

CASE 4027: Appli. of MacDONALD
OIL CORP. FOR AN EXCEPTION TO
ORDER NO. R 3221, as amended.

Continue to

Feb 1978

Revised

Case Number

4027

Application

Transcripts.

Small Exhibits

ETC.

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

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6491 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

February 19, 1969

REGULAR HEARING

IN THE MATTER OF:

Application of MacDonald
Oil Corporation for an
exception to Order No.
R-3221, as amended,
Eddy County, New Mexico.

Case No. 4027

BEFORE: A. L. Porter, Jr., Secretary, Director
Alex J. Armijo, Land Commissioner
George Hatch, Counsel

TRANSCRIPT OF HEARING

MR. PORTER: Case No. 4027

MR. HATCH: Case 4027, continued from the January 15, 1969 Regular Hearing, application of MacDonald Oil Corporation for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

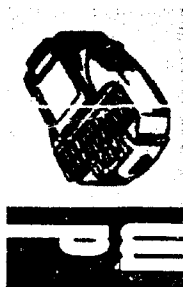
The Commission has received a letter from the applicant requesting that this case be dismissed.

MR. PORTER: If there is no objection, Case 4027 will be dismissed.

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

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


COURT REPORTER



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

January 15, 1969

REGULAR HEARING

IN THE MATTER OF:)
)
)

Application of MacDonald)
Oil Corporation for an)
exception to Order No.)
R-3221, as amended, Eddy)
County, New Mexico.)

Case No. 4027

BEFORE: Al L. Porter, Jr., Secretary-Director
Alex J. Armijo, Land Commissioner
Governor David F. Cargo, Chairman
George Hatch, Counsel

TRANSCRIPT OF HEARING

MR. PORTER: Now we will move down in the order of the docket to Case 4027.

MR. HATCH: Case 4027, application of MacDonald Oil Corporation for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

We have received a request from the applicant in this case that it be continued until the regular hearing in February, February 19th.

MR. PORTER: Are there any objections to the continuance of this case? The case will be continued as requested.

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

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


COURT REPORTER

MACDONALD OIL CORPORATION

711 PETROLEUM LIFE BLDG.

MIDLAND, TEXAS 79701

February 12, 1969

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

Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Re: Regular Hearing
Wednesday, February 4, 1969
Case No. 4027

Gentlemen:

Macdonald Oil Corporation has discussed its water production from its U. S. Sinclair Parke Well No. 1, Unit F, Section 22, T-17-S, R-30-E, Eddy County, New Mexico, with U.S.G.S. personnel in Artesia, New Mexico. The results of this discussion were not favorable to us concerning water disposal utilizing surface pits. Our hearing before the Commission would, therefore, be academic, regardless of the outcome.

For this reason Macdonald Oil Corporation requests that Case No. 4027 be permanently dismissed. We regret having burdened your office with our request, but we now plan to either sell or plug and abandon this well.

Thank you for your time and consideration.

Very truly yours,

MACDONALD OIL CORPORATION

R. J. Davenport
R. J. Davenport
Engineer

RJD:mh

cc: Mr. A. J. Losee
Carper Building
Artesia, New Mexico 88210



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

STBQ1

February 24, 1969

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

Mr. R. J. Davenport
MacDonald Oil Corporation
711 Petroleum Life Building
Midland, Texas 79701

Re: Case No. 4027
Order No. R-3679
Applicant:
MacDonald Oil Corporation

Dear Sir:

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

Very truly yours,

G. L. Carter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia CCC *

Aztec OCC

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 4027
Order No. R-3679

APPLICATION OF MACDONALD OIL CORPORATION
FOR AN EXCEPTION TO ORDER NO. R-3221, AS
AMENDED, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:30 a.m. on February 19, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 24th day of February, 1969, the Commission, a quorum being present, having considered the record, and being fully advised in the premises,

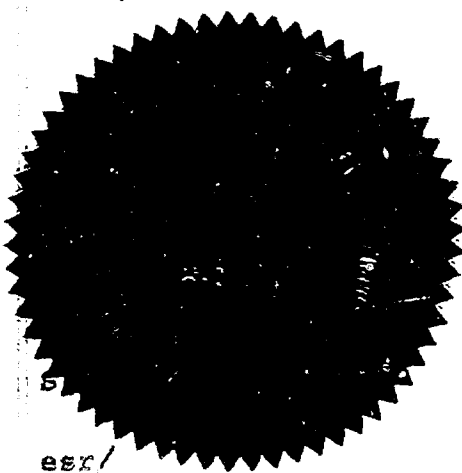
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 4027 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMISTO, Member

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

esx/

DOCKET: REGULAR HEARING - WEDNESDAY -FEBRUARY 19, 1969

OIL CONSERVATION COMMISSION - 8:30 A. M. - MORGAN HALL, STATE LAND OFFICE
BUILDING, SANTA FE, NEW MEXICO

- ALLOWABLE: (1) Consideration of the oil allowable for March, 1969;
- (2) Consideration of the allowable production of gas for March, 1969, from thirteen prorated pools in Lea, Eddy, and Roosevelt Counties, New Mexico; consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico.

CASE 3834: (Reopened):

In the matter of Case No. 3834 being reopened pursuant to the provisions of Order No. R-3479, which order suspended for a period of one year beginning August 1, 1968, certain portions of Rules 14 (A) and 15 (A) of the General Rules and Regulations for the prorated gas pools of Northwest New Mexico, promulgated by Order No. R-1670, as amended. All interested parties may appear and show why said Order No. R-3479 should or should not be rescinded.

CASE 3996 (Continued from the January 15, 1969, Regular Hearing)

Application of Martin Yates, III, for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's Cordie King Well No. 1 located in Unit L of Section 22, Township 23 South, Range 26 East, Kark Canyon (Delaware) Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located in the aforesaid quarter-quarter section.

CASE 4026 (Continued from the January 15, 1969, Regular Hearing)

Application of Fred Pool Drilling Company for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's leases located in Sections 8 and 9, Township 25 South, Range 30 East, Corral Canyon-Delaware Pool, Eddy

(Case 4026 continued)

County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in three unlined surface pits located in the SW/4 NW/4 and the SE/4 SE/4 of said Section 8, and the SW/4 SW/4 of said Section 9.

CASE 4027: (Continued from the January 15, 1969, Regular Hearing)
Application of MacDonald Oil Corporation for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's Sinclair Parke Well No. 1 located in Unit F of Section 22, Township 17 South, Range 30 East, Jackson Abo Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located in the aforesaid Unit F.

CASE 4046: Application of Texaco, Inc., for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's New Mexico State CR Lease located in Section 32, Township 19 South, Range 32 East, Lusk Field, Lea County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located in Unit F of said Section 32. In the alternative, applicant seeks the extension of that area excepted from the provisions of Order (3) of said Order No. R-3221 by Order No. R-3221-B to include the aforesaid Section 32.

CASE 4047: Application of Larry C. Squires for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas on the surface ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would authorize the applicant to dispose of produced salt water into three natural salt lakes located in Lea County, New Mexico, as follows:

(Continued Case 4047:)

Laguna Plata, sometimes referred to as Laguna Grande located in Sections 2, 3, 9, 10, and 11, Township 20 South, Range 32 East;

Laguna Gatuna, sometimes referred to as Salt Lake, located in Sections 7, 17, 18, 19, and 20, Township 20 South, Range 33 East;

Laguna Tonto, located in Sections 32 and 33, Township 19 South, Range 33 East, and Section 4, Township 20 South, Range 33 East.

CASE 4048: Application of C. W. Trainer for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's leases located in Section 24, Township 19 South, Range 33 East and in Sections 19, 20, 29, 30, Township 19 South, Range 34 East, undesignated Queen pool, Lea County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells completed on said leases in unlined surface pits on said leases.

CASE 3993: (De Novo)

Application of Coastal States Gas Producing Company for the creation of a new pool and for special pool rules, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian oil pool to be designated the North Baum-Upper Pennsylvanian Pool comprising the following-described lands:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, Lea County, N.Mex.
Section 19: E/2
Section 20: NW/4 and S/2
Section 21: SW/4

and for the promulgation of temporary special rules therefor, including a provision for 160-acre spacing and proration units and the assignment of 80-acre allowables.

Applicant further seeks the contraction of the Lazy J-Pennsylvanian Pool by the deletion from said pool of the E/2 of Section 20 and the W/2 of Section 21, both in the aforesaid Township and Range.

(Case 3993 continued)

Upon application of Max W. Coll, II, this case will be heard De Novo under the provisions of Rule 1220.

CASE 4049: Application of Standard Oil Company of Texas for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January, 1969. Said exception would be for the applicant's wells located in Section 5, Township 24 South, Range 38 East, and in Section 32, Township 23 South, Range 38 East, Stateline-Ellenburger Pool, Lea County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located in the NE/4 of said Section 5.

CASE 4050: Application of Texaco Inc. for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's T. W. Heflin Federal Well No. 1 located in Unit O of Section 24, Township 23 South, Range 31 East, Cotton Draw Brushy Canyon Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined pit located in said Unit O.

CASE 4051: Southeastern nomenclature case calling for an order for the creation, extension, and contraction of certain pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico:

(a) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Revelation-Delaware Pool comprising the following:

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM
Section 18: NW/4 SE/4

Further, for the assignment of approximately 18,120 barrels of oil discovery allowable to the discovery well Marathon

(Case 4051 continued)

Oil Company's Miller Ranch Unit Well No. 1, located in Unit J of said Section 18.

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for San Andres Production and designated as the West Sawyer-San Andres Pool comprising the following:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 33: SW/4 SW/4

Further, for the assignment of approximately 24,720 barrels of oil discovery allowable to the discovery well Coastal States Gas Producing Company's Santa Fe Well No. 1, located in Unit M of said Section 33.

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Cisco production and designated as the Fordinkus-Cisco Gas Pool. The discovery well is Charles B. Read's Anderson State Well 1 Y, located in Unit G of Section 14, Township 18 South, Range 24 East. Said pool should comprise:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 14: E/2

(d) Create a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Midway-Devonian Pool. The discovery well is Union Oil Company of California's Midway State Well No. 1, located in Unit F of Section 12, Township 17 South, Range 36 East, NMPM. Said pool should comprise:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 12: NW/4

(e) Create a new pool in Chaves County, New Mexico, classified as a gas pool for Grayburg-San Andres production and designated as the Sams Ranch Grayburg-San Andres Gas Pool. The discovery well is Midwest Oil Corporation Federal A No. 1 located in Unit L of Section 10, Township 14 South, Range 28 East, NMPM. Said pool should comprise:

TOWNSHIP 14 SOUTH, RANGE 28 EAST, NMPM
Section 10: SW/4
Section 15: NW/4

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

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 15: S/2, NE/4, and E/2 NW/4

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

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 15: All

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

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 31: NE/4

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM
Section 1: SE/4

(i) Extend the East Benson-Yates Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 18: N/2 SW/4

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

TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM
Section 18: SW/4

(k) Extend the Bluitt-Wolfcamp Gas Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 37 EAST, NMPM
Section 32: E/2

(l) Extend the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 5: SW/4

(m) Extend the West Henshaw-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 4: Lot 8

(n) Extend the North Indian Hills-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 8: All
Section 16: All
Section 17: All

(o) Extend the Lazy J-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 19: NE/4
Section 20: NW/4

(p) Extend the McMillan-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 19: All

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 11: E/2

(r) Extend the Sulimar-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
Section 13: S/2 SE/4
Section 24: NW/4 NE/4

(s) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 24: SE/4

(t) Extend the vertical limits of the North Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include all of the Upper Pennsylvanian formation in the interval from 9554 feet to 9814 feet on the log of the Coastal States Federal "20" Well No. 2, located in Unit N of Section 20, Township 13 South, Range 33 East, NMPM.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 10, 1969

C
O
P
Y

Macdonald Oil Corporation
711 Petroleum Life Building
Midland, Texas 79701

DOCKET MAILED

Date 2-10-69

Attention: Mr. R. J. Davenport

Re: Case No. 4027

Gentlemen:

As no appearance has been made by any other party in the subject case, I will ask the Commission to continue the case until the Regular Hearing to be held February 19, 1969. It will not be necessary for you to appear January 15, 1969.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/ear

MACDONALD OIL CORPORATION

711 PETROLEUM LIFE BLDG.

MIDLAND, TEXAS 79701

January 9, 1969

MAILED

83 JAN 10 AM 8 27

New Mexico Oil Conservation Commission
State Land Office Building
P. O. Box 2088
Santa Fe, New Mexico 89501

Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Re: Application of Macdonald
Oil Corporation for an
exception to Order No.
R-3221, January 15, 1969
Regular Hearing Case
No. 4027

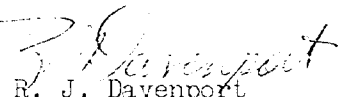
Gentlemen:

Macdonald Oil Corporation hereby requests the Commission continue Case No. 4027 to the Regular Hearing in February, 1969, and be removed from the January 15, 1969 Docket. Circumstances beyond our control prevent our representative's presence January 15, 1969.

Your cooperation will be greatly appreciated in this matter.

Very truly yours,

MACDONALD OIL CORPORATION


R. J. Davenport
Division Engineer

RJD:mb

DOCKET: REGULAR HEARING - WEDNESDAY - JANUARY 15, 1969

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

ALLOWABLE: (1) Consideration of the oil allowable for February, 1969;

(2) Consideration of the allowable production of gas for February, 1969, from thirteen prorated pools in Lea, Eddy and Roosevelt Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for February, 1969.

CASE 3996: (Continued from the December 18, 1968, Regular Hearing)
Application of Martin Yates, III, for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's Cordie King Well No. 1 located in Unit L of Section 22, Township 23 South, Range 26 East, Dark Canyon (Delaware) Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located in the aforesaid quarter-quarter section.

CASE 4021: Application of Charles B. Read for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's well located in Unit J of Section 16, Township 20 South, Range 33 East, West Lea River-Paton Rivers Pool, Lea County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located in the aforesaid Unit J.

Regular Hearing - Wednesday

January 15, 1969

cket No. 2-69

-2-

- CASE 4022: Application of Ernest A. Hanson for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's Atlantic State Well No. 1 located in Unit 1 of Section 16, Township 20 South, Range 33 East, West Texas Water-Sullen Rivers Pool, Lea County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located in the aforesaid Unit 1.
- CASE 4023: Application of Ernest A. Hanson for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation in the perforated interval from approximately 1994 feet to 2178 feet in his Welch Federal Well No. 2 located 1650 feet from the North line and 2310 feet from the West line of Section 22, Township 19 South, Range 28 East, East Millman Queen-Grayburg Pool, Eddy County, New Mexico.
- CASE 4024: Application of V. S. Welch for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's wells located in Section 27, Township 18 South, Range 31 East, Shugart Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in unlined surface pits located in said Section 27. In the alternative, applicant seeks a temporary extension of at least six months in which to comply with the provisions of said order.
- CASE 4025: Application of Ralph Lowe for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's leases in sections 8, 17, and 18, Township 15 South, Range 30 East, Garfield-Indiana Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in three unlined surface pits located in sections 8, 17, and 18.

CASE 4026: Application of Fred Pool Drilling Company for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's leases located in Sections 8 and 9, Township 25 South, Range 30 East, Gornal Canyon-Delaware Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in three unlined surface pits located in the SW/4 NW/4 and the SE/4 SE/4 of said Section 8, and the SW/4 SW/4 of said Section 9.

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CASE 4027: Application of MacDonald Oil Corporation for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's Sinclair Parke Well No. 1 located in Unit F of Section 22, Township 17 South, Range 30 East, Jackson Abo Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located in the aforesaid Unit F.

CASE 4028: Southeastern nomenclature case dealing for an order for the creation, extension and abolishment of certain pools in Lea, Chaves, Roosevelt and Eddy Counties, New Mexico.

(a) Create a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the Siete-San Andres Pool. The discovery well is the G. L. Brown, Jr., Federal "AM" Well No. 1 located in Unit F of Section 17, Township 8 South, Range 31 East, NM 60. Said pool should comprise the following-described area:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NM 60
Section 17 SW/4

Regular Hearing - Wednesday

January 15, 1969

-4-

Docket No. 2-69

(Case 4028 continued)

(b) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Vacuum Morrow Gas Pool. The discovery well is Phillips Petroleum Company, Lea No. 23 located in Unit P of Section 30, Township 17 South, Range 34 East, NMPM. Said pool should comprise the following-described area:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 30: E/2

(c) Create a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Wilson-Wolfcamp Gas Pool. The discovery well is Phillips Petroleum Company, Wilson "J" No. 1 located in Unit O of Section 5, Township 21 South, Range 35 East, NMPM. Said pool should comprise the following-described area:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 5: Lots 9, 10, 15 and 16

(d) Extend the Middle Allison-Pennsylvanian Pool in Lea and Roosevelt Counties, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 33: SW/4

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM
Section 1: SE/4

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
Section 4: SE/4
Section 6: All

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

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 7: SE/4
Section 30: NW/4
Section 32: SE/4

Regular Hearing - Wednesday
January 15, 1969
-5-

Docket No. 2-69

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

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 33: SE/4

(g) Extend the Flying "M" Pennsylvanian Pool in Lea County,
New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 10: SW/4

(h) Extend the Teague-Blinebry Pool in Lea County, New
Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 20: NE/4

(i) Abolish the East Inba-Pennsylvanian Pool in Lea County,
New Mexico, described as:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 30: SW/4

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

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
Section 22: NW/4

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 25: E/2
Section 36: N/2

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 9: W/2
Section 16: NW/4
Section 19: S/2
Section 30: S/2

Regular Hearing - Wednesday
January 15, 1969
-6-

Locket No. 2-69

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

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 25: W/2
Section 36: SE/4

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 4: Lots 1, 2, and 3, E/2 SW/4,
and SE/4

(l) Extend the vertical limits of South Hope Strawn
gas pool to include all of the Pennsylvanian formation
and redesignate said pool as the South Hope-Pennsylvanian
Pool; extend the horizontal limits of said South Hope-
Pennsylvanian gas pool to include therein:

TOWNSHIP 18 SOUTH, RANGE 23 EAST, NMPM
Section 19: All

MACDONALD OIL CORPORATION

711 PETROLEUM LIFE BLDG

MIDLAND, TEXAS 79701

December 12, 1968

DEC 13 1968

*Set for hearing
Jan 15?
Class 4-27*

New Mexico Oil Conservation Commission
State Land Office Building
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Re: Application of Macdonald Oil Corporation for Administrative Approval for Exception to the "No Pit" Rule on it's Sinclair Parke Lease, Jackson Abo Pool, Section 22, T-17-S, R-30-E, Eddy County, New Mexico

Gentlemen:

Macdonald Oil Corporation hereby requests administrative approval for an exception to the "No Pit" rule on its Sinclair Parke #1 Well located 2310 feet from the North line and 2308 feet from the West line, Unit Letter F, Section 22, T-17-S, R-30-E, Jackson Abo Pool, Eddy County, New Mexico. In support of this request we would like to present the following:

1. There are no fresh water formations in the area, as evidenced by the fact that residents of the community of Loco Hills, New Mexico, and the surrounding area, rely on pipe line water from the Caprock Area in Lea County, located several miles East of the area in question.
2. Operators in the immediate vicinity are also required to purchase Caprock Area water or Red Lake water (Artesia Water Basin located several miles West of the subject area) to initiate and maintain secondary recovery operations by waterflood.
3. The attached production decline curve, Exhibit No. 2, indicates there will be an additional recovery of 14,170 barrels of oil to an economic limit of 200 barrels of oil per month. Transportation and disposal charges of twenty-three cents (\$0.23) per barrel for water disposal at the current water production rate of 80 barrels of water per day would cost approximately \$18.40 per day or \$552.00 per month. This would place the well at the economic limit immediately.
4. The nearest water disposal system operated by a producing company

DOCKET IN RED

1-7-69

is approximately $1\frac{1}{2}$ miles. Pump and pipe line facilities to move produced water to this well are estimated to cost \$9,920.00. Disposal charges at the injection well would be five cents (\$0.05) per barrel, resulting in a \$4.00 per day or \$120.00 per month disposal charge. This procedure would again place the well at the economic limit immediately.

Wherefore, there are no fresh water zones in the subject area, and disposal of produced water would result in premature abandonment resulting in the loss of additional natural resources, applicant requests the Commission grant an exception to the "No Pit" rule on the subject one-well lease. Should the Commission not grant this exception administratively, applicant desires it be set for hearing at the next regularly scheduled date for hearings before the Commission.

Very truly yours,

MACDONALD OIL CORPORATION


R. U. Davenport
Division Engineer

RJD:mh

cc: USGS - Artesia, New Mexico

Att: Figure 1 - Production Decline Curve
Figure 2 - Lease Plat
Figure 3 - Monthly Production Tabulation
Figure 4 - 1 copy Radioactivity Log

MACDONALD OIL CORPORATION
SINCLAIR PARKS NO. 1 WELL - JACKSON A80

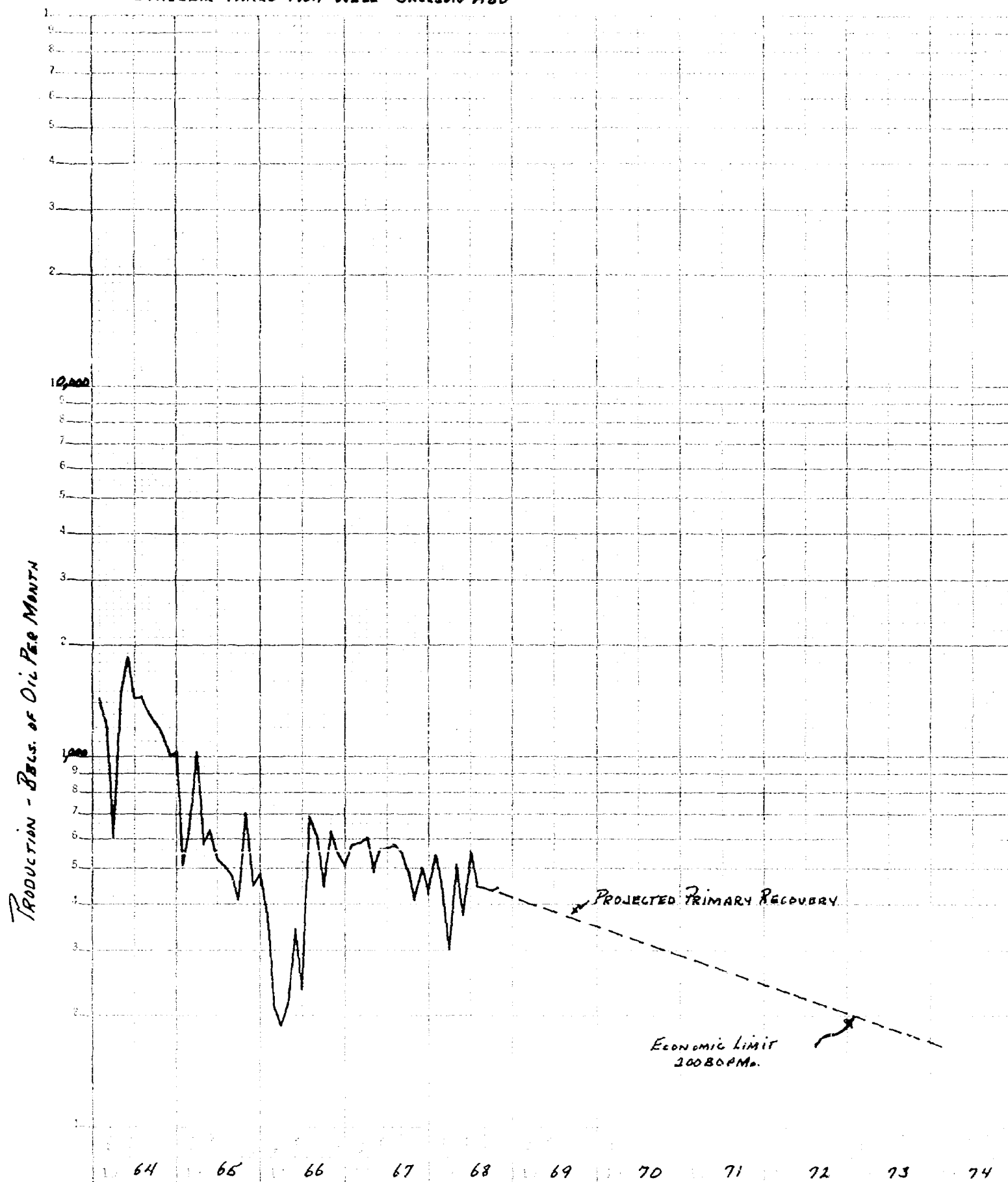
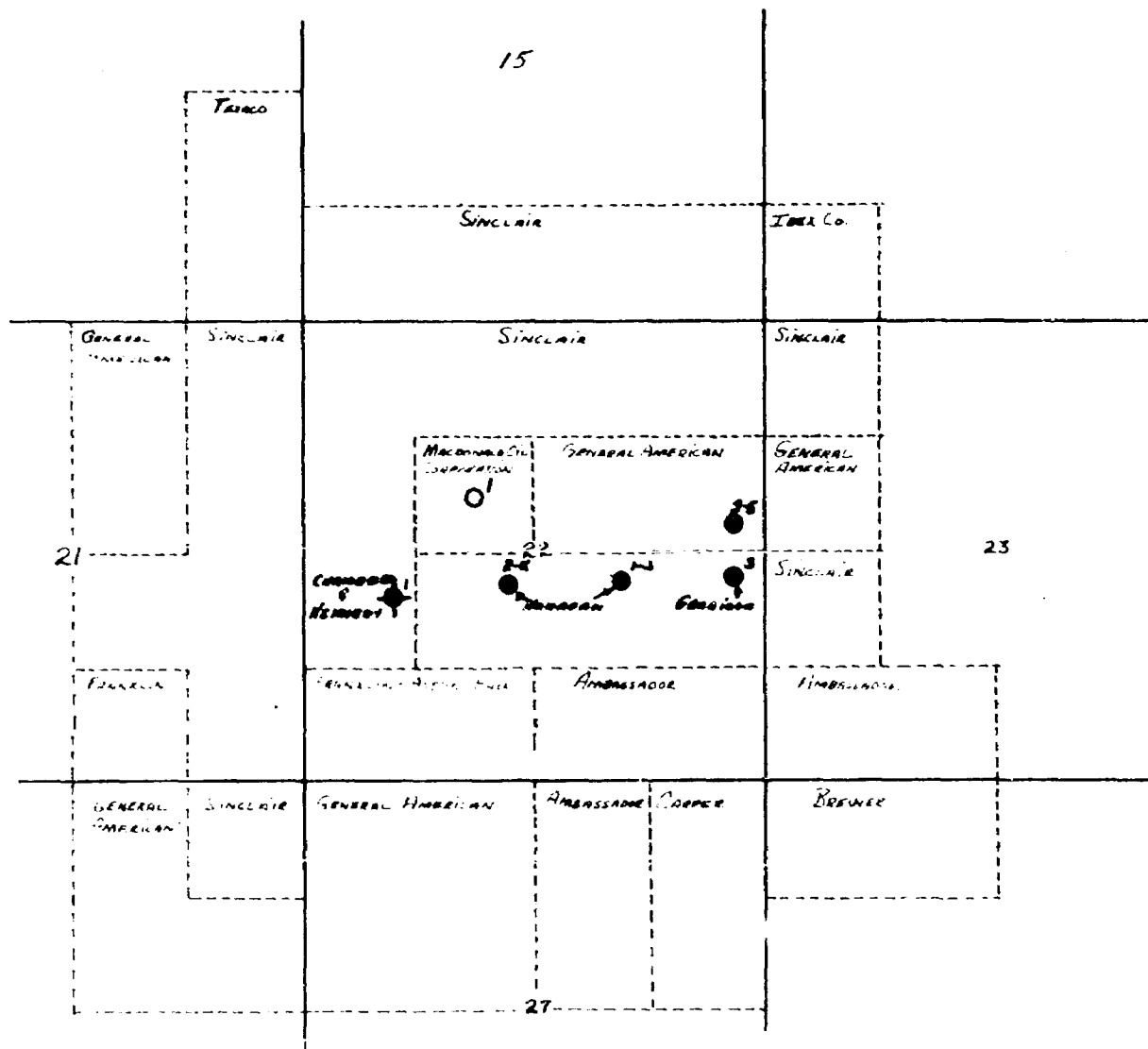


FIGURE 1

W. H. 127

T-175-R-30E



MACDONALD OIL CORPORATION
 JACKSON AREA
 SCALE 1" = 2000'
 O MACDONALD OIL CORPORATION SINCLAIR POKE No. 1

FIGURE 2

Case 4627

MONTHLY RECORD OF PRODUCTION

Operator Macdonald Oil Corporation
 Lease Sanitar Probe
 Field Jackson 260
 County Eddy
 State New Mexico

Well No. 1
 Well Loc. Unit 2, H. F.
 Sec 22, T-17S, R-30E
 Remarks _____

64
19 61

	Oil Prod. Bbls.	Gas Prod. MCF	Water Bbls.
Jan	1425	0	
Feb	1201	1040	
Mar	611	859	
Apr	1477	3133	
May	1272	4486	
June	1445	3458	
July	1454	3705	
Aug	1303	4010	
Sept	1238	3638	
Oct	1152	2629	
Nov	1009	2428	
Dec	1021	2204	
Total	15,208	32,200	
Cumu	15,208	32,200	

65
19 61

	Oil Prod. Bbls.	Gas Prod. MCF	Water Bbls.
Jan	504	1222	
Feb	654	1820	
Mar	1015	1758	
Apr	576	610	
May	632	1854	
June	531	1626	
July	514	1410	
Aug	478	483	
Sept	413	1231	
Oct	701	2118	
Nov	445	1363	
Dec	482	977	
Total	6945	16477	
Cumu	21,153	48,677	

66
19 61

	Oil Prod. Bbls.	Gas Prod. MCF	Water Bbls.
Jan	379	724	
Feb	214	521	
Mar	189	157	
Apr	215	1301	
May	444	1610	
June	335	1023	
July	629	2483	
Aug	604	2437	
Sept	444	1519	
Oct	623	2216	
Nov	548	1299	
Dec	509	1532	
Total	5193	17,544	
Cumu	27,346	66,221	

67
19 61

	Oil Prod. Bbls.	Gas Prod. MCF	Water Bbls.
Jan	579	1644	
Feb	581	1741	
Mar	611	2237	
Apr	427	1535	
May	564	1463	
June	565	1273	
July	576	1579	
Aug	558	1280	
Sept	491	1452	
Oct	412	1604	
Nov	522	1651	
Dec	424	1233	
Total	6352	18,214	
Cumu	33,700	84,435	

68
19 61

	Oil Prod. Bbls.	Gas Prod. MCF	Water Bbls.
Jan	541	2091	
Feb	436	1582	
Mar	304	1194	
Apr	512	1725	
May	374	1491	
June	549	2197	
July	444	1093	
Aug	442	1224	
Sept	436	1084	
Oct	442	941	
Nov			
Dec			
Total			
Cumu	38,178	99,918	

69
19 61

	Oil Prod. Bbls.	Gas Prod. MCF	Water Bbls.
Jan			
Feb			
Mar			
Apr			
May			
June			
July			
Aug			
Sept			
Oct			
Nov			
Dec			
Total			
Cumu			

70
19 61

	Oil Prod. Bbls.	Gas Prod. MCF	Water Bbls.
Jan			
Feb			
Mar			
Apr			
May			
June			
July			
Aug			
Sept			
Oct			
Nov			
Dec			
Total			
Cumu			

71
19 61

	Oil Prod. Bbls.	Gas Prod. MCF	Water Bbls.
Jan			
Feb			
Mar			
Apr			
May			
June			
July			
Aug			
Sept			
Oct			
Nov			
Dec			
Total			
Cumu			

Operator _____

Well No. _____

Well Loc. _____

1160R1 3

Jan 1961

19

	Oil Prod. Bbls.	Gas Prod. MCF	Water Bbls.
Jan			
Feb			
Mar			
Apr			
May			
June			
July			
Aug			
Sept			
Oct			
Nov			
Dec			
Total			
Cumu			

19

Jan			
Feb			
Mar			
Apr			
May			
June			
July			
Aug			
Sept			
Oct			
Nov			
Dec			
Total			
Cumu			

19

Jan			
Feb			
Mar			
Apr			
May			
June			
July			
Aug			
Sept			
Oct			
Nov			
Dec			
Total			
Cumu			

19

Jan			
Feb			
Mar			
Apr			
May			
June			
July			
Aug			
Sept			
Oct			
Nov			
Dec			
Total			
Cumu			

Jan			
Feb			
Mar			
Apr			
May			
June			
July			
Aug			
Sept			
Oct			
Nov			
Dec			
Total			
Cumu			

19

	Oil Prod. Bbls.	Gas Prod. MCF	Water Bbls.
Jan			
Feb			
Mar			
Apr			
May			
June			
July			
Aug			
Sept			
Oct			
Nov			
Dec			
Total			
Cumu			

19

Jan			
Feb			
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July			
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Dec			
Total			
Cumu			

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Jan			
Feb			
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Nov			
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Cumu			

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Jan			
Feb			
Mar			
Apr			
May			
June			
July			
Aug			
Sept			
Oct			
Nov			
Dec			
Total			
Cumu			

19

Jan			
Feb			
Mar			
Apr			
May			
June			
July			
Aug			
Sept			
Oct			
Nov			
Dec			
Total			
Cumu			

DRAFT

GMH/esr

(2)

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 4027

Order No. R- 3679

APPLICATION OF MACDONALD OIL CORPORATION
FOR AN EXCEPTION TO ORDER NO. R-3221, AS
AMENDED, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:30 a.m. on February 19, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this _____ day of February, 1969, the Commission, a quorum being present, having considered the record, and being fully advised in the premises,

FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 4027 is hereby dismissed.

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