
- 4) Scharb "9" Well No. 4 located 766 feet from the North line and 2086 feet from the West line (Unit C) of Section 9.

SE 8867: Application of Marshall Pipe and Supply Company for the amendment of Division Order No. R-8074, Roosevelt County, New Mexico. Division Order No. R-8074, dated November 5, 1985, compulsorily pooled all mineral interests from the top of the Wolfcamp formation to the top of the Precambrian underlying the S/2 of Section 27, Township 2 South, Range 29 East, forming a standard 320-acre gas spacing and proration unit within said vertical limits, named Yates Petroleum Corporation the operator of the unit, and provided that the operator commence the drilling of a well at a standard gas well location thereon on or before January 31, 1986. Applicant in the above-styled cause, seeks the amendment of Division Order No. R-8074, extending the provisions of the order to allow an additional 60 days to commence the drilling of the well and that Marshall Pipe and Supply Company be named the operator of the subject well and unit.

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE APPROVED PURSUANT TO DIVISION RULES AND REGULATIONS.

SE 8868: Application of Mobil Producing Texas and New Mexico Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Bridges State Well No. 509, 1400 feet from the North line and 125 feet from the West line of Section 23, Township 17 South, Range 34 East, Vacuum (Grayburg-San Andres) Pool, Bridges State Waterflood Project, the SW/4 NW/4 of said Section 23, to be dedicated to the well.

SE 8869: Application of Texaco Producing, Inc. 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 S/2 SE/4 of Section 20, Township 16 South, Range 37 East, 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.

SE 8870: Application of Nearburg Producing Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cisco and Canyon formations in the perforated interval from approximately 7772 feet to 7850 feet in the Coquina Oil Corporation Aikman State Well No. 1 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 27, Township 19 South, Range 25 East.

DOCKET: COMMISSION HEARING - WEDNESDAY - APRIL 9, 1986
9 A.M. - OIL CONSERVATION COMMISSION, MORGAN HALL, STATE
LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 8835: (Continued from February 26, 1986, Commission Hearing)

Application of the Oil Conservation Division on its own motion to require Division approval of all commercial and centralized oil field fluid waste collection or disposal facilities utilizing ponds, pits, and below-grade tanks in McKinley, Rio Arriba, Sandoval and San Juan Counties, New Mexico. Applicant also seeks to require commercial disposal pit operators to keep and make available records on the volume, source, dates, and type of oil field fluid waste received, and the hauling companies using their facilities. Copies of the proposed rules are available at Santa Fe and at the Aztec District Office.

CASE 8219: (Continued from February 26, 1986, Commission Hearing) (De Novo)

Application of Dinero Operating Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Little Squaw Comm. Well No. 1 located in Unit F of Section 27, Township 22 South, Range 28 East, Dublin Ranch-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

Upon application of Dinero Operating Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8220: (Continued from February 26, 1986, Commission Hearing) (De Novo)

Application of Dinero Operating Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Big Chief Comm. Well No. 4 located in Unit N of Section 15, Township 22 South, Range 28 East, Dublin Ranch-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

Upon application of Dinero Operating Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8712: (Continued from February 26, 1986, Commission Hearing) (De Novo)

Application of Kimbell Oil Company of Texas for HARDSHIP GAS WELL CLASSIFICATION, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Salazar Well No. 4-E located 1630 feet from the North line and 1460 feet from the West line (Unit F) of Section 34, Township 25 North, Range 6 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

Upon application of Kimbell Oil Company of Texas, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8758: (De Novo)

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.

Upon application of Monsanto Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8802: (De Novo)

Application of Southland Royalty Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the South Corbin-Wolfcamp Pool in Township 18 South, Range 33 East, including a provision for 80-acre oil spacing and proration units.

Upon application of Southland Royalty Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8778: (De Novo)

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.

Upon application of Doyle Hartman, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8781: (De Novo)

Application of Petro-Thermo Corporation for an exception to Division Order No. R-3221 and for authorization to dispose of associated waste hydrocarbons and other solids, obtained in conjunction with the drilling and production of oil and gas into a disposal site on the surface, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-3221, as amended, to permit the disposal of produced salt water onto the surface in the E/2 NE/4 of Section 16, Township 20 South, Range 32 East. Applicant further seeks authorization to dispose of associated waste hydrocarbons and other related solids, obtained in conjunction with the drilling and production of oil and gas, onto the surface in said area. Laguna Plata, sometimes referred to as Laguna Grande is located within a portion of the above-described area.

Upon application of Snyder Ranches, Inc. and Pollution Control, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8690: (Continued from February 26, 1986, Commission Hearing) (De Novo)

Application of Doyle Hartman for compulsory pooling, 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 400-acre non-standard gas proration unit in the Jalmat Gas Pool only, comprising the W/2 SW/4 and W/2 SE/4 of Section 22 and the NW/4 and W/2 NE/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 400-acre non-standard Jalmat proration unit to the subject wells and the currently producing Carlson-Harrison Federal Com Well Nos. 1, 2, and 3. Applicant further seeks an order pooling all mineral interests from the surface to the base of the Jalmat Gas Pool underlying the above non-standard proration unit. 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.

Upon application of Doyle Hartman, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8796: (Continued from February 26, 1986, Commission Hearing)

Application of Rio Pecos Corporation for enforcement of the Common Purchaser Requirements of Section 70-2-19 NMSA, 1978 (1984 Supplement) and other pertinent provisions of the Oil and Gas Act, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order requiring El Paso Natural Gas Company to purchase the applicant's share of gas production from the Yates Petroleum Corporation Little Box Canyon Unit Well No. 5 located 800 feet from the South line and 1600 feet from the West line of Section 7, Township 21 South, Range 22 East, without discrimination as to price paid, quantities purchased, bases of measurement or gas transportation facilities afforded as compared to gas from other wells of like quantity, quality, and pressure. Applicant further seeks an order requiring El Paso Natural Gas Company to take ratably the gas produced from aforementioned well and any such other relief as may be appropriate.

CASE 8783: (De Novo)

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 4825 feet beneath the surface to the base of the Bone Spring formation underlying the SE/4 NW/4 of Section 26, 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.

Upon application of Joseph S. Sprinkle, this case will be heard De Novo pursuant to the provisions of Rule 1220.