

CASE 9090: (Continued from March 4, 1987, Examiner Hearing)

Application of Reading & Bates 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 the Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the E/2 of Section 16, Township 25 North, Range 2 West, to form a standard 320-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 9091: (Continued from March 4, 1987, Examiner Hearing)

Application of Reading & Bates for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the NE/4 of Section 27, Township 25 North, Range 3 West, to form a standard 160-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 9092: (Continued from March 4, 1987, Examiner Hearing)

Application of Reading & Bates 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 the Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the E/2 of Section 24, Township 25 North, Range 3 West, to form a standard 320-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

(Continued and Readadvertised)
CASE 9111: Application of Benson-Montin-Greer Drilling Corporation for the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area as promulgated by Division Order No. R-3401, as amended, to include certain lands in Townships 24, 25, and 26 North, Range 1 West.

CASE 8951: (Continued and Readadvertised)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division by Division Order No. R-8124, dated January 16, 1986, issued in Case 8745, authorized the applicant to conduct a long-term reservoir pressure test in the Mancos formation using certain wells in Rio Arriba County and further authorized the shut-in of certain wells and provided six months after completion of the test during which certain accumulated underproductions can be made up. Applicant, in the above-styled cause, now seeks the amendment of said Order No. R-8124 to provide for twelve months after completion of the reservoir pressure test during which to make up the accumulated underproduction of certain wells resulting from the test. Applicant further requests that all other provisions in said Order No. R-8124 remain in full force and effect.

CASE 9112: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in McKinley, Rio Arriba, San Juan, and Sandoval Counties, New Mexico:

- (a) CREATE a new pool in McKinley County, New Mexico, classified as an oil pool for Mesaverde production and designated as the Pot Mesa-Mesaverde Oil Pool. The discovery well is the Merrion Oil & Gas Corporation Pot Mesa Well No. 1 located in Unit B of Section 10, Township 20 North, Range 6 West, NMPM. Said pool would comprise:

TOWNSHIP 20 NORTH, RANGE 6 WEST, NMPM
 Section 2: SW/4 SE/4 and S/2 SW/4
 Section 3: S/2 SE/4 and SE/4 SW/4
 Section 10: NW/4 NE/4 and NE/4 NW/4

- (b) CREATE a new pool in McKinley County, New Mexico, classified as an oil pool for Hospah production and designated as the Nose Rock-Hospah Oil Pool. The discovery well is the Black Oil, Inc. NMALCO Gurley Well No. 1 located in Unit P of Section 9, Township 20 North, Range 12 West, NMPM. Said pool would comprise:

TOWNSHIP 20 NORTH, RANGE 12 WEST, NMPM
 Section 9: SE/4 SE/4

- (c) EXTEND the Albino-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM
Section 10: SE/4

- (d) EXTEND the Aztec-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM
Section 36: N/2 and SW/4

- (e) EXTEND the Beautiful Mountain-Mississippian Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 19 WEST, NMPM
Section 5: SW/4

- (f) EXTEND the Bisti-Farmington Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 33: NW/4

- (g) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM
Section 30: S/2 NW/4 and SW/4
Section 31: N/2 NW/4

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
Section 29: W/2
Section 32: N/2 NW/4

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 20: E/2
Section 21: NW/4 and N/2 SW/4
Section 26: NE/4
Section 29: N/2 NE/4

- (h) EXTEND the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 7: NW/4
Section 33: SW/4

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM
Section 12: NE/4

- (i) EXTEND the South Blanco-Tocito Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 3: NW/4
Section 4: NE/4

- (j) EXTEND the Bloomfield-Farmington Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 13: SE/4
Section 24: NE/4 and N/2 SE/4

- (k) EXTEND the Blue Mesa-Mesaverde Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 19 NORTH, RANGE 5 WEST, NMPM
Section 11: N/2 SE/4

- (l) EXTEND the Chaco Wash-Mesaverde Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 20 NORTH, RANGE 9 WEST, NMPM
Section 28: SE/4 NE/4

CASE 8951: (Continued from May 21, 1987, Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division by Division Order No. R-8124, dated January 16, 1986, issued in Case 8745, authorized the applicant to conduct a long-term reservoir pressure test in the Mancos formation using certain wells in Rio Arriba County and further authorized the shut-in of certain wells and provided six months after completion of the test during which certain accumulated underproduction can be made up. Applicant, in the above-styled cause, now seeks the amendment of said Order No. R-8124 to provide for twelve months after completion of the reservoir pressure test during which to make up the accumulated underproduction of certain wells resulting from the test. Applicant further requests that all other provisions in said Order No. R-8124 remain in full force and effect.

CASE 9111: (Continued from May 21, 1987, Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area as promulgated by Division Order No. R-3401, as amended, to include certain lands in Townships 24, 25, and 26 North, Range 1 West.

CASE 9068: (De Novo) (Continued from June 18, 1987, Commission Hearing)

Application of Sage Energy 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 West Tres Papalotes-Pennsylvanian Pool in the perforated interval from approximately 10,401 feet to 10,410 feet in its New Mexico State Well No. 1 located 560 feet from the North and East lines (Unit A) of Section 31, Township 14 South, Range 34 East.

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

CASE 9073: (De Novo) (Continued from June 18, 1987, Commission Hearing)

Application of Mallon Oil Company for the reinstatement of oil production allowables and an exception to the provisions of Division General Rule 502 for certain wells located in the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order reinstating the oil allowables which should have been assigned to the following described wells, all in Township 25 North, Range 2 West, Gavilan-Mancos Oil Pool, for the months of January, February, March, and April, 1986. Applicant further seeks an exemption to the provisions of Division General Rule 502 which limit the period of time an operator is given to make up any overproduction of oil and casinghead gas:

Howard Federal "1" Well No. 8 located in Unit H of Section 1;
Howard Federal "1" Well No. 11 located in Unit K of Section 1;
Fisher Federal "2" Well No. 1 located in Unit A of Section 2;
Ribeyowids Federal "2" Well No. 16 located in Unit P of Section 2; and,
Johnson Federal "12" Well No. 5 located in Unit E of Section 12.

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

CASE 8951: (Continued from June 18, 1987, Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division by Division Order No. R-8124, dated January 16, 1986, issued in Case 8745, authorized the applicant to conduct a long-term reservoir pressure test in the Mancos formation using certain wells in Rio Arriba County and further authorized the shut-in of certain wells and provided six months after completion of the test during which certain accumulated underproduction can be made up. Applicant, in the above-styled cause, now seeks the amendment of said Order No. R-8124 to provide for twelve months after completion of the reservoir pressure test during which to make up the accumulated underproduction of certain wells resulting from the test. Applicant further requests that all other provisions in said Order No. R-8124 remain in full force and effect.

CASE 9111: (Continued from June 18, 1987, Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area as promulgated by Division Order No. R-3401, as amended, to include certain lands in Townships 24, 25, and 26 North, Range 1 West.

CASE 9178: Application of Phillips Petroleum Company for special depth bracket allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a special depth bracket allowable of 300 barrels of oil per day, pursuant to Division General Rule 505 (d), to be established for the Cabin Lake-Delaware Pool located in Section 2, Township 22 South, Range 30 East (being approximately 5 miles east of the International Minerals & Chemical Corporation Carlsbad Potash Mine and Mill).

CASE 9123: (Continued from June 17, 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 June 17, 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 9165: (Continued from July 1, 1987, Examiner Hearing)

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 from July 1, 1987, Examiner Hearing)

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.

Docket No. 23-87

DOCKET: COMMISSION HEARING - THURSDAY - JULY 16, 1987

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

CASE 9134: (Continued from June 18, 1987, Commission Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 1207(a)7 regarding notice to royalty interest owners.

CASE 9143: (Continued from June 3, 1987, Examiner Hearing)

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 8951: Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division by Division Order No. R-8124, dated January 16, 1986, issued in Case 8745, authorized the applicant to conduct a long-term reservoir pressure test in the Mancos formation using certain wells in Rio Arriba County and further authorized the shut-in of certain wells and provided six months after completion of the test during which certain accumulated underproduction can be made up. Applicant, in the above-styled cause, now seeks the amendment of said Order No. R-8124 to provide for twelve months after completion of the reservoir pressure test during which to make up the accumulated underproduction of certain wells resulting from the test. Applicant further requests that all other provisions in said Order No. R-8124 remain in full force and effect.

CASE 9111: Application of Benson-Montin-Greer Drilling Corporation for the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area as promulgated by Division Order No. R-3401, as amended, to include certain lands in Townships 24, 25, and 26 North, Range 1 West.

CASE 2073: (De Novo) (Continued from September 24, 1987, Commission Hearing)

Application of Mallon Oil Company for the reinstatement of oil production allowables and an exception to the provisions of Division General Rule 502 for certain wells located in the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order reinstating the oil allowables which should have been assigned to the following described wells, all in Township 25 North, Range 2 West, Gavilan-Mancos Oil Pool, for the months of January, February, March and April, 1986. Applicant further seeks an exemption to the provisions of Division General Rule 502 which limit the period of time an operator is given to make up any overproduction of oil and casinghead gas:

Howard Federal "1" Well No. 3 located in Unit H of Section 1;
Howard Federal "1" Well No. 11 located in Unit K of Section 1;
Fisher Federal "2" Well No. 1 located in Unit A of Section 2;
Ribeyowids Federal "2" Well No. 16 located in Unit P of Section 2; and,
Johnson Federal "12" Well No. 5 located in Unit E of Section 12.

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

CASE 3951: (Continued from September 24, 1987, Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division by Division Order No. R-8124, dated January 16, 1986, issued in Case 3745, authorized the applicant to conduct a long-term reservoir pressure test in the Mancos formation using certain wells in Rio Arriba County and further authorized the shut-in of certain wells and provided six months after completion of the test during which certain accumulated underproduction can be made up. Applicant, in the above-styled cause, now seeks the amendment of said Order No. R-8124 to provide for twelve months after completion of the reservoir pressure test during which to make up the accumulated underproduction of certain wells resulting from the test. Applicant further requests that all other provisions in said Order No. R-8124 remain in full force and effect.

CASE 3111: (Continued from September 24, 1987, Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area as promulgated by Division Order No. R-3401, as amended, to include certain lands in Townships 24, 25, and 26 North, Range 1 West.

CASE 2095: (De Novo)

Application of Curtis J. Little for the promulgation of special pool rules for the Ojito Gallup-Dakota Oil Pool or, in the alternative, to abolish the Ojito Gallup-Dakota Oil Pool and to concomitantly expand the West Lindrith Gallup-Dakota Oil Pool, Rio Arriba and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks to establish special rules and regulations for the Ojito Gallup-Dakota Oil Pool including a provision for 160-acre spacing. IN THE ALTERNATIVE, the applicant seeks to abolish said Ojito Gallup-Dakota Oil Pool and to concomitantly expand the horizontal limits of the West Lindrith Gallup-Dakota Oil Pool to include the horizontal extent of the abolished pool plus the E/2 NE/4 of Section 21, Township 25 North, Range 2 West, Rio Arriba County, New Mexico.

Upon application of Curtis J. Little, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9226: (Continued from September 23, 1987, Examiner Hearing)

In the matter called by the Oil Conservation Division on its own motion to amend the Special Pool Rules for the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as promulgated by Division Order No. R-4314, to reconsider the well location requirements poolwide, to restate the allowable in the pool to reflect the daily oil allowable for a 160-acre unit in the depth range of this pool to 382 BOPD as promulgated by Division General Rule 505, and to create a buffer zone in those sections that adjoin the Gavilan-Mancos Oil Pool to the east (Sections 1, 12, 13, 24, 25 and 36, Township 25 North, Range 3 West, Rio Arriba County) with any additional provisions which may be necessary and/or advisable to protect correlative rights along the common boundary of the two pools. Said area is situated 10 to 20 miles west-northwest of Lindrith, New Mexico.

CASE 9227: (Continued from September 23, 1987, Examiner Hearing)

In the matter called by the Oil Conservation Division on its own motion to amend the Special Pool Rules for the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, as promulgated by Division Order No. R-7407, as amended, to create a buffer zone utilizing those existing proration units in Sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31 and 32, Township 25 North, Range 2 West, that adjoin the West Lindrith Gallup-Dakota Oil Pool with any additional provisions which may be necessary and/or advisable to protect correlative rights along the common boundary of the two pools. Said area is situated 4 to 9 miles northwest of Lindrith, New Mexico.

CASE 9228: (Continued from September 23, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order abolishing and extending certain pools in Rio Arriba and Sandoval Counties, New Mexico:

(a) ABOLISH the Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, in order that the productive acreage may be included in the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico.

(b) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Sections 1 through 18: All
Section 19: NE/4
Section 20: N/2
Section 21: N/2
Section 23: NE/4 and S/2
Sections 24 through 26: All
Section 34: S/2
Sections 35 and 36: All

CASE 9229: (Continued from September 23, 1987, Examiner Hearing)

Application of Mesa Grande, Ltd. for an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying a certain 640-acre tract of land in Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying all of Section 20, Township 25 North, Range 2 West, to form a standard 640-acre oil spacing and proration unit in said pool. Said unit is to be dedicated to the Sun Exploration and Production Company Luddy Well No. 1 located 1750 feet from the North and West lines (Unit F) of said Section 20 which is presently completed in and producing from the Gavilan-Mancos Oil Pool and dedicated to a previously approved 320-acre non-standard oil spacing and proration unit (see Rule 2(a) as promulgated by Division Order No. R-7407-B) underlying the W/2 of said Section 20. 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. Applicant further requests that Sun Exploration and Production Company remain as operator of the well and that the effective date of any order issued in this case be retroactive to June 3, 1987. Said well is located approximately 5.5 miles north-northwest of Lindrith, New Mexico.

2. Expanding and contracting said area by the pool nomenclature procedure rather than by further amendments to Order No. R-111;
3. Changing casing-cementing requirements of Order No. R-111-A;
4. Adopting directional drilling procedures;
5. Revising notice requirements for proposed drilling wells;
6. Revising notice requirements of mining operations and proposed mining operations; and
7. Adopting and including any other provisions which may be advisable.

The aforementioned KPLA consists presently of all or parts of:

Township 18 South, Range 30 East
Township 19 South, Ranges 29 through 34 East
Township 20 South, Ranges 29 through 34 East
Township 21 South, Ranges 29 through 34 East
Township 22 South, Ranges 28 through 34 East
Township 23 South, Ranges 28 through 31 East
Township 24 South, Ranges 29 through 31 East
Township 25 South, Range 31 East

all in Eddy and Lea Counties, New Mexico. Said area extends approximately 50 miles east of Carlsbad, New Mexico and South of Maljamar, New Mexico for approximately 50 miles.

CASE 9111: (Continued and Readvertised)

Application of Benson-Montin-Greer Drilling Corporation for the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area as promulgated by Division Order No. R-3401, as amended, to include certain lands in Townships 24, 25, and 26 North, Range 1 West. The center of this area is located approximately 25 miles north of Cuba, New Mexico.

CASE 9073: (De Novo) (Continued and Readvertised)

Application of Mallon Oil Company for the reinstatement of oil production allowables and an exception to the provisions of Division General Rule 502 for certain wells located in the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order reinstating the oil allowables which should have been assigned to the following described wells, all in Township 25 North, Range 2 West, Gavilan-Mancos Oil Pool, for the months of January, February, March and April, 1986. Applicant further seeks an exemption to the provisions of Division General Rule 502 which limit the period of time an operator is given to make up any over-production of oil and casinghead gas:

Howard Federal "1" Well No. 8 located in Unit H of Section 1;
Howard Federal "1" Well No. 11 located in Unit K of Section 1;
Fisher Federal "2" Well No. 1 located in Unit A of Section 2;
Ribeyowids Federal "2" Well No. 16 located in Unit P of Section 2; and,
Johnson Federal "12" Well No. 5 located in Unit E of Section 12.

The aforementioned wells are located in an area approximately 9 miles north by east of Lindrith, New Mexico. Upon application of Mallon Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8863: (De Novo)

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 recomplate 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 East.

All of the above-described locations are projections of the U.S. Geological Survey into the unsurveyed Tierra Amarilla Land Grant. These wells are all located in an area approximately 2 to 3 miles west of the southern end of the El Vado Reservoir.

Upon application of Suntex Energy Corporation and Alana Oil and Gas Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8864: (De Novo)

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, as projected into the unsurveyed Tierra Amarilla Land Grant and are located in an area approximately 2 to 3 miles west of the northern end of the El Vado Reservoir.

Upon application of Suntex Energy Corporation and Alana Oil and Gas Corporation, this application will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9074: (De Novo)

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 and are located in an area approximately 2 to 3 miles west of the northern end of the El Vado Reservoir.

Upon application of Suntex Energy Corporation and Alana Oil and Gas Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

Lots 1 through 4 and S/2 N/2 to form a non-standard 324.7-acre, more or less, gas spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 320-acre spacing;

Lots 3 and 4 to form a non-standard 82.8-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing;

Lot 3 to form a non-standard 41.3-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 40-acre spacing.

All of the above described units were to be dedicated to a single well to be drilled at a location (either standard or non-standard, depending on the appropriate spacing rules applicable to this well's completion horizon[s]) 660 feet from the North line and 1830 feet from the West line (Unit C) of said Section 3. Said order also considered 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 5 miles west-southwest of Hillburn City, New Mexico.

DOCKET: COMMISSION HEARING - THURSDAY - MARCH 17, 1988

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

The following cases were continued from the February 18, 1988, Commission Hearing:

CASE 9111: Application of Benson-Montin-Greer Drilling Corporation for the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area as promulgated by Division Order No. R-3401, as amended, to include certain lands in Townships 24, 25, and 26 North, Range 1 West. The center of this area is located approximately 25 miles north of Cuba, New Mexico.

CASE 9073: (De Novo)

Application of Mallon Oil Company for the reinstatement of oil production allowables and an exception to the provisions of Division General Rule 502 for certain wells located in the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order reinstating the oil allowables which should have been assigned to the following described wells, all in Township 25 North, Range 2 West, Gavilan-Mancos Oil Pool, for the months of January, February, March and April, 1986. Applicant further seeks an exemption to the provisions of Division General Rule 502 which limit the period of time an operator is given to make up any over-production of oil and casinghead gas:

- Howard Federal "1" Well No. 8 located in Unit H of Section 1;
- Howard Federal "1" Well No. 11 located in Unit K of Section 1;
- Fisher Federal "2" Well No. 1 located in Unit A of Section 2;
- Ribeyowids Federal "2" Well No. 16 located in Unit P of Section 2; and,
- Johnson Federal "12" Well No. 5 located in Unit E of Section 12.

The aforementioned wells are located in an area approximately 9 miles north by east of Lindrith, New Mexico. Upon application of Mallon Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8863: (De Novo)

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 East.

All of the above-described locations are projections of the U.S. Geological Survey into the unsurveyed Tierra Amarilla Land Grant. These wells are all located in an area approximately 2 to 3 miles west of the southern end of the El Vado Reservoir.

Upon application of Suntex Energy Corporation and Alana Oil and Gas Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8864: (De Novo)

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, as projected into the unsurveyed Tierra Amarilla Land Grant and are located in an area approximately 2 to 3 miles west of the northern end of the El Vado Reservoir.

Upon application of Suntex Energy Corporation and Alana Oil and Gas Corporation, this application will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9074: (De Novo)

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 and are located in an area approximately 2 to 3 miles west of the northern end of the El Vado Reservoir.

Upon application of Suntex Energy Corporation and Alana Oil and Gas Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

DOCKET: COMMISSION HEARING - THURSDAY - MAY 19, 1988

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

CASE 9378: In the matter of the hearing called by the Oil Conservation Division on its own motion to promulgate a new Rule 711 to provide for the administrative approval and regulation of commercial surface waste disposal facilities and the requirement of a \$25,000 bond for such facilities.

CASES 7980, 8946, 8950, AND 9111: (Reopened)

A pre-hearing conference is hereby called by the Oil Conservation Commission to establish procedures, determine issues, and to set forth a hearing agenda for Cases Nos. 7980, 8946, 8950, and 9111, all concerning the Gavilan-Mancos Oil Pool and/or West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, all set for an evidentiary hearing to be held commencing at 9:00 A.M. on Monday, June 13, 1988.

The Oil Conservation Commission on June 8, 1987, entered Order No. R-7407-E adopting Permanent Special Rules and Regulations for the Gavilan-Mancos Oil Pool and also entered Order No. R-6469-D which modified the allowable and gas-oil ratio in the West Puerto Chiquito-Mancos Oil Pool so that both subject pools had the same allowables and gas-oil ratios.

These orders included provisions for production and bottomhole pressure monitoring in both pools which were conducted from June 27, 1987 to February 19, 1988.

All interested parties are hereby notified to appear with their attorneys at the regularly scheduled Commission hearing on May 19, 1988, at 9:00 A.M., Morgan Hall, State Land Office Building, Santa Fe, New Mexico, to enter their appearances and be prepared as follows:

- (a) To declare their position on the issues set forth herein;
- (b) Identify witnesses and substances of testimony and approximate length of time for direct presentation;
- (c) Determine other issues that should be considered; and
- (d) Raise any objection, amendment, or modification to proposed procedures.

Following the conclusion of the pre-hearing conference on May 19, 1988, the Commission will enter a statement of procedure binding all parties to the conduct of the June, 1988 hearing. A proposed statement of procedure is available at the Oil Conservation Division Office in Santa Fe.

CASE 9355: (Continued and Readvertised)

Application of Jack J. Grynberg to amend Commission Order No. R-6873, as amended, for simultaneous dedication and for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Commission Order No. R-6873, as amended, to: (1) allow for the drilling of a second well in the Four Ranch-PrePermian Gas Pool to be drilled at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 18, Township 9 South, Range 27 East, on an established 320-acre, more or less, gas spacing and proration unit comprising the W/2 of said Section 18, which is presently dedicated to the Harvey E. Yates Company Seymour State Com Well No. 1 located at a standard gas well location in the SW/4 NW/4 (Unit E) of said Section 18; (2) declare the applicant to be the operator of the second well or, in the alternative, to be named the operator of said unit; and (3) establish a risk factor and overhead charges for the new well. Said unit is located approximately 8.75 miles south-southwest of Campbell's Switch.

- (d) EXTEND the Air Strip-Bone Spring Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMEM
Section 34: E/2
Section 35: NW/4
- (e) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMEM
Section 11: NE/4
- (f) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMEM
Section 8: SW/4
- (g) EXTEND the Eladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMEM
Section 16: NE/4
- (h) EXTEND the Fardy Tubb-Drirkard Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMEM
Section 3: Lots 9, 10, 15 and 16
- (i) EXTEND the Lane-Abo Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMEM
Section 35: N/2 and SE/4
- (j) EXTEND the Moore-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 11 SOUTH, RANGE 32 EAST, NMEM
Section 14: SE/4
- (k) EXTEND the Shipp-Strawn Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMEM
Section 35: SE/4
- (l) EXTEND the Skaggs-Abo Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMEM
Section 2: SE/4
Section 11: NE/4

Docket No. 18-88

DOCKET: COMMISSION HEARING - MONDAY - JUNE 13, 1988

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

CASES 7980, 8946, 8950 AND 9111: (Reopened) See Attached Statement of Hearing.

CASE 9412: Application of Mesa Grande, Ltd. for consideration of the horizontal boundaries of the West Puerto Chiquito-Mancos Oil Pool and the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico.

STATEMENT OF HEARING
PROCEDURES FOR CASES 7980, 8946, 8950 and 9111 (RE-OPENED)
and 9412

I. Incorporation of prior relevant hearings before the Commission:

The Commission states that the transcripts and exhibits from the following cases will be incorporated into the hearing record in the subject cases:

- (a) Case 8946 (Order R-7407-D) heard August 7, 8, 21, 22, and 27, 1986;
- (b) Case 8950 (Order R-6469-C) heard August 7, 8, 21, 22, and 27, 1986;
- (c) Case 8946 (Order R-7407-E) heard March 30, 31 and April 1, 2, 3, 1987;
- (d) Case 8950 (Order R-6469-D) heard March 30, 31 and April 1, 2, 3, 1987;
- (e) Case 9111 (Order Pending) heard March 17 and 18, 1988; and
- (f) Case 9412.

II. Geological evidence, witnesses and analysis:

It is stated that:

- (a) Because of the incorporation of the prior records including the geological evidence, presentation of redundant, cumulative or repetitive geologic testimony, exhibits or evidence will not be permitted; and
- (b) Any engineering or geological witness may incorporate and utilize any of the existing geologic exhibit data and interpretation already in the records of the cases set forth in Paragraph I above. New interpretations based upon new geologic and engineering data are permitted.

III. Issues for Hearing:

The Commission states that the following constitute the only issues to be considered by the Commission at the hearing:

1. The current maximum producing allowable for each pool is 800 barrels of oil per day per 640 acres, limited however, by a gas-oil ratio of not more than 600 cubic feet of gas per barrel of oil. The Commission will consider at the hearing the following:
 - (a) Whether the current oil allowable for each pool should be increased or decreased and if so, to what rate and why; and
 - (b) Whether the current gas-oil ratio limitation should be increased or decreased and if so, to what rate and why.
2. All parties should be prepared to declare and support what is the most efficient rate of production for the subject Mancos Oil Pool(s) and whether these pools are rate sensitive.
3. An analysis and interpretation of the results of the June 27, 1987 - February 19, 1988 production and BHP testing and how the results effect other issues under consideration.
4. A determination of whether there is migration between the Gavilan and West Puerto Chiquito Mancos Pools; whether the horizontal boundaries of the pool are appropriate; and whether correlative rights are being violated?
5. Whether pressure maintenance would be economical and prevent waste in the Gavilan field.

IV. Issues not for Hearing:

It is stated that:

1. The Commission will not hear any issue not set forth in III above.
2. The Commission will not address the issue of modification of the existing 640-acre spacing for either pool.
3. The Commission will not consider a modification of the vertical boundaries of either pool.

V. Proposed schedule of proceedings:

It is stated that the proceedings shall be organized as follows:

1. That the parties shall be aligned so that all parties seeking to increase the allowables or GOR rates shall be identified as the proponents and those parties supporting an allowable based upon current rates, or lower rates, shall be identified as opponents.
2. The time shall be divided equally between both groups so that the direct and cross examination by the opponents approximately equals the time used by the proponents for direct and cross examination.
3. Brief position papers and witness lists will be sent by proponents and opponents to the OCD and each other outlining their major arguments by June 7, 1988. Exhibits will be exchanged Monday Morning, June 13, 1988 at 9:00 a.m.
4. The order of proceedings shall be:

Monday A.M. Presentation by Oil Conservation Commission and Commissioner of Public Lands of expert witnesses and cross examination.

Monday P.M. Proponents present direct case through subject to cross examination.
Tuesday A.M.

Tuesday P.M. Opponents present direct case through subject to cross examination
Wednesday A.M.

Wednesday P.M. Rebuttal by Proponents
Thursday A.M. Rebuttal by Opponents
Thursday A.M. Surrebuttal by Proponents

(Note: Monday P.M. through Thursday A.M. - 3 days - can be allocated 1 1/2 days each with each side dividing up their time according to their preference.)

Thursday P.M. Recall of witnesses by Oil Conservation Commission
Friday A.M. Closing arguments and statements.