

Dockets Nos. 39-84 and 40-84 are tentatively set for October 3 and October 17, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 19, 1984

8 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Michael E. Stogner or Gilbert Quintana, Alternate Examiners:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1984, from fifteen prorated pools in Lea, Eddy and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for October, 1984, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8269: (Continued from July 25, 1984, Examiner Hearing)

Application of Cibola Energy Corporation for a unit agreement, Lincoln and Otero Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Three Rivers Unit Agreement comprising 24,539.73 acres, more or less, of Federal, State and Fee lands in Townships 9, 10 and 11 South, Ranges 8, 9, and 9 1/2 East.

CASE 8241: (Continued from August 22, 1984, Examiner Hearing)

Application of Sanders Oil & Gas Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Rio Pecos Deep Unit comprising 1600 acres, more or less, of Federal and Fee lands in Township 10 South, Range 25 East.

CASE 8306: (Continued from August 22, 1984, Examiner Hearing)

Application of Red Mountain Associates for an unorthodox location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 660 feet from the North line and 2635 feet from the East line of Section 28, Township 20 North, Range 9 West, Chico Wash-Mesaverde Oil Pool.

CASE 8273: (Continued and Readvertised)

Application of Blanks Energy Corporation for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 405 feet from the South line and 2000 feet from the East line of Section 16, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the W/2 SE/4 of said Section 16 to be dedicated to the well.

CASE 8341: Application of Lynx Petroleum Consultants, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Paddock formation underlying the NE/4 SW/4 of Section 25, Township 16 South, Range 36 East, 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.

CASE 8342: Application of Amoco Production Company for an unorthodox carbon dioxide gas well location, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 660 feet from the South and West lines of Section 24, Township 18 North, Range 33 East, Bravo Dome Carbon Dioxide Gas Unit (640-acre) Area, all of said Section 24 to be dedicated to the well.

CASE 8315: (Continued and Readvertised)

Application of Getty Oil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval to downhole commingle all Grayburg-Jackson Pool and Fren-Seven Rivers production underlying its Skelly Unit located in Township 17 South, Range 31 East. In the absence of objection, this application will be approved based upon the prior record.

CASE 8330: (Continued from September 5, 1984, Examiner Hearing)

Application of Chama Petroleum Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 1980 feet from the North line and 660 feet from the East line of Section 5, Township 19 South, Range 21 East, to test the Pennsylvanian and Wolfcamp formations, the N/2 of said Section 5 to be dedicated to the well.

CASE 8343: Application of Chama Petroleum Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow gas well location 1200 feet from the South line and 1400 feet from the East line of Section 10, Township 22 South, Range 24 East, the E/2 of said Section 10 to be dedicated to the well.CASE 8226: (Continued from September 5, 1984, Examiner Hearing)

Application of Doyle Hartman for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its South Empire State Com Well No. 1 located in Unit M of Section 24, Township 17 South, Range 28 East, South Empire-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8344: (This case will be dismissed)

Application of Santa Fe Energy 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 1439 feet from the South line and 1090 feet from the West line of Section 27, Township 22 South, Range 27 East, South Carlsbad-Morrow Gas Pool, the S/2 of said Section 27 to be dedicated to the well.

CASE 8345: Application of Texaco Inc. for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard proration unit comprising the S/2 S/2 of Section 12, Township 20 South, Range 37 East, Skaggs Abo Gas Pool.CASE 8346: Application of BBC, 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 Delaware formation in the perforated interval from 3,350 feet to 3,396 feet, and into an open-hole interval from 3,555 feet to 3,700 feet in its Federal "AZ" Well No. 1 located in Section 29, Township 26 South, Range 30 East.CASE 8303: (Continued and Readvertised)

Application of Yates Petroleum Corporation for an exception to Rules 2(B) and 5(A) of Division Order R-1670-I, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(B) of Division Order R-1670-I to permit applicant to complete its well at an unorthodox oil well location 1650 feet from the North line and 2310 feet from East line of Section 20, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool. Applicant also seeks an exception to Rule 5(A) of Division Order R-1670-I for approval of a non-standard 80-acre oil proration unit comprising the SW/4 NE/4 and NW/4 SE/4 of said Section 20 to be dedicated to the well.

CASE 8324: (Continued from September 5, 1984, Examiner Hearing)

Application of Yates Petroleum Corporation for a Carbon Dioxide Injection Pilot Project and unorthodox locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a carbon dioxide injection pilot project by the injection of carbon dioxide and water into the Grayburg formation in two wells proposed to be drilled in the West Loco Hills Unit at unorthodox locations as follows:

- (a) West Loco Hills Unit G4S Tract 13-12, located 1980 feet from the North line and 10 feet from the East line; and
- (b) West Loco Hills Unit G4S Tract 6-5, located 1475 feet from the South line and 10 feet from the East line

both in Section 12, Township 18 South, Range 29 East.

CASE 8347: Application of Yates Petroleum Corporation for an Exception to Rule 202, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 202 of the Division Rules and Regulations to provide an extension until July 1, 1987, of the obligation to plug or temporarily abandon existing wells in the West Loco Hills Grayburg No. 4 Sand Unit Area pending results of its Carbon Dioxide Injection Pilot Project to determine whether such wells can be utilized in the project.

CASE 8343: Application of Yates Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 950 feet from the North line and 1500 feet from the West line of Section 27, Township 16 South, Range 37 East, Casey-Strawn Pool, the N/2 NW/4 of said Section 27 to be dedicated to the well.

CASE 8314: (Continued and Readvertised)

Application of Cities Service Oil & Gas Corp. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line of Section 21, Township 21 South, Range 27 East, Burton Flats-Morrow Gas Pool, the N/2 of said Section 21 to be dedicated to the well. In the absence of objection, this application will be approved based upon the prior record.

CASE 8311: (Continued and Readvertised)

Application of Sun Exploration and Production Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 2630 feet from the North line and 1625 feet from the East line of Section 27, Township 9 South, Range 36 East, to test the Montoya, Simpson and Granite Wash formations and also to test the Crossroads-Devonian Pool, the SW/4 NE/4 of said Section 27 to be dedicated to the well. In the absence of objection, this application will be approved based upon the record of hearing held on August 22, 1984.

CASE 8337: (Continued from September 5, 1984, Examiner Hearing)

Application of Schalk Development Co. for HARDSHIP GAS WELL CLASSIFICATION, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Schalk 62 Well No. 1 located in Unit P of Section 33, Township 32 North, Range 5 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

Docket No. 37-84

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 20, 1984

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

CASE 8275: (Continued from August 8, 1984, Examiner Hearing)
(This Case will be dismissed)

Application of Robert E. Landreth for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow, Atoka and Strawn formations underlying the N/2 of Section 3, Township 25 South, Range 34 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North and West lines of said Section 3. 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.

CASE 8349: Application of HNG Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 3, Township 25 South, Range 34 East, 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.

CASE 8286: (Continued from August 1, 1984, Commission Hearing)
 Application of Mesa Grande Resources, Inc. for creation of a new oil pool and special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for oil production to be designated as the Gavilan Greenhorn-Graneros-Dakota Oil Pool in Townships 24 and 25 North, Range 2 West, and the promulgation of special pool rules including a provision for 160-acre spacing.

CASE 8350: Application of Jerome P. McHugh for new pool creation and special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool to be designated as the Gavilan Greenhorn-Graneros-Dakota Oil Pool comprising Sections 1 through 3 in Township 24 North, Range 2 West and Sections 17 through 30 plus 33 through 36 in Township 25 North, Range 2 West, and the promulgation of temporary special pool rules therefor including a provision for 320-acre well spacing and proration units and specified well location requirements.

Docket No. 38-84

DOCKET: COMMISSION HEARING - WEDNESDAY - SEPTEMBER 26, 1984
 OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
 STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 8351:
 Application of Cities Service Oil & Gas Corporation for a unit agreement, Harding and San Miguel Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Bravo Dome Unit comprising 43,154 acres, more or less, of State, Federal and Fee lands in portions of Townships 17, 18, 19 and 20 North, Ranges 29 and 30 East.

CASE 8352:
 Application of Cities Service Oil & Gas Corporation for special pool rules, Harding and San Miguel Counties, New Mexico. Applicant, in the above-styled cause, seeks an order establishing temporary 640-acre spacing rules for an area in portions of Townships 17, 18, 19 and 20 North, Ranges 29, 30 and 31 East.

CASE 8360: (Continued from October 3, 1984, Examiner Hearing)

Application of Doyle Hartman for reinstatement of cancelled underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order to reinstate the cancelled underproduction assigned to the existing 80-acre non-standard gas proration unit comprised of the E/2 SW/4 of Section 36, Township 23 South, Range 36 East, Jalmat Gas Pool, and dedicated to its Marale State Well No. 1 located in the SE/4 SW/4 of said Section 36.

CASE 8361: (Continued from October 3, 1984, Examiner Hearing)

Application of Doyle Hartman for the reinstatement of cancelled underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order to reinstate the cancelled underproduction assigned to the existing 80-acre non-standard gas proration unit comprised of the SE/4 NW/4 and SW/4 NE/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, and dedicated to its Custer State Well No. 1 located in the SW/4 NE/4 of Section 36.

CASE 8343: (Continued and Readvertised)

Application of Chama Petroleum 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 1640 feet from the South line and 1170 feet from the East line of Section 10, Township 22 South, Range 24 East, to test the Pennsylvanian formation, the E/2 of said Section 10 to be dedicated to the well. In the absence of objection, this application will be approved based upon the record of hearing held on September 19, 1984.

CASE 8378: Application of Santa Fe Energy 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 1980 feet from the North line and 330 feet from the East line of Section 6, Township 17 South, Range 30 East, Atoka, Morrow, Strawn and Wolfcamp formations, the N/2 of said Section 6 to be dedicated to the well.

CASE 8367: (Continued from October 3, 1984, Examiner Hearing)

Application of Hondo Oil & Gas Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 22, Township 18 South, Range 28 East, 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.

CASE 8368: (Continued from October 3, 1984, Examiner Hearing)

Application of Hamon Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to 12,000 feet underlying the N/2 of Section 25, Township 23 South, Range 26 East, 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.

CASE 8379: Application of Anadarko Production Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Square Lake Federal "Q" Waterflood Project by converting the Federal "R" Well No. 3 located 330 feet from the North and West lines and its Federal "R" Well No. 8 located 1980 feet from the North line and 660 feet from the East line, both in Section 10, Township 17 South, Range 30 East, Square Lake Grayburg San Andres Pool, from producing oil wells to water injection wells.

CASE 8380: Application of Anadarko Production Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Burnham GSA Unit Waterflood Project by converting the Burnham GSA, Tract 6, Well No. 1 located 1980 feet from the South and West lines of Section 2, Township 17 South, Range 30 East, Square Lake Grayburg-San Andres Pool, from a producing oil well to a water injection well.

- CASE 2381: Application of Anadarko Production Company for waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Ballard Grayburg-San Andres Waterflood Unit, Loco Hills Pool, by converting 8 wells located in Sections 6, 8, and 8, and drilling two new injection wells to be drilled at unorthodox locations in the SW/4 NW/4 and the SW/4 SW/4 of Section 4, all in Township 18 South, Range 29 East.
- CASE 8382: Application of TXO Production Company for dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the dual completion of its Pioneer Federal Com well No. 1 located 1980 feet from the North line and 1740 feet from the East line (Unit G) of Section 19, Township 21 South, Range 27 East, to produce oil and gas from the Lahuerta-Wolfcamp Pool through a string of tubing and gas from the Burton Flat-Morrow Gas Pool through the casing-tubing annulus.
- CASE 8383: Application of TXO Production Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Strawn formations underlying the E/2 SE/4 and all mineral interests in all other formations from the surface to 11,500 feet underlying the NE/2 SE/4 of Section 33, Township 16 South, Range 37 East, 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.
- CASE 8384: Application of J. M. Huber Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 660 feet from the South and West lines of Section 32, Township 12 South, Range 36 East, Tatum-Wolfcamp Pool, the S/2 SW/4 of said Section 32 to be dedicated to the well.
- CASE 8217: (Continued from October 3, 1984, Examiner Hearing)
- Application of Curtis J. Little for HARDSHIP GAS WELL CLASSIFICATION, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Federal Com Well No. 2E located in Unit N of Section 11, Township 28 North, Range 13 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8337: (Continued from October 3, 1984, Examiner Hearing)
- Application of Schalk Development Co. for HARDSHIP GAS WELL CLASSIFICATION, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Schalk 62 Well No. 1 located in Unit P of Section 33, Township 32 North, Range 5 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8385: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Eddy and Chaves Counties, New Mexico:
- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Avalon-Lower Bone Spring Pool. The discovery well is the Exxon Yates C Federal Well No. 22 located in Unit E of Section 4, Township 21 South, Range 27 East, NMPM. Said pool would comprise:
- TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
- Section 4: Lots 3, 4, 5, 6, 11 & 12
- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Forty Niner Ridge-Delaware Pool. The discovery well is the Getty Oil Company Forty Niner Ridge Unit Well No. 1 located in Unit J of Section 16, Township 23 South, Range 30 East, NMPM. Said pool would comprise:
- TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
- Section 16: SE/4