

CASE 8564: Application of the Commissioner of Public Lands for the State of New Mexico to vacate and void Division Order No. R-7817, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to vacate and void Division Order No. R-7817 which authorized TXO Production Company to pool all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Section 2, Township 22 South, Range 27 East, to be dedicated to a well at an unorthodox gas well location 660 feet from the South and East lines.

CASE 8534: (Continued from April 10, 1985, Examiner Hearing) (This case will be dismissed.)

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 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 8565: (This case will be dismissed)

Application of TXO Production Corp. for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Section 2, Township 22 South, Range 27 East, to be dedicated to a well to be drilled at an unorthodox well location 660 feet from the South and East lines of said Section 2. 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 8552: (Continued from April 10, 1985, Examiner Hearing)

Application of J. M. Huber 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 N/2 NW/4 of Section 8, Township 13 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 8471: (Continued from March 27, 1985, Examiner Hearing)

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 it 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 8566: 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 Leeper Gas Com "D" Well No. 1-Y located 1500 feet from the South line and 840 feet from the West line of Section 34, Township 32 North, Range 10 West, NMPM, Cedar Hill Fruitland Basal Coal Gas Pool, meets the NGPA well category criteria set for Section 107, High Cost Occluded Gas Produced from Coal Seams, under Section 107 of the Natural Gas Policy Act of 1978.

CASE 8567: Application of Southland Royalty Company for pool creation and discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Bone Spring production comprising the NE/4 SE/4 of Section 15, Township 18 South, Range 34 East, and the assignment of a discovery allowable in the amount of 49,235 barrels for its Tonto State 15 Well No. 1.

Docket Nos. 14-85 and 15-85 are tentatively set for May 8 and May 22, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - MONDAY - APRIL 22, 1985

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

The following case was continued from April 3, 1985, Commission Hearing:

CASE 8224: 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.

Docket No. 13-85

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 24, 1985

8 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 8561: Application of Mar Oil & Gas Corp. Inc. for a unit agreement, Torrance County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Willard Unit Area comprising 7040 acres, more or less, of State, Federal and Fee lands in Townships 4 and 5 North, Range 8 East.
- CASE 8562: Application of Mar Oil & Gas Corp. Inc. for a unit agreement, Torrance County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Berkshire Unit Area comprising 27,840 acres, more or less, of State, Federal and Fee lands in Townships 6 and 7 North, Ranges 9 and 10 East.
- CASE 8582: Application of Parabo, Inc. for amendment of Division Order No. R-5516, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-5516, as amended, authorizing the water levels to be raised in Pits 2, 3, 5, 6, and 7.
- CASE 8563: (This case will be continued to May 22, 1985)
Application of Cabot 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 San Andres and Glorieta formations in the open-hole interval from 4583 feet to 6730 feet in the J. L. Reed Well No. 3 located 1980 feet from the North line and 1650 feet from the East line of Section 35, Township 13 South, Range 37 East.
- CASE 8461: (Continued from March 13, 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 March 13, 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.

Dockets Nos. 12-85 and 13-85 are tentatively set for April 24 and May 8, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 10, 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 May, 1985, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for May, 1985, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8552: Application of J. M. Huber 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 N/2 NW/4 of Section 8, Township 13 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 8528: (Continued from March 13, 1985, Examiner Hearing)

Application of Conoco Inc. for HARSHIP 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.

CASE 8530: (Continued from March 27, 1985, Examiner Hearing)

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 8534: (Continued from March 27, 1985, Examiner Hearing)

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 8553: Application of Yates Petroleum Corporation for amendment of Order No. R-7770, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7770, which authorized compulsory pooling underlying the N/2 of Section 24, Township 14 South, Range 35 East, to change the operator from Harvey E. Yates Company to Yates Petroleum Corporation and to pool all formations from the top of the Wolfcamp formation to the base of the Mississippian formation to form a standard gas spacing and proration unit or, should oil be encountered, eight standard oil spacing and proration units.

CASE 8510: (Continued from March 27, 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 8469: (Continued from March 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 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 8503: (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 of Section 35, Township 15 South, Range 36 East, Dean-Permo Pennsylvanian Pool, the SW/4 SE/4 (Unit 0) of said Section 35 to be dedicated to the well.

CASE 8532: (Continued from March 27, 1985, Examiner Hearing)

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 8554: (This case will be dismissed.)

Application of Amoco Production Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard oil proration unit comprising the W/2 SW/4 of Section 13, Township 13 South, Range 32 East, Baum-Upper Pennsylvanian Pool.

CASE 8506: (Continued from February 27, 1985, Examiner Hearing)

Application of Amoco Production Company 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 Menefee formation in the perforated interval from 3904 feet to 4106 feet in its Johnson Gas Com "E" Well No. 1 located 1100 feet from the North line and 990 feet from the West line of Section 15, Township 30 North, Range 12 West.

CASE 8507: (Continued from February 27, 1985, Examiner Hearing)

Application of Amoco Production Company for an unorthodox well location and dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Basin Dakota Pool and an unorthodox oil well location in the Pinon Gallup Oil Pool for a well to be drilled 850 feet from the South line and 100 feet from the West line of Section 11, Township 28 North, Range 12 West, to be dually completed in both pools, the previously approved 366.46-acre non-standard gas proration unit comprising Lots 1, 2, 3, and 4, the SE/4 SW/4, and the S/2 SE/4 of partial Section 10, Township 28 North, Range 12 West, plus Lots 3 and 4, and the S/2 SW/4 of said partial Section 11 to be dedicated to the well in the Basin Dakota Pool and the S/2 SW/4 of said partial Section 11 forming a standard 80-acre proration unit to be dedicated to the well in the Pinon Gallup Pool.

CASE 8513: (Continued from March 13, 1985, Examiner Hearing)

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.