

Dockets Nos. 9-85 and 10-85 are tentatively set for March 27 and April 10, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 13, 1985

8:00 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Gilbert P. Quintana, Examiner, or Michael E. Stogner, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for April, 1985, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for April, 1985, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8492: (Continued and Readvertised)

Application of Gulf Oil Corporation for a unit agreement, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Hospah Federal-State Unit Area comprising 1439.01 acres, more or less, of Federal and State lands in Townships 18 and 19 North, Range 8 West.

CASE 8509: Application of TXO Production Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Strawn formation underlying the E/2 of Section 14, Township 22 South, Range 27 East, to form a standard 320-acre gas spacing and production unit, to be dedicated to a well to be drilled at an unorthodox gas well location 990 feet from the North line and 1980 feet from the East line of said Section 14. 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 8461: (Continued from January 30, 1985, Examiner Hearing)

Application of Alpha Twenty-One Production Company 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 Grayburg formation underlying the SE/4 NE/4 of Section 32, Township 18 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 8462: (Continued from January 30, 1985, Examiner Hearing)

Application of Alpha Twenty-One Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Anres formation in the perforated interval from approximately 3700 feet to 4000 feet in the existing Sur Exploration and Production Company Gregory "A" Well No. 3 located 660 feet from the North and West lines (Unit D) of Section 33, Township 25 South, Range 37 East.

CASE 8510: 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 990 feet from the North line and 660 feet from the West line (Unit D) of Section 25, Township 22 South, Range 27 East, to test the Wolfcamp, Strawn and Morrow formations, the W/2 of said Section 25 to be dedicated to the well.

CASE 8511: 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 1570 feet from the South line and 990 feet from the East line (Unit I) of Section 22, Township 22 South, Range 27 East, to test the Wolfcamp, Strawn and Morrow formations, the S/2 of said Section 22 to be dedicated to the well.

CASE 8512: Application of Gary-Williams Oil Producer for an unorthodox oil well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1789 feet from the North line and 2107 feet from the West line of Section 32, Township 21 North, Range 3 West, the SE/4 NW/4 of said Section 32 to be dedicated to the well, Rio Puerco-Mancos Oil Pool.

- CASE 8513: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Undesignated Gallup and Basin-Dakota production in the wellbore of its Rosa Unit Well No. 59 located 1120 feet from the South line and 1560 feet from the West line (Unit N) of Section 25, Township 31 North, Range 6 West.
- CASE 8514: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Undesignated Gallup and Basin-Dakota production in the wellbore of its Rosa Unit Well No. 98 located 1840 feet from the South line and 790 feet from the West line (Unit L) of Section 23, Township 31 North, Range 6 West.
- CASE 8515: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Undesignated Gallup and Basin-Dakota production in the wellbore of its Rosa Unit Well No. 99Y located 855 feet from the South line and 1790 feet from the West line (Unit N) of Section 26, Township 31 North, Range 6 West.
- CASE 8516: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Undesignated Gallup and Basin-Dakota production in the wellbore of its Rosa Unit Well No. 100 located 890 feet from the South line and 1850 feet from the West line (Unit N) of Section 21, Township 31 North, Range 6 West.
- CASE 8517: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Undesignated Gallup and Basin-Dakota production in the wellbore of its Rosa Unit Well No. 101 located 1760 feet from the South line and 1850 feet from the West line (Unit K) of Section 24, Township 31 North, Range 6 West.
- CASE 8518: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Undesignated Gallup and Basin-Dakota production in the wellbore of its Rosa Unit Well No. 102 located 1790 feet from the South line and 900 feet from the East line (Unit I) of Section 30, Township 31 North, Range 5 West.
- CASE 8504: (Continued and Readadvertised) (This case will be dismissed.)
- Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Pennsylvanian formation underlying the S/2 of Section 12, Township 19 South, Range 28 East, to be dedicated to a well to be drilled at a standard gas well 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 8445: (Continued from February 13, 1985, Examiner Hearing)
- Application of GeoEngineering, Inc. for an exception to General Rules 104-F and 104 C.I., McKinley County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rules 104-F and 104 C.I. of the Division's General Rules and Regulations within portions of Sections 20, 21, 22, 27, 28, 29, and 30, all in Township 20 North, Range 9 West, to provide for Mesaverde oil wells to be located not nearer than 10 feet to the quarter-quarter section line nor nearer than 165 feet to lands owned by an offset operator and to also permit applicant to develop the Mesaverde formation within said area with more than four wells on each 40-acre tract.
- CASE 8519: Application of ARCO Oil and Gas Co. for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Upper Pennsylvanian production comprising the E/2 NW/4 of Section 35, Township 17 South, Range 29 East, and the promulgation of temporary special pool rules therefor including a provision for 80-acre well spacing and proration units and special well location requirements.
- CASE 8520: Application of ARCO Oil and Gas Co. for amendment of Division Order No. R-638-B, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-638-B, as amended, to delete that portion requiring proration units to consist of either the E/2 or W/2 of each governmental quarter section.

CASE 8521: Application of Cavalcade Oil Corporation 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 Wolfcamp formation underlying the NW/4 SW/4 of Section 18, Township 1 South, Range 38 East, to form a standard 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.

CASE 8502: (Continued from February 27, 1985, Examiner Hearing)

Application of Yates Drilling Company for a pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Southeast Chaves Queen Gas Area Associated Pool by the injection of water into the Queen formation through the perforated interval from approximately 2991 feet to 2997 feet in its Doyal Well No. 3 located 1980 feet from the South line and 990 feet from the East line (Unit I) of Section 27, Township 12 South, Range 31 East.

CASE 8522: Application of Yates Petroleum Corporation for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Pre-Cambrian formation underlying the S/2 of Section 33, Township 3 South, Range 30 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 8450: (Continued from February 27, 1985, Examiner Hearing) (This case will be dismissed.)

Application of Robert E. Chandler Corporation for compulsory pooling and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blinebry formation underlying a non-standard oil proration unit, consisting of approximately 25.9 acres, comprising Lot 4 of Section 29, Township 18 South, Range 39 East, NMPM, East Hobbs-Blinebry Pool, 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 8495: (Continued from February 27, 1985, Examiner Hearing)

Application of J. F. Herbig for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Abo formations underlying the NE/4 NE/4 of Section 11, Township 20 South, Range 38 East, House-Abo and House-Drinkard Pools, 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 8523: Application of Union Texas Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the perforated interval from approximately 12,729 feet to 12,802 feet in its Pos: Well No. 1 located 990 feet from the South line and 1650 feet from the West line (Unit N) of Section 1, Township 14 South, Range 37 East.

CASE 8524: Application of Coastal Oil & Gas Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bouish "C" formation in the perforated interval from 9738 feet to 9800 feet in its Federal "20" Well No. 1 located 660 feet from the South and East lines (Unit P) of Section 20, Township 13 South, Range 33 East.

CASE 8101: In the matter of Division Case No. 8101 being reopened on the motion of the Oil Conservation Division and pursuant to the provisions of Division Order No. R-7473, as amended, which order promulgated temporary special rules and regulations for the East Tanney Hill-Fusselman Pool in Roosevelt County, New Mexico, including a provision for 80-acre proration and spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 7936: (Continued and Readvertised)

In the matter of Division Case No. 7936 being reopened on the motion of the Oil Conservation Division and pursuant to the provisions of Division Order No. R-7364, as amended, which order promulgated temporary special rules and regulations for the Cedar Point-Strawn Pool in Chaves County, New Mexico, including a provision for 80-acre proration and spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre proration units.

- CASE 8525: Application of Hicks Oil & Gas, Inc. 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 Cha Cha-Gallup Oil Pool in the perforated interval from 5492 feet to 5824 feet in its Southeast Cha Cha Unit Well No. 37 located 550 feet from the South line and 2100 feet from the East line (Unit O) of Section 15, Township 28 North, Range 13 West.
- CASE 8526: Application of Phillips Petroleum Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower San Andres and Glorieta formations in the perforated interval from approximately 3370 feet to 3975 feet in its proposed Artesia Plant SWD Well No. 1 located 330 feet from the South line and 2310 feet from the East line of Section 7, Township 18 South, Range 28 East.
- CASE 8527: Application of Conoco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cruz-Delaware Pool in its Marshall Well No. 2 located 1980 feet from the South line and 1910 feet from the West line (Unit K) of Section 19, Township 23 South, Range 33 East, or IN THE ALTERNATIVE, to convert from a shut-in oil well to a salt water disposal well in the same pool, its Marshall Well No. 1 located 660 feet from the South and West lines of said Section 19.
- CASE 8528: Application of Conoco Inc. for HARDSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Bell Lake Unit 2 Well No. 6 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 6, Township 23 South, Range 34 East, North Bell Lake-Devonian Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.