

CASE 9357: (Readvertised)

Application of El Ran, Inc. for a unit agreement, Chaves and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Chaveroo San Andres Unit Area comprising 1,120 acres, more or less, of Federal and Fee lands underlying all or portions of Sections 34 and 35, Township 7 South, Range 32 East, and Sections 3 and 10, Township 8 South, Range 32 East. This area is located on the Chaves and Roosevelt County line and 20 miles south of Elida, New Mexico.

CASE 9358: (Readvertised)

Application of El Ran, Inc. for the reclassification of a pressure maintenance project to a waterflood project and for waterflood expansion, Chaves and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks to reclassify the El Ran Chaveroo Pressure Maintenance Project (Division Order No. R-7044) to a waterflood project and to expand said project to include the area underlying the proposed Chaveroo San Andres Unit Area comprising all or portions of Sections 34 and 35, Township 7 South, Range 32 East, and Sections 3 and 10, Township 8 South, Range 32 East. Applicant also seeks to expand said project by including 13 additional injection wells into the San Andres formation. Said area is located on the Chaves and Roosevelt County line and 20 miles south of Elida, New Mexico.

CASE 9375:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Vada-Devonian Pool. Further, assign approximately 63,160 barrels of discovery allowable to the discovery well, the Union Pacific Resources Company State 26 Well No. 1 located in Unit N of Section 26, Township 10 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4

(b) RECLASSIFY the Fowler-Upper Silurian Oil Pool in Lea County, New Mexico, to the Fowler-Upper Silurian Gas Pool as the only two wells producing from this pool are gas wells.

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

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 34: W/2
Section 35: N/2

(d) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 17: NW/4

(e) EXTEND the DK-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 25: NE/4

(f) EXTEND the King-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 19: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 11: SE/4
Section 14: NE/4

(h) EXTEND the Lea-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 25: S/2
Section 36: NW/4

(i) EXTEND the Lovington-Paddock Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 33: SE/4
Section 34: SW/4

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intermediate
on garage*

- (j) EXTEND the West Lusk-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 31: NW/4
- (k) EXTEND the North Lusk-Seven Rivers Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 4: NE/4
- (l) EXTEND the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 26: NW/4
- (m) EXTEND the Saunjal-Queen Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 11: W/2
- (n) EXTEND the Scharb-Bone Spring Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 20: NW/4
- (o) EXTEND the West Teas Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 9: SE/4
- (p) EXTEND the West Tonto Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 13: NW/4
- (q) EXTEND the Tubb Oil and Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 17: NW/4
- (r) EXTEND the North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 16: W/2
- (s) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 38 EAST, NMPM
Section 6: Lots 11, 12, 13, and 14
- (t) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 25: SW/4
Section 36: NW/4
- (u) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 18: NE/4

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

I. Incorporation of prior relevant hearings before the Commission:

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

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

II. Geological evidence, witnesses and analysis:

It is stated that:

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

III. Issues for Hearing:

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

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

IV. Issues not for Hearing:

It is stated that:

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

V. Proposed schedule of proceedings:

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

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

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

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

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

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

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

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

CASE 9375: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning a discovery allowable, reclassifying, and extending certain pools in Lea County, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Vada-Devonian Pool. Further, assign approximately 63,160 barrels of discovery allowable to the discovery well, the Union Pacific Resources Company State 26 Well No. 1 located in Unit N of Section 26, Township 10 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4

(b) RECLASSIFY the Fowler-Upper Silurian Oil Pool in Lea County, New Mexico, to the Fowler-Upper Silurian Gas Pool as the only two wells producing from this pool are gas wells.

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

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 34: W/2
Section 35: N/2

(d) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 17: NW/4

(e) EXTEND the DK-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 25: NE/4

(f) EXTEND the King-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 19: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 11: SE/4
Section 14: NE/4

(h) EXTEND the Lea-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 25: S/2
Section 36: NW/4

(i) EXTEND the Lovington-Paddock Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 33: SE/4
Section 34: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 31: NW/4

(k) EXTEND the North Lusk-Seven Rivers Pool in Lea County, New Mexico, to include therein:

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

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 26: NW/4

- (m) EXTEND the Sanmal-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 11: W/2

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 20: NW/4

- (o) EXTEND the West Teas Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 9: SE/4

- (p) EXTEND the West Tonto Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 13: NW/4

- (q) EXTEND the Tubb Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 17: NW/4

- (r) EXTEND the North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 16: W/2

- (s) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 38 EAST, NMPM
Section 6: Lots 11, 12, 13, and 14

- (t) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 25: SW/4
Section 36: NW/4

- (u) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

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

CASE 9411: 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 Lea County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Southeast Buffalo-Bone Spring Pool. The discovery well is the Sun Exploration and Production Company Buffalo Fed Well No. 1 located in Unit B of Section 11, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 11: NE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Ellenburger production and designated as the North Teague-Ellenburger Pool. Further, assign approximately 50,820 barrels of discovery allowable to the discovery well, the Texaco Producing, Inc. B. F. Harrison Well No. 1 located in Unit C of Section 9, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 9: NW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the West Tulk-Pennsylvanian Pool. The discovery well is the BTA Oil Producers Tulk 8801-JV-P Well No. 1 located in Unit O of Section 20, Township 14 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM
Section 20: SE/4

- (d) EXTEND the Air Strip-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 34: E/2
Section 35: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 11: NE/4

- (f) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

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

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

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

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

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 3: Lots 9, 10, 15 and 16

- (i) EXTEND the Lane-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 35: N/2 and SE/4

- (j) EXTEND the Moore-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4

- (k) EXTEND the Shipp-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 35: SE/4

- (l) EXTEND the Skaggs-Abo Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 2: SE/4
Section 11: NE/4

Docket No. 18-88

DOCKET: COMMISSION HEARING - MONDAY - JUNE 13, 1988

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

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

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