

CAMPBELL, BYRD & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
HARL D. BYRD  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
KEMP W. GORTHEY  
J. SCOTT HALL  
PETER N. IVES

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87501  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

RECEIVED

April 26, 1984

MAY - 4 1984

OIL CONSERVATION DIVISION

HAND DELIVERED

Case 8189

Mr. Joe D. Ramey, Director  
Oil Conservation Division  
New Mexico Department of  
Energy & Minerals  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: Application of Llano, Inc. for Expansion of a Gas  
Storage Project, Lea County, New Mexico.

Dear Mr. Ramey:

Enclosed in triplicate is the Application of Llano, Inc. in  
the above-referenced case. We respectfully request that this  
matter be included on the docket for the Commission hearing  
scheduled for May 15, 1984.

Your attention to this request is appreciated.

Very truly yours,

*William F. Carr*

William F. Carr W

WFC/cv  
enclosures

BEFORE THE  
OIL CONSERVATION COMMISSION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

RECEIVED

MAY - 1 1974

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF LLANO, INC. FOR EXPANSION OF A  
GAS STORAGE PROJECT, LEA COUNTY,  
NEW MEXICO.

Case 8189

APPLICATION

COMES NOW Llano, Inc., by and through its undersigned attorneys, and hereby makes application to the Oil Conservation Commission for an order approving certain expansions of its Grama Ridge Morrow Gas Storage Project, and in support thereof states:

1. On March 16, 1973, the Oil Conservation Commission entered Order No. R-4491 (Case 4896) approving the application of Llano, Inc. for gas injection, Lea County, New Mexico.

2. At the time of hearing, Case 4896 was consolidated for the purposes of testimony with Case 4895 which was the application of Llano, Inc. for approval of its Grama Ridge Morrow Unit Agreement.

3. That by Order R-4473, the Grama Ridge Morrow Unit Agreement was approved. Said order provided, inter alia, that:

"... in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within thirty days thereafter counterparts of the Unit Agreement reflecting subscription of those interests having joined or ratified."

4. That at the time of the original approval, the Grama Ridge Morrow Unit included the following described lands:

Lea County, New Mexico  
Township 21 South, Range 34 East, N.M.P.M.  
Section 34: All

Township 22 South, Range 34 East, N.M.P.M.  
Section 3: All

5. That an agreement was entered between Llano, Inc. and the Bureau of Land Management on November 24, 1975 entitled Agreement for Subsurface Storage of Gas, Morrow Formation, Grama Ridge Area, Lea County, New Mexico (No. 14-08-0001-14277) whereby Llano was authorized the exclusive use of the Grama Ridge Gas Storage reservoir underlying Section 4, Township 22 South, Range 34 East, Lea County, New Mexico, for the storage and withdrawal of natural gas.

6. That the unit agreement was amended in September, 1976 to include Section 33, Township 21 South, Range 34 East, said amendment being approved on January 26, 1977 by the New Mexico Commissioner of Public Lands. A copy of the amended unit agreement was filed with the Oil Conservation Commission on February 8, 1977.

7. Said amendment to the unit agreement provided in part: "... it is the purpose of this amendment to expand the unit area to include all of Section 33, Township 21 South, Range 34 East, so that the unit agreement, taken into consideration with the gas storage agreement with the United States covering Section 4 will cover the entire reservoir ...".

8. In April, 1981, the Agreement for Subsurface Storage of Gas (No. 14-08-0001-14277) was amended to include all of Section 10, Township 22 South, Range 34 East, Lea County, New Mexico.

9. That Llano, Inc. has operated the Grama Ridge Storage Project in the Morrow Formation on the lands included within the Grama Ridge Morrow Unit and those lands covered by Agreement with the Bureau of Land Management for Subsurface Storage of Gas (No. 14-08-0001-14277) since 1973.

10. That certain questions have been raised concerning the desirability of obtaining Oil Conservation Division approval of extension of a storage project to include those sections of federal land covered by the Agreement with the Bureau of Land Management for Subsurface Storage of Gas (No. 14-08-0001-14277).

11. That approval of this application will be in the best interest of conservation, the prevent of waste and the protection of correlative rights.

WHEREFORE, applicant requests this matter be set for hearing before the full Oil Conservation Commission on May 15, 1984, and that after notice and hearing as required by law, the Commission enter its Order approving the expansion of the Grama Ridge Morrow Gas Storage Project to include all of Sections 33 and 34, Township 21 South, Range 34 East, and, Sections 3, 4 and 10 of Township 22 South, Range 34 East, N.M.P.M., in Lea County, New Mexico, and granting such other and further relief as may be just in the premises.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By

A handwritten signature in black ink, appearing to read "William F. Carr", written over a horizontal line.

William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87501

(505) 988-4421

ATTORNEYS FOR LLANO, INC.