

CASE 8849: (Continued from April 2, 1986, Examiner Hearing)

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

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

CASE 8818: (Readvertised)

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 Avalon-Delaware Pool in the perforated interval from 2595 feet to 3685 feet in its Stonewall "YE" State Well No. 1 located 1650 feet from the South line and 1980 feet from the East line (Unit J), Section 30, Township 20 South, Range 28 East. In the absence of objection, this case will be approved pursuant to Division Rules and Regulations.

CASE 8897: Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Pictured Cliffs Pool underlying the SE/4 of Section 5, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8898: Application of HNG Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Wolfcamp formation underlying the SW/4 of Section 31, Township 24 South, Range 29 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing. Applicant further seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Undesignated Salt Draw-Atoka Gas Pool underlying the W/2 of said Section 31, to form a standard 320-acre gas spacing and proration unit both aforementioned units to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8870: (Continued from April 30, 1986, Examiner Hearing)

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

CASE 8899: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning a discovery allowable, and extending certain pools in Chaves and Eddy Counties, New Mexico:

- (a) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow Production and designated as the Buffalo Valley-Morrow Gas Pool. The discovery well is the Read and Stevens, Inc. Langley Federal Com Well No. 3, located in Unit O of Section 14, Township 15 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 14: S/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the South Corral Canyon-Bone Spring Pool. The discovery well is the United Petroleum Corporation Exxon Federal Well No. 1, located in Unit M of Section 31, Township 25 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 30 EAST, NMPM
Section 31: SW/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware Production and designated as the South Culebra Bluff-Delaware Pool. The discovery well is the Amoco Production Company Brantly B Well No. 1, located in Unit J of Section 24, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 24: SE/4

- (d) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the North Poor Ranch-Pennsylvanian Gas Pool. The discovery well is the Plains Radio Broadcasting Company Camel State Well No. 2, located in Unit K of Section 6, Township 9 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Section 6: W/2

- (e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the South Leo-Bone Spring Pool. The discovery well is the Yates Petroleum Corporation Benson Deep Unit Well No. 2, located in Unit E of Section 23, Township 18 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 34: NW/4

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Loco Hills-Atoka Gas Pool. The discovery well is the Yates Petroleum Corporation Cedar Lake ADI Federal Com. Well No. 1, located in Unit E of Section 26, Township 17 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 26: W/2

- (g) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the East Loco Hills-Bone Spring Pool. The discovery well is the Harvey E. Yates Loco Sand Hills 9 Federal Well No. 1, located in Unit P of Section 9, Township 18 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 9: SE/4

- (h) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the North Ross Draw-Delaware Pool. The discovery well is the J.C. Williamson Wright Federal Well No. 1, located in Unit P of Section 15, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 15: SE/4

- (i) ASSIGN a discovery allowable of 13,890 barrels to the discovery well for the Catclaw Draw-Delaware Pool in Eddy County, New Mexico. Said discovery well is the Exxon Corporation Catclaw Draw Well No. 8 located in Unit G of Section 22, Township 21 South, Range 25 East, NMPM.

- (j) EXTEND the Atoka Glorieta-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM
Section 4: NE/4 NE/4, S/2 NE/4, SE/4, and NW/4

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

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 12: N/2 SW/4

- (l) EXTEND the Four Mile Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 25: S/2

- (m) EXTEND the Golden Lane-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 21: E/2

- (n) EXTEND the North Hackberry Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 28: NE/4 NW/4, S/2 NW/4

- (o) EXTEND the Happy Valley-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 28: S/2
Section 29: All

- (p) EXTEND the High Lonesome-Queen Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 17: NW/4
Section 28: NW/4

- (q) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 33: W/2

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 4: W/2

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 7: W/2
Section 18: W/2

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

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 24: NE/4

- (c) EXTEND the West Millman-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 13: N/2

- (u) EXTEND the Rocky Arroyo-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 28: All
Section 33: N/2

- (v) EXTEND the West Ross Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 28: NE/4

- (w) EXTEND the Sand Dunes-Cherry Canyon Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 35: N/2

- (x) EXTEND the Sheep Draw-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 32: S/2

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 5: N/2
Section 6: NE/4

- (y) EXTEND the North Shugart-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 3: NW/4
Section 4: N/2 and SW/4
Section 5: SE/4

(z) EXTEND the Tamano-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
 Section 2: SW/4
 Section 11: NW/4

Docket No. 16-86

DOCKET: COMMISSION HEARING - TUESDAY - MAY 20, 1986
 9 A.M. - OIL CONSERVATION COMMISSION, ROOM 205, STATE
 LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 8822: (De Novo)

Application of Amoco Production Company for 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 for Gallup production comprising all of Sections 25, 26, 35 and 36 in Township 26 North, Range 3 West, and the promulgation of special rules therefor including a provision for 160-acre spacing and designated well locations. Upon application of Amoco Production Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8900: Application of Mallon Oil Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Mancos formation to the base of the Dakota formation underlying the W/2 of Section 12, Township 25 North, Range 2 West, forming a standard 320-acre spacing and proration unit to be dedicated to its Johnson Federal 12 Well No. 5 which has been drilled at a standard location thereon. Also to be considered will be the costs incurred in the drilling and completion of the well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8901: Application of Yates Petroleum Corporation, Yates Drilling Company, Myco Industries, Inc., and Abo Petroleum Corporation for determination of reasonable well costs, Chaves County, New Mexico. The New Mexico Oil Conservation Commission issued Division Order No. R-7393 on December 2, 1983 for Case No. 7984, which compulsorily pooled all mineral interests from the surface through and including the Abo formation underlying the SW/4 of Section 20, Township 9 South, Range 27 East, forming a standard 160-acre gas spacing and proration unit and all mineral interests from the top of the Wolfcamp formation to the Precambrian underlying the W/2 of said Section 20, forming a standard 320-acre gas spacing and proration unit, named Jack J. Grynberg the operator of the units, and established a well costs schedule for each zone based on proposed total depth and depth of the Abo zone. Applicants, in the above-styled cause, as interest owners in the Grynberg State Com. Well No. 1 located 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 20 which was drilled pursuant to the compulsory pooling provisions of said Order No. R-7393, now seeks an order ascertaining the reasonableness of actual well costs for the subject well.

CASE 8902: Application of Doyle Hartman for compulsory pooling, two non-standard proration units, two unorthodox locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of a well located at an unorthodox well location, 1650 feet from the South line and 660 feet from the West line of Section 22, Township 25 South, Range 37 East, Jalmat Gas Pool and Langlie Mattix Pool, is necessary to effectively and efficiently drain that portion of a 200-acre non-standard gas proration unit in the Jalmat Gas Pool only, comprising the W/2 SW/4 of Section 22, and the W/2 NW/4 and SE/4 NW/4 of Section 27, Township 25 South, Range 37 East, which cannot be so drained by the existing Jalmat wells. Applicant further seeks approval of the simultaneous dedication of said 200-acre non-standard proration unit to the subject well in the currently producing Carlson-Harrison Federal Com Wells Nos. 1, 2 and 3. Applicant also seeks the approval of an unorthodox well location 330 feet from the North line and 1650 feet from the West line of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool and Langlie Mattix Pool, to be dedicated to a 200-acre non-standard gas proration unit comprising the W/2 SE/4 of Section 22, and the NE/4 NW/4 and the W/2 NE/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool only, and an order pooling all mineral interests from the surface to the base of the Jalmat Gas Pool underlying this non-standard proration unit. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well.

CASE 3690: (Continued from April 9, 1986, Commission Hearing)

Application of Doyle Hartman for compulsory pooling, a non-standard proration unit, two unorthodox locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of two wells to be located at unorthodox well locations, the first of which is to be at least 1325 feet from the South line but not more than 1650 feet from the South line and at least 660 feet from the West line but not more than 850 feet from the West line of Section 22, and the second of which is to be at least 250 feet from the North line but not more than 990 feet from the North line and at least 660 feet from the West line but not more than 1980 feet from the West line of Section 27, all in Township 25 South, Range 37 East, Jalmat Gas Pool and Langlie Mattix Pool, is necessary to