

DOCKET: REGULAR HEARING - WEDNESDAY - FEBRUARY 16, 1972

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

- ALLOWABLE: (1) Consideration of the oil allowable for March and April, 1972;
- (2) Consideration of the allowable production of gas for March, 1972, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves 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 March, 1972.

CASE 4557: (De Novo) (Continued from December 15, 1971; Will be continued to April 19, 1972.)

Application of Continental Oil Company for transfer of allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to transfer allowable across boundaries of the participating area and the leases outside said area, but within the Maljamar Co-operative Area, MCA Unit Area, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico.

Upon application of Continental Oil Company, this case will be heard De Novo under the provisions of Rule 1220.

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THE FOLLOWING CASES WILL BE HEARD BEFORE ELVIS A. UTZ, EXAMINER OR DANIEL S. NUTTER, ALTERNATE EXAMINER, IN THE OIL CONSERVATION COMMISSION CONFERENCE ROOM ON THE SECOND FLOOR OF THE LAND OFFICE BUILDING AT 10 O'CLOCK A.M.

CASE 4657: Application of Chaparral Service, Inc. for an oil treating plant, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to install and operate a heat-treatment type oil treating plant in the SE/4 of Section 34, Township 21 South, Range 37 East, Lea County, New Mexico, for the reclamation of sediment oil.

CASE 4658: Application of Green & Michaelson Producing Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to

(Case 4658 continued)

and including the Drinkard formation underlying the NE/4 of Section 28, Township 16 South, Range 38 East, Garrett-Drinkard Pool, Lea County, New Mexico, to form four standard oil proration units to be dedicated to four wells to be drilled at standard locations. Also to be considered will be the costs of drilling said wells. Charges for the risks involved, provisions for the allocation of actual operating costs, and the establishment of charges for supervision of said wells.

CASE 4659: (This case will be dismissed; application to be processed administratively)
Application of Continental Oil Company for dual completions, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of certain AXI Apache wells located as follows in Township 25 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to produce gas from the Otero-Chacra Pool and oil from an undesignated Mesaverde oil pool through parallel strings of tubing:

No. 18 - Unit A - Section 8
No. 19 - Unit D - Section 6
No. 20 - Unit C - Section 5
No. 21 - Unit I - Section 5
No. 22 - Unit L - Section 6
No. 23 - Unit D - Section 8

CASE 4660: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Texaco Inc. to appear and show cause why it should not take immediate action to repair its Cotton Draw Unit Well No. 65, a dual completion, located in Unit G of Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico, in such a manner as to prevent communication between the Paduca-Morrow and Paduca-Wolfcamp Gas Pools.

CASE 4661: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Burwinkle & Scanlon or Burscan Oil Company to appear and show cause why pits located at its Santa Fe Railroad Wells Nos. 1, 2, and 3 in Unit N of Section 21, Township 20 North, Range 9 West, McKinley County, New Mexico, should not be filled and

(Case 4661 continued)

levelled in accordance with Commission Rules and Regulations.

CASE 4662: Application of Amoco Production Company for an exception to Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the potash-oil area casing and cementing rules set forth in Order No. R-111-A to permit its Bate Federal Well No. 2 located in Unit L of Section 26, Township 19 South, Range 33 East, Lea County, New Mexico, to be drilled in such a manner as to eliminate running a salt protection string provided the production string is cemented to the surface.

CASE 4663: Application of Amoco Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its Malco "A" Federal Well No. 3 located 1650 feet from the North line and 1653 feet from the West line of Section 11, Township 18 South, Range 27 East, undesignated Pennsylvanian-Morrow Pool, Eddy County, New Mexico, with the W/2 of said Section 11 to be dedicated to the well.

CASE 4664: Application of Tenneco Oil Company for a unit agreement, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Lone Pine Dakota "D" Unit Area comprising 2598 acres, more or less, of federal, fee and Indian lands in Township 17 North, Ranges 8 and 9 West, Lone Pine Dakota "D" Pool, McKinley County, New Mexico.

CASE 4665: Application of Tenneco Oil Company for a pressure maintenance project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot pressure maintenance project in the Lone Pine Dakota "D" Pool by the injection of gas and water into the Dakota "D" zone through five wells located in Sections 12 and 13 of Township 17 North, Range 9 West and Sections 7 and 19 of Township 17 North, Range 8 West, McKinley County, New Mexico. Applicant further seeks the designation of a project area and promulgation of rules for the project including a procedure whereby additional injection wells may be approved administratively.

CASE 4666: Southeast nomenclature case calling for an order for the creation and extension of certain pools in Lea, Chaves and Eddy Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as La Rica-Wolfcamp Pool. The discovery well is the Union Oil Company of California Pipeline "A" Federal No. 1 located in Unit G of Section 8, Township 19 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
SECTION 8: NE/4

(b) Extend the Dollarhide-Fusselman Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
SECTION 30: SE/4

(c) Extend the Double L-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
SECTION 24: NW/4 SW/4

(d) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
SECTION 31: E/2

(e) Extend the Haystack-Cisco Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 27 EAST, NMPM
SECTION 16: S/2

(f) Extend the Indian Basin-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM
SECTION 22: All

(Case 4666 continued)

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

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
SECTION 24: NE/4 NW/4

(h) Extend the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
SECTION 26: E/2

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

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
SECTION 26: NW/4 SE/4 and NE/4 SW/4

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

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
SECTION 31: NE/4
SECTION 32: All

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
SECTION 5: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 11: E/2
SECTION 12: SW/4

CASE 4667: Northwest New Mexico nomenclature case calling for an order for the creation and extension of certain pools in San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico,

(a) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Pennsylvanian Buena production, be and the same is hereby created and designated as the Buena Suerte-Pennsylvanian Oil Pool. The discovery well

Case 4667 continued - (a)

is the Tenneco Oil Company Pah Well No. 1, located in Unit L of Section 3, Township 25 North, Range 11 West, NMPM. Said pool would comprise:

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
SECTION 3: SW/4

(b) Create a new pool in Sandoval County, New Mexico, classified as an oil pool for Dakota production, be and the same is hereby created and designated as the Five Lakes-Dakota Oil Pool. The discovery well is the Refiners Petroleum Corporation Cuba Union Well No. 1, located in Unit A of Section 25, Township 22 North, Range 3 West, NMPM. Said pool would comprise:

TOWNSHIP 22 NORTH, RANGE 3 WEST, NMPM
SECTION 24: SE/4 SW/4
SECTION 25: N/2
SECTION 26: NE/4 NE/4

(c) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, be and the same is hereby created and designated as the South Gallegos-Fruitland Pool. The discovery well is the Skelly Oil Company Navajo G Well No. 1, located in Unit K of Section 12, Township 26 North, Range 12 West, NMPM. Said pool would comprise:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
SECTION 11: S/2 and NW/4
SECTION 12: All

(d) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Gallup-Dakota production, be and the same is hereby created and designated as the West Lindrith Gallup-Dakota Oil Pool. Said pool would comprise:

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
SECTION 15: SE/4
SECTION 21: SE/4
SECTION 22: All
SECTION 27: All
SECTION 28: All
SECTION 32: SE/4
SECTION 33: All
SECTION 34: All

(e) Create a new pool in Sandoval County, New Mexico, classified as an oil pool for Mesaverde production, be and the same is hereby created and designated as the Parlay-Mesaverde Oil Pool. The discovery well is the Tesoro Petroleum Corporation Parlay Well No. 1, located in Unit H of Section 29, Township 22 North, Range 3 West, NMPM. Said pool would comprise:

TOWNSHIP 22 NORTH, RANGE 3 WEST, NMPM
SECTION 29: N/2

(f) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production, be and the same is hereby created and designated as the Rattlesnake-Gallup Oil Pool. The discovery well is the Navajo Well No. 23, located in Unit G of Section 2, Township 29 North, Range 19 West, NMPM. Said pool would comprise:

TOWNSHIP 29 NORTH, RANGE 19 WEST, NMPM
SECTION 2: NE/4

(g) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Dakota production, be and the same is hereby created and designated as the Snake Eyes-Dakota Oil Pool. The discovery well is the Davis Oil Co., Snake Eyes Well No. 1, located in Unit C of Section 20, Township 21 North, Range 8 West, NMPM. Said pool would comprise:

TOWNSHIP 21 NORTH, RANGE 8 WEST, NMPM
SECTION 17: SW/4 SE/4
SECTION 20: N/2 and SW/4

(h) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Pennsylvanian production, be and the same is hereby created and designated as the North Tocito Dome-Pennsylvanian Pool. The discovery well is the Campbell, Kiel & Rothwell Navajo Tocito Well No. 1, located in Unit G of Section 9, Township 26 North, Range 18 West, NMPM. Said pool would comprise:

TOWNSHIP 26 NORTH, RANGE 18 WEST, NMPM
SECTION 9: E/2
SECTION 10: SW/4

(i) . Create a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production, be and the same is hereby created and designated as the Waw-Pictured Cliffs Pool. The discovery well is the Dugan Production Corp., Waw Well No. 1, located in Unit L of Section 32, Township 27 North, Range 13 West, NMPM. Said pool would comprise:

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
SECTION 32: SW/4

(j) Extend the Angels Peak-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM
SECTION 17: E/2

(k) Extend the Aztec-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
SECTION 31: SW/4

(l) Extend the Ballard-Pictured Cliffs Pool in Rio Arriba, San Juan and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 2 WEST, NMPM
SECTION 6: SW/4

TOWNSHIP 22 NORTH, RANGE 3 WEST, NMPM
SECTION 2: NE/4

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM
SECTION 24: SE/4

(m) Extend the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
SECTION 13: All
SECTION 24: W/2

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
SECTION 3: All
SECTION 10: All

(n) Extend the Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
SECTION 1: W/2

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM
SECTION 25: NW/4

(o) Extend the South Blanco-Pictured Cliffs Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 2 WEST, NMPM
SECTION 16: SW/4
SECTION 17: SE/4
SECTION 20: N/2
SECTION 21: All
SECTION 28: NW/4

(p) Extend the BS Mesa-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
SECTION 3: N/2
SECTION 9: NE/4
SECTION 10: NW/4

(q) Extend the Choza Mesa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 3 WEST, NMPM
SECTION 30: S/2

(r) Extend the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
SECTION 6: NE/4

(s) Extend the Gallegos-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 11 WEST, NMPM
SECTION 24: S/2

(t) Extend the Hogback-Dakota Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 16 WEST, NMPM
SECTION 7: SW/4 SW/4
SECTION 18: NW/4 NW/4

(u) Extend the Kutz-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
SECTION 24: NW/4
SECTION 25: N/2

(v) Extend the Lone Pine-Dakota "D" Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM
SECTION 7: S/2
SECTION 8: E/2 NW/4, N/2 SW/4 & SE/4 SW/4
SECTION 17: NE/4 NW/4
SECTION 18: E/2 SE/4

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM
SECTION 12: E/2 SE/4
SECTION 13: NE/4 NW/4
SECTION 24: E/2 NW/4

(w) Extend the Lybrook-Gallup Oil Pool in Rio Arriba, San Juan and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM
SECTION 7: SW/4 & SE/4 NW/4
SECTION 18: W/2
SECTION 19: All
SECTION 20: SW/4
SECTION 30: W/2
SECTION 31: NW/4 NW/4

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM
SECTION 3: SW/4
SECTION 4: E/2 SE/4
SECTION 5: All
SECTION 13: All
SECTION 14: SE/4 & E/2 NE/4

(w) continued

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM

SECTION 22: NE/4 & NE/4 SE/4

SECTION 23: N/2

SECTION 24: NW/4 & NW/4 SW/4

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

SECTION 29: SW/4

SECTION 32: W/2

(x) Extend the Otero-Chacra Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM

SECTION 31: NW/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

SECTION 3: W/2

SECTION 10: N/2

SECTION 11: NW/4

SECTION 35: N/2

SECTION 36: N/2

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

SECTION 1: All

SECTION 3: N/2

SECTION 6: NE/4

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

SECTION 34: W/2

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

SECTION 18: SW/4

SECTION 19: W/2 & SE/4

SECTION 20: SW/4

SECTION 26: SW/4

SECTION 28: All

SECTION 29: W/2

SECTION 30: All

SECTION 31: N/2

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM

SECTION 12: W/2

SECTION 13: N/2 & SE/4

(y) Extend the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
SECTION 3: W/2
SECTION 4: All
SECTION 5: SE/4, S/2 NE/4 & NE/4 NE/4
SECTION 9: N/2 & E/2 SW/4
SECTION 10: NW/4 & SW/4 NE/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
SECTION 33: SE/4

(z) Extend the Pinon-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM
SECTION 13: SW/4
SECTION 14: SE/4

(aa) Extend the Slick Rock-Dakota Oil Pool in San Juan County, to include therein:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM
SECTION 31: W/2 SW/4 & SW/4 NW/4

TOWNSHIP 30 NORTH, RANGE 17 WEST, NMPM
SECTION 36: NE/4 NE/4

(bb) Extend the Wild Horse-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM
SECTION 19: SW/4

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
SECTION 12: SW/4
SECTION 13: NW/4
SECTION 24: NW/4