

Dockets Nos. 39-84 and 40-84 are tentatively set for October 3 and October 17, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 19, 1984

8 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 or Gilbert Quintana, Alternate Examiners:

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

CASE 8269: (Continued from July 25, 1984, Examiner Hearing)

Application of Cibola Energy Corporation for a unit agreement, Lincoln and Otero Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Three Rivers Unit Agreement comprising 24,539.73 acres, more or less, of Federal, State and Fee lands in Townships 9, 10 and 11 South, Ranges 8, 9, and 9 1/2 East.

CASE 8241: (Continued from August 22, 1984, Examiner Hearing)

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

CASE 8306: (Continued from August 22, 1984, Examiner Hearing)

Application of Red Mountain Associates for an unorthodox location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 660 feet from the North line and 2635 feet from the East line of Section 28, Township 20 North, Range 9 West, Chaco Wash-Mesaverde Oil Pool.

CASE 8273: (Continued and Readvertised)

Application of Blanks Energy Corporation for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 405 feet from the South line and 2000 feet from the East line of Section 16, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the W/2 SE/4 of said Section 16 to be dedicated to the well.

CASE 8341: Application of Lynx Petroleum Consultants, Inc. 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 Paddock formation underlying the NE/4 SW/4 of Section 25, Township 16 South, Range 36 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 8342: Application of Amoco Production Company for an unorthodox carbon dioxide gas well location, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 660 feet from the South and West lines of Section 24, Township 18 North, Range 33 East, Bravo Dome Carbon Dioxide Gas Unit (640-acre) Area, all of said Section 24 to be dedicated to the well.

CASE 8315: (Continued and Readvertised)

Application of Getty Oil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval to downhole commingle all Grayburg-Jackson Pool and Fren-Seven Rivers production underlying its Skelly Unit located in Township 17 South, Range 31 East. In the absence of objection, this application will be approved based upon the prior record.

CASE 8330: (Continued from September 5, 1984, Examiner Hearing)

Application of Chama Petroleum Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 1980 feet from the North line and 660 feet from the East line of Section 5, Township 19 South, Range 24 East, to test the Pennsylvanian and Wolfcamp formations, the N/2 of said Section 5 to be dedicated to the well.

CASE 8343: Application of Chama Petroleum Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow gas well location 1200 feet from the South line and 1400 feet from the East line of Section 10, Township 22 South, Range 24 East, the E/2 of said Section 10 to be dedicated to the well.CASE 8226: (Continued from September 5, 1984, Examiner Hearing)

Application of Doyle Hartman for HARSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its South Empire State Com Well No. 1 located in Unit M of Section 24, Township 17 South, Range 28 East, South Empire-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8344: (This case will be dismissed)

Application of Santa Fe Energy Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1439 feet from the South line and 1090 feet from the West line of Section 27, Township 22 South, Range 27 East, South Carlsbad-Morrow Gas Pool, the S/2 of said Section 27 to be dedicated to the well.

CASE 8345: Application of Texaco Inc. for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard proration unit comprising the S/2 S/2 of Section 12, Township 20 South, Range 37 East, Skaggs Abo Gas Pool.CASE 8346: Application of BBC, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from 3,350 feet to 3,396 feet, and into an open-hole interval from 3,555 feet to 3,700 feet in its Federal "AZ" Well No. 1 located in Section 29, Township 26 South, Range 30 East.CASE 8303: (Continued and Readvertised)

Application of Yates Petroleum Corporation for an exception to Rules 2(B) and 5(A) of Division Order R-1670-1, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(B) of Division Order R-1670-1 to permit applicant to complete its well at an unorthodox oil well location 1650 feet from the North line and 2310 feet from East line of Section 20, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool. Applicant also seeks an exception to Rule 5(A) of Division Order R-1670-1 for approval of a non-standard 80-acre oil proration unit comprising the SW/4 NE/4 and NW/4 SE/4 of said Section 20 to be dedicated to the well.

CASE 8324: (Continued from September 5, 1984, Examiner Hearing)

Application of Yates Petroleum Corporation for a Carbon Dioxide Injection Pilot Project and unorthodox locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a carbon dioxide injection pilot project by the injection of carbon dioxide and water into the Grayburg formation in two wells proposed to be drilled in the West Loco Hills Unit at unorthodox locations as follows:

- (a) West Loco Hills Unit G4S Tract 13-12, located 1980 feet from the North line and 10 feet from the East line; and
- (b) West Loco Hills Unit G4S Tract 6-5, located 1475 feet from the South line and 10 feet from the East line

both in Section 12, Township 18 South, Range 29 East.

CASE 8347: Application of Yates Petroleum Corporation for an Exception to Rule 202, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 202 of the Division Rules and Regulations to provide an extension until July 1, 1987, of the obligation to plug or temporarily abandon existing wells in the West Loco Hills Grayburg No. 4 Sand Unit Area pending results of its Carbon Dioxide Injection Pilot Project to determine whether such wells can be utilized in the project.

CASE 8348: Application of Yates Petroleum 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 950 feet from the North line and 1500 feet from the West line of Section 27, Township 16 South, Range 37 East, Casey-Strawn Pool, the N/2 NW/4 of said Section 27 to be dedicated to the well.

CASE 8314: (Continued and Readvertised)

Application of Cities Service Oil & Gas Corp. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 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. In the absence of objection, this application will be approved based upon the prior record.

CASE 8311: (Continued and Readvertised)

Application of Sun Exploration and Production Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 2630 feet from the North line and 1625 feet from the East line of Section 27, Township 9 South, Range 36 East, to test the Montoya, Simpson and Granite Wash formations and also to test the Crossroads-Devonian Pool, the SW/4 NE/4 of said Section 27 to be dedicated to the well. In the absence of objection, this application will be approved based upon the record of hearing held on August 22, 1984.

CASE 8337: (Continued from September 5, 1984, Examiner Hearing)

Application of Schalk Development Co. for HARSHIP GAS WELL CLASSIFICATION, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Schalk 62 Well No. 1 located in Unit P of Section 33, Township 32 North, Range 5 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

Docket No. 37-84

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 20, 1984

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

CASE 8275: (Continued from August 8, 1984, Examiner Hearing)
(This Case will be dismissed)

Application of Robert E. Landreth for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow, Atoka and Strawn formations underlying the N/2 of Section 3, Township 25 South, Range 34 East, to be dedicated to a well to be drilled at an unorthodox location 560 feet from the North and West lines of said Section 3. 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 8349: 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 formation underlying the N/2 of Section 3, Township 25 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.

CASE 8286: (Continued from August 1, 1984, Commission Hearing)
 Application of Mesa Grande Resources, Inc. for creation of a new oil pool and special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for oil production to be designated as the Gavilan Greenhorn-Graneros-Dakota Oil Pool in Townships 24 and 25 North, Range 2 West, and the promulgation of special pool rules including a provision for 160-acre spacing.

CASE 8350: Application of Jerome P. McHugh for new pool creation and special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool to be designated as the Gavilan Greenhorn-Graneros-Dakota Oil Pool comprising Sections 1 through 3 in Township 24 North, Range 2 West and Sections 17 through 30 plus 33 through 36 in Township 25 North, Range 2 West, and the promulgation of temporary special pool rules therefor including a provision for 320-acre well spacing and proration units and specified well location requirements.

DOCKET: COMMISSION HEARING - WEDNESDAY - SEPTEMBER 26, 1984
 OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
 STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 8351:
 Application of Cities Service Oil & Gas Corporation for a unit agreement, Harding and San Miguel Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Bravo Dome Unit comprising 43,154 acres, more or less, of State, Federal and Fee lands in portions of Townships 17, 18, 19 and 20 North, Ranges 29 and 30 East.

CASE 8352:
 Application of Cities Service Oil & Gas Corporation for special pool rules, Harding and San Miguel Counties, New Mexico. Applicant, in the above-styled cause, seeks an order establishing temporary 640-acre spacing rules for an area in portions of Townships 17, 18, 19 and 20 North, Ranges 29, 30 and 31 East.

Dockets Nos. 34-84 and 35-84 are tentatively set for September 5 and September 19, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 22, 1984

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

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

CASE 8241: (Continued and Readvertised)

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

CASE 8302:

Application of Alpha Twenty-One Production Co. 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 NW/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 8273: (Continued and Readvertised)

Application of Blanks Energy Corporation for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 450 feet from the South line and 1850 feet from the East line of Section 16, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the W/2 SE/4 of said Section 16 is to be dedicated to the well. In the absence of objection, this application will be approved based upon the prior record.

CASE 8303:

Application of Yates Petroleum Corporation for an exception to Rule 2(B) of Division Order R-1670-I, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(B) of Division Order R-1670-I to permit applicant to complete its well at an unorthodox oil well location 990 feet from the North line and 1650 feet from the West line of Section 21, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, the N/2 NW/4 of said Section 21 to be dedicated to the well.

CASE 8304:

Application of Yates Petroleum Corporation for a non-standard proration unit or in the alternative, compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 120-acre proration unit comprising the NE/4 NE/4 and S/2 NE/4 of Section 30, Township 20 South, Range 27 East, Delaware formation, or in the alternative, applicant seeks an order pooling all mineral interests from the surface through the Delaware formation underlying the NW/4 NE/4 of said Section 30. 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 8305:

Application of Yates Petroleum Corporation for new pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Permo Upper Pennsylvanian Oil Pool comprised of the SW/4 of Section 11, Township 7 South, Range 33 East, for its Smith "ZJ" Well No. 1 located 660 feet from the South and West lines of said Section 11, and the promulgation of temporary special pool rules therefor including a provision for 160-acre well spacing and proration units and well location requirements.

CASE 8291: (Continued from August 8, 1984, Examiner Hearing)

Application of I & W Transportation, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Kemnitz-Lower Wolfcamp Pool in the perforated interval from 10,694 feet to 11,348 feet in its Sombrero "MS" State Well No. 2 located in Unit C of Section 27, Township 16 South, Range 33 East.

CASE 8306:

Application of Red Mountain Associates for an unorthodox location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 660 feet from the North line and 2635 feet from the East line of Section 28, Township 20 North, Range 9 West, Chaco Wash-Mesaverde Oil Pool.

CASE 8307:

Application of Petroleum Energy Inc. 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 test the Mississippian formation located 660 feet from the South line and 1980 feet from the West line of Section 28, Township 27 North, Range 18 West, the SW/4 of said Section 28 to be dedicated to the well.

CASE 8308:

Application of Dugan Production Corp. for amendment of Division Order R-7258, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-7258 to revise only the oil allocation factor to reflect 90% of the commingled oil stream being allocated to the Mancos zone and 10% of the commingled oil stream allocated to the Dakota zone.

CASE 8309:

Application of Dugan Production Corp. for amendment to Division Order R-7367, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7367 to revise only the oil allocation factor to reflect 92% of the commingled oil stream being allocated to the Mancos zone and 8% of the commingled oil stream allocated to the Dakota zone.

CASE 8310:

Application of Dugan Production Corp. for the amendment of Division Order R-7365, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7365 to revise only the oil allocation factor to reflect 97% of the commingled oil stream being allocated to the Mancos zone and 3% of the commingled oil stream allocated to the Dakota zone.

CASE 8311:

Application of Sun Exploration and Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 2700 feet from the North line and 1610 feet from the East line of Section 27, Township 9 South, Range 36 East, Crossroads-Devonian Pool, the SW/4 NE/4 of said Section 27 to be dedicated to the well.

CASE 8312:

Application of Gulf Oil Exploration and Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the perforated interval from 3350 feet to 3900 feet (Seven Rivers and Queen formations) in its William A. Ramsay and J. F. Janda (NCT-F) Leases located in Section 4, Township 22 South, Range 36 East.

CASE 8313:

Application of Bass Enterprises Production Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 14, Township 24 South, Range 33 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 8314:

Application of Cities Service Oil & Gas Corp. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 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 8256: (Reopened)

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, Pictured Cliffs, and Chacra 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. In the absence of objection, this application will be approved based upon the prior record.

CASE 8315:

Application of Getty Oil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval to downhole commingle all Grayburg-Jackson Pool and Fren-Seven Rivers production underlying its Skelly Unit located in Township 17 South, Range 31 East.

CASE 8316:

Application of Southland Royalty Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 14, Township 24 South, Range 33 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 8317:

Application of Doyle Hartman for directional drilling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a Jalmat oil well from an unorthodox surface location 1450 feet from the North line and 120 feet from the West line of Section 20, Township 25 South, Range 37 East, to be bottomed at a standard Jalmat oil location in the NE/4 NE/4 of Section 19, Township 25 South, Range 37 East.

CASE 8318:

Application of Llano, Inc. for special well testing requirements, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order requiring testing of the Morrow formation at Llano's option by use of a Repeat Formation Tester in the L & B Oil Company's State Com. #2 Well located 1980 feet from the South line and 1980 feet from the West line of Section 11, Township 22 South, Range 34 East.

Docket No. 33-84

DOCKET: COMMISSION HEARING - THURSDAY-AUGUST 23, 1984

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

The following cases were continued from August 1, 1984, Commission Hearing

CASE 8287: Application of Bass Enterprises Production Co. for the amendment of Division Order No. R-111-A, Eddy and Lea Counties, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-111-A, as amended, by the inclusion of an Article whereby the Director of the Oil Conservation Division shall have the authority to grant approval, without notice and hearing, for the directional drilling of wells from orthodox and unorthodox surface locations outside the Potash-Oil Area to orthodox and unorthodox bottomhole locations beneath the Potash-Oil Area provided that the Salado formation is not penetrated therein.

CASE 8288: Application of Bass Enterprises Production Co. for the approval of drilling islands and special rules for the Potash-Oil Area, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of 18 specified drilling islands for the drilling of shallow and deep wells (above or below the base of the Strawn formation) and for special rules to be applied therein including approval of vertical and directional drilling; orthodox and unorthodox surface and bottomhole locations; and special drilling, casing and cementing requirements all within or in the vicinity of the Potash-Oil Area as defined in Division Order R-111-A, as amended.