

Dockets Nos. 2-88 and 3-88 are tentatively set for January 20 and February 3, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 6, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner or David R. Catanach, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for February, 1988, from fourteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for February, 1988, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9281:

Application of H. L. Brown, Jr. for an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 28, Township 7 South, Range 37 East, Undesignated North Blutt Siluro-Devonian Pool, the S/2 NE/4 of said Section 28 to be dedicated to the well forming a standard 80-acre spacing and proration unit for said pool. Said location is approximately 3 miles North of the Perkins Memorial Cemetery.

CASE 9282:

Application of Mobil Producing Texas and New Mexico Inc. for the expansion of the West Lindrith Gallup-Dakota Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the West Lindrith Gallup-Dakota Oil Pool to include all of Sections 6, 7, 8, and 9, Township 24 North, Range 2 West. Said area is approximately one-half mile north of Lindrith, New Mexico.

CASE 8874: (Reopened) (Continued from November 18, 1987, Examiner Hearing)

In the matter of Case 8874 being reopened pursuant to the provisions of Division Order No. R-639-C, which order reclassified the Crosby-Devonian Gas Pool in Lea County as an associated pool. Interested parties may appear and show cause why the Crosby-Devonian Associated Pool should not be reclassified as a gas pool to be governed by the rules set forth by Division Orders Nos. R-639, as amended, and R-8170, as amended.

CASE 9283:

Application of Nearburg Producing Company for compulsory pooling and unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the E/2 of Section 15, Township 20 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at an unorthodox gas well location 1755 feet from the North line and 660 feet from the East line (Unit H) of said Section 15. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said proposed well is approximately 3 miles southeast of the townsite of Seven Rivers.

CASE 9277: (Continued from December 16, 1987, Examiner Hearing)

Application of Reading and Bates Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying all of Section 10, Township 25 North, Range 2 West, forming a standard 640-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is approximately 7 miles north of Lindrith, New Mexico.

CASE 9284:

Application of Enron Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Atoka formation underlying the N/2 of Section 17, Township 24 South, Range 35 East, forming a standard 320-acre gas spacing and proration unit for said formation, or pooling all mineral interests in the Morrow formation underlying all of said Section 17 forming a standard 640-acre gas spacing and proration unit in the Cinta Roja-Morrow Gas Pool for said formation, both units to be dedicated to a single well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 26 miles west of Jal, New Mexico.

CASE 9285: (This case will be continued to the January 20, 1987, Examiner Hearing.)

Application of Bettis Brothers, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North line and 860 feet from the East line (Unit A) of Section 8, Township 25 South, Range 29 East, to test the Delaware, Wolfcamp, Strawn, Atoka and Morrow formations, the N/2 of said Section 8 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately 8 miles southeast of Malaga, New Mexico.

CASE 9286:

Application of Curtis J. Little for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard oil spacing and proration unit comprising the S/2 NE/4 and N/2 SE/4 of Section 2, Township 25 North, Range 3 West, West Lindrith Gallup-Dakota Oil Pool, to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 1 mile west of the Ojito Post Office.

CASE 9276: (Continued from December 16, 1987, Examiner Hearing)

Application of Marathon Oil Company for an unorthodox gas well location and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 560 feet from the South line and 1550 feet from the West line (Unit N) of Section 20, Township 21 South, Range 24 East, Indian Basin-Morrow Gas Pool, all of said Section 20 to be dedicated to said well forming a non-standard 631.58-acre gas spacing and proration unit for said pool which is developed on 640-acre spacing. Said location is approximately 2.5 miles east of the Marathon Oil Company's Indian Basin Gas Plant.

CASE 9279: (Continued from December 16, 1987, Examiner Hearing)

Application of Texaco Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard gas spacing and proration unit comprising the E/2 SE/4 of Section 15, Township 17 South, Range 32 East, Undesignated Maljamar-Queen Gas Pool, to be dedicated to its Federal U.S.A. "C" Well No. 2 located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit I) of said Section 15. Said well is located approximately 2 miles South-Southeast of Maljamar, New Mexico.

CASE 9287:

Application of Penroc Oil 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 Vacuum Grayburg-San Andres Pool in the perforated interval from approximately 4790 feet to 5086 feet in its George McGonagill Well No. 1 located 330 feet from the North line and 990 feet from the East line (Unit A) of Section 2, Township 18 South, Range 35 East. Said well is approximately 6 miles southeast of Buckeye, New Mexico.

CASE 9288:

Application of Primary Fuels, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the top of the Wolfcamp formation underlying the N/2 of Section 19, Township 22 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within this vertical extent, 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. Said unit is approximately 5 miles Southwest of Carlsbad, New Mexico.

CASE 9289:

Application of Foran Oil Company for compulsory pooling and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the following described acreage in Section 5, Township 16 South, Range 36 East, in the following described manner:

Lots 11 through 14 and SW/4 of Section 5 to form a 320-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; and

Lots 11 and 14 to form an 80-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; and

Lot 14 to form a 40-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 are to be dedicated to a well to be drilled at an unorthodox well location 3950 feet from the North line and 1550 feet from the West line (Unit K) of said Section 5. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is approximately one-half mile West of Lovington, New Mexico.

CASE 9290:

Application of Foran Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the following described acreage in Section 8, Township 16 South, Range 37 East, in the following described manner:

W/2 SW/4 to form an 80-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; and

NW/4 SW/4 to form a 40-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 are to be dedicated to a well to be drilled at a standard well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is approximately 3 miles East of Lovington, New Mexico.

CASE 9291:

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 Lea and Chaves Counties, New Mexico:

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Drinkard production and designated as the East Nadine-Drinkard Pool. The discovery well is the Crown Central Petroleum Corporation Emerald Well No. 1 located in Unit P of Section 25, Township 19 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 25: SE/4

(b) Extend the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST
Section 34: E/2

(c) Extend the Antelope Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 34: E/2

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 3: E/2
Section 10: NE/4

(d) Extend the Arkansas Junction-Queen Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM
Section 23: SW/4
Section 26: NW/4
Section 27: E/2 and SW/4

(e) Extend the West Caprock-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 31 EAST, NMPM
Section 24: N/2

(f) Extend the Central Corbin-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 8: NE/4

(g) Extend the Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 16: SE/4

(h) Extend the Justis Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 36: SW/4

(i) Extend the Kennnitz-Lower Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4
Section 35: NW/4

(j) Extend the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 16: NW/4
Section 29: SW/4

- (k) Extend the East Lusk-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 2: W/2
Section 3: SE/4

- (l) Extend the West Lusk-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 31: E/2

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 6: N/2

- (m) Extend the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 2: NE/4

- (n) Extend the South Shoe Bar-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 36: SE/4

- (o) Extend the South Shoe Bar-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 1: E/2

- (p) Extend the East Shugart-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 19: SW/4

- (q) Extend the Townsend Permo-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 25: E/2

CASE 9292:

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

- (a) Contract the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, by the deletion of the following described area:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 15: SW/4
Section 16: SE/4
Section 22: N/2 and SW/4
Section 25: SE/4 SE/4
Section 26: S/2
Section 35: N/2
Section 36: N/2

- (b) Extend the Aztec-Pictured Cliffs Pool in San Juan County, New Mexico to Include therein:

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM
Section 6: N/2 and SW/4

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM
Section 1: NE/4

TOWNSHIP 31 North, RANGE 11 WEST, NMPM
Section 31: SW/4

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM
Section 36: SE/4

- (c) Extend the South Bisti-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 10 WEST, NMPM
Section 5: N/2
Section 6: NE/4

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM
Section 32: W/2 SE/4

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

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
Section 30: S/2, NE/4 and S/2 NW/4
Section 31: N/2 N/2

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 25: SW/4
Section 26: SW/4

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

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
Section 11: SE/4

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 19: S/2
Section 29: S/2 and NW/4
Section 30: All
Section 31: NW/4

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM
Section 25: S/2 and NE/4
Section 36: N/2

- (f) Extend the Devil's Fork-Gallup Associated Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM
Section 19: S/2
Section 30: N/2

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM
Section 23: S/2
Section 24: S/2

- (g) Extend the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 17: SE/4

- (h) Extend the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico to include therein:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM
Section 5: W/2
Section 6: All
Section 8: All
Section 9: All
Section 10: W/2

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM
Section 31: All
Section 32: W/2

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

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
Section 4: E/2

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 15: W/2
Section 16: All

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Section 21: All
 Section 22: All
 Section 23: S/2
 Section 24: S/2
 Section 25: All
 Section 26: All
 Section 27: NE/4
 Section 35: N/2
 Section 36: N/2

- (j) Extend the Lybrook-Gallup Oil Pool in Rio Arriba and Sandoval Counties, New Mexico to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM

Section 1: NW/4 NE/4 and N/2 NW/4
 Section 2: E/2 NE/4

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 35: E/2 SE/4

- (k) Extend the Nose Rock-Hospah Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 20 NORTH, RANGE 12 WEST, NMPM

Section 9: SW/4 SE/4
 Section 10: SW/4 SW/4
 Section 16: NW/4 NE/4

- (l) Extend the Northeast Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM

Section 30: All

- (m) Extend the Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico to include therein:

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM

Section 7: W/2
 Section 17: W/2
 Section 18: All

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 10: W/2
 Section 12: E/2
 Section 13: E/2
 Section 24: NE/4

- (n) Extend the Otero-Sanastee Oil Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 4 WEST, NMPM

Section 9: NW/4

- (o) Extend the Rio Puerco-Mancos Oil Pool in Sandoval County, New Mexico to include therein:

TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM

Section 27: S/2
 Section 28: S/2

- (p) Extend the Wildhorse-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM

Section 17: S/2
 Section 18: S/2