

Case Number

4386

Application
Transcripts.

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

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
July 15, 1970

EXAMINER HEARING

IN THE MATTER OF:)

Application of Texaco Inc. for an)
exception to Order No. R-3221, as)
amended, Chaves County, New Mexico.)

Case No. 4386

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. HATCH: 4386, application of Texaco, Incorporated, for an exception to Order No. R-3221, as amended; and the Commission has received a request from the applicant that this case be dismissed.

MR. NUTTER: Case No. 4386 will be dismissed. We will call next Case No. 4382.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, Peter A. Lumia, Certified Shorthand Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

Peter A. Lumia
Certified Shorthand Reporter

I do hereby certify that the foregoing is a complete record of the proceedings of the Examiner hearing of Case No. 4386, heard by me on July 15, 1977.
[Signature], Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

July 20, 1970

Mr. W. E. Morgan
Texaco Inc.
Drawer 728
Hobbs, New Mexico 88240

Re: Case No. 4386
Order No. R-4000
Applicant:
Texaco Inc.

Dear Sir:

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

Very truly yours,

G. L. Parker, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC

Other _____

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. 4386
Order No. R-4000

APPLICATION OF TEXACO INC.
FOR AN EXCEPTION TO ORDER
NO. R-3221, AS AMENDED,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on July 15, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 20th day of July, 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. 4386 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. ARMISTEAD, Member

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



PETROLEUM PRODUCTS

July 9, 1970

70 JUL 10 AM 8 16

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: Case No. 4386
Request for Exception to Order
No. R-3221
Little Lucky Lake Devonian Pool
Chaves County, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

TEXACO Inc. respectfully requests that Case No. 4386 scheduled to be heard July 15, 1970, on Docket No. 17-70 be dismissed. Due to unforeseen difficulties which have arisen since the application for hearing was made, it is no longer desirable to consider the case.

Your dismissing the case is appreciated and TEXACO is grateful for the cooperation and assistance of Mr. Joe Ramey and his staff for their efforts in this matter.

Yours very truly,

W. E. Morgan
District Superintendent

BRH-cr

cc: NMOCC-Hobbs
USGS-Artesia
VSP

DOCKET: REGULAR HEARING - WEDNESDAY - JULY 15, 1970

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

ALLOWABLE: Consideration of the allowable production of gas for August, 1970, from thirteen prorated pools in Lea, Eddy, 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 August, 1970.

THE FOLLOWING CASES WILL BE HEARD BEFORE DANIEL S. NUTTER,
EXAMINER, OR ELVIS A. UTZ, ALTERNATE EXAMINER, IN THE OIL
CONSERVATION COMMISSION CONFERENCE ROOM ON THE SECOND
FLOOR OF SAID BUILDING AT 9:30 A.M.

CASE 4381:

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

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Atoka production and designated as the West Crossroads-Atoka Pool. The discovery well is the Union Oil Company of California Lea "M" State Well No. 1 located in Unit A of Section 6, Township 10 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 36 EAST, NMPM
SECTION 6: NE/4

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the West Garrett-Devonian Pool. The discovery well is the Freeport Oil Company Mattie Price Well No. 1 located in Unit A of Section 6, Township 17 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 38 EAST, NMPM
SECTION 6: NE/4

(c) Create a new pool in Chaves County, New Mexico, classified as an oil pool for Devonian production and designated as the Race Track-Devonian Pool. The discovery well is the Klabzuba, Munson, and Seamon. White Well No. 1 located in Unit I of Section 13, Township 10 South, Range 27 East, NMPM. Said pool described as:

Wednesday - July 15, 1970
Regular Hearing
-2-

Docket No. 17-70

(Case No. 4381 continued)

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
SECTION 13: NE/4 SE/4

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

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
SECTION 18: NE/4

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

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
SECTION 18: NE/4

(f) Extend the Blinebry Oil Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
SECTION 30: SW/4

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

TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM
SECTION 20: NW/4

(h) Extend the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
SECTION 6: E/2
SECTION 7: N/2

(i) Extend the High Plains-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

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

Wednesday - July 15, 1970

Regular Hearing

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Docket No. 17-70

(j) Extend the Loco Hills-Queen Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
SECTION 31: SE/4 NE/4 and NE/4 SE/4

(k) Extend the Midway-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
SECTION 17: S/2

(l) Extend the Quail-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
SECTION 12: S/2

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
SECTION 7: SW/4

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

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
SECTION 34: NW/4

(n) Extend the East Weir-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
SECTION 12: NE/4 and N/2 SE/4

CASE 4382: In the matter of the application of the Oil Conservation Commission upon its own motion for an order for the contraction of the Aztec-Pictured Cliffs Pool in San Juan County, New Mexico, by the deletion of certain lands in Township 28 North, Ranges 8 and 9 West; Township 29 North, Ranges 8, 9, and 10 West; and Township 30 North, Range 10 West; further, for the extension of the Blanco-Pictured Cliffs Pool and the South Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, to include, among other lands, the lands being deleted from the aforesaid Aztec-Pictured Cliffs Pool; and for the further extension of the Aztec-Pictured Cliffs Pool in San Juan County, New Mexico.

Wednesday - July 15, 1970

Regular Hearing

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Docket No. 17-70

- CASE 4383: Application of MWJ Producing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the rules governing the Baum-Upper Pennsylvanian Pool to permit the drilling of an oil well at an unorthodox location 330 feet from the North line and 2310 feet from the West line of Section 9, Township 14 South, Range 33 East, Lea County, New Mexico.
- CASE 4384: Application of Shell Oil Company for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 3606 feet to 3680 feet in its Eastland Shell Federal Well No. 1 located in Unit A, Section 35, Township 8 South, Range 30 East, Cato-San Andres Pool Area, Chaves County, New Mexico.
- CASE 4385: Application of King Resources Company for a unit agreement, Otero County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Brokeoff Mountain Unit Area comprising 37,747 acres, more or less, of Federal, State and Fee lands in Townships 24, 25, and 26 South, Ranges 19 and 20 East, Otero County, New Mexico.
- CASE 4386: Application of Texaco Inc. for an exception to Order No. R-3221, as amended, Chaves 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 wells located on its V. G. Kinahan Federal and Peery Federal leases comprising respectively, Sections 20 and 29 of Township 15 South, Range 30 East, Little Lucky Lake-Devonian Pool, Chaves County, New Mexico. Applicant seeks authority to dispose of produced salt water in an unlined surface pit located in Unit K of said Section 29.
- CASE 4387: Application of Benson-Montin-Greer Drilling Corporation for surface commingling of oil, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle the production from its Cañada Ojitos Unit Well No. 13, a non-participating well located in Unit L of Section 27, Township 26 North, Range 1 West, Rio Arriba County, New Mexico, with oil production from the participating area of said unit.



PETROLEUM PRODUCTS

June 22, 1970

MAIN OFFICE ONLY

'70 JUN 23 PM 1 30

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

Case 4386

REQUEST FOR HEARING
Exception To Order No. R-3221
Little Lucky Lake Devonian Pool
Chaves County, New Mexico

New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A.L. Porter, Jr.

Gentlemen:

It is requested that an examiner hearing be scheduled for July 15, 1970, or at the earliest possible date at Santa Fe, New Mexico, to consider the application of TEXACO Inc. for an exception to Order No. R-3221 to permit the disposal of produced water in an unlined surface pit. The produced water will be from TEXACO Inc. leases in the Little Lucky Lake Devonian Pool. The location of the proposed pit will be in Unit K, Section 29, T-15-S, R-30-E, Chaves County, New Mexico.

At the hearing, permission will be sought to dispose of the water produced in conjunction with oil production from the V.G. Kinahan Federal Lease comprised of Section 20 and the Peery Federal Lease comprised of Section 29, Township 15 South, Range 30 East, Chaves County, New Mexico. Listed below are the locations of existing and proposed wells on the two leases:

<u>Lease Name & Well No.</u>	<u>Unit & Section</u>	<u>Status</u>
V.G. Kinahan Fed. No. 1	Unit O Section 20	Producing
Peery Federal No. 1	Unit G Section 29	Producing
Peery Federal No. 2	Unit O Section 29	Producing
Peery Federal No. 3	Unit K Section 29	Producing
Peery Federal No. 4	Unit A Section 29	Proposed

It is anticipated that the drilling of Peery Federal No. 4 will be commenced during the first week of July, 1970.

Copies of this letter are being sent to all offset operators and the U.S. Geological Survey as listed on the attached sheet.

Yours very truly,

W. E. Morgan

W. E. Morgan
District Superintendent

DOCKET MAILED

Date 7-2-70

BRH-BH

Attachment

MAILING LIST FOR APPLICATION

Jessie Ruth Boyd
510 Texas Ave.
Artesia, New Mexico 88210

W. R. Carter
4715 Pershing
El Paso, Texas 79900

L. C. Harris
P. O. Box 1714
Roswell, New Mexico 88201

J. L. McClellan
Roswell, New Mexico 88201

Mallard Petroleum, Inc.
1206 V & J Tower
Midland, Texas 79701

Pan American Petroleum Corp.
P. O. Box 1410
Ft. Worth, Texas 75101

U. S. Geological Survey
Department of Interior
Federal Building
Roswell, New Mexico 88201

DRAFT
GMH/esr

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. 4386

Order No. R- ~~3400~~
4000

APPLICATION OF TEXACO INC.
FOR AN EXCEPTION TO ORDER
NO. R-3221, AS AMENDED,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

9:30

This cause came on for hearing at 9 a.m. on July 15, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of July, 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. 4386 is hereby dismissed.

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

CASE 4387: Application of BENSON-
MONTIN-GREER FOR SURFACE COM-
MINGLING OF OIL, RIO ARRIBA CO.