

CASE NO.

7473

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
12 OCTOBER 1983

EXAMINER HEARING

IN THE MATTER OF:

In the matter of Case 7473 being CASE
reopened pursuant to the provisions 7473
of Order No. R-7211, Lea County, New
Mexico.

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

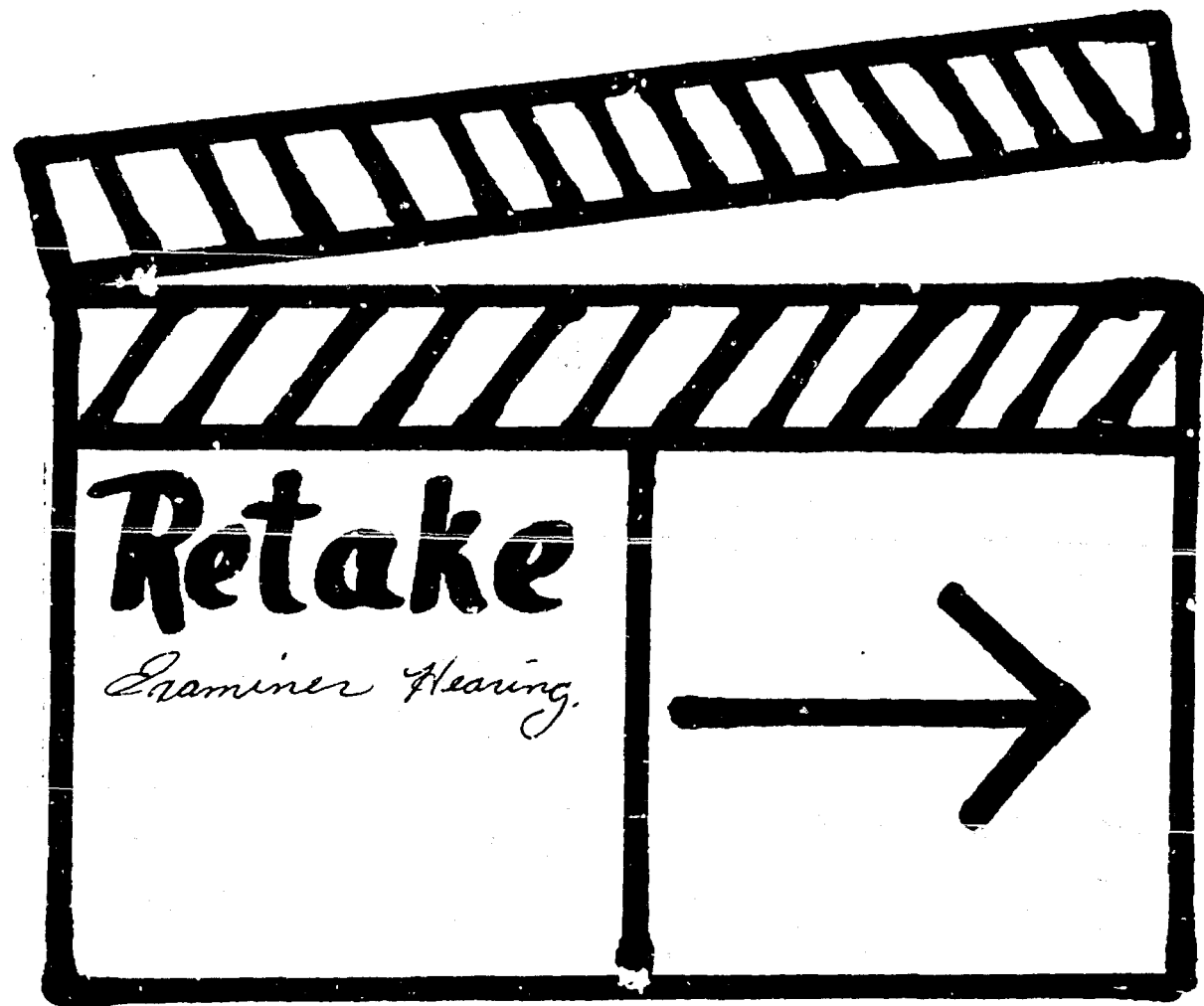
A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For Inexco:

William F. Carr, Esq.
CAMPBELL, BYRD, & BLACK, P.A.
Jefferson Place
Santa Fe, New Mexico 87501



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
12 OCTOBER 1983

EXAMINER HEARING

IN THE MATTER OF:

In the matter of Case 7473 being
reopened pursuant to the provisions
of Order No. R-7211, Lea County, New
Mexico.

CASE
7473

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For Inexco:

William F. Carr, Esq.
CAMPBELL, BYRD, & BLACK, P.A.
Jefferson Place
Santa Fe, New Mexico 87501

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I N D E X

JOEL CARLISLE

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RICHARD T. MCCAULEY

Direct Examination by Mr. Carr 8

E X H I B I T S

Applicant Exhibit One, Structure Map 4

Applicant Exhibit Two, Cross Section D-D' 5

Applicant Exhibit Three, Plat 6

Applicant Exhibit Four, Curve 9

Applicant Exhibit Five, Pressure Test 10

Applicant Exhibit Six, Production Curve 11

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3 MR. STAMETS: We'll call next
4 Case 7473.

5 MR. PEARCE: That case is in
6 the matter of Case 7473 being reopened pursuant to the
7 provisions of Order R-7211, Lea County, New Mexico.

8 MR. CARR: May it please the
9 Examiner, my name is William F. Carr, with the law firm
10 Campbell, Byrd, and Black, P. A., of Santa Fe, appearing on
11 behalf of Inexco.

12 I have two witnesses.

13 MR. PEARCE: Are there other
14 appearances in this matter?

15 (Witnesses sworn.)

16 JOEL CARLISLE,
17 being called as a witness and being duly sworn upon his
18 oath, testified as follows, to-wit:

19 DIRECT EXAMINATION

20 BY MR. CARR:

21 Q Will you state your full name and place
22 of residence?

23 A My name is Joel Carlisle. I reside at
24 101 Prince of Wales, Conroe, Texas.

25 Q Mr. Carlisle, by whom are you employed
and in what capacity?

1
2 A I'm employed by Inexco Oil Company as a
3 geologist.

4 Q Have you previously testified before this
5 Commission or one of its examiners?

6 A Yes, I have.

7 Q And were your credentials as a geologist
8 accepted at that time and made a matter of record?

9 A They were.

10 Q Are you familiar with the South Humble
11 City Strawn Pool?

12 A Yes, I am.

13 Q And are you familiar with the temporary
14 special pool rules for this pool?

15 A Yes.

16 MR. CARR: Are the witness'
17 qualifications acceptable?

18 MR. STAMETS: They are.

19 Q Mr. Carlisle, when were special pool
20 rules promulgated for this pool?

21 A They were promulgated under Rule 6913,
22 March the 5th, 1982, for one year, and extended under R-
23 7211, February 21st, 1983, for six months.

24 Q Would you please refer to what has been
25 marked Inexco Exhibit Number One, identify this, and explain
what it shows?

A Exhibit One is a structure map on top of
the Strawn and portrays the structural positions on top of

1
2 the Strawn formation in the Humble City -- or South Humble
3 City Pool and the surrounding area.

4 It's contoured on 100-foot interval and
5 as you will note, we only detect a slight nosing in the vi-
6 cinity of the Humble City Pool itself.

7 Q Now this shows the pool boundaries.

8 A Yes, within -- the pool boundaries have
9 not completely been defined and are not so indicated on the
10 map, but we do have three wells presently producing within
11 the Humble City Pool, being the Lottie York 2, the Lottie
12 York 1, both in Sections, the southeast quarter of Section
13 14 and one well over there in the southwest quarter of Sec-
14 tion 13.

15 Q So, Mr. Carlisle, this plat shows the
16 pool boundaries as defined by the Commission but the reser-
17 voir limits have not been determined.

18 A That's correct.

19 Q Would you now refer to Inexco Exhibit
20 Number Two and review this for Mr. Stamets?

21 A Exhibit Two is cross section D-D' and
22 it's so indicated in an insert plat at the base of the cross
23 section.

24 This shows the geologic tops of various
25 formations across the South Humble City Pool. It also shows
the perforated intervals and the initial potentials for the
three producing wells within the field, being the Lottie
York No. 1, the Lottie York No. 2, and the Norris No. 1.

1
2 Q Is this the same cross section that's
3 been offered before in other cases concerning the pools, or
4 this pool?

5 A Yes, it was, in our last hearing.

6 Q Would you now refer to Inexco Exhibit
7 Number Three and review this with Mr. Stamets?

8 A Exhibit Number Three is a land plat and
9 it's submitted for the purpose of showing the existing wells
10 within the pool and the outline of existing and planned
units.

11 It also shows the location of the Norris
12 No. 2 over in Section 13, which has commenced drilling, and
13 also shows a proposed location in Section 14 north of the
14 Lottie York No. 2, which will be brought up in the October
26th hearing.

15 Q Where is the Humble City Strawn Pool in
16 relation to the South Humble City Strawn Pool?

17 A The Humble City Pool is located to the
18 north of the South Humble City Pool.

19 Q And do the structure maps and cross sec-
20 tions that were offered in prior hearings to establish the
21 separation between these reservoirs remain valid for the
22 purposes of this case?

23 A Yes, they do.

24 Q What are Inexco's further development
25 plans in this area?

A Well, as indicated, we expect to propose

1
2 and request approval for drilling an additional well up in
3 the northeast quarter of Section 14 October 26th. Then we
4 will continue our evaluation of the are for additional deve-
5 lopment following that.

6 Q So you have two wells now that you're --

7 A We currently have two wells planned, one
8 of which is drilling, and one additional well planned in the
immediate future.

9 Q Were Exhibits One through Three prepared
10 by you?

11 A Yes, they were.

12 MR. CARR: At this time, Mr.
13 Stamets, we would offer Inexco Exhibits One through Three.

14 MR. STAMETS: These exhibits
15 are admitted.

16 CROSS EXAMINATION

17 BY MR. STAMETS:

18 Q Mr. Carlisle, based on the evidence you
19 have so far, are any of these wells completed in the same
20 producing zone? I know they're all completed in the Strawn
21 but are any of them connected with any other well?

22 A Yes, we definitely feel they are. This
23 will be brought out in additional testimony by our reservoir
engineer.

24 Q All right.

25 MR. STAMETS: Any other

1
2 questions of this witness? He may be excused.

3 MR. CARR: At this time we call
4 Mr. McCauley.

5 RICHARD T. MCCAULEY,
6 being called as a witness and being duly sworn upon his
7 oath, testified as follows, to-wit:
8

9 DIRECT EXAMINATION

10 BY MR. CARR:

11 Q Will you state your full name and place
12 of residence?

13 A My name is Richard T. McCauley. I reside
14 at 2218 Steamboat Run, Sugarland, Texas.

15 Q By whom are you employed?

16 A Inexco Oil Company.

17 Q In what capacity?

18 A As a reservoir engineer.

19 Q Have you previously testified before this
20 Commission or one of its examiners as a reservoir engineer?

21 A Yes, sir, I have.

22 Q Were your credentials accepted and made a
23 matter of record at that time?

24 A Yes, they were.

25 Q Are you familiar with the application of
Inexco in this case and the special pool rules for the South
Humble City Strawn Pool?

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A Yes, I am.

Q Did you testify in the previous hearing on this matter?

A Yes, I have. I testified at the February 3rd, 1982 hearing.

Q Have you reviewed the testimony offered in those two prior hearings --

A Yes, sir.

Q -- on this matter?

A Yes, I have.

Q And does that testimony remain valid for the purposes of this case here today?

A Yes, it does.

Q Would you --

MR. CARR: Are the witness' qualifications acceptable?

MR. STAMETS: They are.

Q Would you now refer to Inexco Exhibit Number Four, identify this, and explain what it shows?

A Exhibit Number Four is a cumulative production pressure curve for the discovery well, the Lottie York No. 1.

There are three points for this well, two of which were offered in prior hearings, and one new point run by Otis on September -- on the period September 20th to 21st.

Labeled on this exhibit is a bubble point.

1
2 pressure designated as BP, which was offered as an exhibit
3 in the 21st of February, 1983 hearing at that time.

4 This was a laboratory determined bubble
5 point pressure from samples obtained from the well.

6 Point A on the exhibit, which occurs at
7 the intersection of approximately 151,000 barrels and 2901
8 pounds of pressure, is the bottom hole -- that 2901 is the
9 bottom hole pressure obtained in the Lottie York No. 2 on
April 5th, 1983.

10 This plot illustrates the Lottie York No.
11 1 is draining the reservoir in the Lottie York No. 2. There
12 is pressure communication.

13 Q How far apart are these two wells?

14 A These wells are 1200 feet apart.

15 Q Would you now identify Exhibit Number
16 Five for Mr. Stamets?

17 A Exhibit Number Five is the pressure sur-
18 vey on the Lottie York No. 2 run by John West Engineering in
19 Hobbs, New Mexico, on April, the period of April 2nd-5th,
20 1983. This exhibit substantiates the -- is designed to sub-
21 stantiate the point designated as point A on Exhibit Number
Four.

22 Q And these exhibits indicate that there is
23 communication and drainage between the Lottie York No. 1 and
No. 2 Wells.

24 A Yes, there is.

25 Q Will you now refer to what has been

1
2 marked as Exhibit Number Six and review this for Mr. Sta-
3 mets?

4 A Exhibit Number Six is the production
5 curve for the Lottie York No. 1 over the last fifteen
6 months. Also on this curve is the cumulative production to
7 October 1st, 1983.

8 This exhibit gives the barrels of oil
9 per day produced, the gas/oil ratio, and the flowing tubing
pressure.

10 Q What does this exhibit show?

11 A This exhibit shows that the gas/oil, even
12 from the pressure data on Exhibit Four, this exhibit is il-
13 lustrating that the gas/oil ratio has not taken any type of
14 dramatic increase, which we would have seen had we been
15 forming some form of secondary gas cap.

16 I hope this illustrates, also, to the
Commission that this well has excellent productivity.

17 Q Does the permeability data from the prior
18 hearing, showing that a well will drain 80 acres in this
19 area, remain valid for the hearing today?

20 A Yes, it does. I believe that Exhibit
21 Four illustrates the trend is much better than original per-
22 meability calculations.

23 Q And what are Inexco's plans for further
24 development of this pool?

25 A In regard to any type of pressure
maintenance project, we are currently having run relative

1
2 permeability studies by CORE Labs in Dallas on preserved
3 cores obtained in the Lottie York No. 2. This will both be
4 relative permeabilities for gas to oil and oil to water.

5 We have a need for an additional
6 withdrawal point to delineate, to assist in delineating the
7 size of the reservoir and the geological boundaries.

8 In the Lottie York No. 1 we have
9 apparently an AFE out for going in and perforating lower in
10 the Lottie York No. 1 than we originally -- adding some per-
forations lower in the section.

11 Originally we felt that the porosity de-
12 velopment in the lower section of the Strawn in the Lottie
13 York No. 1 was probably not as prolific as the upper sec-
14 tion, and the Lottie York No. 2 Well is slightly less -- has
15 slightly less porosity, and that by going down -- this is
16 correlative porosities -- by going down lower in the Lottie
17 York No. 1, we feel we can add additional zone to the produ-
cer.

18 Inexco as a prudent operator will always
19 strive to recover the most amount of hydrocarbons, as much
20 as economically possible, and I believe Mr. Carlisle has
21 pointed this out, also that in the past fifteen months we
22 have drilled four wells in the field, and we are currently
23 drilling on the fifth well since the original discovery
well.

24 We're in the business to make money and
25 plan to do everything possible to continue the exceptional

1
2 productivity from this field.

3 Q Mr. McCauley, when would a decision be
4 made as to whether or not you would attempt a pressure main-
5 tenance project in this field?

6 A In approximately one year.

7 Q And what recommendation do you have for
8 the Examiner at this time concerning the rules for the South
Humble City Strawn Pool?

9 A That the rules be made permanent or as an
10 alternative, that they be extended for an additional one
11 year period of time.

12 We would request that the rules be made
13 permanent.

14 Q In your opinion will granting this appli-
15 cation be in the best interest of conservation, the preven-
16 tion of waste, and the protection of correlative rights?

17 A Yes, sir.

18 Q Were Exhibits Four, Five, and Six pre-
pared by you or under your direction?

19 A Yes, they were.

20 MR. CARR: At this time, Mr.
21 Stamets, we would offer Exhibits Four, Five, and Six.

22 MR. STAMETS: The exhibits will
23 be admitted.

24 MR. CARR: That concludes our
25 direct.

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MR. STAMETS: Are there questions of the witness? He may be excused.

Anything further in this case?

MR. CARR: Nothing further.

MR. STAMETS: The case will be taken under advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY
CERTIFY that the foregoing Transcript of Hearing before the
Oil Conservation Division was reported by me; that the said
transcript is a full, true, and correct record of the
hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
14 September 1983

EXAMINER HEARING

IN THE MATTER OF:

Case 7473 being reopened pursuant
to the provisions of Order No.
R-7211, Lea County, New Mexico.

CASE
7473

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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MR. STAMETS: We'll call Case
7473.

MR. PEARCE: That case is in
the matter of Case 7473 being reopened pursuant to the pro-
visions of Order No. R-7211, Lea County, New Mexico.

MR. STAMETS: And as shown on
the docket, this case will be continued to the October 12th
Examiner Hearing.

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY
CERTIFY that the foregoing Transcript of Hearing before the
Oil Conservation Division was reported by me; that the said
transcript is a full, true, and correct record of the
hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 2473
heard by me on 9-14 19 83.
Robert P. Starn, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
2 February 1983

EXAMINER HEARING

IN THE MATTER OF:

Case 7473 being reopened pursuant to the provisions of Order No. R-6913, Lea County, New Mexico.	CASE 7473
--	--------------

BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division:	W. Perry Pearce, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501
---------------------------------------	---

For the Applicant:

MR. STOGNER: Call next Case Number 7473.

MR. PEARCE: In the matter of Case 7473
being reopened pursuant to provisions of Order No. R-6913,
which order promulgated temporary special rules and regula-
tions for the South Humble City-Strawn Pool in Lea County,
New Mexico.

Applicant requests that the matter be
continued to February 16th, 1983.

MR. STOGNER: Case Number 7473 will
be continued.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a correct record of the proceedings in
the hearing of Case No. 7473,
heard by me on February 2, 1983.

Michael E. Shaver, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Box 100, S

San Francisco, California 94101

Phone (415) 331-7400



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

POST OFFICE BOX 2080
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-3424

April 15, 1982

Mr. William F. Carr
Campbell, Byrd & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 7473
ORDER NO. D-6913-A

Applicant:

Inexco Oil Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u>X</u>
Artesia OCD	<u>X</u>
Aztec OCD	

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 7473
Order No. R-6913-A

APPLICATION OF INEXCO OIL
COMPANY FOR POOL CREATION,
SPECIAL POOL RULES, AND A
DISCOVERY ALLOWABLE, LEA
COUNTY, NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-6913, dated March 5, 1982, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED:

(1) That Ordering Paragraph No. (2) on page 2 of Order No. R-6913 is hereby corrected to read in its entirety as follows:

"(2) That the discovery well for said pool, the Inexco Oil Company Lottie York Well No. 1, located in Unit P of said Section 14 is hereby assigned an oil discovery allowable of 57,150 barrels."

(2) That the corrections set forth in this order be entered nunc pro tunc as of March 5, 1982.

DONE at Santa Fe, New Mexico, on this 14th day of April, 1982.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


SEAL
fd/



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

October 24, 1983

POST OFFICE BOX 2089
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. William F. Carr
Campbell, Byrd & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 7473
ORDER NO. R-7211-A

Applicant:

Inexco Oil Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	x
Artesia OCD	x
Aztec OCD	

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7473
Order No. R-7211-A

IN THE MATTER OF CASE 7473 BEING
REOPENED PURSUANT TO THE PROVISIONS OF
ORDER NO. R-7211, WHICH ORDER ESTABLISHED
SPECIAL RULES AND REGULATIONS FOR THE
SOUTH HUMBLE CITY-STRAWN POOL, LEA COUNTY,
NEW MEXICO, INCLUDING A PROVISION FOR 80-ACRE
PRORATION UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 12, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of October, 1983, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That by Order No. R-6913, dated March 5, 1982, temporary special rules and regulations were promulgated for the South Humble City-Strawn Pool, Lea County, New Mexico, establishing temporary 80-acre spacing units.
- (3) That Order No. R-7211, dated February 21, 1982, extended said temporary special rules and regulations for a period of six months.
- (4) That pursuant to the provisions of Order No. R-7211, this case was reopened to allow the operators in the subject pool to appear and show cause why the South Humble City-Strawn Pool should not be developed on 40-acre spacing units.

-2-

Case No. 7473

Order No. R-7211-A

(5) That the evidence establishes that one well in the South Humble City-Strawn Pool can efficiently and economically drain and develop 80 acres.

(6) That the Special Rules and Regulations promulgated by Order No. R-6913 and extended by Order No. R-7211 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas in the pool.

(7) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-7211 should be continued in full force and effect until further order of the Division.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the South Humble City-Strawn Pool, Lea County, New Mexico, promulgated by Order No. R-6913, are hereby continued in full force and effect until further order of the Division.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

March 5, 1982

Mr. William F. Carr
Campbell, Byrd & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 7473
ORDER NO. R-6913

Applicant:

Inexco Oil Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	<u> </u>

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7473
Order No. R-6913

APPLICATION OF INEXCO OIL
COMPANY FOR POOL CREATION,
SPECIAL POOL RULES, AND A
DISCOVERY ALLOWABLE, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 3, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 5th day of March, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Inexco Oil Company, seeks the creation of a new oil pool for Strawn production, the promulgation of special pool rules therefor, including a provision for 160-acre spacing and proration units, and the assignment of 57,150 barrels of oil discovery allowable to the discovery well, applicant's Lottie York Well No. 1, located 990 feet from the South line and 660 feet from the East line of Section 14, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That although said Lottie York Well No. 1 is located within one mile of the Humble City-Strawn Pool, the geological evidence presented at the hearing does appear to indicate that said well is producing from a separate common source of supply, and that as the discovery well for said pool, the Lottie York Well No. 1, completed in the Strawn formation through

-2-

Case No. 7473

Order No. R-6913

perforations from 11,430 feet to 11,462 feet, should be assigned an oil discovery allowable in the amount of 57,150 barrels.

(4) That although applicant has requested special pool rules for the subject pool providing for 160-acre spacing and proration units, there is insufficient evidence presently available to justify such spacing, even on a temporary basis, and said request should be denied.

(5) That there is ample evidence in the record of this case to justify the establishment of 80-acre spacing and proration units on a temporary basis, and such temporary spacing should be adopted for a period of one year.

(6) That such temporary rules will not cause waste nor impair correlative rights and should be approved.

(7) That during the one-year period in which this order is in effect, applicant should gather all available information relative to drainage and recoverable reserves in the subject pool.

(8) That this case should be reopened at an examiner hearing in February, 1983, at which time operators in the subject pool should appear and show cause why the subject pool should not be developed on 40-acre spacing and proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool for Strawn production, classified as an oil pool with vertical limits comprising the Strawn formation of Pennsylvanian age, is hereby created and designated as the South Humble City-Strawn Pool, comprising the following described lands in Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMFM
Section 14: SE/4

(2) That the discovery well for said pool, the Inexco Oil Company Lottie York Well No. 1, located in Unit P of said Section 17 is hereby assigned an oil discovery allowable of 57,150 barrels.

(3) That special rules and regulations for the South Humble City-Strawn Pool in Lea County, New Mexico, are hereby promulgated as follows, effective March 1, 1982.

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Case No. 7473
Order No. R-6913

SPECIAL RULES AND REGULATIONS
FOR THE
SOUTH HUMBLE CITY-STRAWN POOL.

RULE 1. Each well completed or recompleted in the South Humble City-Strawn Pool or in the Strawn formation within one mile of the South Humble City-Strawn Pool, and not nearer to or within the limits of another designated Strawn pool shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the South Humble City-Strawn Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. For good cause shown, the Director may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the South Humble City-Strawn Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 4. Each well drilled in the South Humble City-Strawn Pool shall be located within 150 feet of the center of a governmental quarter-quarter section.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the South Humble City-Strawn Pool shall be assigned an 80-acre depth bracket allowable of 445 barrels per day and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the South Humble City-Strawn Pool or in the

-4-

Case No. 7473
Order No. R-6913

Strawn formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before April 1, 1982.

(2) That, pursuant to Paragraph A. of Section 70-2-18, NMSA 1978 Comp., existing wells in the South Humble City-Strawn Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

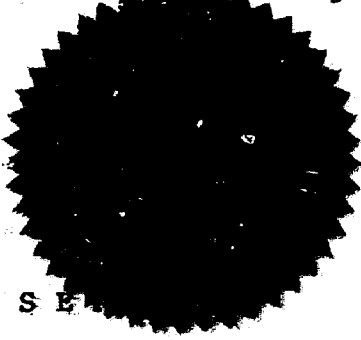
Failure to file new Forms C-102 with the Division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the South Humble City-Strawn Pool or in the Strawn formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(3) That this case shall be reopened at an examiner hearing in February, 1983, at which time the operators in the subject pool may appear and show cause why the South Humble City-Strawn Pool should not be developed on 40-acre proration units.

(4) That applicant's request for 160-acre spacing and proration units is hereby denied.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

S E



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

February 21, 1933

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Kemp Garthey
Campbell, Byrd & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 7473
ORDER NO. R-7211

Applicant:

Inexco Oil Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	x
Artesia OCD	x
Aztac OCD	

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7473
Order No. R-7211

IN THE MATTER OF CASE 7473 BEING
REOPENED PURSUANT TO THE PROVISIONS OF
ORDER NO. R-6913, WHICH ORDER PROMULGATED
SPECIAL RULES AND REGULATIONS FOR THE
SOUTH HUMBLE CITY-STRAWN POOL, LEA COUNTY,
NEW MEXICO, INCLUDING A PROVISION FOR 80-ACRE
SPACING UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 2, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 21st day of February, 1983, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-6913, dated March 5, 1982, temporary special rules and regulations were promulgated for the South Humble City-Strawn Pool, Lea County, New Mexico, establishing temporary 80-acre spacing units.

(3) That pursuant to the provisions of Order No. R-6913, this case was reopened to allow the operators in the subject pool to appear and show cause why the South Humble City-Strawn Pool should not be developed on 40-acre spacing units.

(4) That at the time of this hearing there was insufficient evidence upon which to make a determination that said special pool rules should either be made permanent or rescinded.

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Case No. 7473

Order No. R-7211

(5) That the temporary Special Rules and Regulations for the South Humble City-Strawn Pool should be continued for an additional six months to permit the operators in said pool to gather additional evidence as to the proper spacing and operation of wells therein.

(6) That this case should be reopened at an Examiner Hearing in September, 1983, at which time the operators in said pool should be permitted to appear and present evidence as to the proper spacing and operation of wells in said pool.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the South Humble City-Strawn Pool, Lea County, New Mexico, promulgated by Order No. R-6913, are hereby continued in full force and effect for an additional six month period.

(2) That this case shall be reopened at an Examiner hearing in September, 1983, at which time the operators in said pool should appear and present evidence as to the proper spacing and operation of wells therein.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S

INEXCO LOTTIE YORK #1
Sec. 14 T17S R37E
Lea County, N.M.

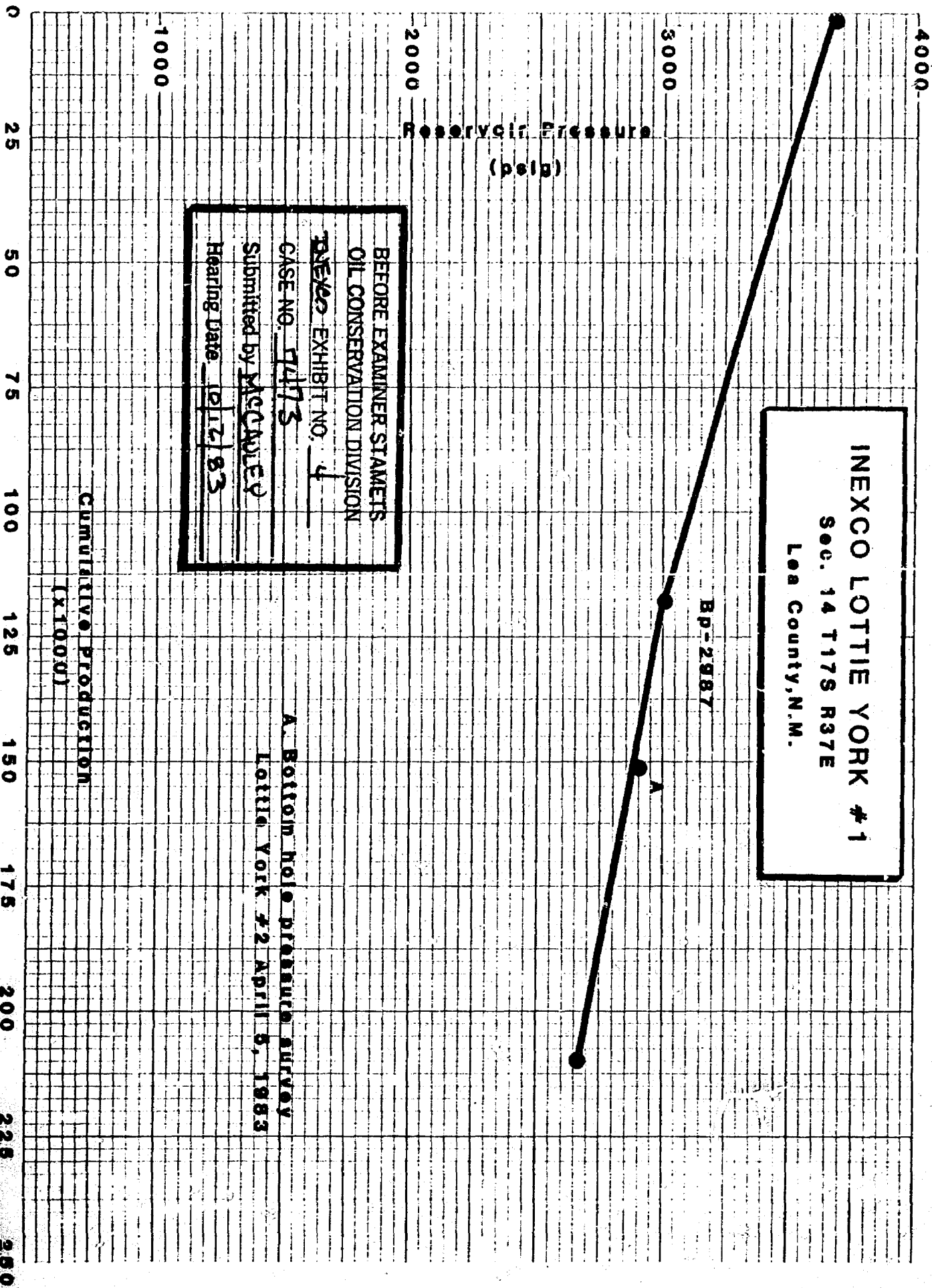
Bp-2987

Reservoir Pressure
(psig)

BEFORE EXAMINER STATEMENTS
OIL CONSERVATION DIVISION
~~INEXCO~~ EXHIBIT NO. 4
CASE NO. 174173
Submitted by McCAULEY
Hearing Date 12/12/83

A. Bottom hole pressure survey
Lottie York #2 April 5, 1983

Cumulative Production
(x1000)

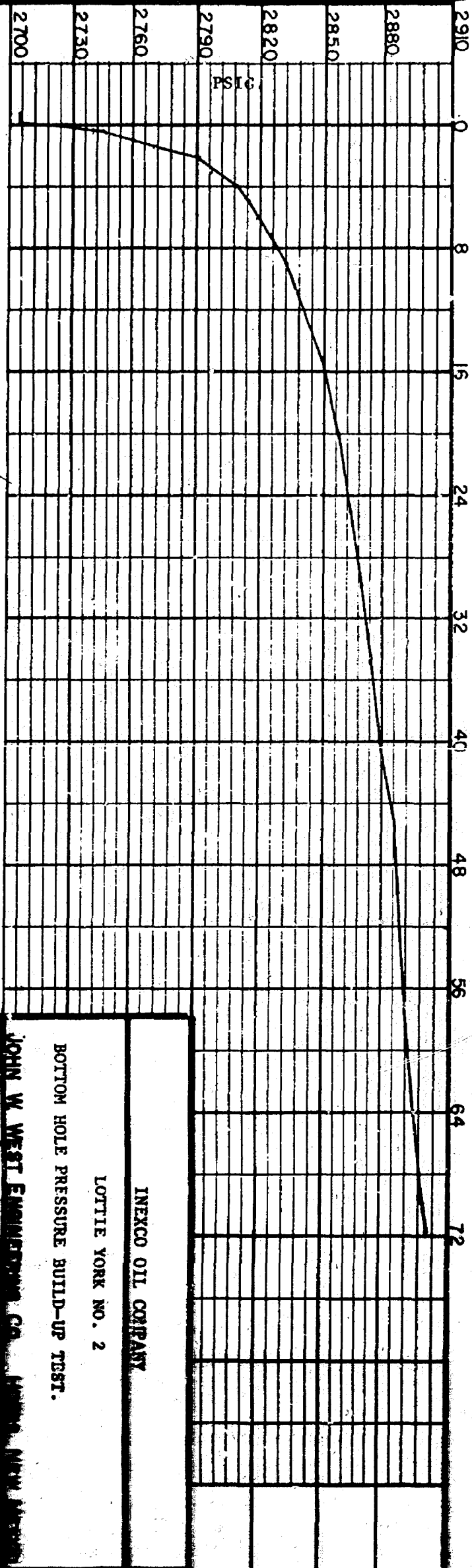


TEST DATE: APRIL 2 to 5, 1983
TEST DEPTH: 11,508 Feet

ELEMENT NO: 18715
RANGE: 0-4500 psi
CLOCK NO: 16436
RANGE: 0-120 Hours

NOTE: SEE TABULATION OF TIMES AND PRESSURES ON ATTACHED SHEET.

TIME IN HOURS



BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

~~INEXCO~~ EXHIBIT NO. 5

CASE NO. 7475

Submitted by McGOWAN

Hearing Date 10/12/83

INEXCO OIL COMPANY

LOTTIE YORK NO. 2

BOTTOM HOLE PRESSURE BUILD-UP TEST.

JOHN W. WEST ENGINEERING CO. NEW YORK, NEW YORK

Date 5-5-83

Drawn by John W. West

Scale 1 inch = 12 hours

INEXCO OIL COMPANY
 LOTTIE YORK NO. 2
 BOTTOM HOLE PRESSURE BUILD-UP TEST
 TABULATION OF TIMES AND PRESSURES

TEST CONDUCTED BY:
 JOHN WEST ENGINEERING COMPANY

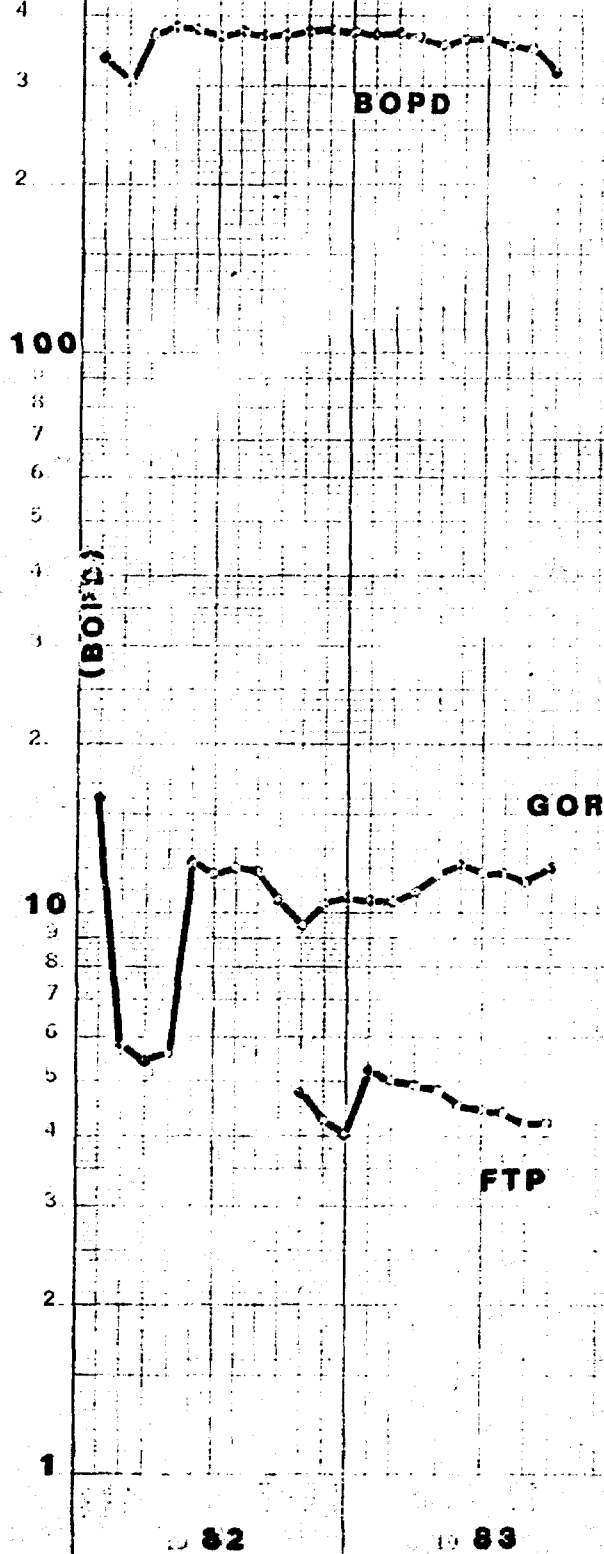
TEST DATE: APRIL 2 to 5, 1983
 TEST DEPTH: 11,508 Feet
 ELEMENT NO: 18715 (0-4500 psi)
 OPERATOR: B.T.

<u>DATE</u>	<u>TIME</u>	<u>CUM HRS./MIN.</u>	<u>PSIG @ 11,508 FEET</u>
5-2-83	7:15 A.M.		2704 Gauge reached 11,508'
	8:00 A.M.	00 Hrs. 00 Min.	2704 Shut-In, Begin Build-Up
	8:15 A.M.	00 15	2735
	8:30 A.M.	00 30	2747
	8:45 A.M.	00 45	2756
	9:00 A.M.	01 00	2762
	9:30 A.M.	01 30	2771
	10:00 A.M.	02 00	2791
	11:00 A.M.	03 00	2796
	12:00 Noon	04 00	2809
	1:00 P.M.	05 00	2814
	2:00 P.M.	06 00	2818
	3:00 P.M.	07 00	2825
	4:00 P.M.	08 00	2827
	5:00 P.M.	09 00	2832
	6:00 P.M.	10 00	2836
5-2-83	11:00 P.M.	15 00	2848
5-3-83	4:00 A.M.	20 00	2857
	9:00 A.M.	25 00	2863
	2:00 P.M.	30 00	2870
5-3-83	7:00 P.M.	35 00	2874
5-4-83	12:00 A.M.	40 00	2879
	5:00 A.M.	45 00	2886
	10:00 A.M.	50 00	2888
5-4-83	8:00 P.M.	60 00	2892
5-5-83	6:00 A.M.	70 00	2899
5-5-83	7:45 A.M.	71 45	2901 Gauge out, end of test.

1000

100,000

INEXCO LOTTIE YORK #1
SEC. 14 T17S R37E
LEA County, N.M.



Cumulative Production 10/1/83
 213,782 BO
 237,266 MCF

BEFORE EXAMINER STAMETS
 OIL CONSERVATION DIVISION

~~INEXCO~~ EXHIBIT NO. 6

CASE NO. 7473

Submitted by MCCAULEY

Hearing Date 10/12/83

(FTP)
(GOR)

1000

100

Docket No. 34-83

Dockets Nos. 37-83 and 38-83 are tentatively set for October 26 and November 9, 1983. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - OCTOBER 11, 1983
OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205, STATE
LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 7959: (Continued from September 14, 1983, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface to the base of the Pictured Cliffs formation underlying the SW/4 of Section 10, Township 25 North, Range 2 West, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Docket No. 35-83

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 12, 1983
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 Michael E. Stogner, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for November, 1983, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for November, 1983, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7972: Application of Bird Oil Corporation for salt water disposal, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Mesaverde formation in the perforated interval from 2,004 feet to 2,175 feet in its Bird Federal 12 Well No. 5 located 2310 feet from the North line and 910 feet from the West line of Section 12, Township 19 North, Range 5 West.

CASE 7946: (Continued from September 28, 1983, Examiner Hearing)

Application of Jerome P. McHugh for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 27, Township 25 North, Range 2 West, and all mineral interests in the Gallup formation underlying the NE/4 SE/4 of said Section 27, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7973: Application of Santa Fe Exploration Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 18, Township 18 South, Range 34 East, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 796: (Continued and Readvertised)

Application of Sun Exploration and Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Abo oil well location 1260 feet from the North line and 1310 feet from the West line of Section 10, Township 23 South, Range 36 East, the NW/4 NW/4 of said Section 10 to be dedicated to the well.

CASE 7974: Application of Phillips Petroleum Company for the amendment of Division Orders R-3181 and R-3181-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Orders R-3181 and R-3181-A to include the injection of water as an approved injection fluid, the conversion of certain producing wells to injection wells, the expansion of the project area for the Vacuum Abo Unit Pressure Maintenance Project, and the establishment of an administrative procedure for the approval of additional injection and producing wells at orthodox and unorthodox locations within the Project area.

CASE 7971: (Continued and Readvertised)
(This case will be continued to October 26, 1983)

Application of Tenneco Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota and Mesaverde formations underlying the E/2 of Section 2, Township 30 North, Range 11 West, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7975: Application of Joe E. Brown for nine unorthodox oil well locations, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of nine unorthodox oil well locations to be drilled on the Farrell Federal Lease as follows:

- Well No. 17 1310 FNL and 1310 FEL
- Well No. 18 1310 FNL and 2630 FEL
- Well No. 19 1310 FNL and 1330 FNL
- Well No. 20 2630 FNL and 1310 FNL
- Well No. 21 2630 FSL and 1310 FEL
- Well No. 22 2630 FSL and 2630 FNL
- Well No. 23 1310 FSL and 1310 FNL
- Well No. 24 1310 FSL and 2630 FNL
- Well No. 25 1310 FSL and 1330 FEL

All in Section 28, Township 7 South, Range 33 East.

CASE 7473: (Continued from September 14, 1983, Examiner Hearing)

In the matter of Case 7473 being reopened pursuant to the provisions of Order No. R-7211, Lea County, New Mexico. The operator of the South Humble City-Strawn Pool should appear and present evidence as to the proper spacing and operation of wells therein.

CASE 7976: Application of Morris R. Antweil for reclassification of the North San Simon-Yates Pool as an associated pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of the North San Simon-Yates Pool in Township 21 South, Range 35 East, as an associated pool subject to the provisions of Division Order R-5353 including specified oil and gas spacing units and well locations.

- CASE 7977: Application of Chama Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface to the base of the Mississippian formation underlying the N/2 of Section 8, Township 19 South, Range 16 East, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7978: Application of Chama Petroleum Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface to the base of the Mississippian formation underlying the S/2 of Section 23, Township 19 South, Range 25 East, to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the South line and 660 feet from the East line of said Section 23. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7945: (Continued from September 28, 1983, Examiner Hearing)
- Application of J. Cleo Thompson for statutory unitization, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of a secondary recovery project, all mineral interests in the Grayburg-San Andres formation underlying the West Square Lake Unit Area encompassing 3,500 acres, more or less, of State and Federal lands underlying portions of Sections 26, 32, 33, 34, 35 and 36 of Township 16 South, Range 30 East, and Sections 2 and 4 of Township 17 South, Range 30 East. The unitized interval would be the Grayburg-San Andres formation between the depths of 2818 feet and 3150 feet in Newmont Oil Company's Etz "C" No. 1 Well located in Section 34, Township 16 South, Range 30 East. 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 the 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 well 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 7955: (Continued from September 28, 1983, Examiner Hearing)
- Application of Bliss Petroleum, Inc. for the rescission of Order No. R-2789, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-2789 which approved the South Panrose Skelly Unit.
- CASE 7979: Application of Northwest Pipeline Corporation for the contraction of the Basin-Dakota Pool, creation of a new oil pool, and special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order deleting certain lands in Township 25 North, Range 2 West, from the Basin-Dakota Pool. Applicant further seeks the creation of a new oil pool in said township and range with the vertical limits defined as being from the base of the Mesaverde formation to the base of the Dakota formation and the promulgation of special pool rules including a provision for 160-acre spacing.
- CASE 7980: Application of Jerome P. McHugh for the creation of a new oil pool and special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool from the base of the Mesaverde formation to the base of the Dakota formation in Townships 24 and 25 North, Range 2 West, to be designated as the Cavilan Oil Pool with special pool rules including a provision for 320-acre spacing.

CASE 1981: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting vertical limits, and extending certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Bone Spring production and designated as the Northeast Black River-Bone Spring Gas Pool. The discovery well is The Desana Corporation State AK Well No. 1 located in Unit K of Section 32, Township 23 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 32: SW/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yeso production and designated as the Cemetery-Yeso Pool. The discovery well is the Amoco Production Company Rio Siete Well No. 1 located in Unit J of Section 11, Township 20 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 11: SE/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Chosa Draw-Morrow Gas Pool. The discovery well is The Superior Oil Company Delta Federal Well No. 1 located in Unit G of Section 7, Township 25 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM
Section 7: E/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the West Dark Canyon-Delaware Pool. The discovery well is the Exxon Corporation New Mexico DI State Well No. 1 located in Unit E of Section 19, Township 23 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 19: NW/4

- (e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yeso production and designated as the East Dayton-Yeso Pool. The discovery well is the Read and Stevens, Inc. Fair Well No. 1 located in Unit F of Section 30, Township 18 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 30: NW/4

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Empire-Atoka Gas Pool. The discovery well is the Exxon Corporation New Mexico CY State Well No. 1 located in Unit J of Section 23, Township 17 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 23: E/2

- (g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Owen Mesa-Morrow Gas Pool. The discovery well is The Superior Oil Company Oscar State Well No. 1 located in Unit J of Section 36, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 36: N/2

- (h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the South Red Hills-Atoka Gas Pool. The discovery well is the Amoco Production Company State IT Well No. 1 located in Unit F of Section 16, Township 26 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 33 EAST, NMPM
Section 16: W/2

- (i) CONTRACT the vertical limits of the Rhodes Yates-Seven Rivers Gas Pool in Lea County, New Mexico, to include from top of Yates formation to a point in the Seven Rivers formation which is 100 feet above the top of the Queen formation, to correct an overlap with Langlie Mattix Seven Rivers-Queen-Grayburg Pool in an area described as:

TOWNSHIP 2 SOUTH, RANGE 37 EAST, NMPM
Section 5: E/2

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 3: S/2

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 27: NE/4

- (l) EXTEND the South Carlsbad-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 19: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 21: All

- (n) EXTEND the Dublin Ranch-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 34: All

- (o) EXTEND the Grayburg-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 22: W/2
Section 27: NW/4

- (p) EXTEND the South Haystack-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 27 EAST, NMPM
Section 18: NE/4

- (q) EXTEND the South Humble City-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 13: SW/4

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

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 13: NW/4

- (s) EXTEND the South Kemnitz Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 32: N/2

- (t) EXTEND the Langlie Mattix Seven Rivers-Queen-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 5: NE/4

- (u) EXTEND the McMillan-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 8: All
Section 17: All

- (v) EXTEND the Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 29: W/2

- (w) EXTEND the Railroad Mountain-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM
Section 32: S/2 S/2

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

TOWNSHIP 14 SOUTH, RANGE 28 EAST, NMPM
Section 9: NE/4
Section 10: NW/4

- (y) EXTEND the Sals Dunes-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 23: All
Section 26: W/2

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

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 36: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 16: NE/4

- (bb) EXTEND the Southeast Scharb-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 15: N/2

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

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 22: N/2, SE/4, N/2 SW/4, and
SE/4 SW/4

- (dd) EXTEND the Travis-Yates Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 19: NE/4 and E/2 NW/4
Section 20: N/2

- (ee) EXTEND the Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 23: SW/4

- (ff) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 36: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 2: SW/4

Docket No. 36-83

DOCKET: COMMISSION HEARING - TUESDAY - OCTOBER 18, 1983
OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 7982: Application of Yates Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1980 feet from the North line and 990 feet from the West line of Section 20, Township 9 South, Range 27 East, to test all formations from the top of the Wolfcamp through the Montoya formation, the N/2 of said Section 20 to be dedicated to the well.

CASE 7983: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the SW/4 of Section 20, Township 9 South, Range 27 East, and all mineral interests in all formations below the top of the Wolfcamp formation underlying the S/2 of said Section 20, said units to be dedicated to a single well to be drilled at an unorthodox location 1980 feet from the South line and 660 feet from the West line of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7984: Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through and including the Abo formation underlying the SW/4 of Section 20, Township 9 South, Range 27 East, and from the top of the Wolfcamp formation to the Precambrian formation underlying the W/2 of said Section 20, said units to be dedicated to a single well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Dockets Nos. 33-83 and 34-83 are tentatively set for October 12 and October 26, 1983. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 14, 1983

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 Michael E. Stogner, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1983, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for October, 1983, from four prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico.

CASE 7945: (Continued from August 31, 1983, Examiner Hearing)

Application of J. Cleo Thompson for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Square Lake Unit Area, comprising 3,500 acres, more or less, of State and Federal lands in Townships 16 and 17 South, Range 30 East.

CASE 7954: Application of Moroilco Inc. 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 intervals from 3857 feet to 3862 feet and 3880 feet to 3896 feet in its Miller Federal Well No. 2 located 1980 feet from the South line and 660 feet from the East line of Section 33, Township 7 South, Range 31 East.

CASE 7946: (Continued from August 31, 1983, Examiner Hearing)

Application of Jerome P. McHugh for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 27, Township 25 North, Range 2 West, and all mineral interests in the Gallup formation underlying the NE/4 SE/4 of said Section 27, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7934: (Continued and Readvertised)

Application of Yates Petroleum Corporation for infill findings and amendment of Orders R-3169 and R-3169-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that 90 wells drilled as second or subsequent wells on proration units in the Eagle Creek-San Andres Pool, Eddy County, New Mexico, were infill wells necessary for the effective and efficient drainage of reserves under the proration unit. Applicant also seeks the amendment of Division Order Nos. R-3169 and R-3169-A, Eagle Creek-San Andres Pool, to permit the optional drilling and production of more than one well on a proration unit, such wells being necessary to affectively and efficiently drain the reserves under said proration unit.

CASE 7935: (Continued and Readvertised)

Application of Yates Petroleum Corporation for a waterflood project and unorthodox injection well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project to facilitate the study of future unitization of the Eagle Creek-San Andres Field for secondary recovery and to inject water into the San Andres formation in four wells and to drill one producing well all to be drilled at unorthodox locations in the W/2 of Section 23, Township 17 South, Range 25 East.

CASE 7956: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the base of the Morrow formation underlying the N/2 of Section 12, Township 18 South, Range 25 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North and East lines of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7947: (Continued from August 31, 1983, Examiner Hearing)

Application of BRC Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the disposal of produced salt water into the Delaware formation in the perforated interval from 3,300 feet to 4,600 feet in its Ross Draw Federal Well No. 1 located 660 feet from the North line and 1980 feet from the West line of Section 33, Township 26 South, Range 30 East. Applicant further seeks to have itself, or in the alternative, Stateline, Ltd., a New Mexico limited partnership, named as operator of this injection well.

CASE 7957: Application of Coastal Oil & Gas Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location in the NE/4 NW/4 of Section 4, Township 10 South, Range 33 East, the NE/4 NW/4 of said Section 4 to be dedicated to the well. Special Pool Rules for the Flying "M"- San Andres Pool are applicable to this Section and require that wells be drilled in the NW/4 or SE/4 of the quarter-quarter section.CASE 7936: (Continued from August 31, 1983, Examiner Hearing)

Application of Hilliard Oil & Gas Inc. for temporary special pool rules, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special pool rules for the Cedar Point-Strawn Pool to provide for 80-acre proration units and specified orthodox well locations in order to assure orderly development of the pool and protect correlative rights. Applicant requests that the temporary special rules and regulations be established for a one-year period.

CASE 7952: (Continued and Readvertised)

Application of Inaxco Oil Company for compulsory pooling, unorthodox location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface to the top of the Mississippian formation underlying a non-standard proration unit comprising the SE/4 SW/4 and SW/4 SE/4 of Section 13, Township 17 South, Range 37 East, at an unorthodox location 800 feet from the South line and 2,550 feet from the West line of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7473: (Reopened)
(This Case will be continued to October 12, 1983)

In the matter of Case 7473 being reopened pursuant to the provisions of Order No. R-7211, Lea County, New Mexico. The operator of the South Humble City-Strawn Pool should appear and present evidence as to the proper spacing and operation of wells therein.

CASE 7558: Application of Reading and Bates Petroleum Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface to the base of the Atoka formation underlying the SE/4 of Section 24, Township 16 South, Range 35 East, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the South and East lines of this Section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.CASE 7959: Application of Southland Royalty Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface to the base of the Pictured Cliffs formation underlying the SW/4 of Section 10, Township 25 North, Range 2 West, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.CASE 7955: Application of Bliss Petroleum, Inc. for the rescission of Order No. R-2789, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-2789 which approved the South Penrose Skelly Unit.

CASE 7960: 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 Chaves, Eddy, and Lea Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Diamondtail-Atoka Gas Pool. The discovery well is the Superior Oil Company Triste Draw Gulf Federal Well No. 1 located in Unit N of Section 11, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 11: S/2

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the West McDonald-Pennsylvanian Pool. The discovery well is the Harvey E. Yates Company Richardson Pae Well No. 3 located in Unit D of Section 5, Township 14 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM
Section 5: NW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the West Pearl-San Andres Pool. Further, to assign approximately 28,085 barrels of discovery allowable to the discovery well the Gulf Oil Corporation Lea AQ State Well No. 1 located in Unit A of Section 32, Township 15 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 32: NE/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Northwest Red Hills-Atoka Gas Pool. The discovery well is The Superior Oil Company Paduca Federal Unit Com Well No. 1 located in Unit H of Section 22, Township 25 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 32 EAST, NMPM
Section 22: E/2

- (e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Red Tank-Morrow Gas Pool. The discovery well is The Superior Oil Company Connally Federal Well No. 1 located in Unit J of Section 15, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 15: S/2

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

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 15: All
Section 16: All

- (g) EXTEND the Avalon-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 4: All
Section 9: W/2

- (h) EXTEND the Bear Draw Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 21: S/2

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

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 31: NW/4

- (j) EXTEND the East Burton-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 16: SW/4
Section 21: NW/4

- (k) EXTEND the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 15: All
Section 16: All

- (l) EXTEND the East Eagle Creek Atoka-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 15: All

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

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM
Section 16: SW/4

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

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 9: NE/4
Section 10: N/2

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

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM
Section 30: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 30: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 30: NE/4

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

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 18: NE/4

- (s) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 22 EAST, NMPM
Section 1 through 4: All
Sections 9 through 16: All
Sections 21 through 28: All
Sections 33 through 36: All

TOWNSHIP 6 SOUTH, RANGE 23 EAST, NMPM
Section 7: All
Section 18: All
Section 19: All
Section 30: All
Section 31: All

TOWNSHIP 7 SOUTH, RANGE 22 EAST, NMPM
Section 3: All
Section 4: All
Sections 9 through 11: All
Sections 14 through 16: All
Sections 21 through 28: All
Sections 33 through 36: All

TOWNSHIP 7 SOUTH, RANGE 23 EAST, NMPM
Section 15: W/2

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPH
 Sections 1 through 4: All
 Sections 9 through 11: All
 Section 12: SW/4
 Section 13: W/2
 Sections 14 through 16: All
 Sections 21 and 22: All
 Section 23: W/2 and NE/4
 Section 24: NW/4

TOWNSHIP 9 SOUTH, RANGE 22 EAST, NMPH
 Section 1: E/2
 Section 12: E/2
 Section 13: E/2
 Section 24: E/2

TOWNSHIP 9 SOUTH, RANGE 23 EAST, NMPH
 Section 6: W/2
 Section 7: All
 Section 18: W/2
 Section 19: W/2

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

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

- (u) EXTEND the Springer Basin-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPH
 Section 11: S/2

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

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPH
 Section 10: S/2 S/2
 Section 15: NE/4

Docket No. 31-83

DOCKET: COMMISSION HEARING - FRIDAY - SEPTEMBER 16, 1983

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 203,
 STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 7925: (Rehearing)

Application of Chama Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface to the base of the Mississippian formation underlying the E/2 of Section 22, Township 19 South, Range 25 East; to be dedicated to a well to be re-entered at a standard location thereon. Also to be considered will be the cost of re-entering and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in re-entering said well. Upon application of Anadarko Production Company and Chama Petroleum Company, this case is being reopened for rehearing.

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 22, 1983

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

CASE 7961: Application of Bass Enterprises Production Company for an unorthodox location and to form a drilling island, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 560 feet from the North line and 660 feet from the West line of Section 4, Township 21 South, Range 30 East, for a well to be drilled to test the Morrow formation at approximately 13,000 feet below the surface. Applicant further seeks the establishment of a drilling island with a 250 foot radius around this unorthodox location for the drilling of additional wells at a future date.

CASE 7891: (Reopened)

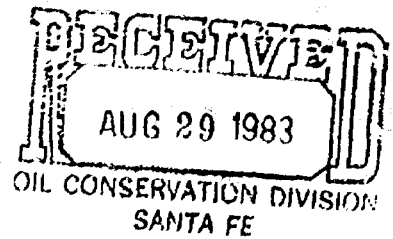
In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider certain amendments to the Geothermal Rules and Regulations. This case is being reopened by the Commission to consider the adoption of a distinctive rule numbering system to comply with State Record Center requirements. In addition, the Commission will consider any supplementary comments of the rule amendments considered at its hearing on June 1, 1983, dealing with certain proposed amendments to definitions and bonding requirements and the addition of a class of well known as a thermal gradient well. Copies of all rule changes and forms as presently proposed are available for inspection during normal business hours at the main office of the Oil Conservation Division, State Land Office Building, Santa Fe, and at the Division's District Offices in Artesia, Aztec and Hobbs.

CASE 7962: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider certain amendments to Rule 902 of the Oil and Gas Rules and Regulations. The Commission will consider proposed amendments to Rule 902 to extend the coverage of this Ratable Take rule to include casinghead gas produced from oil wells. This proposed rule change is in conformance with amendments made to the Oil and Gas Act by the New Mexico Legislature. Copies of the proposed rule changes are available for inspection during normal business hours at the main office of the Oil Conservation Division, State Land Office Building, Santa Fe, and at the Division's District Offices in Artesia, Aztec and Hobbs.



INEXCO OIL COMPANY

August 24, 1983



Mr. Joe D. Ramey
Oil Conservation Division
New Mexico Department of
Energy and Minerals
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 7473, Order No. R-7211
South Humble City Strawn Pool AH NM 181
Lea County, New Mexico

Dear Mr. Ramey:

On February 21, 1983, it was ordered that:

1. The Special Rules and Regulations governing the South Humble City Strawn Pool, Lea County, New Mexico, promulgated by Order No. R-6913, were to be continued in full force and effect for an additional six month period.
2. This case be reopened at an Examiner hearing in September 1983, at which time the operators in said pool should appear and present evidence as to the proper spacing of the wells therein.
3. Jurisdiction of this cause be retained for the entry of such further orders as the Division may deem necessary.

We hereby respectfully request that Inexco Oil Company be allowed an extension of time from September 1983 and that the case be heard at an Examiner hearing on October 12, 1983.

Since the February 21, 1983 hearing, Inexco has drilled two additional producing wells in the field being the Lottie York # 2 well located in a W/2 SE/4 Sec 14-T17S, R37E eighty acre proration unit and the Norris #1 well located in an eighty acre proration unit comprised of the W/2 SW/4 Sec. 13-T17S, R37E. We are presently on the August 31, 1983 docket for our Norris # 2 well with an application for compulsory pooling, unorthodox location and non-standard proration unit.

If an extension is granted, our testimony will be able to present a better production history for the Norris # 1 well which was potentiated on 8-15-83, along with the records for the Lottie York # 1 and #2 wells. We hopefully will also have some information pertinent to the field, from our Norris #2

Page two

which will hopefully be drilling or near t.d. at the time of an October 12, 1983 hearing.

Your consideration to our request is deeply appreciated.

Very truly yours,



L.J. Tacconi
Area Landman

LJT/bkb

CC/ Bill Carr of
Campbell, Byrd and Black
Dick McCauley
Gordon Talk
Chuck Caughey
Roy Anderson
Joel Carlisle

Reservoir Fluid Study
INEXCO OIL COMPANY
Lottie York No. 1 Well
Humble City Field
Lea County, New Mexico
RFL 830015

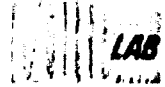
BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
INEXCO	EXHIBIT NO. <u>2</u>
CASE NO.	<u>7473</u>
Submitted by	<u>KARL</u>
Hearing Date	<u>2/16/83</u>

Reservoir Fluid Analysis



January 31, 1983

CORE LABORATORIES, INC.



Inexco Oil Company
211 Highland Cross
Suite 201
Houston, TX 77073

P. L. Moser
Manager
Reservoir Fluid Analysis

Attention: Mr. Ken Karl

Subject: Reservoir Fluid Study
Lottie York No. 1 Well
Humble City Field
Lea County, New Mexico
RFL 830015

Gentlemen:

Samples of separator gas and liquid were collected from the subject well during a production test occurring on December 16, 1982. These samples were submitted to our Dallas laboratory for use in a reservoir fluid study and the results of this study are presented in the following report.

The hydrocarbon composition of the separator gas was measured by routine gas chromatography. The hydrocarbon composition of the separator liquid was measured through hexanes by low temperature fractional distillation. At the conclusion of this distillation, the physical properties of the heptanes plus residue fraction were determined. After correcting the separator gas production rate for the factors shown on page one, the producing gas/liquid ratio was calculated to be 1167 cubic feet of separator gas at 15.025 psia and 60°F. per barrel of stock tank liquid at 60°F. In the laboratory, this ratio was found to be equivalent to 1158 standard cubic feet of separator gas per barrel of separator liquid at 34 psig and 60°F. This gas/liquid ratio was used in conjunction with the measured hydrocarbon compositions of the separator products to calculate the hydrocarbon composition of the producing well stream material. All of the aforementioned compositional data may be found on page two. The separator gas and liquid samples were then physically recombined in their producing gas/liquid ratio and the resulting fluid was used for the remainder of the study.

A small portion of the recombined reservoir fluid was charged to a high pressure visual cell and thermally expanded to the reported reservoir temperature of 165°F. During a constant composition expansion at this temperature, the fluid was found to have a bubble point pressure of 2987 psig. The close proximity of this value to the stated reservoir pressure of 3021 psig indicates that the fluid exists in the formation

Inexco Oil Company
Lottie York No. 1 Well

Page Two

as a saturated oil phase. The results of the pressure-volume measurements performed on the recombined reservoir fluid at 165°F. are presented on page four.

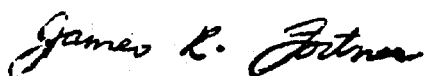
The reservoir fluid was then subjected to viscosity measurements over a wide range of pressures at 165°F. in a rolling ball viscosimeter. The fluid was found to have a minimum viscosity of 0.241 centipoise at the saturation pressure. A tabulation of the viscosity measurements may be found on page five; a graphical interpretation of these data is given on page seven.

A sample of stock tank oil was then created in the laboratory utilizing some of the separator liquid. This stock tank oil was subjected to an ASTM distillation, the results of which are presented on page six.

Thank you for the opportunity to perform this reservoir fluid study. Should you have any questions or if we may be of further assistance in any manner, please do not hesitate to call upon us.

Very truly yours,

CORE LABORATORIES, INC.



James R. Fortner
Area Manager
Reservoir Fluid Analysis

JRF:lj

7 cc: Addressee

CORE LABORATORIES, INC.
Reservoir Fluid Analysis

Page 1 of 7

File RFL 830015

Company Inexco Oil Company Date Sampled December 16, 1982

Well Lottie York No. 1 County Lea

Field Humble City State New Mexico

FORMATION CHARACTERISTICS

Formation Name	Strawn
Date First Well Completed	January 6, 1982
Original Reservoir Pressure	3669 PSIG @ 11346 Ft.
Original Produced Gas/Liquid Ratio	1300 SCF/Bbl
Production Rate	386 Bbls/Day
Separator Pressure and Temperature	40 PSIG °F.
Liquid Gravity at 60°F.	43.6 °API
Datum	Ft. Subsea

WELL CHARACTERISTICS

Elevation	3735 GL	Ft.
Total Depth	11856	Ft.
Producing Interval	11430-11462	Ft.
Tubing Size and Depth	2-7/8 In. to 11369	Ft.
Open Flow Potential		MMSCF/Day
Last Reservoir Pressure	3021 PSIG @ 11446	Ft.
Date	December 12, 1982	
Reservoir Temperature	165 °F. @ 11446	Ft.
Status of Well	Shut in	
Pressure Gauge	Amerada	

SAMPLING CONDITIONS

Flowing Tubing Pressure	400	PSIG
Flowing Bottom Hole Pressure		PSIG
Primary Separator Pressure	34	PSIG
Primary Separator Temperature	45	°F.
Secondary Separator Pressure		PSIG
Secondary Separator Temperature		°F.
Field Stock Tank Liquid Gravity	43.6	°API @ 60°F.
Primary Separator Gas Production Rate	437.8	MSCF/Day
Pressure Base	15.025	PSIA
Temperature Base	60	°F.
Compressibility Factor (F _{pv})		
Gas Gravity (Laboratory)	1.0758	
Gas Gravity Factor (F _g)	0.864	
Stock Tank Liquid Production Rate @ 60°F.	375	Bbls/Day
Primary Separator Gas/Stock Tank Liquid Ratio	1167	SCF/Bbl
		Bbls/MMSCF
Sampled by	Tefteller, Inc.	

REMARKS:

These analyses, opinions or interpretations are based on observations and material supplied by the client to whom, and for whose exclusive and confidential use, this report is made. The interpretations or opinions expressed represent the best judgement of Core Laboratories, Inc. (all errors and omissions are excepted); but Core Laboratories, Inc. and its officers and employees, assume no responsibility and make no warranty, representation or guarantee for the accuracy or completeness of the data or the results of the analyses.

CORE LABORATORIES, INC.
Reservoir Fluid Analysis

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File RFL 830015

Well Lottie York No. 1

HYDROCARBON ANALYSES OF SEPARATOR PRODUCTS AND CALCULATED WELL STREAM

Component	Separator Liquid, Mol Percent	Separator Gas		Well Stream, Mol Percent
		Mol Percent	GPM	
Hydrogen Sulfide	0.00	0.00		0.00
Carbon Dioxide	0.01	1.97		1.24
Nitrogen	0.02	2.65		1.67
Methane	0.86	63.05		39.88
Ethane	1.72	15.58	4.249	10.42
Propane	4.53	10.55	2.960	8.31
iso-Butane	1.26	1.20	0.400	1.22
n-Butane	5.18	3.21	1.032	3.94
iso-Pentane	2.93	0.65	0.243	1.50
n-Pentane	3.45	0.59	0.218	1.66
Hexanes	5.95	0.31	0.129	2.41
Heptanes plus	74.09	0.24	0.111	27.75
	100.00	100.00	9.342	100.00

Properties of Heptanes plus

API gravity @ 60°F.	39.3		
Density, Gm/Cc @ 60°F.	0.8278		0.828
Molecular weight	181	103	181

Calculated separator gas gravity (air=1.000) = 0.864
Calculated gross heating value for separator gas = 1431 BTU
per cubic foot of dry gas @ 15.025 psia and 60°F.

Primary separator gas collected @ 34 psig and 45°F.
Primary separator liquid collected @ 34 psig and 45°F.

Primary separator gas/separator liquid ratio = 1158 SCF/Bbl @ 60°F.
Primary separator liquid/stock tank liquid ratio = 1.008 Bbls @ 60°F./Bbl

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CORE LABORATORIES, INC.
Reservoir Fluid Analysis

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File PFL 830015

Well Lottie York No. 1

VOLUMETRIC DATA OF RESERVOIR FLUID SAMPLE

Saturation pressure (bubble point pressure) = 2987 PSIG @ 165°F.

Specific volume at saturation pressure = 0.02604 ft³/lb @ 165°F.

Thermal expansion @ 5000 PSIG = 1.07100 V @ 165°F./V @ 70°F.

Compressibility @ 165°F.:

From 5000 PSIG to 4000 PSIG = 15.40×10^{-6} V/V/PSI

From 4000 PSIG to 3500 PSIG = 17.84×10^{-6} V/V/PSI

From 3500 PSIG to 2987 PSIG = 20.04×10^{-6} V/V/PSI

CORE LABORATORIES, INC.
Reservoir Fluid Analysis

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File RFL 830015

Well Lottie York No. 1

PRESSURE-VOLUME RELATIONS AT 165°F.
(Constant Composition Expansion)

<u>Pressure, PSIG</u>	<u>Relative Volume(1)</u>	<u>Y Function(2)</u>
5000	0.9658	
4500	0.9730	
4000	0.9809	
3500	0.9897	
3300	0.9936	
3200	0.9957	
3100	0.9977	
3000	0.9997	
2987 Bubble Point	1.0000	
2963	1.0022	3.726
2941	1.0043	3.586
2894	1.0094	3.390
2802	1.0212	3.095
2665	1.0410	2.934
2493	1.0707	2.786
2309	1.1104	2.643
2096	1.1702	2.480
1880	1.2501	2.335
1646	1.3704	2.180
1422	1.5310	2.051
1194	1.7716	1.922
957	2.1618	1.798
738	2.7660	1.691
548	3.7619	1.569

- (1) Relative Volume: V/V_{sat} is barrels at indicated pressure per barrel at saturation pressure.
- (2) Y Function = $\frac{(P_{sat}-P)}{(P_{abs})(V/V_{sat}-1)}$

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CORE LABORATORIES, INC.
Reservoir Fluid Analysis

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File RFL 830015

Well Lottie York No. 1

VISCOSITY DATA AT 165°F.

<u>Pressure, PSIG</u>	<u>Viscosity, Centipoise</u>
5000	0.289
4500	0.277
4000	0.266
3500	0.254
3100	0.244
2987 Bubble Point	0.241
2700	0.267
2400	0.299
2100	0.334
1800	0.375
1500	0.419
1200	0.471
900	0.525
600	0.585
300	0.664
100	0.767
0	1.144

Gravity of residual oil = 42.0°API @ 60°F.

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CORE LABORATORIES, INC.
Reservoir Fluid Analysis

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File RFL 830015

Well Lottie York No. 1

ASTM D-86 DISTILLATION
OF STOCK TANK LIQUID SAMPLE

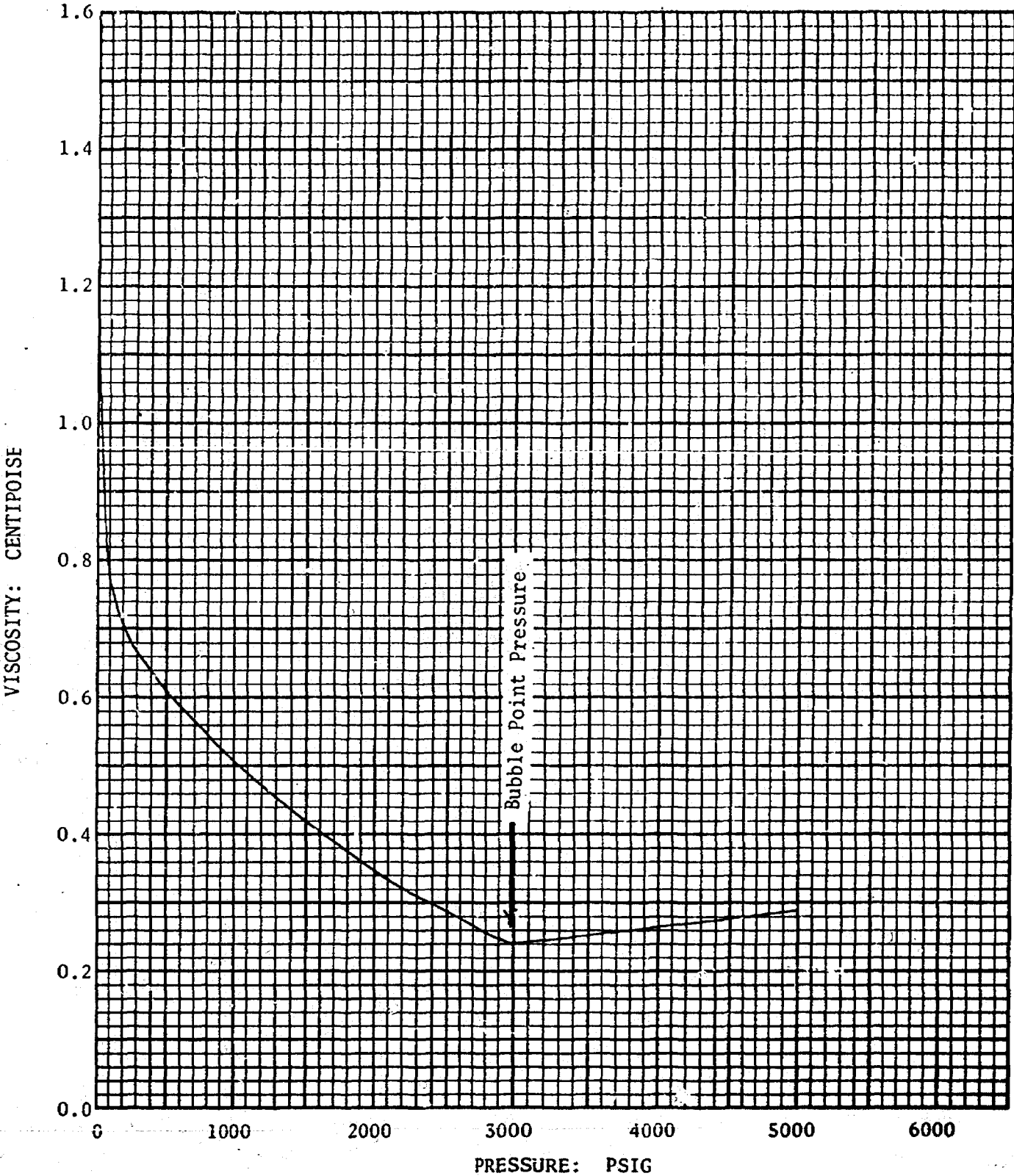
<u>Percent Recovered</u>	<u>Temp., °F.</u>
IBP	105
5	148
10	189
20	247
30	299
40	370
50	458
60	559
70	643
80	693
85.5 EP	700

Recovery: 85.5%
Loss : 2.5%
Residue : 12.0%

Gravity of original sample = 44.2°API @ 60°F.

VISCOSITY OF RESERVOIR FLUID AT 165°F.

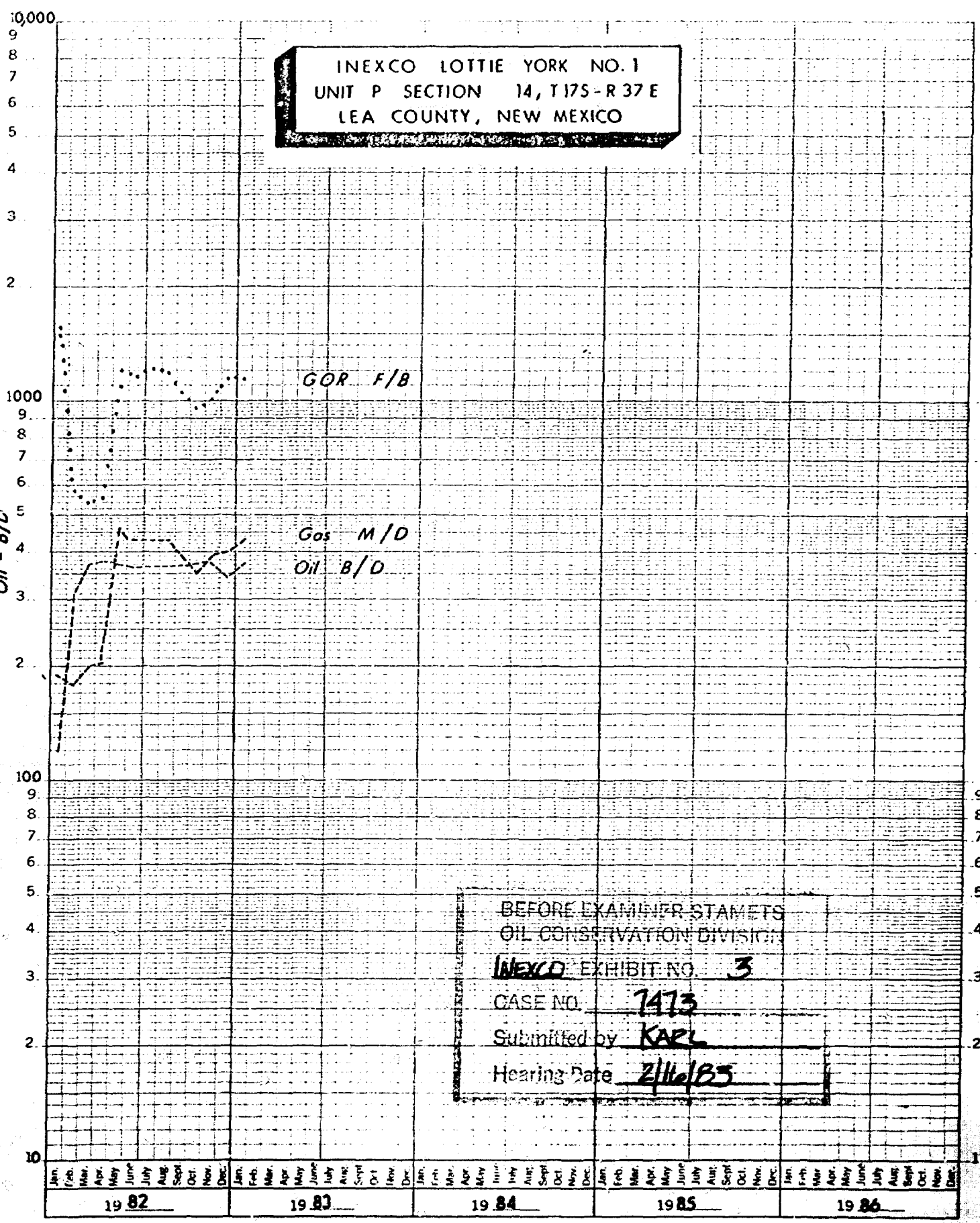
Company	INEXCO OIL COMPANY	Formation	STRAWN
Well	LOTTIE YORK NO. 1	County	LEA
Field	HUMBLE CITY	State	NEW MEXICO



GOR - F/B
Gas - M/D
Oil - B/D
K-E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

46 6690

INEXCO LOTTIE YORK NO. 1
UNIT P SECTION 14, T17S-R 37 E
LEA COUNTY, NEW MEXICO



3020

3000

2980

2960

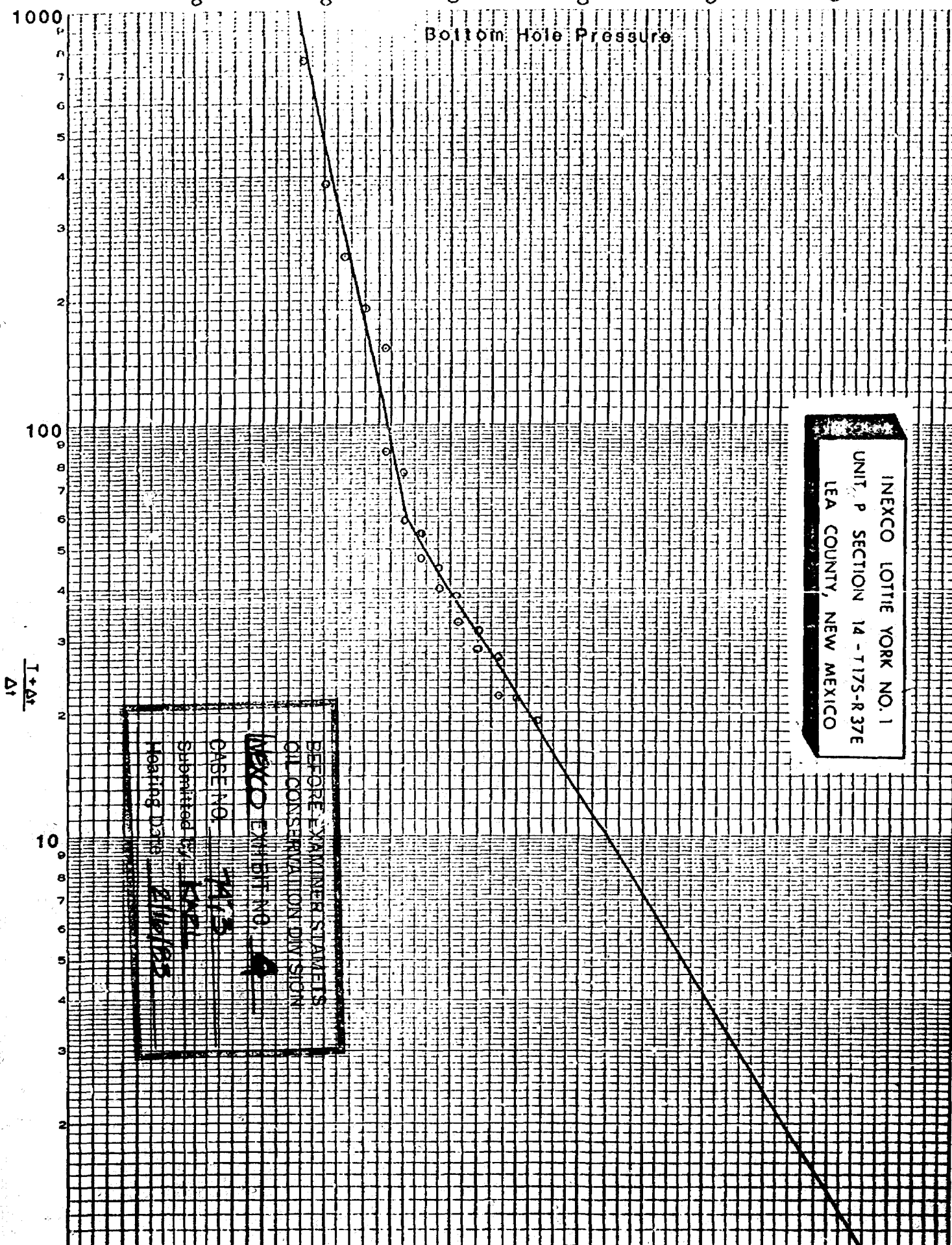
2940

2920

2900

Bottom Hole Pressure

INEXCO LOTTE YORK NO. 1
UNIT, P SECTION 14 - T17S-R37E
LEA COUNTY, NEW MEXICO



INEXCO LOTTIE YORK #1
UNIT P, SECTION 14, T17S, R37E
LEA COUNTY, NEW MEXICO

Permeability Calculations:

from Horner plot $m = 14$ psi/cycle

$$kh = \frac{162.6 \text{ quB}}{m}$$

where $q = 373$ bbl (12/10/82)
 $m = 14$ psi/cycle
 $u = 0.25$ cp
 $Bo = 1.7$

$$kh = \frac{162.6 (373) (0.25) (1.7)}{14}$$

$$kh = \frac{25,776}{14} = 1,841$$

assuming $h = 32$ $k = 57$ md

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

INEXCO EXHIBIT NO. 5

CASE NO. 7473

Submitted by KARL

Hearing Date 2/16/83

TEST DATE: JANUARY 12-16, 1982
TEST DPTH: 11,346 FEET

ELEMENT NO: 34912
RANGE: 0-8000 PSI
CLOCK NO: 7656
RANGE: 0-120 HOURS

TEST CONDUCTED BY:
JOHN WEST ENGINEERING COMPANY

INEXCO

CASE NO. 7473

5A

DATE

1-12-82
1-12-82

TIME

11:30 A.M.
11:45 A.M.

CUM HRS. / MIN.

00 Hrs. 00 Min.
00 15
01 00
02 00
03 00
04 00
05 00
10 00
20 00
30 00

PSIG @ 11,346 FEET

Shut-In

3645 Gauge reached 11,346 Feet

3649

3657

3659

3661

3663

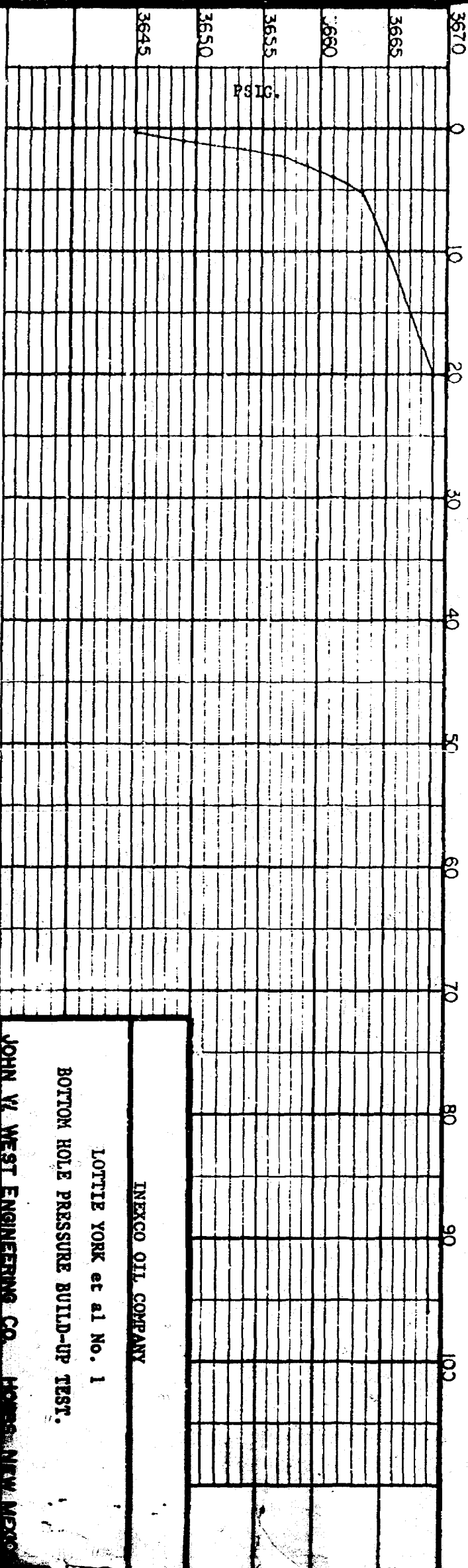
3665

3669

3669 Gauge out, End of Test.

NOTE: Bottom Hole Pressure gauges were run in tandem for this test.
The elements checked within 1/10 of 1% accuracy as specified by the manufacturer.

TIME IN HOURS



JOHN W. WEST ENGINEERING CO. HOUSTON, NEW MEXICO
Date 1-18-82 Drawn by: bjm Scale: as shown

INEXCO LOTTIE YORK No. 1
UNIT P SECTION 14, T17S-R37E
LEA COUNTY, NEW MEXICO

Bottom Hole Pressure

3700
3680
3660
3640
3620
3600

1000

7
6
5
4
3
2
100
5
4
3
2
1
10
9
8
7
6
5
4
3
2
1

46 5493

$\frac{t+\Delta t}{\Delta t}$

INEXCO LOTTIE YORK No. 1
UNIT P SECTION 14, T17S-R37E
LEA COUNTY, NEW MEXICO
CASE NO. 7473

SEMILOGARITHMIC • LOTTIE YORK
KEUFFEL & ESSER CO. MADE IN U.S.A.

EXHIBIT 11-1

EXHIBIT #354

Inexco Lottie York #1
Unit P, Section 14, T17S-R37E
Lea County, New Mexico

Permeability Calculations:

from Horner plot $m = 13$ psi/cycle

$$kh = \frac{162.6 q \mu \beta}{m}$$

where $q = 392$ bbl (1/12/82)
 $m = 13$ psi/cycle
 $\mu = .812$ cp
 $\beta_0 = 1.29$

$$kh = \frac{162.6(392)(.812)(1.29)}{13}$$

$$kh = \frac{66766}{13} = 5136$$

assuming $h = 32$

$k = 160$ md.

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
INEXCO	EXHIBIT NO. <u>52</u>
CASE NO.	<u>7473</u>

INEXCO OIL COMPANY
CASE 7473
EXHIBIT 6

*Test prod test
GOR 1319*

SHAW #1 Section 15, T17S, R37E
DST (11319-480)
Recovery - 2000' Oil
1000' Gas Cut Mud
ISIP 3585 -- 1 hr
Flowing Pressures 852 to 1590 psi
FSIP 3866 -- 4 hr

35000

Initial Production 424 BO
(11350-377) GOR = 1700
FTP 380 psi on 24/64 choke
45.9° API

SHIPP #1 Section 11, T17S, R37E
DST (11420-11475)
Recovery - 1.35 ft³ Gas
780 cc Oil
320 cc Oil & Gas Cut Mud
ISIP 4830
Final Flow 791
FSIP 4830

Initial Production 286 BO
Trace Water
286 mcf
1600 psi 10/64 choke
46.9° API (DST)

LOTTIE YORK #1 Section 14, T17S, R37E
BHP - 3669

Initial Production 379 BO
500 mcf Gas
FTP 880 psi 14/64 choke
41.2° API

*per Conley:
18 mos necessary
to accumulate
data nec to
prove 160*

*40
360
80
445
605-160
18
649*

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
INEXCO	EXHIBIT NO. 6
CASE NO. 7473	

Dockets Nos. 9-83 and 10-83 are tentatively set for March 2 and March 16, 1983. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 16, 1983

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 Michael E. Stogner, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1983, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1983, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1983, for both of the above areas.

CASE 7703: (Continued from January 5, 1983, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cortez Corporation, United States Fire Insurance Company and all other interested parties to appear and show cause why the Fair Well No. 1, located in Unit D of Section 24, Township 18 South, Range 26 East, Eddy County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7747: (Continued from January 5, 1983, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Jack P. Grimm, N. B. Hunt, George R. Brown & AM-Artic, Ltd., The Travelers Indemnity Company, and all other interested parties to appear and show cause why the Mobil-32 Well No. 1 located in Unit D of Section 32, Township 25 South, Range 1 East, Dona Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7787: (Continued from February 2, 1983, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to redesignate the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to the Bunker Hill-Penrose Associated Pool and include therein the general rules as outlined in Order No. R-5353 along with special rules to include the following: 40-acre proration units for oil wells; 160-acre proration units for gas wells; oil wells no closer than 330 feet to the outer boundary of the quarter-quarter section; gas wells no closer than 330 feet to the outer boundary of the quarter-quarter section.

CASE 7793: Application of Northwest Exploration Co. for discovery allowable, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of approximately 34105 barrels of discovery allowable for the Gavilan-Gallup Pool to the discovery well, Gavilan Well No. 1, located 930 feet from the North line and 910 feet from the East line of Section 26, Township 25 North, Range 2 West.

CASE 7755: (Continued and Readvertised)

Application of Sovereign Oil Co. for directional drilling and an unorthodox location San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its proposed 32-6 Well No. 1 from a surface location 1730 feet from the North line and 900 feet from the West line of Section 9, Township 32 North, Range 6 West, by kicking off from the vertical at a depth of 1500 feet and drilling in a northerly direction in such a manner as to penetrate the Pictured Cliffs formation at an unorthodox location within 50 feet of a point 1500 feet from the North line and 900 feet from the West line and to penetrate the Mesaverde formation at an unorthodox location no nearer than 1100 feet from the North line and no nearer than 700 feet from the West line, all in said Section 9, dedicating the N/2 of said Section 9 to the well to the Mesaverde and the NW/4 to the Pictured Cliffs.

CASE 7789: (Continued and Readvertised)

Application of Amoco Production Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinberry, Drinkard, Wantz-Abo and Wantz-Granite Wash production in the wellbore of its State "C" Tract 13 Well No. 10 located 990 feet from the North line and 1980 feet from the West line of Section 36, Township 21 South, Range 37 East.

- CASE 7794:** Application of Jerome P. McHugh for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 21, Township 25 North, Range 2 West, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7795:** Application of Slayton Oil Corporation for an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 2,290 feet from the North line and 1,825 feet from the East line of Section 20, Township 29 North, Range 14 West, Cha Cha-Gallup Oil Pool, the W/2 NE/4 of said Section 20 to be dedicated to the well.
- CASE 7796:** Application of Belco Petroleum Corp. for directional drilling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its James Ranch Well No. 14 from an unorthodox surface location 100 feet from the South line and 1980 feet from the West line of Section 6, Township 23 South, Range 31 East vertically to a depth of approximately 8360 feet and then directionally to a bottom hole location within 100 feet of a point 660 feet from the North line and 1980 feet from the West line of Section 7, Township 23 South, Range 31 East, the N/2 of said Section 7 to be dedicated to the well.
- CASE 7758:** (Continued and Readvertised)
- Application of Cabana Oil Corporation for a non-standard proration unit and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Abo test well to be drilled 1000 feet from the South line and 1080 feet from the East line of Section 32, Township 17 South, Range 39 East, and a 66.87-acre non-standard proration unit comprising the SE/4 SW/4 and Lot 4 of said Section 32 to be dedicated to the well.
- CASE 7797:** Application of Inexco Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1650 feet from the South and East lines of Section 14, Township 17 South, Range 37 East, this unorthodox location constituting an exception to Rule 4 of the Special Rules and Regulations for the South Humble City-Strawn Pool promulgated by Division Order R-6913. The W/2 SE/4 of said Section 14 is to be dedicated to the well.
- CASE 7473:** (Continued from February 2, 1983, Examiner Hearing)
- In the matter of Case 7473 being reopened pursuant to the provisions of Order No. R-6913 which order promulgated temporary special rules and regulations for the South Humble City-Strawn Pool in Lea County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why pool should not be developed on 40-acre spacing units.
- CASE 7798:** Application of Sundance Oil Company for salt water disposal, Roosevelt 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 4146 feet to 4156 feet in its Chambers Federal Well No. 1 located 600 feet from the South and East lines of Section 30, Township 7 South, Range 32 East.
- CASE 7778:** (Continued and Readvertised)
- Application of H. L. Brown for directional drilling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill his Shell State Well No. 1, the surface location of which is 609 feet from the South line and 1665 feet from the East line of Section 32, Township 15 South, Range 32 East, in such a manner as to bottom said well in the Morrow formation at an unorthodox location within a 100 foot radius of a point 717 feet from the South line and 1057 feet from the East line of Section 32 at a depth of approximately 12,700 feet, the S/2 of said Section 32 to be dedicated to the well. Applicant further seeks authority to continue the deviated hole for an unorthodox location in the Devonian formation within a 100 foot radius of a point 727 feet from the South line and 1017 feet from the East line of said Section 32.
- CASE 7799:** Application of Rio Pecos Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North and West lines of Section 32, Township 16 South, Range 34 East, to test the Wolfcamp and Pennsylvanian formations, the N/2 of said Section 32 to be dedicated to the well.

- CASE 7800:** Application of Tenneco Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Dakota formation underlying the W/2 of Section 16, Township 26 North, Range 8 West, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7801:** Application of Tenneco Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Mesaverde formation underlying the E/2 of Section 27, Township 32 North, Range 9 West, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7802:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing and extending vertical and horizontal limits on certain pools in Eddy and Lea Counties:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Hay Hollow-Bone Spring Pool. The discovery well is the Qunah Petroleum, Inc. Hay A Federal Well No. 1 located in Unit D of Section 13, Township 26 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NMPM
Section 13: NW/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Gatuna Canyon-Atoka Gas Pool. The discovery well is the TXO Production Company Keohane Federal Com Well No. 1 located in Unit H of Section 33, Township 19 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 33: E/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Strawn production and designated as the South Parkway-Strawn Pool. The discovery well is TXO Production Company Williamson Federal Well No. 4 located in Unit F of Section 15, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 15: NW/4

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Salt Draw-Morrow Gas Pool. The discovery well is the Amoco Production Company, State MA Com Well No. 1 located in Unit H of Section 3, Township 25 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM
Section 3: E/2

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the White City-Wolfcamp Gas Pool. The discovery well is The Superior Oil Company Meador Federal Well No. 1 located in Unit B of Section 14, Township 25 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 25 EAST, NMPM
Section 14: N/2

- (f) ABOLISH the Townsend-Cisco Pool in Lea County, New Mexico described as:

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

This acreage will come under the redesignated Townsend-Permo Upper Pennsylvanian Pool.

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 12: S/2

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 7: NE/4 and S/2
Section 17: NW/4
Section 18: All

Productive acreage will be placed in the redesignated Townsend-Permo Upper Pennsylvanian Pool.

- (h) EXTEND the vertical limits of the Townsend-Wolfcamp Pool in Lea County, New Mexico, to include the Upper Pennsylvanian formation and redesignate said pool as the Townsend-Permo Upper Pennsylvanian Pool with vertical limits defined as from the top of the Wolfcamp formation at 9,572 feet to the base of the Canyon formation at 10,772 feet as found on type log Kimbark Oil and Gas Company New Mexico State 4 Well No. 1 located in Unit N of Section 4, Township 16 South, Range 35 East, NMPM.

Further, extend the horizontal limits of Townsend-Permo Upper Pennsylvanian Pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 7: NE/4 and S/2
Section 8: W/2 SW/4
Section 17: N/2 NW/4
Section 18: N/2 N/2

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 12: S/2

- (i) EXTEND the vertical limits of the Turkey Track Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include the San Andres formation and redesignate said pool to the Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool.
- (j) EXTEND the West Atoka-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 15: N/2

- (k) EXTEND the Atoka Glorieta-Yaso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 35: NW/4

- (l) EXTEND the Black River-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM
Section 12: N/2

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 14: S/2

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 3: S/2
Section 4: All
Section 5: E/2

- (o) EXTEND the Cedar Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 4: S/2
Section 5: S/2
Section 6: All

- (p) EXTEND the Chalk Bluff-Wolfcamp Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 3: NW/4
Section 4: N/2

- (q) EXTEND the East Custer-Devonian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 7: NW/4 and S/2

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 2: Lots 1 through 8

- (s) EXTEND the Hoag Tank-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 7: All
Section 17: All
Section 18: All

- (t) EXTEND the South Kasmitz Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 27: S/2
Section 28: S/2

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 14: W/2
Section 15: All

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

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM
Section 5: W/2 SE/4
Section 8: NE/4

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

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

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

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

DOCKET: COMMISSION HEARING - THURSDAY - FEBRUARY 17, 1983

9 A.M. -- OIL CONSERVATION COMMISSION - ROOM 203
STATE LAND OFFICE BUILDING, SANTA FE,
NEW MEXICO

CASE 7757: (Continued from December 16, 1982, Examiner Hearing)

Application of Loyle Hartman for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a gas well to be drilled at least 1,550 feet but not more than 1750 feet from the North line and at least 230 feet but not more than 430 feet from the West line of Section 33, Township 24 South, Range 37 East, Jalmat Gas Pool, the NW/4 of said Section 33 to be simultaneously dedicated to said well and to applicant's Northshore Woolworth Wells Nos. 3 and 5, located in Units E and C, respectively of said Section 33.

CASE 7803: Application of Jack Grynberg and Associates for determination of reasonable well costs and apportionment of production, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks determination of reasonable well costs as provided for by Division Order R-6930-A, Chaves County, New Mexico, and for apportionment of just and equitable shares of production of the oil or gas, or both, produced on the proration unit pooled by such order.CASE 7782: (Continued from January 19, 1983, Examiner Hearing)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation only underlying the NE/4 of Section 18, Township 9 South, Range 27 East, and in the Wolfcamp through Ordovician formations only, underlying the E/2 of said Section 18, said units to be dedicated to a single well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7763: (Continued from January 19, 1983, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Abo formation underlying the NW/4 and from the Wolfcamp through the Ordovician formations underlying the E/2 of Section 18, Township 9 South, Range 27 East, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7771: (Continued from January 25, 1983, Commission Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Abo formation underlying the NE/4 of Section 18, Township 9 South, Range 27 East, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

DOCKET: COMMISSION HEARING - WEDNESDAY - FEBRUARY 23, 1983

9 A.M. - OIL CONSERVATION COMMISSION - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases were continued from the January 25, 1983, Commission Hearing:

CASE 7744: (De Novo)

Application of Clements Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the NE/4 of Section 14, Township 14 South, Range 34 East, High Plains-Penn Pool, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Upon application of Perry A. Poole, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7786: Application of Doyle Hartman for directional drilling, simultaneous dedication, non-standard proration unit, unorthodox location and infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to directionally drill his Northshore Woolworth Well No. 6 from an unorthodox surface location in the Jalmat Gas Pool, no less than 1,550 feet and no more than 1750 feet from the North line and no less than 230 feet and no more than 430 feet from the West line of Section 33, Township 24 South, Range 37 East, to a bottom hole location 1,980 feet from the North line and 660 feet from the West line of said Section 33, for approval of the simultaneous dedication of the wells on a previously approved non-standard 160-acre proration unit comprising the NW/4 of Section 33, Township 24 South, Range 37 East, and for authorization to drill the above described well as an infill well necessary to efficiently and effectively drain a portion of the reservoir covered by a previously established proration unit.

Dockets Nos. 6-83 and 7-83 are tentatively set for February 16 and March 2, 1983. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - TUESDAY - FEBRUARY 1, 1983

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

The following case will be heard before Richard L. Stamets, Examiner, or Michael E. Stogner, Alternate Examiner:

CASE 7753: (Continued and Readvertised)

Application of El Paso Natural Gas Company for the reclassification of marginal gas wells in the prorated gas pools of Northwest New Mexico and the suspension of certain proration rules. Applicant, in the above-styled cause, proposes that there not be any marginal wells in the four prorated gas pools in San Juan, Rio Arriba and Sandoval Counties, during January, February, and March 1983, and to accomplish this, seeks the reclassification of all marginal wells in said pools as non-marginal wells effective January 1, 1983, said wells to become non-marginal wells with a zero net over/under produced status as of January 1, but to be eligible for reclassification to marginal after March 31, if their production-allowable history from January 1 through March 31 so justifies. Applicant also proposes that all non-marginal wells in December, 1982, would continue to be classified as non-marginal at least until March 31, and would continue to accumulate their net over/under produced status. Further, applicant proposes that no well would be reclassified as marginal until after the March, 1983, production has been reported, when all provisions of Rule 16-A of the Special Rules for prorated gas pools in Northwest New Mexico as promulgated by Order No. R-1670, as amended, would be again applicable. Applicant further proposes that Rule 15B of the prorated gas pool rules which pertains to the shutting-in of wells which are six times over-produced would be suspended for the period from January through June of 1983 to accommodate those wells which may be subject to shut-in as the result of assignment of lower than normal allowables during the first six months of 1983. Also, applicant further proposes that average production of 1,000 Mcf per month or less be established as the level which will qualify wells in each of the prorated gas pools for classification as exempt marginal wells. In the alternative to the reclassification of all wells as marginal, applicant proposes that a level of production be determined, based upon appropriate evidence, below which wells would automatically retain their classification as marginal.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 2, 1983

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

The following cases will be heard before Michael E. Stogner, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 7787:

In the matter of the hearing called by the Oil Conservation Division on its own motion to redesignate the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to the Bunker Hill-Penrose Associated Pool and include therein the general rules as outlined in Order No. R-5353 along with special rules to include the following: 40-acre proration units for oil wells; 160-acre proration units for gas wells; oil wells no closer than 330 feet to the outer boundary of the quarter-quarter section; gas wells no closer than 330 feet to the outer boundary of the quarter-quarter section.

CASE 7788: Application of Amoco Production Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Airstrip Upper Bone Spring and Airstrip Lower Bone Spring production in the wellbore of its State "FU" Well No. 2, located 960 feet from the South line and 1980 feet from the West line of Section 25, Township 18 South, Range 34 East.

CASE 7789: Application of Amoco Production Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry, Drinkard, Wantz-Abo and Wantz-Granite Wash production in the wellbore of its State "C" Tract 13 Well No. 10, located 990 feet from the North line and 1980 feet from the West line of Section 36, Township 21 South, Range 36 East.

CASE 7776: (Continued from January 19, 1983, Examiner Hearing)

Application of TXO Production Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Pennsylvanian gas well location 990 feet from the South line and 660 feet from the East line of Section 7, Township 21 South, Range 26 East, the S/2 of said Section 7 to be dedicated to the well.

CASE 7721: (Continued and Readvertised)

Application of C. C. Maloney and John C. Ryan for compulsory pooling or a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 11, Township 19 South, Range 30 East, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well. In the alternative, applicant seeks approval of a 280-acre non-standard proration unit comprising the NW/4, N/2 SW/4 and SE/4 SW/4 of said Section 11.

CASE 7790: Application of Dugan Production Corp. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Undesignated Gallup and Basin-Dakota production in the wellbore of its April Surprise Well No. 4 located 1710 feet from the South line and 830 feet from the West line of Section 19, Township 24 North, Range 9 West.

CASE 7791: Application of R. E. Lauritsen for an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 1190 feet from the North line and 1850 feet from the West line of Section 11, Township 29 North, Range 15 West, Cha-cha Gallup Pool, the E/2 NW/4 of said Section 11 to be dedicated to the well.

CASE 7765: (Continued from January 19, 1983, Examiner Hearing)

Application of Enserch Exploration for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1100 feet from the South line and 100 feet from the West line of Section 25, Township 7 South, Range 28 East, South Elkins-Pusselman Pool, the SW/4 SW/4 of said Section 25 to be dedicated to the well.

CASE 7321: (Reopened)

In the matter of Case 7321 being reopened pursuant to the provisions of Order No. R-6764 which order promulgated temporary special rules and regulations for the Peterson-Mississippian Pool in Roosevelt County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing units.

CASE 7473: (Reopened)

In the matter of Case 7473 being reopened pursuant to the provisions of Order No. R-6913 which order promulgated temporary special rules and regulations for the South Humble City-Strawn Pool in Lea County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why pool should not be developed on 40-acre spacing units.

CASE 7774: (Continued from January 19, 1983, Examiner Hearing)

Application of McClellan Oil Corp. for an increase in injection pressure, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject water into its Sulimar Queen Unit Waterflood Project at a wellhead pressure of approximately 1090 psi, said pressure yielding a bottom-hole hydrostatic pressure in excess of the indicated formation fracture pressure for the Sulimar-Queen Pool.

CASE 7772: (Continued from January 19, 1983, Examiner Hearing)

Application of Texaco Inc. for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox injection well located 180 feet from the North line and 40 feet from the East line of Section 3, Township 18 South, Range 34 East, Vacuum Grayburg-San Andres Pool, the NE/4 NE/4 of said Section 3 to be dedicated to the well.

CASE 7792: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order abolishing and extending certain pools in Rio Arriba and San Juan Counties:

- (a) ABOLISH the Bloomfield Chacra Pool in San Juan County, New Mexico, heretofore classified, defined and described as:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 7: SW/4
Section 8: SE/4
Section 9: S/2
Section 10: S/2
Section 11: S/2
Section 12: S/2
Sections 15 thru 19: All
Section 20: NW/4
Section 22: NW/4
Section 30: N/2

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 4: SW/4
Section 5: SE/4
Section 7: All
Section 10: S/2
Section 11: S/2
Sections 12 thru 14: All
Section 15: E/2
Section 20: W/2
Section 22: E/2
Sections 23 and 24: All
Section 25: N/2 and SE/4
Section 26: All
Section 27: E/2 and SW/4
Section 28: S/2
Section 29: All
Section 30: NE/4
Section 31: N/2
Section 32: N/2
Section 33: N/2 and SE/4
Sections 34 and 35: All

All lands from abolished pool are to be placed in the Otero-Chacra Pool

- (b) ABOLISH the Harris Mesa Chacra Pool in San Juan County, New Mexico, heretofore classified, defined, and described as:

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM

Section 2: E/2 and NW/4
Section 5: N/2
Section 6: NE/4
Section 11: E/2 and SW/4
Section 12: W/2
Section 13: N/2
Section 14: NE/4

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Section 19: SE/4
Section 26: All
Section 27: S/2
Section 28: S/2
Section 29: E/2 and NW/4
Section 30: NE/4
Section 32: E/2
Section 34: N/2
Section 35: All

All lands from abolished pool are to be placed in the Otero-Chacra Pool.

Examiner Hearing - WEDNESDAY -
FEBRUARY 2, 1983

- (c) ABOLISH the Largo Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, heretofore classified, defined and described as:

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM

Section 5: SW/4
Section 6: E/2 and SW/4
Sections 7 and 8: All
Section 9: W/2 and SE/4
Section 15: SW/4
Section 16 thru 21: All
Section 22: N/2 and SW/4
Section 27: NW/4
Sections 28 thru 30: All
Section 33: W/2

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM

Section 1: SE/4
Section 2: SW/4
Section 3: S/2
Section 4: SE/4
Section 9: N/2 and SE/4
Sections 10 thru 15: All
Section 16: E/2 and SW/4
Section 17: SE/4
Section 22: N/2
Section 23 thru 26: All
Section 27: S/2
Section 35: NW/4

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM

Section 31: SE/4

All lands from abolished pool are to be placed in the Otero-Chacra Pool.

- (d) EXTEND the Otero Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined and described, to include the acreage previously dedicated to the Bloomfield-Chacra, Harris Mesa-Chacra, and the Largo Chacra Pools, and other acreage described as:

TOWNSHIP 16 NORTH, RANGE 5 WEST, NMPM

Section 20: W/2

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM

Section 5: NW/4 and SE/4

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM

Section 5: SW/4
Section 6: E/2 and SW/4
Sections 7 and 8: All
Section 9: W/2 and SE/4
Section 15: SW/4
Sections 16 thru 21: All
Section 22: N/2 and SW/4
Section 27: W/2
Sections 28 thru 30: All
Section 32: All
Section 33: All
Section 34: W/2

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMFM

Section 1: SE/4
Section 2: SW/4
Section 3: S/2
Section 4: SE/4
Section 7: All
Section 8: All
Section 9: All
Sections 10 thru 15: All
Section 16: All
Section 17: N/2 and SE/4
Section 18: N/2
Section 22: N/2
Sections 23 thru 26: All
Section 27: S/2
Section 35: NW/4

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMFM

Section 2: E/2 and NW/4
Section 3: N/2
Section 4: N/2
Section 5: N/2
Section 6: NE/4
Section 11: E/2 and SW/4
Section 12: All
Section 13: N/2
Section 14: NE/4

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMFM

Section 31: SE/4

All lands from abolished pool are to be placed in the Otero-Chacra Pool.

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMFM

Section 19: SE/4
Section 26: All
Section 27: S/2
Section 28: S/2
Section 29: All
Section 30: S/2 and NE/4
Section 31: All
Section 32: All
Section 33: All
Section 34: All
Section 35: All

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMFM

Section 7: E/2
Sections 8 thru 16: All
Section 17: E/2
Section 20: E/2
Sections 21 thru 26: All
Sections 35 thru 36: All

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMFM

Section 7: SW/4
Section 8: SE/4
Section 9: S/2
Section 10: S/2
Section 11: S/2
Section 12: S/2
Sections 15 thru 19: All
Section 20: NW/4
Section 22: NW/4
Section 30: All
Sections 31 thru 35: All

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 4: SW/4
Section 5: SE/4
Section 9: All
Section 10: S/2
Section 11: S/2
Sections 12 thru 14: All
Section 15: All
Section 16: All
Section 20: All
Section 21: All
Section 22: All
Sections 23 and 24: All
Section 25: All
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 30: NE/4
Section 31: N/2
Section 32: N/2
Section 33: N/2 and SE/4
Sections 34 and 35: All
Section 36: All

Dockets Nos. 6-82 and 7-82 are tentatively set for February 17 and March 3, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - FEBRUARY 2, 1982

OIL CONSERVATION COMMISSION - 9 A.M.
ROOM 205, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

The following cases were continued from the January 11, 1982, Commission hearing:

CASE 7393: (DE NOVO)

Application of Uriah Exploration Incorporated for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco, Canyon and Morrow formations underlying the W/2 of Section 13, Township 22 South, Range 24 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

Upon application of Supron Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7394: (DE NOVO)

Application of Supron Energy Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian well to be drilled 467 feet from the North line and 1650 feet from the West line of Section 13, Township 22 South, Range 24 East, the N/2 of said Section 13 to be dedicated to the well.

Upon application of Supron Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

Docket No. 5-82

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 3, 1982

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 7469: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit H. M. Bailey & Associates, Commercial Union Insurance Company, and all other interested parties to appear and show cause why the following wells on the H. M. Bailey Lease, Township 21 South, Range 1 West, Dona Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program: In Section 10: Nos. 9 in Unit A, 9, 11, 12, and 13 in Unit B, 10 and 14 in Unit C; and No. 15 in Unit C of Section 9.

CASE 7470: Application of Wayne Moore for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Delaware River Unit Area, comprising 2,560 acres more or less, of State and fee lands in Township 26 South, Range 28 East.

CASE 7471: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the South Lynch State Unit Area, comprising 1920 acres, more or less, of State lands in Township 21 South, Range 33 East.

CASE 7472: Application of Grace Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Buffalo-Deep East Unit Area, comprising 2543 acres, more or less, of Federal and State lands in Townships 18 and 19 South, Range 33 East.

CASE 7462: (Continued from January 20, 1982, Examiner Hearing)

Application of Marathon Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinbry production in the wellbore of its C. J. Saunders Well No. 3, located in Unit C of Section 1, Township 22 South, Range 36 East.

CASE 7473: Application of Inexco Oil Company for pool creation, special pool rules and discovery allowable Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for its Lottie York Well No. 1 located in Unit P of Section 14, Township 17 South, Range 37 East, with special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of 57,150 barrels of discovery allowable to said well.

CASE 7453: (Continued and Readvertised)

Application of T. D. Skelton for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Mississippian formations underlying the NE/4 NW/4 of Section 7, Township 12 South, Range 38 East, to be dedicated to the re-entry of an old well at a standard location thereon or to a new well to be drilled at a standard location if such re-entry is unsuccessful. Also to be considered will be the cost of re-entering and completing said well and the drilling of the new well, if necessary, and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in re-entry and/or drilling said wells.

CASE 7451: (Continued from January 20, 1982, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Abo formation underlying the SE/4 of Section 11, Township 6 South, Range 25 East, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7474: Application of Union Oil Company of California for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn, Atoka and Morrow formations underlying the E/2 of Section 25, Township 19 South, Range 33 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7475: Application of C & K Petroleum, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Casey-Strawn Pool underlying the E/2 SE/4 of Section 28, Township 16 South, Range 37 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7476: Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying two 160-acre gas spacing units, being the NE/4 and SE/4, respectively, of Section 12, Township 5 South, Range 24 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 7477: Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying the NE/4 of Section 30, Township 6 South, Range 25 East, 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7448: (Continued and Readvertised)

Application of Energy Reserves Group, Inc. for creation of a new associated pool and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new associated pool to be designated the South Peterson P. 11 Associated Pool, comprising the NW/4 of Section 30, Township 5 South, Range 33 East, the S/2 of Section 11, the S/2 of Section 12, and the N/2 of Section 13, Township 6 South, Range 33 East. Applicant further seeks the establishment of special pool rules including 40-acre spacing units for oil wells and 320-acre spacing units for gas wells and a 4000 to one gas-oil ratio limitation.

CASE 7478: Application of Julian Ard for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 23, Township 20 South, Range 33 East, to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 2310 feet from the East line of said Section 23. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

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HARL D. BYRD
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MICHAEL B. CAMPBELL
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TELEPHONE: (505) 988-4421
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January 11, 1982

Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 7473

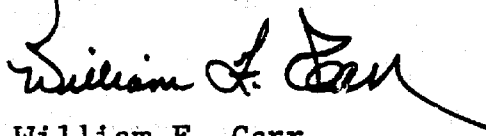
Re: Application of Inexco Oil Company for Pool
Creation, Special Pool Rules and Discovery
Allowable, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Inexco Oil
Company in the above-referenced matter.

The applicant requests that this matter be included on
the docket for the examiner hearing scheduled to be held
on February 3, 1982.

Very truly yours,



William F. Carr

WFC:lr

Enclosures

cc: Mr. Les Tacconi

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF INEXCO OIL COMPANY FOR POOL
CREATION, SPECIAL POOL RULES AND
DISCOVERY ALLOWABLE, LEA COUNTY,
NEW MEXICO.

CASE 7473

APPLICATION

Comes now, INEXCO OIL COMPANY, by its undersigned attorneys, and hereby makes application for an order designating a new oil pool as a result of the discovery of hydrocarbons in the Strawn Formation in its Lottie York No. 1 Well located in Unit P of Section 14, Township 17 South, Range 37 East, Lea County, New Mexico and for promulgation of special pool rules, including 160-acre spacing or proration units on a permanent basis or, in the alternative, on a temporary basis. Applicant also seeks the dedication of all of the southeast quarter of said Section 14 to the Lottie York No. 1 Well and the assignment of a discovery allowable to the Lottie York No. 1 Well and in support of this application would show the Commission:

1. That applicant has recently completed its Lottie York No. 1 Well in the Strawn Formation capable of producing oil and gas in paying quantities located 990 feet from the South line and 660 feet from the East line of Section 14, Township 17 South, Range 37 East, Lea County, New Mexico. Said well is perforated from 11,430 feet to 11,462 feet.
2. Applicant believes the the following described lands are reasonably proven to be productive of oil and gas in

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37,50

paying quantities from the Strawn Formation and should be included in the original definition of the new pool to be created because of said discovery:

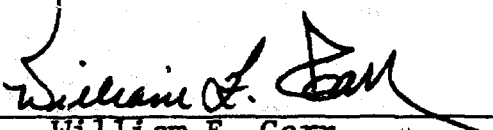
Township 17 South, Range 37 East, N.M.P.M.
Section 14: SE/4

3. In order to prevent economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and to otherwise prevent waste and protect correlative rights, special pool rules and regulations providing for 160-acre spacing units should be promulgated for the new pool.

4. Applicant respectfully requests that a discovery allowable be assigned to said Lottie York No. 1 Well.

WHEREFORE, Inexco Oil Company requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on February 3, 1982, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,
CAMPBELL, BYRD & BLACK, P.A.

By 
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

Spur
CASE 7473

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BPL

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

M.S.
SPQ

CASE NO. 7473

Order No. R-7211

IN THE MATTER OF CASE 7473 BEING
REOPENED PURSUANT TO THE PROVISIONS OF
ORDER NO. R-6913, WHICH ORDER PROMULGATED
SPECIAL RULES AND REGULATIONS FOR THE
SOUTH HUMBLE CITY-STRAWN POOL, LEA COUNTY,
NEW MEXICO, INCLUDING A PROVISION FOR 80-ACRE
PRORATION UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 2,
1983, at Santa Fe, New Mexico, before Examiner Michael E.
Stogner.

NOW, on this _____ day of February, 1983, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-6913, dated March 5, 1982, temporary special rules and regulations were promulgated for the South Humble City-Strawn Pool, Lea County, New Mexico, establishing temporary 80-acre spacing units.

(3) That pursuant to the provisions of Order No. R-6913, this case was reopened to allow the operators in the subject pool to appear and show cause why the South Humble City-Strawn Pool should not be developed on 40-acre spacing units.

(4) ~~ST~~ That at the time of this hearing there was insufficient evidence upon which to make a determination that said ~~Special~~ pool rules should either be made permanent or rescinded.

(5) ~~(F)~~ That the Temporary Special Rules and Regulations for the South Humble City-Strawn Pool should be continued for an additional six months to permit the operators in said pool to gather additional evidence as to the proper spacing and operation of wells therein.

(6) ~~(S)~~ That this case should be reopened at an ~~Crammer~~ hearing in September, 1983, at which time the operators in said pool should be permitted to appear and ~~show~~ ~~by~~ present evidence as to the proper spacing and operation of wells in said pool.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the South Humble City-Strawn Pool, Lea County, New Mexico, promulgated by Order No. R-6913, are hereby continued in full force and effect ~~until further order of the Division~~ *pending reconsideration of this matter for an additional six month period.*

(2) —————

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

JOE D. RAMEY,

Director

S E A L

(2) That this case shall be reopened at an Examiner hearing in September, 1983, at which time the operators in said pool should appear and present evidence as to the proper spacing and operation of wells therein

HERBIE
DAN

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7473

Order No. R-6913

APPLICATION OF INEXCO OIL
COMPANY FOR POOL CREATION,
SPECIAL POOL RULES, AND A
DISCOVERY ALLOWABLE, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 3,
1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of March, 1982, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Inexco Oil Company, seeks the creation of a new oil pool for Strawn production, the promulgation of special pool rules therefor, including a provision for 160-acre spacing and proration units, and the assignment of 57,150 barrels of oil discovery allowable to the discovery well, applicant's Lottie York Well No. 1, located 990 feet from the South line and 660 feet from the East line of Section 14, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That although said Lottie York Well No. 1 is located within one mile of the Humble City-Strawn Pool, the geological evidence presented at the hearing does appear to indicate that said well is producing from a separate common source of supply, and that as the discovery well for said pool, the Lottie York Well No. 1, completed in the Strawn formation through perforations from 11,430 feet to 11,462 feet, should be assigned an oil discovery allowable in the amount of 57,150 barrels.

(4) That although applicant has requested special pool rules for the subject pool providing for 160-acre spacing and proration units, there is insufficient evidence presently available to justify such spacing, even on a temporary basis, and said request should be denied.

(5) That there is ample evidence in the record of this

case to justify the establishment of 80-acre spacing and proration units on a temporary basis, and such temporary spacing should be adopted for a period of one year.

(6) That such temporary rules will not cause waste nor impair correlative rights and should be approved.

(7) That during the one-year period in which this order is in effect, applicant should gather all available information relative to drainage and recoverable reserves in the subject pool.

(8) That this case should be reopened at an examiner hearing in February, 1983, at which time operators in the subject pool should appear and show cause why the subject pool should not be developed on 40-acre spacing and proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool for Strawn production, classified as an oil pool with vertical limits comprising the Strawn formation of Pennsylvanian age, is hereby created and designated as the South Humble City-Strawn Pool, comprising the following described lands in Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 14: SE/4

(2) That the discovery well for said pool, the Inexco Oil Company Lottie York Well No. 1, located in Unit P of said Section 17 is hereby assigned an oil discovery allowable of 57,150 barrels.

(3) That special rules and regulations for the South Humble City-Strawn Pool in Lea County, New Mexico, are hereby promulgated as follows, effective March 1, 1982.

SPECIAL RULES AND REGULATIONS
FOR THE
SOUTH HUMBLE CITY-STRAWN POOL

RULE 1. Each well completed or recompleted in the South Humble City-Strawn Pool or in the Strawn formation within one mile of the South Humble City-Strawn Pool, and not nearer to or within the limits of another designated ~~Pennsylvanian~~ ^{Strawn} pool shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the South Humble City-Strawn Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. For good cause shown, the Director may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the

formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the South Humble City-Strawn Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 4. Each well drilled in the South Humble City-Strawn Pool shall be located within 150 feet of the center of a governmental quarter-quarter section.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the South Humble City-Strawn Pool shall be assigned an 80-acre depth bracket allowable of 445 barrels per day and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the South Humble City-Strawn Pool or in the Strawn formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before April 1, 1982.

(2) That, pursuant to Paragraph A. of Section 70-2-18, NMSA 1978, ^{Comp.} ~~contained in Chapter 271, Laws of 1969~~, existing wells in the South Humble City-Strawn Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules;

or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the South Humble City-Strawn Pool or in the Strawn formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(3) That this case shall be reopened at an examiner hearing in February, 1983, at which time the operators in the subject pool may appear and show cause why the South Humble City-Strawn Pool should not be developed on 40-acre proration units.

(4) That applicant's request for 160-acre spacing and proration units is hereby denied.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 7473
Order No. R-6913-A

APPLICATION OF INEXCO OIL
COMPANY FOR POOL CREATION,
SPECIAL POOL RULES, AND A
DISCOVERY ALLOWABLE, LEA
COUNTY, NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-6913, dated March 5, 1982, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED:

(1) That Ordering Paragraph No. (2) on page 2 of Order No. R-6913 is hereby corrected to read in its entirety as follows:

"(2) That the discovery well for said pool, the Inexco Oil Company Lottie York Well No. 1, located in Unit P of said Section 14 is hereby assigned an oil discovery allowable of 57,150 barrels."

(2) That the corrections set forth in this order be entered nunc pro tunc as of March 5, 1982.

DONE at Santa Fe, New Mexico, on this _____ day of April, 1982.

*Spell
Thane*

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

[Signature]
300
m. s.

CASE NO. 7473

Order No. R-7211-A

IN THE MATTER OF CASE 7473 BEING
REOPENED PURSUANT TO THE PROVISIONS OF
ORDER NO. R-7211, WHICH ORDER ESTABLISHED
SPECIAL RULES AND REGULATIONS FOR THE
SOUTH HUMBLE CITY-STRAWN POOL, LEA COUNTY,
NEW MEXICO, INCLUDING A PROVISION FOR 80-ACRE
PRORATION UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 12, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of October, 1983, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

See under
(2) That by Order No. R-6913, dated March 5, 1982, temporary special rules and regulations were promulgated for the South Humble City-Strawn Pool, Lea County, New Mexico, establishing temporary 80-acre spacing units.

~~South Humble City-Strawn Pool, Lea County, New Mexico, establishing temporary 80-acre spacing units.~~

(4) ~~121~~ That pursuant to the provisions of Order No. R-7211, this case was reopened to allow the operators in the subject pool to appear and show cause why the South Humble City-Strawn Pool should not be developed on 40-acre spacing units.

(5) ~~141~~ That the evidence establishes that one well in the South Humble City-Strawn Pool can efficiently and economically drain and develop 80 acres.

(5) That the Special Rules and Regulations promulgated by *Order No R-6913 and extended by* Order No. R-7211 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas in the pool.

(6) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-7211 should be continued in full force and effect until further order of the Division.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the South Humble City-Strawn Pool, Lea County, New Mexico, promulgated by Order No. ~~R-7211~~ ^{R-6913}, are hereby continued in full force and effect until further order of the Division.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO