

Dockets Nos. 3-84 and 4-84 are tentatively set for January 18 and February 1, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 4, 1984

8 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 February, 1984, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for February, 1984, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7998: (Continued from December 15, 1983, Examiner Hearing)  
(This case will be continued to January 11, 1984, Commission Hearing)

Application of Amoco Production Company for creation of a new pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order contracting the existing boundaries of the Scharb-Bone Spring Pool in Township 19 South, Range 35 East, and creating a new pool to be designated as the East Scharb-Bone Spring Pool with special pool rules including a provision for 40-acre proration units.

CASE 8035: Application of Exxon Corporation for a unit agreement, Dona Ana County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Dona Unit Area comprising 24,941.30 acres, more or less, of Federal, State and Fee lands in Townships 23 and 24 South, Ranges 3 and 4 West.

CASE 8036: Application of Yates Petroleum Corporation for simultaneous dedication and for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its Williamson "BC" Federal Well No. 5, to be drilled 990 feet from the South line and 1,980 feet from the East line of Section 17, Township 20 South, Range 29 East, and the simultaneous dedication of the E/2 of said Section 17 to this well and to applicant's current Williamson "BC" Federal Well No. 3.

CASE 8037: Application of Bass Enterprises Production Co. for amendment of Division Order R-6275-A, Lea County, New Mexico. Applicant in the above-styled cause, seeks the amendment of Division Order R-6275-A to approve the authorized unorthodox location in the South Salt Lake-Atoka Gas Pool, the N/2 of Section 5, Township 21 South, Range 32 East, to be dedicated to the well.

CASE 8038: *Contin & Resubmitted*  
Application of E. Alex Phillips for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Mesaverde formation to the base of the Dakota formation underlying the S/2 of Section 26, 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 8039: Application of Merrion Oil & Gas Corp. for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Dufers Point Gallup-Dakota Oil Pool in Townships 24 and 25 North, Ranges 8 and 9 West, including a provision for 160-acre oil well spacing.

CASE 8040: Application of TXO Producing Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard proration unit comprising the NE/4 SW/4 and the NW/4 SE/4 of Section 6, Township 19 South, Range 35 East, in the Scharb-Bone Springs Pool. In the absence of objection, this application will be approved based upon the record in OCD Case 8029 heard December 15, 1983.

CASE 8030: (Continued and Readvertised)  
Application of Samuel Gary Oil Producers, Inc. for a new pool creation and special pool rules, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool in Township 20 North, Ranges 2 and 3 West, for the production of oil from the Mancos formation and the promulgation of special pool rules therefor including a provision for 320-acre spacing.

DOCKET: COMMISSION HEARING - THURSDAY - FEBRUARY 16, 1984OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

- CASE 8073: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider certain amendments to Oil Conservation Division Form C-125. The proposed revisions to this form delete the columns requiring the submission of shut-in pressure in psia and the previous test date. This recommended change is based upon the availability of this data in the Division's computer system and the lack of the necessity for resubmission of this data on Forms C-125.
- CASE 8074: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider amendments to Rule 111 relating to deviation tests and directional drilling. The Commission will consider the adoption of an administrative approval for directional drilling to be added as Subsections (c), (d), (e) and (f) of Rule 111. The proposed procedure would allow administrative approval when the inability to use an orthodox surface location is caused by topographic conditions or other surface obstructions and the bottomhole is either orthodox or is a previously approved unorthodox bottomhole location. Subsection (d) of this proposed rule change will set forth the filing requirements. Subsection (e) will set forth the notification procedures and Subsection (f), as proposed, permits the Division Director the discretion to set any of these applications for hearing if he believes it is appropriate.
- CASE 8075: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider amendments to Rule 104 F I. The Commission will consider the expansion of the authority of the Oil Conservation Division Director to grant administrative approval to unorthodox well locations.
- CASE 8076: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider amendments to Rule 306 relating to casinghead gas. These proposed changes to Rule 306 relate to clarification of the language when it refers to other sections of the rule.
- CASE 8077: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the establishment of a classification of natural gas wells to be known as "hardship wells" which wells will be entitled to priority access to natural gas pipeline transportation facilities. The Commission will consider whether or not there are certain natural gas wells within the State of New Mexico which should be entitled to priority transportation access because of waste which would result from the failure to obtain such access. In addition, the Commission will consider the establishment of an administrative procedure for consideration and possible granting of applications for hardship well classification.
- CASE 7962: (Reopened)
- 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 and further amend Rule 902 to include the exception of "hardship wells" from coverage of the Ratable Take rules. 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.
- CASE 8078: Application of Doyle Hartman for a non-standard gas spacing unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 480-acre non-standard spacing unit and simultaneous dedication of all Jalmat wells on the spacing unit comprising the E/2 SE/4 of Section 19 and the E/2 and E/2 NW/4 of Section 30, Township 25 South, Range 37 East.
- CASE 8038: (Continued and Readvertised)
- Application of E. Alex Phillips for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Mesaverde formation to the base of the Dakota formation underlying the S/2 of Section 26, 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 8044: Application of Zia Energy Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers-Queen formations in the perforated and open hole interval from 3650 feet to 3805 feet in its Closson Well No. 6 located 1980 feet from the North line and 660 feet from the West line of Section 20, Township 22 South, Range 36 East.
- CASE 8045: Application of Ray H. Haskins for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 31, Township 12 South, Range 36 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 8046: Application of Belco Development Corporation for an unorthodox well location and directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location in the Wolfcamp and Pennsylvanian formations 660 feet from the South and East lines of Section 7, Township 23 South, Range 31 East, for a proration and spacing unit consisting of the S/2 of said Section 7 and in the alternative, the directional drilling of a well at an unorthodox surface location 1660 feet from the the South line and 100 feet from the West line of Section 8, Township 23 South, Range 31 East to an unorthodox bottom hole location within a 100 foot radius of a point 660 feet from the South and East lines of Section 7, Township 23 South, Range 31 East.
- CASE 8047: Application of Ray H. Haskins for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 32, Township 12 South, Range 36 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 8048: Application of AMMEX Petroleum Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to a depth of 8,000 feet underlying the SE/4 SE/4 of Section 28, Township 23 South, Range 28 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 8049: Application of Western Oil Producers, Inc. for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 330 feet from the South line and 330 feet from the East line of Section 4, Township 19 South, Range 35 East, and simultaneous dedication of the S/2 SE/4 of said Section 4 to the well in the Scharb-Bone Springs Pool.
- CASE 8038: (Continued from January 4, 1984, Examiner Hearing)
- Application of E. Alex Phillips for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Mesaverde formation to the base of the Dakota formation underlying the S/2 of Section 26, 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 8014: (Continued from December 15, 1983, Examiner Hearing)
- Application of Amoco Production Company for creation of a new pool and special field rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas field in Townships 31 and 32 North, Range 10 West, to be designated as the Cedar Hills Main Basal Fruitland Coal Field with special field rules including a provision for 320-acre proration units.
- CASE 8015: (Continued from December 15, 1983, Examiner Hearing)
- Application of Amoco Production Company for NGPA well category determination, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the determination that its Keys Gas Com "G" Well No. 1 in Section 27 and its State Gas Com "BX" Well No. 1 in Section 32, both in Township 32 North, Range 10 West, meet the NGPA well category criteria for Section 107, High Cost, Occluded Natural Gas Produced from Coal Seams, under Section 107 of the Natural Gas Policy Act of 1978.