

Docket Nos. 27-84 and 28-84 are tentatively set for July 25 and August 8, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 11, 1984

**8:00 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO**

The following cases will be heard before Richard L. Stamets, Examiner, or Michael E. Stogner, Alternate Examiner:

- ALLOWABLE:**
- (1) Consideration of the allowable production of gas for August, 1984, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for August, 1984, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8240: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the rescission of Order No. R-2788. The Division seeks to rescind this order which allows special salt water disposal procedures in Townships 6 and 7 South, Range 26 East.

CASE 8241: Application of Sanders Oil & Gas Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Pecos River Unit comprising 1600 acres, more or less, of Federal and Fee lands in Township 10 South, Range 25 East.

CASE 8242: Application of Petrus Operating Company, Inc. for an unorthodox oil well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard spacing and proration unit comprising the NE/4 SE/4 of Section 34, Township 11 South, Range 33 East, Bagley-Siluro Devonian Pool, for a well to be drilled at an unorthodox location in the quarter-quarter section.

CASE 8243: Application of Robert E. Chandler Corp. 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 Drinkard formation underlying the NW/4 NW/4 of Section 12, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8244: Application of Tenneco Oil Company for discovery allowable and creation of a new oil pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Queen oil pool for its State J. L. 36 Well No. 1 located 660 feet from the South line and 1980 feet from the East line of Section 36, Township 18 South, Range 29 East. In addition, applicant seeks the assignment of a discovery allowable for this well.

CASE 8245: Application of Tenneco Oil Exploration and Production for HARSHIP GAS WELL CLASSIFICATION, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Dawson Federal Well No. 1 located in Unit D of Section 26, Township 27 North, Range 8 West, Blanco Mesaverde Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8204: (Continued from June 20, 1984, Examiner Hearing)

Application of Costa Resources, Inc. for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow well location 1600 feet from the South line and 660 feet from the East line of Section 2, Township 18 South, Range 28 East, the S/2 of said Section 2 to be dedicated to the well.

CASE 8246: Application of Trans Pecos Resources, Inc. for authority to inject produced gas for an enhanced oil recovery pilot project, Guadalupe County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject produced gas for an Enhanced Oil Recovery Pilot Project into the Pennsylvanian formation in the perforated interval from 616 feet to 203 feet in its Latigo Ranch Block "A" Well No. 1 located 1980 feet from the North and East lines of Section 2, Township 9 North, Range 23 East.

- CASE 8247:** Application of Charles B. Gillespie, Jr. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Townsend Wolfcamp (Permo-Upper Penn) formation in the perforated interval from 10546 feet to 10598 feet in its State D Well No. 3 located 3000 feet from the South line and 330 feet from the West line of Section 1, Township 16 South, Range 35 East.
- CASE 8248:** Application of Consolidated Oil & Gas Inc. for amendment of Division Order No. R-6943-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6943-A, as amended, which authorized the Midway State Well No. 1, located 330 feet from the South and East lines of Section 8, Township 17 South, Range 37 East, to dispose of produced salt water into the Glorieta formation and provided in part that 4 Midway Abo producing wells, all within a 1/2 mile radius of the SWD well, were not adequately cemented through the injection interval. Consolidated now requests that the stipulation to have these four wells properly cemented be amended to provide for close monitoring of these well-bores.
- CASE 8249:** Application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Morrow formation in the perforated intervals from 8,901 to 8,914 feet, 8,978 to 8,992 feet and 9,045 to 9,062 feet in its Dayton Townsite Well No. 1 located 1,980 feet from the North and East lines of Section 21, Township 18 South, Range 26 East.
- CASE 8250:** Application of Alpha Twenty-One Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Grayburg formation underlying the NE/4 SE/4 of Section 32, Township 18 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 8251:** Application of Alpha Twenty-One Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Grayburg formation underlying the SE/4 SE/4 of Section 32, Township 18 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 8215:** (Continued from June 6, 1984, Examiner Hearing)
- Application of Alpha Twenty-One Production Company for **HARDSHIP GAS WELL CLASSIFICATION**, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its ERC Madera Well No. 1 located in Unit B of Section 29, Township 22 South, Range 27 East, South Carlsbad-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8252:** Application of Alpha Twenty-One Production Company for **HARDSHIP GAS WELL CLASSIFICATION**, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its El Paso Smith Well No. 1 located in Unit N of Section 21, Township 24 South, Range 37 East, Jalmat Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8253:** Application of Alpha Twenty-One Production Company for **HARDSHIP GAS WELL CLASSIFICATION**, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Justis "BC" Federal Com Well No. 2 located in Unit H of Section 11, Township 25 South, Range 37 East, Justis-Glorieta Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8254:** Application of Alpha Twenty-One Production Company for **HARDSHIP GAS WELL CLASSIFICATION**, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Lansford Well No. 1 located in Unit N of Section 21, Township 21 South, Range 37 East, Hare-San Andres Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8255:** Application of Arco Oil and Gas Company for amendment of Division Order No. R-7395, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7395 to delete requirement No. 5 regarding conducting annual tracer surveys on all injection wells and providing notice of the dates and the results of such surveys to the New Mexico Oil Conservation Division's Aztec District Office.
- CASE 8256:** Application of Getty Oil Company for surface commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Gallup, Dakota and Pictured Cliffs production from several wells on its Jicarilla B and C Leases, portions of which are in Sections 5 and 6, Township 24 North, Range 5 West, and Sections 21, 22, 27, 28, 31, 32, 33, 34, in Township 25 North, Range 5 West.

CASE 8239: (Continued from June 20, 1984, Examiner Hearing)

Application of Coastal Oil & Gas Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 990 feet from the South line and 1980 feet from the West line of Section 31, Township 13 South, Range 33 East, Baum-Pennsylvanian Field, the SW/4 of said Section 31 to be dedicated to the well.

CASE 8210: (Continued from June 20, 1984, Examiner Hearing)

*water
opposed*
Application of Coastal Oil & Gas Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation at a depth of 5100 feet to 5500 feet in the following two wells in Township 14 South, Range 32 East: State "27" Well No. 1 located in Unit H of Section 27 and State "22" Well No. 1 located in Unit I of Section 22. Said State "22" Well No. 1 is currently being used to dispose of produced salt water into the Pennsylvanian formation.

CASE 8217: (Continued from June 6, 1984, Examiner Hearing)

Application of Curtis J. Little for HARDSHIP GAS WELL CLASSIFICATION, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Federal Com Well No. 2E located in Unit N of Section 11, Township 28 North, Range 13 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8218: (Continued from June 6, 1984, Examiner Hearing)

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 Dinero State Comm. Well No. 1 located in Unit C of Section 16, 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.

CASE 8219: (Continued from June 6, 1984, Examiner Hearing)

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.

CASE 8220: (Continued from June 6, 1984, Examiner Hearing)

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.

CASE 8221: (Continued from June 6, 1984, Examiner Hearing)

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. 1 located in Unit F of Section 22, 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.

CASE 8261: Application of Merrion Oil & Gas Corporation for retroactive allowable, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of a retroactive gas allowable to its East Lindrich Well No. 5 located in Unit L of Section 27, Township 24 North, Range 2 West, South Blanco-Pictured Cliffs Pool. Applicant seeks the assignment of the retroactive allowable from the date of first connection in June, 1982 until the date of the first regular allowable in July, 1983.

CASE 8262: Application of Shell Western E & P, Inc. for infill findings, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that infill drilling of 38 proration units in the North Hobbs (Grayburg San Andres) Unit (Grayburg San Andres) Pool is necessary to effectively and efficiently drain those proration units.

CASE 8263: Application of Shell Western E & P, Inc. for unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of 35 unorthodox well locations in the North Hobbs (Grayburg San Andres) Unit, Hobbs (Grayburg San Andres) Pool.

... in the above-styled cause, seeks authority for the directional drilling of three wells in the North Hobbs (Grayburg San Andres) Unit at unorthodox surface locations to unorthodox bottom hole locations. Applicant proposes to drill a well from a location 1163 feet from the South line and 2014 feet from the West line of Section 28, Township 18 South, Range 38 East, to a bottom hole location within 100 feet of a point 1100 feet from the South line and 2400 feet from the West line of that Section.

Applicant proposes to drill a well from a surface location 110 feet from the North line and 1830 feet from the East line of Section 33, Township 18 South, Range 38 East to a bottom hole location 10 feet from the North line and 1330 feet from the East line of that Section.

Applicant proposes to drill a well from a surface location 500 feet from the North line and 1448 feet from the East line of Section 30, Township 18 South, Range 38 East, to a bottom hole location 20 feet from the North line and 1268 feet from the East line.

CASE 8260: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider: The assignment of a discovery allowable of 29,200 barrels to the East Avalon-Bone Spring Pool in Eddy County.

Docket No. 26-84

DOCKET: COMMISSION HEARING - TUESDAY - JULY 17, 1984

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 8132: (Continued from May 15, 1984, Commission Hearing)

Application of Amoco Production Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of the wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such applications for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8109: (Continued from May 15, 1984, Commission Hearing)

Application of Amoco Production Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in Order R-5436 will be granted.

CASE 8111: (Continued from May 15, 1984, Commission Hearing)

Application of Southland Royalty Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8265: Application of Southland Royalty Co. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8134: (Continued from May 15, 1984, Commission Hearing)

Application of Ladd Petroleum Corp. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota Pool of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8135: (Continued from May 15, 1984 Commission Hearing)

Application of Veryl F. Moore for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Pictured Cliffs formation of Northwest New Mexico as provided in Section 62-7-5, NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8266: Application of Sun Exploration and Production for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota Pool as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8133: (Continued from May 15, 1984, Commission Hearing)

Application of Gulf Oil Exploration for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8105: (Continued from May 15, 1984, Commission Hearing)

Application of Conoco Inc. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8267: Application of Caulkins Oil Co. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota, Blanco-Mesaverde and Pictured Cliffs Pools as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

Dockets Nos. 14-84 and 15-84 are tentatively set for June 10 and July 11, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 6, 1984

8:00 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner or Michael E. Stogner, Alternate Examiner:

- CASE 8198: Application of Eddy County Board of Commissioners to utilize produced water, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to utilize produced water for road building and maintenance on Eddy County roads.
- CASE 8199: Application of Earle M. Craig, Jr. Corp. for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow location 1320 feet from the North and East lines of Section 2, Township 21 South, Range 33 East, Lots 1 through 3 of said Section 2 to be dedicated to the well.
- CASE 8200: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Morrow formations underlying the W/2 of Section 8, Township 17 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 8182: (Continued from May 9, 1984 Examiner Hearing)
- Application of Mesa Petroleum Co. for NGPA determination, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that production from its State Com AJ Well No. 34 is above normal NGPA stripper well levels as a result of the recognized enhanced recovery techniques as defined by 18 CFR 271.803 (a).
- CASE 8183: (Continued from May 9, 1984, Examiner Hearing)
- Application of Mesa Petroleum Co. for NGPA determination, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that production from its State Com AI Well No. 33 is above normal NGPA stripper well levels as a result of the recognized enhanced recovery techniques as defined by 18 CFR 271.803 (a).
- CASE 8201: Application of Enserch Exploration, Inc. for a non-standard proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard Morrow proration unit comprising the SW/4, S/2 NW/4, and W/2 SE/4 of Section 13, Township 12 South, Range 31 East.
- CASE 8202: Application of Getty Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Pennsylvanian well location 1320 feet from the South line and 660 feet from the West line of Section 32, Township 21 South, Range 24 East, all of said Section 32 to be dedicated to the well.
- CASE 8203: Application of HNG Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the S/2 of Section 19, Township 24 South, Range 35 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 8180: (Continued and Readvertised)
- Application of OGR Operating Company, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the E/2 of Section 17, Township 16 South, Range 34 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

ILLEGIBLE

- CASE 8204: Application of Costa Resources, Inc. for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow well location 1600 feet from the South line and 660 feet from the East line of Section 2, Township 13 South, Range 28 East, the S/2 of said Section 2 to be dedicated to the well.
- CASE 8205: Application of Cities Service Oil & Gas Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 1250 feet from the North line and 1000 feet from the East line of Section 21, Township 21 South, Range 27 East, Burton Flats-Morrow Gas Pool, the N/2 of said Section 21 to be dedicated to the well.
- CASE 8206: Application of Enstar Petroleum Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the SW/4 SE/4 of Section 14, Township 15 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 8207: Application of Coastal Oil & Gas Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard oil proration unit comprising the NE/4 SE/4 of Section 6, Township 14 South, Range 33 East, Baum-Upper Pennsylvanian Pool.
- CASE 8208: Application of Coastal Oil & Gas Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 990 feet from the North line and 660 feet from the East line of Section 5, Township 14 South, Range 33 East, Baum-Upper Pennsylvanian Pool, the NE/4 of said Section 5 to be dedicated to the well.
- CASE 8209: Application of Coastal Oil & Gas Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1980 feet from the South line and 990 feet from the East line of Section 27, Township 14 South, Range 32 East, Tulk-Pennsylvanian Pool, the SE/4 of said Section 27 to be dedicated to the well.
- CASE 8210: Application of Coastal Oil & Gas Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation at a depth of 5100 feet to 5500 feet in the following two wells in Township 14 South, Range 32 East: State "27" Well No. 1 located in Unit H of Section 27 and State "22" Well No. 1 located in Unit I of Section 22. Said State "22" Well No. 1 is currently being used to dispose of produced salt water into the Pennsylvanian formation.
- CASE 8211: Application of Penroc Oil Corporation for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Angell Ranch Well No. 1 located in Unit B of Section 33, Township 19 South, Range 28 East, Winchester-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8212: Application of W. A. Moncrief, Jr. for a HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Jurnegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, Mosley Canyon-Strawn Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8213: Application of W. A. Moncrief, Jr. for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Marathon State Well No. 1 located in Unit J of Section 11, Township 24 South, Range 24 East, Baldrige Canyon-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8214: Application of W. A. Moncrief, Jr. for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Baldrige Federal Well No. 2 located in Unit B of Section 14, Township 24 South, Range 24 East, Baldrige Canyon-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8215: Application of Alpha Twenty-One Production Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its BRC Madera Well No. 1 located in Unit B of Section 29, Township 22 South, Range 27 East, South Carlsbad-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

ILLEGIBLE

- CASE 8216: Application of M. J. Brannon for HARDSHIP GAS WELL CLASSIFICATION, Grant County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Mineral 20 Well No. 11 located in Unit 1 of Section 11, Township 15 North, Range 9 East, Basin-7 Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8217: Application of Murtie J. Little for HARDSHIP GAS WELL CLASSIFICATION, Grant County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Mineral Com Well No. 25 located in Unit N of Section 11, Township 28 North, Range 13 West, Basin-10 Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8218: 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 Dinero State Comm. Well No. 1 located in Unit C of Section 16, 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.
- CASE 8219: 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.
- CASE 8220: 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.
- CASE 8221: 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. 1 located in Unit F of Section 22, 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.
- CASE 8225: Application of Stevens Operating Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 3400 feet below the surface down to and including the base of the Fusselman formation underlying the N/2 of Section 19, Township 8 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 8222: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, contracting and extending certain pools in Chaves, Lea, and Roosevelt Counties, New Mexico:
- (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the Northwest Austin-Mississippian Gas Pool. The discovery well is the Harvey E. Yates Company Duncan Unit Well No. 3 located in Unit N of Section 26, Township 13 South, Range 35 East, NMPM. Said pool would comprise:
- TOWNSHIP 13 SOUTH, RANGE 35 EAST, NMPM
Section 26: S/2
- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the East Bishop Canyon-San Andres Pool. The discovery well is the Bishop Canyon Uranium Company Forest A Well No. 1 located in Unit A of Section 11, Township 18 South, Range 38 East, NMPM. Said pool would comprise:
- TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 11: NE/4
- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the West Bishop Canyon-San Andres Pool. The discovery well is the H. L. Brown, Jr. Houston Well No. 1 located in Unit H of Section 9, Township 18 South, Range 38 East, NMPM. Said pool would comprise:
- TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 9: E/2
Section 10: W/2

ILLEGIBLE

- (d) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production and designated as the West Caprock-Morrow Gas Pool. The discovery well is the Enserch Exploration, Inc. State 13 Well No. 1 located in Unit L of Section 13, Township 12 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 31 EAST, NMPM

Section 13: W/2

- (e) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Permo Upper Pennsylvanian production and designated as the Cedar Point-Permo Upper Pennsylvanian Pool. Further, to assign approximately 25,050 barrels of discovery allowable to the discovery well the McClellan Oil Corporation McClellan A Federal Well No. 2 located in Unit H of Section 27, Township 15 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM

Section 27: NE/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Queen production and designated as the North Corbin-Queen Gas Pool. The discovery well is the Phillips Oil Company Leamex Well No. 20 located in Unit B of Section 23, Township 17 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 23: NE/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Southeast Denton-Pennsylvanian Pool. The discovery well is the Newmont Oil Company State 16 Well No. 1 located in Unit K of Section 16, Township 15 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 37 EAST, NMPM

Section 16: SW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Mescalero Escarpe-Bone Spring Pool. Further, to assign approximately 23,530 barrels of discovery allowable to the discovery well the Cities Service Oil and Gas Corporation State DW Well No. 1 located in Unit J of Section 12, Township 18 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 12: SE/4

- (i) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Northeast Salado Draw-Delaware pool. The discovery well is The Superior Oil Company State 36 Well No. 1 located in Unit G of Section 36, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 36: NE/4

- (j) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Fusselman production and designated as the Tanneyhill-Fusselman Pool. The discovery well is the Energy Reserves Group, Inc. Miller Well No. 1 located in Unit G of Section 10, Township 6 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM

Section 10: NE/4

- (k) ABOLISH the Bishop Canyon-San Andres Pool in Lea County, New Mexico, described as:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

Section 9: E/2

Section 10: W/2 and NE/4

Section 11: N/2

ILLEGIBLE

- l) CONTRACT the Rhodes-Yates-Seven Rivers Gas Pool in Lea County, New Mexico, by deletion of the following described area:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 21: NE/4 NW/4

- m) EXTEND the Rhodes Yates-Seven Rivers Oil Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 21: NE/4 NW/4

- (n) EXTEND the Airstrip Upper-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 26: SW/4

- (o) EXTEND the Baum Upper-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM

Section 14: SE/4

Section 26: SW/4

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

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM

Section 17: NW/4

Section 18: NE/4

- (q) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 1: Lots 3, 4, 5, and 6

Section 2: Lots 1, 2, 7, and 8

- (r) EXTEND the Feather-Morrow Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM

Section 21: NE/4

- (s) EXTEND the West Jal-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM

Section 17: NE/4

- (t) EXTEND the Many Gates-Wolfcamp Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM

Section 29: SW/4

- (u) EXTEND the West Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM

Section 24: W/2

- (v) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM

Section 11: NW/4

TOWNSHIP 6 SOUTH, RANGE 34 EAST, NMPM

Section 18: Lots 1, 2, and NE/4

ILLEGIBLE

- (w) EXTEND the Querecho Plains-Queen Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 13: NE/4

- (x) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM

Section 19: NW/4

CASE 8223: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, redesignating, and extending vertical and horizontal limits of 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 Delaware production and designated as the Northwest Fenton-Delaware Pool. The discovery well is Ammex Pet. Inc. - Big Eddy #98 located in Unit F of Section 7, Township 21 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 7: NW/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the West Four Mile-Strawn Gas Pool. The discovery well is Chama Pet. Co. - Crusader Rabbit #1 located in Unit C of Section 8, Township 19 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM

Section 8: N/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Southeast Loving-Atoka Gas Pool. The discovery well is HNG Oil Co. - Loving 36 State #1 located in Unit N of Section 36, Township 23 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM

Section 36: S/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Ross Draw-Delaware Pool. The discovery well is J. C. Williamson - Ross Draw Unit #2 located in Unit C of Section 34, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM

Section 34: NW/4

- (e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the West Ross Draw-Delaware Pool. The discovery well is J. C. Williamson-Abby Federal #1 located in Unit P of Section 28, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM

Section 28: SE/4

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Tecolote Peak-Delaware Gas Pool. The discovery well is Ray Haskins-Aminoil State #1 located in Unit C of Section 22, Township 26 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 28 EAST, NMPM

Section 22: NW/4

ILLEGIBLE

- 4. REDESIGNATE the East Avalon Bone Spring Pool in Eddy County, New Mexico, as the Red Lake Alpha-Morrow Gas Pool.
- 5. EXTEND the vertical limits of the West Avalon Bone Spring Gas Pool in Eddy County, New Mexico, to include the same formation and designate said pool as the West Atoka-Upper Pennsylvania Gas Pool.
- 6. EXTEND the East Avalon-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
 Section 17: All
 Section 34: E/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
 Section 1: Lots 1-8

- j) EXTEND the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
 Section 14: S/2
 Section 23: All

- (k) EXTEND the Esperanza-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
 Section 28: All
 Section 33: All

- (l) EXTEND the Herradura Bend - Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
 Section 36: N/2

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
 Section 31: W/2

- (m) EXTEND the South Loco Hills Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
 Section 32: SE/4 and S/2 SW/4

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
 Section 5: All

- (n) EXTEND the Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
 Section 1: All
 Section 2: All

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
 Section 6: W/2

- (o) EXTEND the East Millman-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
 Section 18: NE/4

ILLEGIBLE

(q) EXTEND the Red Lake Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 17 EAST, NMPM

Section 13: N/2

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 7: N/2

(r) EXTEND the Sams Ranch-Grayburg Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 28 EAST, NMPM

Section 12: NW/4

(r) EXTEND the Seven Rivers-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 34: N/2

(s) EXTEND the North Square Lake-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 11: SE/4 and S/2 SW/4

Section 14: NW/4

Docket No. 23-84

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 7, 1984

8:00 A.M. - MORGAN HALL

STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following case will be heard before Richard L. Stamets, Examiner or Michael E. Stogner, Alternate Examiner:

CASE 8224: In the matter of the hearing called by the Oil Conservation Division on its own motion to prohibit the disposal of water produced in conjunction with oil and natural gas in unlined pits, on the surface of the ground, in any water course, or in any body of water in McKinley, Rio Arriba, Sandoval, and San Juan Counties, New Mexico. Applicant, in the above-styled cause, proposes that such disposal be prohibited at well sites, tank batteries, pipelines, pipeline stations, plants (processing or treating), or at any location where such waters are collected.

ILLEGIBLE