

Dockets Nos. 22-78 and 23-78 are tentatively set for hearing on July 6 and 19, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 21, 1978

9 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 Daniel S. Nutter, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for July, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for July, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6238: (Continued from June 7, 1978, Examiner Hearing)

Application of Barber Oil, Inc., for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Saladar Unit Area comprising 240 acres, more or less, of Federal and fee lands in Township 20 South, Range 28 East, Eddy County, New Mexico.

CASE 6226: (Continued from June 7, 1978, Examiner Hearing)

Application of Barber Oil, Inc., for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Saladar Unit, by the injection of water into the Yates formation through five wells located in Units K, L, N and O of Section 33, Township 20 South, Range 28 East, Saladar-Yates Pool, Eddy County, New Mexico.

CASE 6251: Application of Amoco Production Company for compulsory pooling, Eddy 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 27, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6252: Application of Holly Energy, Inc., for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State 14 Well No. 1, a Morrow test to be located 990 feet from the North line and 660 feet from the East line of Section 14, Township 18 South, Range 28 East, Eddy County, New Mexico, the N/2 of said Section 14 to be dedicated to the well.

CASE 6253: Application of Merrion & Bayless for a non-standard proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for 364.44-acre non-standard gas proration unit comprising the W/2 of Sections 30 and 31, Township 26 North, Range 2 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6254: Application of Read & Stevens, Inc., for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bone Spring formation underlying the W/2 SE/4 of Section 7, Township 19 South, Range 35 East, Scharb-Bone Spring Pool, Lea County, New Mexico, to be dedicated to a well drilled at an unorthodox 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6255: Application of Hanagan Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 8, Township 19 South, Range 26 East, Eddy County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6256: Application of Texaco Inc. for amendment of Commission Order No. R-5530, non-standard locations, and an administrative procedure, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend paragraph (14) on Page 7 of Commission Order No. R-5530 by removing or amending the allowable restriction therein subject to lease line agreements.

Applicant also seeks approval of nine injection wells at non-standard locations not closer than 10 feet to the Central Vacuum Unit boundary in the following units: Unit B of Section 12, Township 18 South, Range 34 East; Units D, E, L, and M of Section 6, Township 18 South, Range 35 East; Unit M of Section 31, Township 17 South, Range 35 East; and Units N, O, and P of Section 36, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.

Applicant further seeks an administrative procedure for approval of additional producing and injection wells at orthodox and unorthodox locations.

CASE 6257: Application of Benchmark Oil Company, Ltd., for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Wright Well No. 1 to be located 1980 feet from the South line and 660 feet from the East line of Section 30, Township 9 South, Range 33 East, Flying M-San Andres Pool, Lea County, New Mexico, the E/2 SE/4 to be dedicated to the well.

CASE 6258: Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian, McKee, and Ellenburger formations underlying the S/2 of Section 21, Township 22 South, Range 36 East, Lea County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5911: (Reopened and Readvertised)

In the matter of Case 5911 being reopened pursuant to the provisions of Order No. R-5353-B which order established temporary special pool rules for the Chacon-Dakota Associated Pool, Rio Arriba and Sandoval Counties, New Mexico. All interested parties may appear and show cause why said pool should not be reclassified as an oil pool to be governed by statewide rules.

CASE 6259: Application of V-F Petroleum, 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 Devonian formation through the perforated interval from 11,085 feet to 11,102 feet in its State 14 Well No. 1 located in Unit L of Section 14, Township 9 South, Range 32 East, SRR-Devonian Pool, Lea County, New Mexico.

CASE 6260: Application of Continental Oil Company for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 480-acre non-standard gas proration unit comprising the N/2 and SE/4 of Section 2, Township 22 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's State J-2 Wells Nos. 7, 9 and 12 located in Units J, G and D, respectively, of said Section 2.

CASE 6261: Application of Continental Oil Company for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the W/2 of Section 20, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's State C-20 Wells Nos. 5 and 6, located in Units M and C, respectively, of said Section 20.

CASE 6262: Application of Adobe Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the SE/4 of Section 17, Township 14 South, Range 36 East, Austin Field, Lea County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6263: Application of Adobe Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the NE/4 of Section 17, Township 14 South, Range 36 East, Austin Field, Lea County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6264: Application of Doyle Hartman for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the W/2 NE/4 of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico, to form a non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 330 feet from the North line and 2310 feet from the East line of said Section 36. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Dockets Nos. 21-78 and 22-78 are tentatively set for hearing on June 21 and July 6, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 7, 1978

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 6235: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Black Diamond Oil Company and all other interested parties to appear and show cause why the Well No. 1 located in Unit C of Section 27, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6236: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Bloomfield Oil & Gas Company and all other interested parties to appear and show cause why the C. Hare Well No. 3 located in Unit N of Section 15 and the H. D. Abrams Well No. 5 located in Unit E of Section 23, both in Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6237: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Finley & Johansen and all other interested parties to appear and show cause why the Hare Well No. 1 located in Unit C of Section 22, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6238: Application of Barber Oil, Inc., for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Saladar Unit Area comprising 240 acres, more or less, of Federal and fee lands in Township 20 South, Range 28 East, Eddy County, New Mexico.
- CASE 6226: (Continued from May 17, 1978 Examiner Hearing)
- Application of Barber Oil, Inc. for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Saladar Unit, by the injection of water into the Yates formation through five wells located in Units K, L, N and O of Section 33, Township 20 South, Range 28 East, Saladar-Yates Pool, Eddy County, New Mexico.
- CASE 6239: Application of Robert N. Enfield for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for his North Lake McMillan Unit Area comprising 3194 acres, more or less, of Federal and fee lands in Township 19 South, Ranges 26 and 27 East, Eddy County, New Mexico.
- CASE 6240: Application of Bass Enterprises Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Navajo 20 Well No. 1, a Barker Creek oil test to be drilled 1190 feet from the South line and 2510 feet from the East line of Section 20, Township 27 North, Range 19 West, San Juan County, New Mexico, the SW/4 SE/4 of said Section 20 to be dedicated to the well.
- CASE 6241: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Eagle Creek Permian-Penn and West Atoka-Morrow gas production in the wellbore of its Powell DG Well No. 1 located in Unit O of Section 35, Township 17 South, Range 25 East, Eddy County, New Mexico.
- CASE 6242: Application of C & E Operators, Inc., for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SE/4 of Section 32, Township 32 North, Range 10 West, San Juan County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6243: Application of Caulkins Oil Company for four unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Breech "E" Wells Nos. 104 and 587, located in Unit P of Section 5 and Unit J of Section 4, respectively; and its Breech "A" Wells Nos. 207 and 679, located in Unit J of Sections 10 and 9, respectively, all in Township 26 North, Range 6 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico.

CASE 6204: (Reopened and Readvertised)

Application of Producing Royalties, Inc., for an exemption from the Natural Gas Pricing Act, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination as to whether the proration unit consisting of the NW/4 of Section 12, Township 29 North, Range 12 West, San Juan County, New Mexico, on which the Carroll-Cornell Well No. 2 is located was producing or capable of producing natural gas prior to January 1, 1975, from the Fulcher Kutz-Pictured Cliffs reservoir; if so, applicant seeks exemption from the Natural Gas Pricing Act for two replacement Pictured Cliffs wells in the same proration unit pursuant to a finding that the wells are justified for reasons other than avoiding the application of the Act.

CASE 6244: Application of Tom L. Ingram for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo Reef formation through the perforated interval from 8915 feet to 8992 feet in his State M Well No. 1 located in Unit O of Section 18, Township 17 South, Range 36 East, Vacuum-Abo Pool, Lea County, New Mexico.

CASE 6245: Application of Germany Investment Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Wolfcamp and Canyon production in the wellbore of its USA 9 Well No. 1 located in Unit I of Section 9, Township 20 South, Range 28 East, North Burton Flat Field, Eddy County, New Mexico.

CASE 6246: Application of Exxon Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location for a Silurian test to be drilled 1880 feet from the South line and 825 feet from the West line of Section 30, Township 26 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.

CASE 6247: Application of Mobil Oil Corporation for a unit agreement, Lea County, New Mexico, or statutory unitization. Applicant, in the above-styled cause, seeks approval of its North Vacuum Abo East Unit Area, comprising 866 acres, more or less, of State lands in Township 17 South, Range 35 East, Lea County, New Mexico.

In the absence of voluntary unitization, applicant seeks statutory unitization, for the purpose of pressure maintenance, of all mineral interests in the North Vacuum Abo East Unit underlying the following described lands in Township 17 South, Range 35 East, Lea County, New Mexico:

Section 7: S/2
Section 18: N/2, SW/4, and W/2 SE/4

The unitized interval would be from a depth of 4385 feet subsea to 5225 feet subsea in the Mobil State "UU" Com. Well No. 1, located in Unit F of the aforesaid Section 7.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 6248: Application of Mobil Oil Corporation for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the North Vacuum Abo East Unit Area by the injection of water into the Abo formation through five wells located in Units N and P of Section 7, and Units F, H, and N of Section 18, all in Township 17 South, Range 35 East, North Vacuum Abo Pool, Lea County, New Mexico, and the promulgation of special rules governing said project.

CASE 6249: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Chaves, Lea, and Eddy Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Mississippian production and designated as the Bar U-Mississippian Pool. The discovery well is Charles F. Harding State "3" Well No. 1 located in Unit G of Section 3, Township 9 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 3: NE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the West Hoag-Strawn Gas Pool. The discovery well is Yates Petroleum Corporation CC Tank Unit Well No. 1 located in Unit F of Section 28, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 28: N/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Ellenburger production and designated as the Langley-Ellenburger Gas Pool. The discovery well is Atlantic Richfield Company Langley Deep Well No. 1 located in Unit C of Section 28, Township 22 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 28: NW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Cisco production and designated as the Loco Hills-Cisco Pool. The discovery well is Depco, Inc. Welch Federal Well No. 1 located in Unit G of Section 8, Township 18 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 8: NE/4

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Maljamar-Atoka Gas Pool. The discovery well is Western Oil Producers, Inc. Amoco State Well No. 1 located in Unit M of Section 28, Township 16 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 28: W/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Cisco production and designated as the Maljamar-Cisco Pool, to take in acreage from abolished Maljamar-Pennsylvanian Pool.

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 32: W/2

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 5: NW/4

(g) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Maljamar-Morrow Gas Pool. The discovery well is Western Oil Producers, Inc. Union State Well No. 2 located in Unit O of Section 29, Township 16 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 29: S/2

(h) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Grayburg production and designated as the North McMillan-Grayburg Pool. The discovery well is Yates Petroleum Corporation Federal HF Well No. 1 located in Unit A of Section 10, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 10: NE/4

(i) ABOLISH the Maljamar-Pennsylvanian Pool in Lea County, New Mexico, described as:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 32: W/2

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 5: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 36: S/2

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 23: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 9: NE/4
Section 10: N/2

- (m) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 36: W/2

- (n) EXTEND the East Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 26: W/2
Section 36: E/2

- (o) EXTEND the East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 36: E/2

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 5: E/2 NW/4

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

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 13: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 22: SE/4 SE/4
Section 23: SW/4 SW/4

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

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 35: NE/4 SW/4

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

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 15: E/2
Section 21: E/2
Section 22: W/2

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

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 21: E/2

- (v) EXTEND the Linda-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM
Section 25: SE/4 SE/4

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM
Section 29: N/2 SW/4
Section 30: S/2 SW/4 and SW/4 SE/4
Section 31: W/2 and W/2 NE/4

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM
Section 6: N/2 NW/4

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

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 14: W/2
Section 15: S/2

(x) EXTEND the West Parkway-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 20: S/2

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

TOWNSHIP 14 SOUTH, RANGE 28 EAST, NMPM
Section 14: SW/4
Section 16: NE/4

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

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

(aa) EXTEND the Shugart Yates Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 26: NE/4

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 2: NW/4 SW/4

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

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 25: N/2

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

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 28: NE/4

(dd) EXTEND the Teague-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 27: NE/4

(ee) EXTEND the Tom-Tom San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 33: NE/4

(ff) EXTEND the Twin Lakes-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM
Section 36: SE/4 SE/4

(gg) EXTEND the White Ranch-Mississippian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 29 EAST, NMPM
Section 33: N/2

CASE 6250: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, extending, and redesignating certain pools in McKinley, Rio Arriba, Sandoval,

and San Juan Counties, New Mexico:

(a) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Chacra production and designated as the Animas-Chacra Pool. The discovery well is the Mesa Petroleum Corporation Primo Well No. 1A located in Unit D of Section 6, Township 31 North, Range 10 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM
Section 6: NW/4

(b) CREATE a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Dakota production and designated as the Gallo-Dakota Oil Pool. The discovery well is the Amerada Hess Corporation Jicarilla Apache B Well No. 16 located in Unit K of Section 29, Township 24 North, Range 5 West, NMPM. Said pool would comprise:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
Section 29: NE/4 SW/4

(c) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Nacimiento production and designated as the Kiffen-Nacimiento Pool. The discovery well is the Kimbark Operating Company Storey Well No. 3 located in Unit P of Section 34, Township 32 North, Range 11 West, NMPM. Said pool would comprise:

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM
Section 34: SE/4

(d) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Chacra production and designated as the Navajo City-Chacra Pool. The discovery well is the Lively Exploration Company Lively Well No. 7Y located in Unit E of Section 35, Township 30 North, Range 8 West, NMPM. Said pool would comprise:

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM
Section 35: NW/4

(e) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Mancos-Dakota production and designated as the White Wash Mancos-Dakota Oil Pool. The discovery well is the Dugan Production Corporation Blanco Wash Well No. 2 located in Unit F of Section 2, Township 29 North, Range 9 West, NMPM. Said pool would comprise:

TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM
Section 1: W/2
Section 2: All

(f) EXTEND the vertical limits of the South Los Pinos-Fruitland Pool to include therein the Pictured Cliffs formation, change the pool name to the South Los Pinos Fruitland-Pictured Cliffs Pool, San Juan County, New Mexico, and extend the horizontal limits to include therein:

TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM
Section 2: S/2 and NW/4
Section 3: S/2
Section 10: NW/4

TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM
Section 35: W/2

(g) EXTEND the Alamito-Gallup Pool in Sandoval and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 8 WEST, NMPM
Section 1: N/2
Section 2: E/2 and SW/4
Section 3: SE/4
Section 10: NE/4

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM
Section 31: SW/4

TOWNSHIP 23 NORTH, RANGE 8 WEST, NMPM
Section 36: SE/4

(h) EXTEND the Aztec-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
Section 9: W/2

(i) EXTEND the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM
Section 29: N/2
Section 30: N/2

(j) EXTEND the Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM
Section 11: W/2 and SE/4
Section 15: N/2
Section 16: N/2

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM
Section 32: S/2
Section 33: W/2 and SE/4

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM
Section 8: E/2
Section 9: All
Section 16: N/2
Section 17: N/2 and SW/4
Section 23: SE/4
Section 26: All
Section 35: N/2
Section 36: S/2

(k) EXTEND the South Blanco-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 14: NE/4

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 1: NW/4
Section 2: NE/4
Section 30: SW/4
Section 31: All

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 25: S/2
Section 36: N/2

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 33: SE/4

(l) EXTEND the Chacon-Dakota Associated Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM
Section 3: NW/4 and S/2
Section 4: W/2
Section 10: All
Section 11: S/2
Section 20: NW/4 and SE/4

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
Section 31: NE/4

(m) EXTEND the Choza Mesa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 3 WEST, NMPM
Section 18: S/2

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM
Section 15: SE/4
Section 22: SE/4
Section 25: E/2
Section 26: S/2
Section 27: SE/4
Section 34: NE/4
Section 35: N/2
Section 36: NW/4

- (n) EXTEND the Franciscan-Lake Mesaverde Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 20 NORTH, RANGE 6 WEST, NMPM
Section 13: N/2

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

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Section 26: NE/4

- (p) EXTEND the Gavilan-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM
Section 28: NE/4

- (q) EXTEND the West Kutz-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
Section 7: W/2
Section 18: NW/4

- (r) EXTEND the Largo-Chacra Pool in San Juan and Rio Arriba Counties, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM
Section 9: E/2
Section 10: W/2 and SE/4
Section 15: N/2
Section 16: NE/4
Section 27: S/2

- (s) EXTEND the West Lindrith Gallup-Dakota Pool in Rio Arriba County, New Mexico, to include therein:

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

- (t) EXTEND the North Los Pinos-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM
Section 23: SE/4

- (u) EXTEND the Marcelina-Dakota Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 16 NORTH, RANGE 10 WEST, NMPM
Section 24: SE/4 NE/4

- (v) EXTEND the Nipp-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 2: NE/4
Section 4: All
Section 5: SE/4

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 27: W/2
Section 28: E/2

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 36: SW/4

- (w) EXTEND the Otero-Chacra Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 19: SE/4

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
Section 28: E/2
Section 33: NE/4

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 17: S/2
Section 18: SE/4
Section 19: NE/4
Section 20: N/2

(x) EXTEND the Rusty-Chacra Gas Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM
Section 11: E/2
Section 13: W/2
Section 14: E/2
Section 22: NE/4

(y) EXTEND the Shiprock-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 18 WEST, NMPM
Section 16: NE/4 SW/4

(z) EXTEND the Tapacito-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM
Section 30: SE/4
Section 32: NW/4

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM
Section 7: NE/4

(aa) EXTEND the Tocito Dome-Pennsylvanian "D" Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 18 WEST, NMPM
Section 9: NW/4

(bb) EXTEND the Ute Dome-Paradox Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM
Section 11: All

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM
Section 24: All
Section 26: All

(cc) EXTEND the WAW Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 3: NW/4
Section 5: N/2

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 19: S/2
Section 20: W/2
Section 27: NE/4
Section 32: SE/4

Dockets Nos. 25-78 and 26-78 are tentatively set for hearing on August 16 and 30, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 2, 1978

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 6238: (Continued from June 21, 1978, Examiner Hearing)

Application of Barber Oil, Inc., for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Saladar Unit Area comprising 240 acres, more or less, of Federal and fee lands in Township 20 South, Range 28 East, Eddy County, New Mexico.

CASE 6226: (Continued from June 21, 1978, Examiner Hearing)

Application of Barber Oil, Inc., for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Saladar Unit, by the injection of water into the Yates formation through five wells located in Units K, L, N and O of Section 33, Township 20 South, Range 28 East, Saladar-Yates Pool, Eddy County, New Mexico.

CASE 6283: Application of Texas Oil & Gas Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the W/2 of Section 16, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6276: (Continued from July 19, 1978, Examiner Hearing)

Application of Jerome P. McHugh for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Chris Well No. 4 to be drilled 1902 feet from the South line and 1650 feet from the East line of Section 9, Township 27 North, Range 3 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, the S/2 of said Section 9 to be dedicated to the well.

Applicant further seeks authority to commingle Blanco Mesaverde and Gavilan-Pictured Cliffs production in the wellbore of said well.

CASE 6277: (Continued from July 19, 1978, Examiner Hearing)

Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gavilan Pictured Cliffs and Blanco Mesaverde production in the wellbores of his Chris Wells Nos. 3 and 3A, located in Units H and I of Section 21, Township 27 North, Range 3 West, Rio Arriba County, New Mexico.

CASE 6279: (Continued from July 19, 1978, Examiner Hearing)

Application of Hanagan Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 28, Township 21 South, Range 26 East, Avalon Hills-Morrow Pool, Eddy County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6284: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Welch "A" Well No. 1 located 480 feet from the North line and 500 feet from the West line of Section 9, Township 18 South, Range 29 East, Eddy County, New Mexico, the W/2 of said Section 9 to be dedicated to the well.

CASE 6285: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Atoka and Permo-Penn gas production in the wellbore of its Federal "HQ" Well No. 1 located in Unit O of Section 5, Township 21 South, Range 22 East, Little Box Canyon Field, Eddy County, New Mexico.

CASE 6241: (Continued from July 19, 1978, Examiner Hearing)

Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Eagle Creek Permo-Penn and West Atoka-Morrow gas production in the wellbore of its Powell DG Well No. 1 located in Unit O of Section 35, Township 17 South, Range 25 East, Eddy County, New Mexico.

CASE 6286: Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Blanco Mesaverde and Basin-Dakota gas production in the wellbore of its EPNG "B" Well No. 1 located in Unit O of Section 28, Township 32 North, Range 6 West, San Juan County, New Mexico.

CASE 6287: Application of Jack A. Cole for an unorthodox gas well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Apache Flats Well No. 11, located 1712 feet from the South line and 1223 feet from the East line of Section 28, Township 23 North, Range 4 West, Ballard-Pictured Cliffs Pool, Sandoval County, New Mexico.

CASE 6288: Application of Dorchester Exploration, Inc., for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Strawn formation for its Wilson State Com Well No. 1 located in Unit I of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing;

in the alternative, applicant seeks approval of 80-acre spacing for said pool.