

Dockets Nos. 11-85 and 12-85 are tentatively set for April 10 and April 24, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 27, 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 Michael E. Stogner, Examiner, or Gilbert P. Quintana, Alternate Examiner:

CASE 8484: (Continued from February 27, 1985, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit La Jet, Inc., the Travelers Indemnity Company, and all other interested parties to appear and show cause why the La Jet, Inc. State Well No. 1 located 660 feet from the South line and 2310 feet from the West line of Section 16, Township 21 South, Range 34 East, Lea County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8530: Application of Reading & Bates Petroleum Co. 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 North Tocito Dome-Pennsylvanian Associated Pool in the perforated interval from approximately 6382 feet to 6386 feet in its Navajo Tocito Well No. 4 located 1963 feet from the South line and 997 feet from the West line of Section 10, Township 26 North, Range 18 West.

CASE 8531: Application of Metex Pipe & Supply Company for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 2970 feet from the South line and 1270 feet from the West line of Section 4, Township 16 South, Range 31 East, North Square Lake Grayburg-San Andres Pool, Lot 13, (Unit M) of said Section 4 to be dedicated to the well.

CASE 8532: Application of Fred G. Yates, 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 Baum-Upper Pennsylvanian Pool underlying the SW/4 of Section 13, Township 13 South, Range 32 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 8533: Application of Ike Lovelady, Inc. for HARDSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Sam H. Snoddy Federal Well No. 1 located 660 feet from the North and East lines (Unit A) of Section 26, Township 20 South, Range 32 East, South Salt Lake-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8509: (Continued from March 13, 1985, Examiner Hearing)

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 proration 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 8429: (Readvertised)

Application of Exxon Corporation for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Cruz-Delaware Pool by the injection of water into the Ramsey Sand member of the Bell Canyon formation through its New Mexico State "EF" Well No. 3 located 990 feet from the South line and 330 feet from the West line of Section 17, Township 23 South, Range 33 East.

- CASE 8534: Application of A. M. Kalaf and George Kalaf for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the East Puerto Chiquito-Mancos Oil Pool underlying the SE/4 of Section 4, Township 25 North, Range 1 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 8535: Application of Slayton Oil Corporation for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 70.5-acre, more or less, non-standard proration unit comprising Lots 8 and 9 of Section 18, Township 29 North, Range 14 West, Cha Cha-Gallup Oil Pool.
- CASE 8510: (Continued from March 13, 1985, Examiner Hearing)
- 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 8519: (Continued from March 13, 1985, Examiner Hearing)
- 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 8536: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1190 feet from the South line and 1840 feet from the East line of Section 13, Township 28 North, Range 13 West, Totah-Gallup Oil Pool, the S/2 SE/4 of said Section 13 to be dedicated to the well.
- CASE 8537: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1010 feet from the North line and 1450 feet from the West line of Section 24, Township 28 North, Range 13 West, Cha Cha-Gallup Oil Pool, the N/2 NW/4 of said Section 24 to be dedicated to the well.
- CASE 8538: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1190 feet from the South and West lines of Section 25, Township 28 North, Range 13 West, Cha Cha-Gallup Oil Pool, the S/2 SW/4 of said Section 25 to be dedicated to the well.
- CASE 8539: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1080 feet from the South line and 1110 feet from the East line of Section 35, Township 28 North, Range 13 West, Cha Cha-Gallup Oil Pool, the S/2 SE/4 of said Section 35 to be dedicated to the well.
- CASE 8540: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1460 feet from the North and East lines of Section 32, Township 28 North, Range 12 West, Cha Cha-Gallup Oil Pool, the S/2 NE/4 of said Section 32 to be dedicated to the well.
- CASE 8541: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1110 feet from the South line and 940 feet from the West line of Section 36, Township 28 North, Range 13 West, Cha Cha-Gallup Oil Pool, the S/2 SW/4 of said Section 36 to be dedicated to the well.
- CASE 8542: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 820 feet from the South line and 920 feet from the East line of Section 29, Township 28 North, Range 12 West, Cha Cha-Gallup Oil Pool, the S/2 SE/4 of said Section 29 to be dedicated to the well.

CASE 8543: Application of Amoco Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1050 feet from the South line and 1090 feet from the East line of Section 5, Township 27 North, Range 12 West, Gallup formation, the SE/4 SE/4 (Unit P) of said Section 5 to be dedicated to the well.

CASE 8544: Application of Amoco Production Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 515 feet from the South line and 770 feet from the East line of Section 14, Township 28 North, Range 13 West, Basin-Dakota Pool, the S/2 of said Section 14 to be dedicated to the well.

CASE 8471: (Continued from January 30, 1985, Examiner Hearing)(This Case will be continued to April 24, 1985)

Application of Amoco Production Company for NGPA Wellhead Price Ceiling Category Determination, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the determination that its Wood Gas Com "A" Well No. 1 located in the NW/4 NE/4 of Section 4, Township 31 North, Range 10 West, NMPM, Cedar Hill Fruitland Basal Coal Gas Pool, meets the NGPA well category criteria for Section 107, High Cost Occluded Gas Produced from Coal Seams, under Section 107 of the Natural Gas Policy Act of 1978.

CASE 8476: (Reopened and Readvertised)

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 SW/4 NW/4 of Section 18, Township 12 South, Range 38 East, to be dedicated to a well to be re-entered or, in the alternative, to a new well to be drilled, either well to be located at a standard location thereon. Also to be considered will be the cost of re-entering or drilling and completing a 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 8521: (Continued from March 13, 1985, Examiner Hearing)

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 12 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 8503: (Continued and Readvertised)

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 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 35, Township 15 South, Range 36 East, Dean-Devonian Pool, the W/2 SE/4 of said Section 35 to be dedicated to the well.

CASE 8545: Application of Myco Industries for salt water disposal, Eddy 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 13,820 feet to 14,200 feet in the Shell Oil Company Big Eddy Unit Well No. 1 located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 36, Township 21 South, Range 28 East.

CASE 8512: (Continued and Readvertised)

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 for its Tayler "32" Well No. 6 located 1789 feet from the North line and 2107 feet from the West line of Section 32, Township 21 North, Range 3 West, Rio Puerco-Mancos Oil Pool, the W/2 of said Section 32 to be dedicated to the well.

CASE 8525: (Continued from March 13, 1985, Examiner Hearing)

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 8546: 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 Gallup formation in the perforated interval from approximately 5684 feet to 5706 feet in its S.E. Cha Cha Unit Well No. 16 located 1980 feet from the North line and 660 feet from the East line of Section 17, Township 28 North, Range 13 West.
- CASE 8547: 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 Gallup formation in the perforated interval from approximately 5689 feet to 5696 feet in its S.E. Cha Cha Unit Well No. 34 located 1980 feet from the North and West lines of Section 22, Township 28 North, Range 13 West.
- CASE 8548: 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 Gallup formation in the perforated interval from approximately 5623 feet to 5627 feet in its S.E. Cha Cha Unit Well No. 20 located 1980 feet from the North and West lines of Section 17, Township 28 North, Range 13 West.
- CASE 8549: (This Case will be Dismissed)
- Application of Clements Energy, 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 Tres Papalotes-Pennsylvanian Pool underlying the SE/4 of Section 8, Township 15 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 8468: (Continued from February 27, 1985 Examiner Hearing)
- Application of Damson Oil Corporation for certain findings for an infill well in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order determining that the Getty Oil Company (Texaco Inc.) operated Mexico Federal "K" Well No. 1-E located 1190 feet from the South line and 2020 feet from the West line of Section 8, Township 28 North, Range 10 West, NMPM, Basin-Dakota Pool, the previously approved 319.67-acre non-standard gas proration unit comprising Lots 1, 2, and 3, the SE/4 SW/4 and the S/2 SE/4 of partial Section 8 and Lots 3 and 4 and the S/2 SW/4 of partial Section 9, both in Township 28 North, Range 10 West, dedicated to the subject well in which Damson Oil Corporation owns an interest; is an authorized "infill well" within a designated pool where a second well on an established gas proration and drilling unit is necessary to recover additional gas from the pool; was drilled for the purpose of increasing the recovery of gas from the pool; and the operator has done nothing to restrict the ability of the original well in the above-described proration unit to produce into the pipeline; and, further, that said well is exempt from the provisions of the New Mexico Natural Gas Pricing Act (62-7-1 through 62-7-10, NMSA, 1978) pursuant to Laws of 1984, Chapter 123, Section 13.B.
- CASE 8469: (Continued from February 27, Examiner Hearing)
- Application of Damson Oil Corporation for certain findings for an infill well in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order determining that the Mesa Petroleum Co. operated McLeod Well No. 2-E located 1530 feet from the North line and 930 feet from the West line of Section 34, Township 28 North, Range 10 West, NMPM, Basin-Dakota Pool, the S/2 of said Section 34 dedicated to the subject well in which Damson Oil Corporation owns an interest; is an authorized "infill well" within a designated pool where a second well on an established gas proration and drilling unit is necessary to recover additional gas from the pool; was drilled for the purpose of increasing the recovery of gas from the pool; and the operator has done nothing to restrict the ability of the original well in the above-described proration unit to produce into the pipeline; and, further, that said well is exempt from the provisions of the New Mexico Natural Gas Pricing Act (62-7-1 through 62-7-10, NMSA, 1978) pursuant to laws of 1984, Chapter 123, Section 13.B.
- CASE 8550: Application of R. N. Ainsworth 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 through the Halvey Energy Company State Well No. 1 located 2310 feet from the South line and 660 feet from the West line (Unit L) of Section 30, Township 12 South, Range 38 East.
- CASE 8323: (Reopened)
- In the matter of Case No. 8323 being reopened on the motion of the Oil Conservation Division and pursuant to the provisions of Division Order No. R-7693-A, which order granted Yates Petroleum Corporation 45 days in which to determine if the Pan American Flint Gas Com Well No. 1 located 1980 feet from the South and East lines of Section 22, Township 18 South, Range 26 East, is capable of commercial oil and gas production. Yates Petroleum Corporation may appear and show cause why said Pan American Flint Gas Com Well No. 1 should not be utilized as a salt water disposal well.

CASE 8551: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, discovery allowable assignment, and extending certain pools in Lea, Roosevelt and Chaves Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the Southwest Austin-Mississippian Gas Pool. The discovery well is the Harvey E. Yates Company Goodrich Unit Well No. 1 located in Unit J of Section 11, Township 15 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 11: E/2

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Austin-Pennsylvanian Pool. The discovery well is the Adobe Oil and Gas Corporation State 16 Well No. 1 located in Unit M of Section 16, Township 14 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM

Section 16: SW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Atoka production and designated as the Bagley-Atoka Pool. Further, assign approximately 51,855 barrels of discovery allowable to the discovery well, the Petrus Operating Company State A Well No. 1 located in Unit K of Section 34, Township 11 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM

Section 34: SW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Hobbs Channel-Bone Spring Pool. The discovery well is the Harvey E. Yates Company Howry 25 Well No. 1 located in Unit E of Section 25, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 25: NW/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the West Osudo-Wolfcamp Pool. The discovery well is the Amoco Production Company Best Well No. 1 located in Unit G of Section 23, Township 20 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM

Section 23: NE/4

- (f) CONTRACT the Rhodes-Yates-Seven Rivers Gas Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 21: W/2 NW/4

- (g) EXTEND the Rhodes-Yates-Seven Rivers Oil Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 21: W/2 NW/4

- (h) EXTEND the Air Strip-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 15: SE/4
Section 22: E/2

- (i) EXTEND the East Brunson-McKee Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 25: NW/4

- (j) EXTEND the North Chaveroo-Permo Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM

Section 10: SE/4

- (k) EXTEND the East Grama Ridge-Strawn Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 10: E/2

- (l) EXTEND the Hardy-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 2: Lots 3, 4, 5, and 6
Section 3: Lots 1, 2, 7, and 8

- (m) EXTEND the North King-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM

Section 3: NW/4

- (n) EXTEND the Lea-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 2: E/2

- (o) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 9: S/2 and NE/4

- (p) EXTEND the East Paduca-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 32 EAST, NMPM

Section 23: NE/4

- (q) EXTEND the Quail-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 18: NW/4

- (r) EXTEND the Tomahawk-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM

Section 6: SE/4

- (s) EXTEND the Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 16: SW/4

Docket No. 10-85

DOCKET: COMMISSION HEARING - WEDNESDAY - APRIL 3, 1985

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

CASE 8224: (Continued from February 20, 1985, Commission Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to define the vertical and areal extent of aquifers potentially vulnerable to contamination by the surface disposition of water produced in conjunction with the production of oil and gas in McKinley, Rio Arriba, Sandoval and San Juan Counties, New Mexico. Applicant seeks to define such areas and prohibit and/or limit the disposition of such produced waters on the surface of the ground therein at any location where such waters are produced or collected.

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 Andres formation in the perforated interval from approximately 3700 feet to 4000 feet in the existing Sun 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 Readvertised) (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 12 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 Post 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 Bough "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.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

May 31, 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 8525
ORDER NO. R-7930

Applicant:

Hicks Oil & Gas, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs CCD X
Artesia OCD X
Aztec CCD X

Other _____

UK/1 No. 37

SWD completion looks okay. OK

1098 psi allowed. They asked for 1000 max. OK
Indian land. BIA was notified and all offset operators OK
were notified.

Robinson #3. There were some questions raised about the
TOC behind the 4 1/2" pipe. Hicks claimed it covered the
Gusher. Rechecked and they should be right. Approx
5412' - TOC In, Int. 5492 - 5824. Anyway they
had a DV tool at 1944' cemented w/150 sacks, so
up hole should be protected. We should call that
okay. OK

GCU # 113 well. Cement Top unknown. Calculated
at 70% fill to be at 5129'. Plus DV tool
at 1960' w/200 sx. Should be covered downhole and
uphole. Plus 4 1/2" pipe at 505' and annular
to surface. OK

1
5492
.2

1058.4

General Comments:

If I were you, I would contact Aster to see if they ever conducted any breadbasket surveys in this area or if they ever had any reports of waterflows in this area. Everything seems to be in pretty good shape though.

I don't know if it is standard procedure to have them test the casing on wells that have been injecting prior to now, but it seems to me that if they are going to pull the wells anyway that you ought to have them test the casing while they're at it.