

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

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

(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:

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):

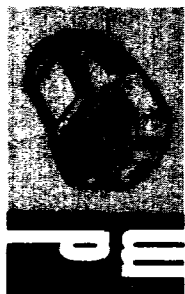
In the matter of Case No. 3834 being reopened pursuant to the provisions of Order No. R-3479, which order suspended for a period of one year beginning August 1, 1968, certain portions of Rules 14 (A) and 15 (A) of the General Rules and Regulations for the prorated gas pools of Northwest New Mexico, promulgated by Order No. R-1670, as amended. All interested parties may appear and show why said Order No. R03479 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 fo 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 asn 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



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

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 10, 1969

C
O
P
Y

DOCKET MAILED

Macdonald Oil Corporation
711 Petroleum Life Building
Midland, Texas 79701

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/esr

MACDONALD OIL CORPORATION

711 PETROLEUM LIFE BLDG.

MIDLAND, TEXAS 79701

January 9, 1969

MAIN OFFICE
1969 JAN 10 AM 8 27

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

gms

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
R. J. Davenport
Division Engineer

RJD:mk

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, Corral 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 calling 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 H. L. Brown, Jr. Federal "FM" Well No. 1 located in Unit P of Section 17, Township 8 South, Range 31 East, NMFM. Said pool should comprise the following-described area:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMFM
Section 17: SE/4

(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