

Docket No. 3-89

DOCKET: COMMISSION HEARING - THURSDAY - JANUARY 19, 1989

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

CASE 9458: (De Novo)

Application of Mallon Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bell Canyon, Cherry Canyon, and Brushy Canyon formations (Delaware Mountain Group) underlying the NW/4 SW/4 (Unit L) of Section 27, Township 26 South, Range 29 East, forming a standard statewide 40-acre oil spacing and proration unit, 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. Said unit is located approximately 3/4 mile north of where the Pecos River crosses the Texas/New Mexico Stateline. Upon application of Red Bluff Water Power Control District, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9489: (De Novo)

Application of Blackwood & Nichols Co., Ltd. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Nacimiento formation in the perforated interval from approximately 1798 feet to 2250 feet in its Northeast Blanco Unit Well No. 206 located 790 feet from the South line and 1190 feet from the West line (Unit M) of Section 10, Township 31 North, Range 7 West, which is located approximately 8 miles north-northeast of Navajo dam, New Mexico. Upon application of Blackwood & Nichols Co., Ltd., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9511: (De Novo)

Application of Phillips Petroleum Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the South Peterson-Fusselman Pool and Montoya formation in the perforated interval from approximately 7892 feet to 7994 feet in its Lambirth "A" Well No. 6 located 1830 feet from the South line and 1980 feet from the East line (Unit J) of Section 30, Township 5 South, Range 33 East, which is located 10.5 miles west of Pep, New Mexico. Upon application of Enserch Exploration, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9588: Application of Sun Exploration and Production Company for the institution of gas proration and special pool rules for the South Shoe Bar-Atoka Gas Pool, Lea County, New Mexico. Application of Sun Exploration and Production Company for the institution of proration in the South Shoe Bar-Atoka Gas Pool, Lea County, New Mexico, and to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand for gas from said pool. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among wells in the pool.

CASE 9543: (De Novo)

Application of Meridian Oil, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the W/2 of Section 16, Township 32 North, Range 10 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its EPNG Com C Well No. 100 to be drilled at a standard gas well location in the NE/4 SW/4 (Unit K) of said Section 16. 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. Said unit is located approximately 3.1 miles north of Cedar Hill, New Mexico. Upon application of Fina Oil and Chemical Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9544: (De Novo)

Application of Meridian Oil, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the E/2 of Section 16, Township 32 North, Range 10 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its Burroughs Com A Well No. 100 to be drilled at a standard gas well location in the SW/4 NE/4 (Unit G) of said Section 16. 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. Said unit is located approximately 3.1 miles north of Cedar Hill, New Mexico. Upon application of Fina Oil and Chemical Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9588: (Readvertised)

Application of Sun Exploration and Production Company for contraction of the North Vacuum Atoka-Morrow Gas Pool, extension horizontally and vertically of the South Shoe Bar-Atoka Gas Pool, redesignation of said pool as the South Shoe Bar Atoka-Morrow Gas Pool, and the institution of proration in said pool as extended and redesignated, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order

- (1) contracting the area of the North Vacuum Atoka-Morrow Gas Pool by deleting therefrom the following lands:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, N.M.P.M.
E/2 Section 1, S/2 and NE/4 Section 12

TOWNSHIP 17 SOUTH, RANGE 35 EAST, N.M.P.M.
All of Section 7, W/2 Section 8, W/2 Section 16, N/2 Section 17 and all of Section 18;

- (2) extending the horizontal limits of the South Shoe Bar-Atoka Gas Pool to include the above-described lands; plus the SE/4 of Section 16, Township 17 South, Range 35 East;
- (3) extending the vertical limits of the South Shoe Bar-Atoka Gas Pool downward to include the Pennsylvanian formations to the base of the Morrow;
- (4) redesignating said pool as the South Shoe Bar Atoka-Morrow Gas Pool; and
- (5) instituting gas proration and promulgating special pool rules in the extended and redesignated gas pool. Said pools are approximately 2 miles north of Buckeye, New Mexico.

CASE 9490: (De Novo)

Application of Texaco Producing, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in any and all formations to the base of the Strawn formation underlying the E/2 of Section 17, Township 25 South, Range 36 East, forming a standard 320-acre spacing and proration unit for any and all formations developed on 320-acre spacing. Said unit is to be dedicated to its West Jal B Deep Well No. 1 located at a standard location 1980 feet from the North line and 660 feet from the East line of said Section 17. 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. Said unit is located approximately 5 1/2 miles west by north of Jal, New Mexico. Upon application of Texaco Producing, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9543: (Continued from February 16, 1989, Commission Hearing.) (De Novo)

Application of Meridian Oil, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the W/2 of Section 16, Township 32 North, Range 10 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its EPNG Com C Well No. 100 to be drilled at a standard gas well location in the NE/4 SW/4 (Unit K) of said Section 16. 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. Said unit is located approximately 3.1 miles north of Cedar Hill, New Mexico. Upon application of Fina Oil and Chemical Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9544: (Continued from February 16, 1989, Commission Hearing.) (De Novo)

Application of Meridian Oil, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the E/2 of Section 16, Township 32 North, Range 10 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its Burroughs Com A Well No. 100 to be drilled at a standard gas well location in the SW/4 NE/4 (Unit G) of said Section 16. 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. Said unit is located approximately 3.1 miles north of Cedar Hill, New Mexico. Upon application of Fina Oil and Chemical Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9588: (Continued from February 16, 1989, Commission Hearing.)

Application of Sun Exploration and Production Company for contraction of the North Vacuum Atoka-Morrow Gas Pool, extension horizontally and vertically of the South Shoe Bar-Atoka Gas Pool, redesignation of said pool as the South Shoe Bar Atoka-Morrow Gas Pool, and the institution of proration in said pool as extended and redesignated, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order

- (1) contracting the area of the North Vacuum Atoka-Morrow Gas Pool by deleting therefrom the following lands:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, N.M.P.M
E/2 Section 1, S/2 and NE/4 Section 12

TOWNSHIP 17 SOUTH, RANGE 35 EAST, N.M.P.M.
All of Section 7, W/2 Section 8, W/2 Section 16, N/2 Section 17 and all of Section 18;

- (2) extending the horizontal limits of the South Shoe Bar-Atoka Gas Pool to include the above-described lands; plus the SE/4 of Section 16, Township 17 South, Range 35 East;
- (3) extending the vertical limits of the South Shoe Bar-Atoka Gas Pool downward to include the Pennsylvanian formations to the base of the Morrow;
- (4) redesignating said pool as the South Shoe Bar Atoka-Morrow Gas Pool; and
- (5) instituting gas proration and promulgating special pool rules in the extended and redesignated gas pool. Said pools are approximately 2 miles north of Buckeye, New Mexico.

CASE 9490: (Continued from February 16, 1989, Commission Hearing.) (De Novo)

Application of Texaco Producing, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in any and all formations to the base of the Strawn formation underlying the E/2 of Section 17, Township 25 South, Range 36 East, forming a standard 320-acre spacing and proration unit for any and all formations developed on 320-acre spacing. Said unit is to be dedicated to its West Jal B Deep Well No. 1 located at a standard location 1980 feet from the North line and 660 feet from the East line of said Section 17. 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. Said unit is located approximately 5 1/2 miles west by north of Jal, New Mexico. Upon application of Texaco Producing, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.