

Dockets Nos. 20-79 and 21-79 are tentatively set for hearing on May 23 and June 13, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 9, 1979

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 6544: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Geologic Resources, Inc., United States Fire Insurance Company, and all other interested parties to appear and show cause why the B. T. Godec Strat. Test Well No. 1 located in Unit I of Section 25, Township 12 North, Range 8 East, Santa Fe County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6492: (Continued from April 25, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 NW/4 of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6534: Application of Amoco Production for simultaneous dedication and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of its Gilluly Fed. Well No. 17 at an unorthodox location in Unit H of Section 24, Township 20 South, Range 36 East, Eumont Gas Pool, along with the three wells now dedicated to the previously approved 480-acre unit comprising the N/2 and SE/4 of said Section 24.

CASE 6535: Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.

CASE 6536: Application of Black River Corp. for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two 80-acre non-standard gas proration units in the Jalmat Gas Pool as follows: the N/2 SE/4 of Section 22, Township 23 South, Range 36 East, to be dedicated to applicant's well to be drilled in Unit J of said Section 22; and the S/2 SE/4 of said Section 22 to be dedicated to El Paso Natural Gas Company's Shell State Well NO. 3 located in Unit P.

CASE 6537: Application of Harper Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its West Ranger Lake Unit Area, comprising 1,120 acres, more or less, of State lands in Township 12 South, Range 34 East, Lea County, New Mexico.

CASE 6538: Application of Bedford, Inc., for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of its Ram Well No. 1-A located in Unit G of Section 8, Township 26 North, Range 12 West, WAW Fruitland-Pictured Cliffs Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6539: Application of Continental Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its James Ranch Unit Well No. 7 located in Unit G of Section 6, Township 23 South, Range 31 East, Eddy County, New Mexico, to produce gas from the Morrow and Atoka formations, Los Medanos Field, through parallel strings of tubing.

CASE 6540: Application of Caulkins Oil Company for an NGPA determination, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a Section 108 stripper gas well determination for its State B Well No. 233 located in Unit D of Section 16, Township 26 North, Range 6 West, South Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico.

CASE 6541: Application of Sun Oil Company for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State H Well No. 17, 1328 feet from the North line and 1336 feet from the East line of Section 16, Township 8 South, Range 30 East, Cato-San Andres Pool, Chaves County, New Mexico.

CASE 6542: Application of Sun Oil Company for special casinghead gas allowables, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an increase in the casinghead gas allowable for its Annie Christmas Well No. 1 and its Walter Lynch Well No. 2, located in Units N and L, respectively, of Section 1, Township 22 South, Range 37 East, Drinkard and Wantz-Granite Wash Pools, Lea County, New Mexico.

CASE 6523: (Continued and Readvertised)

Application of Lonnie J. Buck for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Yates and Seven Rivers formations underlying each of the following 40-acre tracts in Section 25, Township 25 South, Range 36 East, Lea County, New Mexico: NW/4 SW/4 to be dedicated to the Brown Well No. 6 located in Unit L and SW/4 SW/4 to be dedicated to the Brown Well No. 7 located in Unit M. Also to be considered will be the cost of recompleting said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in recompleting said wells.

CASE 6543: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, redesignating, and extending certain pools in Chaves and Lea Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Airstrip-Bone Spring Pool. The discovery well is Gulf Oil Corporation Lea YH State Well No. 1 located in Unit O of Section 25, Township 18 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 25: SE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Mississippian production and designated as the North Caprock-Mississippian Pool. The discovery well is Morris R. Antweil Landlady Well No. 1 located in Unit B of Section 8, Township 12 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 8: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the West Bell Lake-Atoka Gas Pool. The discovery well is Amoco Production Company Federal H Well No. 1 located in Unit L of Section 26, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 26: W/2

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Devonian production and designated as the Langley-Devonian Gas Pool. The discovery well is ARCO Oil and Gas Company Langley Getty Com Well No. 1 located in Unit N of Section 21, Township 22 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 21: S/2

(e) ABOLISH the West Warren-Blinebry Pool in Lea County, New Mexico, described as:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 19: SE/4
Section 20: SW/4
Section 29: NW/4

(f) REDESIGNATE the Grama Ridge-Bone Spring Pool created by Order No. R-5958 as the East Grama Ridge-Bone Spring Pool, described as:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 35: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 19: SE/4
Section 20: SW/4
Section 26: NE/4
Section 29: NW/4

- CASE 6566: Application of Lewis B. Burleson, Inc. for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SW/4 of Section 10, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled 2310 feet from the South and West lines of said Section 10.
- CASE 6567: Application of Mewbourne Oil Company for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State 25 Com Well No. 1 660 feet from the South line and 1650 feet from the West line of Section 25, Township 14 South, Range 27 East, Buffalo Valley-Pennsylvanian Gas Pool, the S/2 of said Section 25 to be dedicated to the well.
- CASE 6568: Application of Dallas McCasland for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of his Woolworth Well No. 5 located in Unit P of Section 28, Township 24 South, Range 37 East, Jalmat Gas Pool, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6569: Application of Continental Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Lockhart A-17 Well No. 2 located in Unit I of Section 17, Township 21 South, Range 37 East, to produce gas from the Eumont Gas Pool through the casing-tubing annulus and oil from the Blinebry Oil and Gas Pool through tubing.
- CASE 6570: Application of Continental Oil Company for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 228-acre non-standard gas proration unit comprising the SW/4 and S/2 SE/4 of Section 18, Township 21 South, Range 36 East, Eumont Gas Pool, to be simultaneously dedicated to applicant's Lockhart A-18 Wells Nos. 2, 3, and 4, located in Units O, K, and M, respectively, of said Section 18.
- CASE 6571: Application of Continental Oil Company for vertical pool limit redefinition, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the vertical limits of the Langlie Mattix Pool to include the lowermost 165 feet of the Seven Rivers formation and the concomitant contraction of the vertical limits of the Jalmat Gas Pool underlying the following described lands: SW/4 W/2 SE/4 and SE/4 SE/4 of Section 35, Township 23 South, Range 36 East; and NW/4, W/2 NE/4, and SE/4 NE/4 of Section 1, Township 24 South, Range 36 East.
- CASE 6537: (Continued from May 9, 1979, Examiner Hearing)
- Application of Harper Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its West Ranch Lake Unit Area, comprising 1,120 acres, more or less, of State lands in Township 12 South, Range 34 East, Lea County, New Mexico.
- CASE 6553: (Continued from May 23, 1979, Examiner Hearing)
- Application of The Atlantic Richfield Company for approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the Division waived existing well-spacing requirements and found that the drilling of additional wells was necessary to effectively and efficiently drain those portions of the proration units in the Empire Abo Unit located in Townships 17 and 18 South, Ranges 27, 28 and 29 East, which could not be so drained by the existing wells.
- CASE 6572: Application of ARCO Oil and Gas Company to drill a horizontal drainhole, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill and complete its Empire Abo Unit Well No. K-142, located in Unit K of Section 2, Township 18 South, Range 27 East, Empire-Abo Pool, with a single horizontal drainhole of about 200 feet in length in the Abo formation.
- CASE 6573: Application of Mesa Petroleum Company for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of its Well No. 7 in the Nash Unit, the surface location of which would be 685 feet from the North line and 1295 feet from the West line of Section 18, to be vertically drilled to approximately 7,000 feet, and then directionally drilled to a bottom hole location in the Morrow formation within 400 feet of a point 1315 feet from the South line and 1320 feet from the West line of Section 7, all in Township 23 South, Range 30 East.
- CASE 6574: Application of Texas Oil & Gas Corp. for an unorthodox gas well location and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Morrow formations underlying the E/2 of Section 6, Township 17 South, Range 35 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and East lines of said Section 6. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Dockets Nos. 24-79 and 25-79 are tentatively set for hearing on June 27 and July 11, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - WEDNESDAY - JUNE 6, 1979

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

CASE 6495: (DE NOVO)

Application of Amax Chemical Corporation for the amendment of Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to extend the boundaries of the Potash-Oil Area by the inclusion of certain lands in Sections 23 and 24, Township 19 South, Range 29 East, Sections 1, 4, 5, 6, 7, 11, 12, 13, 14, 19, 20, 23, 24, and 29, Township 19 South, Range 30 East, and Sections 7, 8, 17, 18, and 19, Township 19 South, Range 31 East, all in Eddy County, New Mexico.

Upon application of Amax Chemical Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 13, 1979

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:

ALLOWABLE: (1) Consideration of the allowable production of gas for July, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for July, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6560: Application of Exxon Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (combination) of its "AB" State Well No. 4 located in Unit A of Section 16, Township 24 South, Range 37 East, to produce gas from the Langlie Mattix Pool and oil from the Fowler-Upper Yeso Pool, through parallel strings of casing cemented in a common well bore.

CASE 6561: Application of Amoco Production Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, proposes to directionally drill its State "HC" Well No. 1 located 1980 feet from the South and West lines of Section 21, Township 16 South, Range 35 East, Townsend Field, to a bottom hole location within 100 feet of a point 990 feet from the South line and 2310 feet from the East line of said Section 21, the S/2 of said Section 21 to be dedicated to the well.

CASE 6562: Application of Orla Petco, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Ramsey Sand of the Bel Canyon formation through the open hole interval from 2498 feet to 2508 feet in its Gourley-Federal Well No. 4 located in Unit J of Section 31, Township 22 South, Range 28 East, Herradura Bend-Delaware Pool.

CASE 6563: Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his North Woolworth Ranch Unit Area, comprising 1,280 acres, more or less, of State lands in Township 23 South, Range 35 East.

CASE 6564: Application of Herndon Oil & Gas Co. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its O. A. Woody Well No. 1 in the center of Unit E, Section 35, Township 16 South, Range 38 East, Knowles-Devonian Pool.

CASE 6565: Application of Lewis B. Burleson, Inc. for compulsory pooling, a non-standard gas proration unit, and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the W/2 SE/4 of Section 20, Township 25 South, Range 37 East, to form an 80-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the South and East lines 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.