

Case Number

4336

Application  
Transcripts.

Small Exhibits

ETC.

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 13, 1970

EXAMINER HEARING

-----  
IN THE MATTER OF: )  
)  
)

Application of Byron McKnight for an  
exception to Order No. R-3221, as  
amended, Lea County, New Mexico. )  
)  
-----

) Case No. 4336  
)  
)

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will call next Case No. 4336.

MR. HATCH: Case 4336. Continued from the April 15, 1970 examiner hearing. Application of Byron McKnight for an exception to Order No. R-3221, as amended, Lea County, New Mexico.

The Applicant has requested the case be dismissed.

MR. NUTTER: Case No. 4336 will be dismissed.

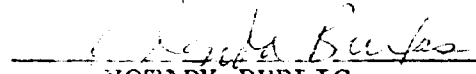
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STATE OF NEW MEXICO )  
                                   ) ss  
 COUNTY OF BERNALILLO )

I, GLENDA BURKS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

  
 NOTARY PUBLIC

My Commission Expires:

March 12, 1973

I do hereby certify that the foregoing is a complete record of the proceedings in the Bernalillo hearing of Case No. 1206 heard by me on 5/3, 1972.  
  
 Notary Public  
 New Mexico Oil Conservation Commission

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Hobbs, New Mexico  
April 15, 1970

REGULAR HEARING

IN THE MATTER OF:

Application of Byron McKnight for an  
exemption to Order No. R-3221, as  
amended, Lea County, New Mexico.

Case No. 4336

BEFORE: A. J. Porter, Secretary-Treasurer  
David F. Cargo, Governor  
George Hatch, General Counsel

*Daniel S. Nutter, Examiner*

TRANSCRIPT OF HEARING

MR. NUTTER: Case 4336.

MR. HATCH: Case 4336. Application of Byron McKinight for an exception to Order No. P-3221, as amended, Lea County, New Mexico.

MR. NUTTER: Is there anyone in the room present for Case No. 4336? We'll call the next Case 4350.

(No response.)

MR. NUTTER: Case 4336.

MR. HATCH: Case 4336. Application of Byron McKinight for an exception to Order No. P-3221, as amended, Lea County, New Mexico.

MR. NUTTER: Is there anyone present for Case No. 4336? We will continue this case also until after lunch and the hearing is recessed until one-thirty, at which time both cases will be recalled.

(Whereupon, the hearing recessed for lunch.)

MR. NUTTER: The hearing will come to order, please. The first case we will take up this afternoon will be Case No. 4336, which was continued from the morning hearing.

MR. HATCH: Case 4336. Reopened. Application of Byron McKinight for an exception to Order No. P-3221, as amended, Lea County, New Mexico.

MR. NUTTER: Is Mr. McKinight or anyone

representing Mr. McInight present at the hearing? Does anyone have any desire to make an appearance in this case at this time?

MR. SMITH: I'm Kenneth Smith and I am here in behalf of Mark Smith.

MR. NUTTER: Would you give your address, Mr. Smith?

MR. SMITH: My address is Box 764 in Carlsbad. Would you like his, too?

MR. NUTTER: Yes.

MR. SMITH: Mark Smith's is Box 1296 in Lovington.

MR. NUTTER: Mark Smith is your father, isn't he, Mr. Smith?

MR. SMITH: Right.

MR. NUTTER: Is Mark Smith the land owner in the vicinity --

MR. SMITH: Yes, sir, just down southwest --

MR. NUTTER: -- of the lands that are concerned with in this application?

MR. SMITH: Yes, sir.

MR. NUTTER: Does Mr. Smith have any water wells on his property in that area?

MR. SMITH: Yes, sir, he does.

MR. NUTTER: What is the purpose of your attendance of the hearing today, Mr. Smith?

MR. SMITH: We were just concerned with our fresh water supply being contaminated.

MR. NUTTER: I see. Is it your thought that the disposal of water into these pits in this area that's the subject of the application may be a hazard to the fresh water supplies from your wells?

MR. SMITH: It's a possibility; yes, sir.

MR. NUTTER: I see. And you wanted to make an appearance, I presume, in opposition to the application?

MR. SMITH: Right.

MR. NUTTER: I see. Do you have anything further you wish to add?

MR. SMITH: No, sir. That's fine. Thank you very much.

MR. NUTTER: Thank you, Mr. Smith. Does anyone else have anything they wish to offer in Case No. 4336 at this time. If not, we will continue Case No. 4336 to the Examiner Hearing which is scheduled for May the 13th at the State Land Office Building, nine o'clock a.m., in Santa Fe, New Mexico.

And next we will call Case No. 4084, which was called this morning and continued to the afternoon hearing.



COUNTY OF BERNALILLO )  
 )  
STATE OF NEW MEXICO )

I, BRENDA BURKS, Court Reporter in and for  
the County of Bernalillo, State of New Mexico, do hereby  
certify that the foregoing and attached Transcript of  
Hearing before the New Mexico Oil Conservation Commission  
was reported by me; and that the same is a true and correct  
record of the said proceedings to the best of my knowledge,  
skill and ability.

Brenda Burks  
Court Reporter

I do hereby certify that the foregoing is  
a correct record of the proceedings in  
the hearing before the New Mexico Oil Conservation Commission  
held at the \_\_\_\_\_ 4/15/70 4336  
\_\_\_\_\_ 1970  
[Signature]  
New Mexico Oil Conservation Commission



# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR  
DAVID F. CATGO  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

May 20, 1970

Re: Case No. 4336

Order No. R-3965

Applicant:

BYRON McKNIGHT

Mr. A. J. Losee  
Attorney at Law  
P. O. Drawer 239  
Artesia, New Mexico 88210

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC   x  

Artesia OCC           

Aztec OCC           

Other            State Engineer Office

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4336  
Order No. R-3965

APPLICATION OF BYRON MCKNIGHT  
FOR AN EXCEPTION TO ORDER NO.  
R-3221, AS AMENDED, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 13, 1970,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 20th day of May, 1970, the Commission, a  
quorum being present, having considered the record and the recom-  
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 4336 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove  
designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

esr/

JOEL M. CARSON

LAW OFFICES  
A. J. LOSEE  
CARPER BUILDING - P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88210

AREA CODE 505  
746 3508

6 May 1970

AM 8 17  
70 MAY

*write a document*

Mr. George Hatch, Attorney  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Application of Byron McKnight for an  
Exception to Order No. R-3221, Case  
No. 4336

Dear George:

After reviewing the material prepared by Mr. John W. Runyan of the Commission staff and furnished me last week, Mr. Byron McKnight desires to dismiss the above styled case. Accordingly, you will please consider this letter as a motion to dismiss this case with prejudice.

With a carbon copy of this letter, I am asking Mr. McKnight to send direct to you, this report prepared by Mr. Runyan.

Very truly yours,

  
A. J. Losee

AJL:jw

cc: Mr. Byron McKnight

DOCKET: REGULAR HEARING - WEDNESDAY - MAY 13, 1970

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

- ALLOWABLE: (1) Consideration of the oil allowable for June, 1970;
- (2) Consideration of the allowable production of gas for June, 1970, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico; also presentation of purchaser's nominations for said pools for the six-month period beginning July 1, 1970; consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for June, 1970.

THE FOLLOWING CASES WILL BE HEARD BEFORE DANIEL S. NUTTER,  
EXAMINER, OR ELVIS A. UTZ, ALTERNATE EXAMINER:

CASE 4354: Application of Michael P. Grace and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 11, Township 23 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, said acreage to be dedicated to a well to be drilled in either the NE/4 NW/4 or the NW/4 NE/4 of said Section 11. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4355: Application of Pan American Petroleum Corporation for pool consolidation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of the North Bagley-Upper Pennsylvanian and North Bagley-Lower Pennsylvanian Pools, Lea County, New Mexico, into one pool. Applicant further requests the Lower Pennsylvanian Allowable Factor be applied to the consolidated pool.

CASE 3727 (Reopened):

In the matter of Case 3727 being reopened pursuant to the provisions of Order No. R-3428, which order established 640-acre spacing units for the Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools, Eddy County, New Mexico, for a period of one year after first pipeline connection in either of the pools. All interested persons may appear and show cause why said pools should not be developed on 320-acre spacing units.

CASE 4356: Southeastern nomenclature case calling for an order for the creation, abolishment, extension and contraction of certain pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Baum-Morrow Gas Pool. The discovery well is the RK Petroleum Corporation State No. 1 located in Unit B of Section 27, Township 13 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM  
SECTION 27: N/2

(b) Create a new pool in Lea County, New Mexico, classified as a gas pool for Queen-Penrose production and designated as the East Querecho Plains-Queen Gas Pool. The discovery well is Robert N. Enfield's Hudson Federal No. 1 located in Unit O of Section 30, Township 18 South, Range 33 East, NMPM.

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
SECTION 30: SE/4

(c) Abolish the Bluitt-San Andres Pool in Roosevelt County, New Mexico, described as:

TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM  
SECTION 7: All  
SECTION 8: All  
SECTION 17: All  
SECTION 18: All

(d) Extend the Bluitt-San Andres Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM  
SECTION 8: S/2  
SECTION 17: W/2

(e) Contract the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area;

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM  
SECTION 4: NE/4

(Case 4356 continued)

(f) Extend the North Bagley-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM  
SECTION 33: E/2

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM  
SECTION 4: NE/4

(g) Extend the Cerca-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM  
SECTION 34: NW/4

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM  
SECTION 8: NW/4

(h) Extend the Double L-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM  
SECTION 12: E/2 NE/4

(i) Extend the Hobbs-Blinbry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM  
SECTION 33: NE/4

(j) Extend the Lea-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
SECTION 35: SE/4

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM  
SECTION 2: E/2

(k) Extend the Rock Tank-Lower Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM  
SECTION 12: All

CASE 4337: (Continued from the April 15, 1970, Examiner Hearing)  
Application of Petroleum Corporation of Texas for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Dexter Hanagan Graridge Federal Well No. 1 located in Unit J, Section 22, Township 17 South, Range 30 East, Jackson-Abo Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in an unlined surface pit in the vicinity of said well.

CASE 4336: (Continued from the April 15, 1970, Examiner Hearing)  
Application of Byron McKnight for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties. Said exception would be for applicant's lease comprising all of Section 19, W/2 of Section 20, NW/4 Section 29, and NW/4 Section 30, Township 19 South, Range 34 East, undesignated Yates-Seven Rivers gas pool, Lea County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells on said leases in unlined surface pits on the leases.

CASE 4084: (Reopened) (Continued from the April 15, 1970, Examiner Hearing).  
In the matter of Case No. 4084 being reopened pursuant to the provisions of Order No. R-3732, which order established 160-acre spacing units and an 80-acre proportional factor of 4.77 for the Feather-Wolfcamp Pool, Lea County, New Mexico. All interested parties may appear and show cause why the said pool should not be developed on less than 160-acre spacing units and to show cause why the 80-acre proportional factor of 4.77 should or should not be retained.



CASE 4351: (Continued from the April 29, 1970, Examiner Hearing)  
Application of Humble Oil & Refining Company for well reclassification and simultaneous dedication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of its New Mexico "G" State Well No. 5 from an oil well in the Eumont Pool to a gas well in said pool. Applicant further seeks the dedication of a standard 640-acre gas proration unit comprising all of Section 23, Township 21 South, Range 36 East, Lea County, New Mexico, to said Well No. 5 and to applicant's New Mexico "G" State Well No. 9, located, respectively in Units E and G of said Section 23, and authority to produce the allowable assigned to said unit from either of said wells in any proportion.

CASE 4352: (Continued from the April 29, 1970, Examiner Hearing)  
Application of Jack L. McClellan for the creation of a new gas pool or, in the alternative, the establishment of pool rules for two existing pools, Chaves and Lea Counties, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Queen gas pool comprising the following-described acreage:

CHAVES COUNTY, NEW MEXICO

TOWNSHIP 15 SOUTH, RANGE 29 EAST

Section 11: SE/4  
Section 12: SW/4  
Section 13: NW/4  
Section 14: E/2  
Section 23: NE/4 and SW/4

In the alternative applicant seeks the promulgation of special rules for the Sulimar-Queen Pool, Chaves County, and Double L-Queen Pool, Chaves and Lea Counties, New Mexico, as separate or as consolidated pools, including provisions for the classification of oil and gas wells, spacing and well location requirements for oil and gas wells, and an allocation formula for withdrawals by oil wells and gas wells.

DOCKET: REGULAR HEARING - WEDNESDAY - APRIL 15, 1970

OIL CONSERVATION COMMISSION - 9 A.M. - THE HOLIDAY INN, 200 SOUTH LINAM,  
HOBBS, NEW MEXICO

- ALLOWABLE: (1) Consideration of the oil allowable for May, 1970;
- (2) Consideration of the allowable production of gas for May, 1970, from fifteen prorated pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for May, 1970.

THE FOLLOWING CASES WILL BE HEARD BY THE COMMISSION OR BY A. L. PORTER, Jr., EXAMINER OR DANIEL S. NUTTER, ALTERNATE EXAMINER:

CASE 4332: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the inclusion of the NW/4 of Section 10, Township 9 South, Range 36 East, Lea County, New Mexico, in the Allison-Pennsylvanian Pool or the Vada-Pennsylvanian Pool, whichever is proper.

CASE 4333: Application of Phillips Petroleum Company for a dual completion and salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Marley "A" Well No. 1, a wildcat well, located in Unit P of Section 3, Township 11 South, Range 31 East, Chaves County, New Mexico, in such a manner as to permit the production of oil from the San Andres formation through perforations from 4148 feet to 4165 feet and the disposal of produced salt water into the San Andres formation through the perforated interval from 4344 feet to 4800 feet.

CASE 4084: (Reopened)

In the matter of Case No. 4084 being reopened pursuant to the provisions of Order No. R-3732, which order established 160-acre spacing units and an 80-acre proportional factor of 4.77 for the Feather-Wolfcamp Pool, Lea County, New Mexico. All interested parties may appear and show cause why the said pool should not be developed on less than 160-acre spacing units and to show cause why the 80-acre proportional factor of 4.77 should or should not be retained.

- CASE 4334: Application of Pan American Petroleum Corporation for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to recomplete its State Gas Com "BG" Well No. 1 at an unorthodox location 1450 feet from the North line and 1490 feet from the West line of Section 2, Township 29 North, Range 10 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, the N/2 of said section to be dedicated to the well.
- CASE 4335: Application of Gulf Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Vacuum (Grayburg-San Andres) Pool by the injection of water into the San Andres formation through its Lea "FE" State Wells Nos. 2 and 4, located in Units C and E, respectively, of Section 11, Township 17 South, Range 34 East, Lea County, New Mexico.
- CASE 4336: Application of Byron McKnight for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties. Said exception would be for applicant's lease comprising all of Section 19, W/2 Section 20, NW/4 Section 29, and NW/4 Section 30, Township 19 South, Range 34 East, undesignated Yates-Seven Rivers gas pool, Lea County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells on said leases in unlined surface pits on the leases.
- CASE 3859: (Continued from the October 15, 1969, Regular Hearing)  
Application of Wilson Oil Company for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Commission Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's leases in Sections 13, 23, and 24 of Township 21 South, Range 34 East, and Sections 7 and 18 of Township 21 South, Range 35 East, Wilson Yates-Seven Rivers Pool, Lea County, New Mexico. Applicant, seeks authority to continue to dispose of produced water in seven unlined surface pits located in the center of the W/2 of said Section 13, center of the W/2 SE/4 of said Section 13, SW/4 NE/4 of said Section 23, center of SW/4 of said Section 24, center of the NE/4 of said Section 7, NE/4 SW/4 of said Section 7, NW/4 NW/4 of said Section 18.

(Case 3859 continued)

In the alternative, applicant seeks an extension of time in which to comply with the provisions of said order.

CASE 4337: Application of Petroleum Corporation of Texas for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Dexter Hanagan Graridge Federal Well No. 1 located in Unit J, Section 22, Township 17 South, Range 30 East, Jackson-Abo Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in an unlined surface pit in the vicinity of said well.

CASE 4338: Application of Skelly Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Lea "D" Lease by selective injection of water into various zones of the Grayburg-Jackson Pool through three wells located in Units B, H, and J of Section 26, Township 17 South, Range 31 East, Eddy County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.

CASE 4339: Southeastern nomenclature case calling for an order for the creation of certain new pools and the assignment of oil discovery allowables and the contraction and extension of certain other pools in Lea, Chaves and Eddy Counties, New Mexico.

(a) Create a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the Tower-San Andres Pool comprising the following:

TOWNSHIP 11 SOUTH, RANGE 31 EAST, NMPM  
SECTION 3: SE/4

(Case 4339 continued)

Further, for the assignment of approximately 20,740 barrels of oil discovery allowable to the discovery well Phillips Petroleum Company's Marley "A" Well No. 1, located in Unit P of said Section 3.

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Tres Papalotes-Pennsylvanian Pool, comprising the following:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM  
SECTION 33: NE/4

Further, for the assignment of approximately 52,340 barrels of oil discovery allowable to the discovery well Lone Star Producing Company's New Mexico (80) State Well No. 1 located in Unit B of said Section 33.

(c) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Cherry Canyon production and designated as the Sand Dunes-Cherry Canyon Pool. The discovery well is Texas American Oil Corporation's Todd 26 Federal Well No. 2 located in Unit G of Section 26, Township 23 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM  
SECTION 26: SW/4 NE/4

(d) Create a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Warren-Devonian Pool. The discovery well is Continental Oil Company's SEMU Burger B No. 58 located in Unit C of Section 29, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
SECTION 29: NW/4

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

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM  
SECTION 26: S/2

(Case 4339 continued)

(f) Extend the East Caprock-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM  
SECTION 23: NE/4

(g) Extend the Eagle Creek-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM  
SECTION 23: NW/4 NW/4

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
SECTION 11: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
SECTION 9: NE/4  
SECTION 10: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
SECTION 20: All

(k) Extend the Round Tank-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM  
SECTION 30: W/2 NW/4 and NW/4 SW/4

(l) Extend the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM  
SECTION 25: W/2 NW/4

(m) Contract the Bough Permo- Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM  
SECTION 14: S/2

(n) Extend the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM  
SECTION 13: S/2

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM  
SECTION 18: S/2

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM  
SECTION 10: SE/4  
SECTION 14: S/2  
SECTION 15: NE/4  
SECTION 23: NW/4

70 APR 9 AM 8 12

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF :  
BYRON M. McKNIGHT FOR AN EXCEPTION :  
TO ORDER No. R-3221, AS AMENDED, : Case No. 4336  
LEA COUNTY, NEW MEXICO :

APPLICATION

COMES BYRON M. McKNIGHT, by his attorney, A. J. Losee, and in support of this application, states:

1. Applicant is operator in the Yates formation of the oil and gas leases covering the following lands in Lea County, New Mexico:

Township 19 South, Range 34 East, N.M.P.M.

Section 19: All  
Section 20: W/2  
Section 29: NW/4  
Section 30: NW/4

upon which are located three wells in the Yates (Seven Rivers) undesignated gas pool.

2. Operator proposes to dispose of approximately 200 barrels of water per day, produced in conjunction with the production of gas from said wells, in one or more unlined pits, upon the above described lands.

3. There is attached hereto and by reference made a part hereof, a plat showing the location of said producible wells, together with the offset leases.

4. The granting of this application for an exception to Order No. R-3221, as amended, will prevent waste caused by the premature abandonment of the wells.



WHEREFORE, applicant prays:

A. That this matter be set for hearing before an examiner for the Oil Conservation Commission, and that due notice be given of such hearing.

B. That after hearing, the applicant be granted an exception to Order No. R-3221, as amended, to permit the disposal of water produced in conjunction with the production of gas from wells in one or more unlined pits on the above described lands.

C. And for such other relief as may be just in the premises.

BYRON M. McKNIGHT

By: 

A. J. Losee

P. O. Drawer 239  
Artesia, New Mexico 88210

Attorney for Applicant

DRAFT

GMH/esr

9)

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4336

Order No. R-3965

*[Signature]*  
APPLICATION OF BYRON McKNIGHT  
FOR AN EXCEPTION TO ORDER NO.  
R-3221, AS AMENDED, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

*[Signature]*  
This cause came on for hearing at 9 ~~o'clock~~ a.m. on  
May 13, 19670, at Santa Fe, New Mexico, before Examiner  
Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of May, 19670, the Commission,  
a quorum being present, having considered the record and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 4336 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

neg neg Har

~~15th~~

Byron McKnight

SWD  
2/20/00

19-34

Lea Co

15: All

20: W 1/2

29: NW 1/4

30: NW 1/4

open under gas.

CASE 4337: Appli. of PETROLEUM  
CORP. OF TEXAS FOR AN EXCEPTION  
TO R-3221, AS AMENDED.

CONTINUED TO MAY 13, 1970 HEARING