

Dockets Nos. 26-85 and 27-85 are tentatively set for August 28 and September 11, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 14, 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:

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

CASE 8672: Application of Armstrong Energy for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Blue Lagoon Unit Area comprising 1600 acres, more or less, of State lands in Township 11 South, Range 34 East.

CASE 8673: Application of Chevron USA Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Trooper Unit Area comprising 2,880 acres, more or less, of State lands in Township 11 South, Range 35 East.

CASE 8562: (Continued from July 17, 1985, Examiner Hearing)

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 8650: (Readvertised)

Application of Amerada Hess Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the N/2 SW/4 of Section 9, 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 8674: Application of Jack Plemons for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to a depth of 3500 feet underlying the NW/4 NW/4 of Section 27, Township 17 South, Range 29 East, to be dedicated to its Continental "27" State Well No. 6 located 990 feet from the North line and 330 feet from the West line of said Section 27. 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 8635: (Continued from July 2, 1985, Examiner Hearing)

Application of Energy Reserves Group, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Fusselman formation in the perforated interval from 8150 feet to 8220 feet in its McClellan Well No. 1 located 2000 feet from the South line and 1900 feet from the West line of Section 10, Township 6 South, Range 33 East.

CASE 8669: (Readvertised)

Application of Doyle Hartman for an unorthodox gas well location, simultaneous dedication, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its Olsen-Blinebry Well No. 2 to be located at an unorthodox gas well location 660 feet from the South line and 500 feet from the West line (Unit M) of Section 29, Township 23 South, Range 37 East, Jalmat Gas Pool, is necessary to effectively and efficiently drain that portion of the previously approved 160-acre non-standard proration unit consisting of the SW/4 of said Section 29 which cannot be so drained by the existing Olsen-Blinebry Well No. 1 located 1650 feet from the South line and 990 feet from the West line (Unit L) of said Section 29. Applicant further seeks approval for the simultaneous dedication of said 160-acre unit to both of the above-described wells.

CASE 7619: (Reopened)

In the matter of Case 7619 being reopened on the motion of the Oil Conservation Division and pursuant to the provisions of Order No. R-7034 which order promulgated temporary special rules and regulations for the Counselors-Gallup Oil Pool in Rio Arriba County, including a provision for 160-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on less than 160-acre spacing with a depth bracket allowable in accordance with statewide rules.

CASE 8153: (Reopened)

In the matter of Case 8153 being reopened on the motion of the Oil Conservation Division and pursuant to the provisions of Order No. R-7034-A which order extended the vertical limits of the Counselors-Gallup Oil Pool to include the Dakota formation, redesignated said pool as the Counselors Gallup-Dakota Oil Pool, and made applicable the temporary special rules and regulations established under Division Order No. R-7034 to the Counselors Gallup-Dakota Oil Pool. Operators in said pool may appear and show cause why the pool should not be developed on less than 160-acre spacing with a depth bracket allowable in accordance with statewide rules.

CASE 8675: Application of Mesa Petroleum Co. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Northeast Eidson-Mississippian Pool including a provision for a gas-oil ratio limitation of 4000 cubic feet of gas per barrel of oil.

CASE 8676: Application of Southland Royalty Company for pool creation, special pool rules, and the contraction of the horizontal limits of the Scharb-Wolfcamp Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Scharb-Wolfcamp Pool by the deletion therefrom of the SW/4 of Section 33, Township 18 South, Range 35 East, the N/2 and SW/4 of Section 4 and the E/2 of Section 5, Township 19 South, Range 35 East. Applicant further seeks the creation of a new oil pool for Wolfcamp production comprising Sections 28, 29, 32, and 33, Township 18 South, Range 35 East, and Sections 4 and 5, Township 19 South, Range 35 East, and the promulgation of special pool rules therefor including a provision for 80-acre well spacing and proration units.

CASE 8677: Application of Texaco Producing 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 San Andres formation in the perforated and open-hole interval from approximately 3913 feet to 5120 feet in its Skelly Penrose "A" Unit Well No. 62 located 2200 feet from the South and West lines of Section 3, Township 23 South, Range 37 East.

CASE 8678: Application of Wilton Scott to vacate and void Division Order No. R-7983, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to vacate and void Division Order No. R-7983 which promulgated temporary special pool rules and regulations for the Northeast Caudill-Wolfcamp Pool including a provision for 80-acre spacing.

CASE 8679: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider an order contracting and extending certain pools in Chaves County, New Mexico:

(a) CONTRACT the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, by the deletion of the following described area:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 36: All

(b) EXTEND the Diamond Mound Atoka-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 36: All

CASE 8680: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider an order creating, contracting, and extending certain pools in McKinlay, Rio Arriba, San Juan, and Sandoval Counties:

(a) CREATE a new pool in McKinlay County, New Mexico, classified as an oil pool for Mesaverde production and designated as the Papers Wash-Mesaverde Oil Pool. The discovery well is the James L. Ludwick Federal 8 Well No. 4 located in Unit M of Section 8, Township 19 North, Range 5 West, NMPM. Said pool would comprise:

TOWNSHIP 19 NORTH, RANGE 5 WEST, NMPM
Section 7: S/2 N/2 and SE/4
Section 8: SW/4 SW/4
Section 17: NW/4 and NW/4 SW/4
Section 18: NE/4 and NE/4 SE/4

(b) CONTRACT the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, by the deletion of the following described area:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 14: S/2 SW/4

(c) EXTEND the BS Mesa-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 8: SE/4

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
Section 1: All
Section 2: SE/4

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM
Section 35: SE/4

- (d) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
Section 29: NE/4 and N/2 SE/4

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 22: N/2 SW/4

TOWNSHIP 25 NORTH, RANGE 13 WEST, NMPM
Section 13: E/2 SE/4

- (e) EXTEND the Devils Fork-Gallup Associated Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 2: SE/4

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM
Section 17: All
Section 20: N/2
Section 26: E/2
Section 29: N/2
Section 32: SW/4

- (f) EXTEND the Devils Fork-Mesaverde Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM
Section 6: W/2 SW/4
Section 7: NW/4 NW/4

- (g) EXTEND the Dufers Point Gallup-Dakota Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 11: SW/4
Section 15: NE/4

- (h) EXTEND the South Gallegos Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM
Section 28: W/2
Section 29: NE/4
Section 33: NW/4

- (i) EXTEND the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM
Section 11: W/2
Section 12: All

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM
Section 17: W/2

- (j) EXTEND the South Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM
Section 12: SW/4
Section 13: NW/4

TOWNSHIP 23 NORTH, RANGE 5 WEST, NMPM
Section 24: SE/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 20: All

- (k) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
Section 9: SE/4
Section 10: S/2

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 13: SE/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 13: All
Section 14: All

- (l) EXTEND the Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 12: NW/4

- (m) EXTEND the Otero-Chacra Pool in San Juan and Rio Arriba Counties, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
Section 27: NE/4

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM
Section 26: SW/4
Section 27: S/2
Section 29: SW/4
Section 30: S/2
Section 31: All
Section 32: N/2 and SW/4
Section 33: N/2
Section 34: N/2
Section 35: N/2

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
Section 21: SE/4
Section 22: S/2
Section 23: S/2
Section 25: S/2
Section 26: All
Section 27: E/2 and NW/4
Section 28: NE/4
Section 36: All

- (n) EXTEND the North Pinon-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM
Section 15: W/2 and SE/4
Section 16: NW/4

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
Section 29: S/2

- (o) EXTEND the Tapacito-Gallup Associated Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
Section 8: W/2
Section 35: All

- (p) EXTEND the Twin Mounds-Mesaverde Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM
Section 7: SE/4

- (q) EXTEND the WAW Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 11 WEST, NMPM
Section 31: SW/4

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 36: S/2 and NE/4

- (r) EXTEND the Wild Horse-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 16: N/2
Section 17: NE/4

Dockets Nos. 24-85 and 25-85 are tentatively set for July 31 and August 14, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 17, 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:

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

CASE 8562: (Continued from June 19, 1985, Examiner Hearing)

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 8630: (Continued and Readvertised)

Application of Ray Westall for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Order No. R-3221 to permit the disposal of produced salt water into five pits located in Township 19 South, Range 31 East, as follows:

NE/4 NE/4 Section 20;
E/2 NE/4 Section 21;
E/2 NW/4 Section 21;
W/2 NW/4 Section 21; and
N/2 SE/4 Section 21.

CASE 8650: Application of Amerada Hess Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the W/2 SW/4 of Section 9, 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 8651: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the South and East lines of Section 29, Township 19 South, Range 24 East, to test the Cisco and Canyon formations, the S/2 of said Section 29 to be dedicated to the well.

CASE 8631: (Continued and Readvertised)

Application of Lynx Petroleum Consultants, Inc. for an unorthodox gas well location, compulsory pooling, and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Queen formation underlying the SW/4 of Section 25, Township 16 South, Range 36 East, to be dedicated to a well to be recompleted at an unorthodox gas well location 1650 feet from the South line and 2100 feet from the West line of said Section 25. Also to be considered will be the cost of drilling and recompleting a well from the surface to the base of the Queen formation 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 recompleting said well. Applicant further seeks the dual completion of said well with the production from the Paddock formation.

CASE 8652: Application of Gulf Oil Corporation to amend Division Order No. R-7924, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7924 to authorize an unorthodox gas well location 1440 feet from the North line and 1310 feet from the West line of Section 15, Township 21 South, Range 36 East, Eumont Gas Pool.

CASE 8615: (Continued from July 2, 1985, Examiner Hearing)

Application of Corinne B. Grace for HARDSHIP GAS WELL CLASSIFICATION, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Poco Loco Well No. 1 located 1980 feet from the South and West lines of Section 8, Township 15 South, Range 30 East, Double "L"-Queen Associated Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8621: (Continued from July 2, 1985, Examiner Hearing)

Application of Kaiser-Francis Oil Company for HARDSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Federal "30" Well No. 2 located 2310 feet from the South line and 1980 feet from the West line of Section 30, Township 19 South, Range 33 East, Gem-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

Dockets Nos. 21-85 and 22-85 are tentatively set for July 2 and July 17, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 19, 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 8562: (Continued from May 8, 1985, Examiner Hearing)

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 8548: (Reopened and Readvertised)

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 South and East lines of Section 17, Township 28 North, Range 13 West.

CASE 8626: Application of Amerind Oil Co. for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn formation underlying the S/2 NW/4 of Section 28, Township 16 South, Range 37 East, Casey-Strawn 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 8627: Application of TXO Production Corp. for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the base of the Strawn formation underlying the SW/4 SW/4 of Section 36, Township 24 South, Range 26 East, to form a standard 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard oil well location 660 feet from the South and West lines of said Section 36. Applicant further seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of said Section 36, to form a standard 320-acre gas spacing and proration unit also to be dedicated to the above-described well which is an unorthodox gas well location for the W/2, 320-acre gas spacing and proration unit. 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 8628: Application of Texaco 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 Seven Rivers and Yates formations in the open-hole interval from 3630 feet to 4200 feet in its B. V. Lynch "A" Federal Well No. 2 located 660 feet from the South and East lines of Section 34, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool.

CASE 8629: Application of Ray Westall for an exception to Order No. R-3221, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an exception to the provisions of Order No. R-3221 to permit the disposal of produced salt water into two pits located in Units G and O of Section 35, Township 18 South, Range 30 East. Applicant also seeks provision for disposal of possible produced salt water from four or more additional wells to be drilled in the W/2 of said Section 35.

CASE 8630: Application of Ray Westall for an exception to Order No. R-3221, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an exception to the provisions of Order No. R-3221 to permit the disposal of produced salt water into five pits located in Township 19 South, Range 31 East, as follows:

NE/4 NE/4 Section 20;
 E/2 NE/4 Section 21;
 E/2 NW/4 Section 21;
 W/2 NW/4 Section 21; and
 N/2 SE/4 Section 21.

CASE 3609: (Continued from June 5, 1985, Examiner Hearing)

Application of Hondo Drilling Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Union Texas State Com Well No. 1 located 660 feet from the South line and 1980 feet from the West line of Section 17, Township 19 South, Range 29 East, Turkey Track-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 3610: (Continued from June 5, 1985, Examiner Hearing)

Application of Hondo Drilling Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Alscott Federal Well No. 1 located 1650 feet from the North line and 1980 feet from the East line (Unit G) of Section 31, Township 18 South, Range 29 East, North Turkey Track-Cisco Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 3611: (Continued from June 5, 1985, Examiner Hearing)

Application of Hondo Drilling Company for five HARDSHIP GAS WELL CLASSIFICATIONS, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that each of the following described wells in Township 18 South, Range 29 East, North Turkey Track-Morrow Gas Pool, are hardship gas wells which should be granted priority access to pipeline takes in order to avoid waste:

Alscott Federal Well No. 2
660' FSL - 1980' FEL (Unit O)
Section 30

Alscott Federal Well No. 3
660' FSL - 1980' FEL (Unit O)
Section 31

Trigg Jennings Com Well No. 1
660' FSL - 1980' FWL (Unit N)
Section 28

Wright Federal Com Well No. 1
660' FSL - 1980' FWL (Unit N)
Section 29

Wright Federal Com Well No. 2
1980' FNL - 1980' FEL (Unit G)
Section 29

CASE 8614: (Continued from June 5, 1985, Examiner Hearing)

Application of Yates Petroleum Corporation for an exception to the Special Rules and Regulations for the Bluit-San Andres Associated Pool as promulgated by Division Order No. R-5353, as amended, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Special Rules and Regulations for the Bluit-San Andres Associated Pool as promulgated by Division Order No. R-5353, as amended, to authorize an unorthodox gas well location for its Bluestem "ZL" Federal Well No. 1 to be located 1650 feet from the North line and 2310 feet from the East line of Section 20, Township 8 South, Range 38 East, the S/2 NE/4 and N/2 SE/4 of said Section 20 to be dedicated to said well forming a non-standard 160-acre gas spacing and proration unit in said pool.

CASE 8631: Application of Lynx Petroleum Consultants, Inc. for an unorthodox gas well location, compulsory pooling, and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Queen formation underlying the SW/4 of Section 25, Township 16 South, Range 36 East, to be dedicated to a well to be recompleted at an unorthodox gas well location 1650 feet from the South line and 2100 feet from the West line of said Section 25. Also to be considered will be the cost of recompleting 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 recompleting said well. Applicant further seeks the dual completion of said well with the production from the Paddock formation.

CASE 3569: (Continued from May 8, 1985, Examiner Hearing) (This case will be dismissed)

Application of Inexco Oil Company for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the South Humble City Strawn Pool underlying the NE/4 NE/4 of Section 14, Township 17 South, Range 37 East, to be dedicated to a well to be drilled at a standard oil well location 900 feet from the North line and 810 feet from the East line of said Section 14. Applicant further seeks an order pooling all mineral interests in the South Humble City Strawn Pool underlying the E/2 NE/4 of said Section 14 to form a standard 80-acre oil spacing and proration unit within said pool also to be dedicated to the above-described well which is located at an unorthodox oil well location for said pool. 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 8545: (Continued from June 5, 1985, Examiner Hearing)

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 8632: Application of Amoco Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 2080 feet from the North line and 1980 feet from the West line of Section 32, Township 13 South, Range 34 East, Nonombre-Upper Pennsylvanian Pool, the NW/4 of said Section 32 to be dedicated to the well.

CASE 8606: (Continued from June 5, 1985, Examiner Hearing)

Application of Doyle Hartman for simultaneous dedication and 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 Jalmat Gas Pool underlying the NW/4 of Section 8, Township 24 South, Range 37 East, forming a previously approved 160-acre non-standard spacing and proration unit in the Jalmat Gas Pool, to be simultaneously dedicated to his existing E. E. Jack Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 8 and his proposed E. E. Jack Well No. 5 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 8619: (Continued June 5, 1985, Examiner Hearing)

Application of Mesa Petroleum Co. for an unorthodox oil well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 2270 feet from the North line and 1390 feet from the East line of Section 9, Township 20 North, Range 2 West, Rio Puerco-Mancos Pool, the E/2 of said Section 9 to be dedicated to the well.

CASE 8633: Application of Southland Royalty Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the Basin-Dakota Pool underlying the NW/4 of Section 15, Township 29 North, Range 14 West, 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 8607: (Continued from June 5, 1985, Examiner Hearing)

Application of ARCO Oil and Gas Company for special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Ojito Gallup-Dakota Oil Pool to provide for 160-acre spacing or proration units.

CASE 8634: Application of ARCO Oil and Gas Company for pool extension, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the West Lindrith Gallup-Dakota Oil Pool in Township 25 North, Range 3 West.

Dockets Nos. 15-85 and 16-85 are tentatively set for May 22 and June 5, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 8, 1985

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

CASE 8562: (Continued from April 24, 1985, Examiner Hearing)

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 8586: In the matter of the hearing called by the Oil Conservation Division on its own motion for rescision of Division Order No. R-333, as amended, and for recodification, amendment, and issuance of the gas well test requirements, as contained therein, for the San Juan Basin Area in San Juan, Sandoval, Rio Arriba, and McKinley Counties, New Mexico. Applicant, in the above-styled cause, seeks to organize the testing rules contained in Division Order No. R-333, as amended, and to amend certain provisions of said rules including but not limited to designation of types of tests to be conducted, amending the test year, amending test procedures and tables, providing for measurement of shut-in pressures, and amending the deliverability pressure. (Copies of the proposal are available at all Division offices.)

CASE 8564: (Continued from April 24, 1985, Examiner Hearing)

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 8587: Application of Amerind Oil Co. for amendment of Division Order No. R-7796, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Division Order No. R-7796, which authorized compulsory pooling in the Strawn formation underlying the W/2 NE/4 of Section 28, Township 16 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Applicant now seeks an unorthodox oil well location 1320 feet from the North line and 1980 feet from the East line of said Section 28, said W/2 NE/4 to be dedicated thereto.

CASE 8588: Application of Bliss Petroleum, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 2310 feet from the North line and 830 feet from the West line of Section 35, Township 15 South, Range 36 East, Dean Devonian Pool, the SW/4 NW/4 of said Section 35 to be dedicated to the well.

CASE 8589: Application of Harvey E. Yates Company for four compulsory poolings, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying four 40-acre proration units, being the NE/4 SE/4; NW/4 SE/4; NE/4 SW/4; and SE/4 SW/4; all in Section 7, Township 9 South, Range 30 East, Cato-San Andres Pool, each unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 8590: Application of Earle M. Craig, Jr. Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1970 feet from the North line and 670 feet from the East line of Section 19, Township 26 South, Range 31 East, Phantom Draw-Wolfcamp Gas Pool, the N/2 of said Section 19 to be dedicated to the well.

CASE 8591: Application of V-F Petroleum, 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 Devonian formation in the perforated interval from 13,474 feet to 13,564 feet in its Mayme Graham Well No. 1 located 660 feet from the South line and 1980 feet from the West line of Section 9, Township 15 South, Range 36 East.

CASE 8592: Application of Fannie Lee Mitchell, 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 Devonian formation in the perforated interval from 4,950 feet to 14,474 feet in its Caudill SWD Well No. G-32 located 1980 feet from the North line and 1830 feet from the East line (Unit G) of Section 32, Township 15 South, Range 36 East.

CASE 8593: Application of Corrine B. Grace for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Carlsbad Grace Well No. 1 located 1980 feet from the South line and 660 feet from the East line of Section 36, Township 22 South, Range 26 East, South Carlsbad-Strawn Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8569: (Continued from April 24, 1985, Examiner Hearing)

Application of Inexco Oil Company for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the South Humble City Strawn Pool underlying the NE/4 NE/4 of Section 14, Township 17 South, Range 37 East, to be dedicated to a well to be drilled at a standard oil well location 900 feet from the North line and 810 feet from the East line of said Section 14. Applicant further seeks an order pooling all mineral interests in the South Humble City Strawn Pool underlying the E/2 NE/4 of said Section 14 to form a standard 80-acre oil spacing and proration unit within said Pool also to be dedicated to the above-described well which is located at an unorthodox oil well location for said Pool. 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 8556: (Continued from April 24, 1985, Examiner Hearing)

Application of Southland Royalty Company for 320-acre spacing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks 320-acre spacing for the Duffield-Pennsylvanian Gas Pool located in the SW/4 of Section 21, Township 16 South, Range 27 East, which was created prior to June 1, 1964, and therefore is not automatically eligible for 320-acre spacing. In the absence of evidence to the contrary, 320-acre spacing will be established for the subject pool.

CASE 8557: (Continued from April 24, 1985, Examiner Hearing)

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 surface to the top of the Wolfcamp formation underlying the NW/4 of Section 21, Township 16 South, Range 27 East, to form a standard 160-acre spacing and proration unit for any and all formations and/or pools dedicated on 160-acre spacing, to be dedicated to a well to be drilled at a standard location thereon. Applicant further seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Pennsylvanian formation (Duffield-Pennsylvanian Gas Pool inclusive) underlying the W/2 of said Section 21 to form a standard 320-acre gas spacing and proration unit within said vertical limits also to be dedicated to the above-mentioned well at a standard gas well location for a 320-acre gas spacing and proration unit. IN THE ALTERNATIVE, applicant seeks an order pooling all mineral interests from the surface to the top of the Wolfcamp formation and all mineral interests in the Duffield-Pennsylvanian Gas Pool underlying the NW/4 of said Section 21 to form a standard 160-acre spacing and proration unit for any and all formations and/or pools dedicated on 160-acre spacing, to be dedicated to a well to be drilled at a standard location thereon. Applicant further seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of said Section 21 to form a standard 320-acre gas spacing and proration unit in said formation also to be dedicated to the above-mentioned well at a standard gas well location for a 320-acre gas spacing and proration unit. Also to be considered, in either case, 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 8568: (Continued from April 24, 1985, Examiner Hearing)

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 Wolfcamp production comprising the SE/4 SE/4 of Section 32, Township 18 South, Range 35 East, and the assignment of a discovery allowable in the amount of 55,620 barrels for its Peoples State 32 Well No. 1.

CASE 8594: Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit, and an unorthodox gas well location, 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 Jalmat Gas Pool underlying the SE/4 of Section 27, Township 23 South, Range 36 East, forming a 160-acre spacing and proration unit, to be dedicated to a well to be drilled 330 feet from the South and East lines of said Section 27. Applicant further seeks approval for a 160-acre non-standard Jalmat Gas Pool spacing and proration unit comprising said SE/4 of Section 27 also to be dedicated to the aforementioned well which is an unorthodox gas well location in the Jalmat Gas Pool. 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 8570: (Continued from April 24, 1985, Examiner Hearing)

Application of Doyle Hartman for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 160-acre gas proration unit comprising the NE/4 of Section 35, Township 22 South, Range 36 East, Jalmat Gas Pool.

CASE 8545: (Continued from April 24, 1985, Examiner Hearing)

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 8595: Application of APC Operating Partnership for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Wolfcamp production comprising portions of Sections 1 and 2, Township 15 South, Range 36 East, and the promulgation of temporary special pool rules therefor including a provision for 80-acre well spacing and proration units.

CASE 8596: Application of Rio Pecos 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 Morrow formation underlying the E/2 of Section 27, Township 20 South, Range 21 East, to be dedicated to a well to be drilled at an unorthodox gas well location 1680 feet from the South line and 660 feet from the East line of said Section 27. 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 8597: Application of Gulf Oil Corporation for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1470 feet from the North line and 1310 feet from the West line of Section 15, Township 21 South, Range 36 East, Eumont Gas Pool, to form a 320-acre non-standard gas proration unit comprising the W/2 of said Section 15.

CASE 8560: (Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order extending the South Lindrith Gallup-Dakota Oil Pool in Sandoval County, New Mexico to include therein:

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM

Section 11: S/2
 Section 14: All
 Section 15: All
 Section 16: All
 Section 18: W/2
 Section 19: W/2
 Section 21: E/2
 Section 22: W/2
 Section 23: E/2
 Section 27: W/2
 Section 34: NW/4

TOWNSHIP 23 NORTH, RANGE 5 WEST, NMPM

Section 13: N/2

Section 14: NE/4

CASE 8598: 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 Chaves, Lea and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Permo Pennsylvanian production and designated as the Northwest Austin-Permo Pennsylvanian Pool. The discovery well is the Harvey E. Yates Company Duncan Unit Well No. 2 located in Unit F of Section 26, Township 13 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 35 EAST, NMPM

Section 26: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Corbin-Bone Spring Pool. The discovery well is the Harvey E. Yates Company Santa Fe Exploration Well No. 1 located in Unit O of Section 6, Township 18 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 6: SE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Drinkard production and designated as the East Garrett-Drinkard Pool. The discovery well is the Marathon Oil Company Aetna Eaves Well No. 2 located in Unit A of Section 26, Township 16 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM

Section 26: NE/4

- (d) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production and designated as the Little Lucky Lake-Morrow Gas Pool. The discovery well is the Texaco Inc. Peery Federal Well No. 2 located in Unit O of Section 29, Township 15 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM

Section 29: S/2

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the South Skaggs-Abo Pool. The discovery well is the Conoco Inc. State 35 Well No. 1 located in Unit P of Section 35, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 35: SE/4

- (f) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Abo production and designated as the Tobac-Abo Pool. The discovery well is the Exxon Corporation New Mexico BW State Well No. 2 located in Unit F of Section 20, Township 8 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM

Section 20: NW/4

- (g) EXTEND the West Anderson Ranch-Pennsylvanian Gas Pool in Chaves and Lea Counties, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 31 EAST, NMPM

Section 33: SE/4

Section 34: SW/4

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM

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

- (h) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM

Section 8: SE/4

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

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM

Section 22: NW/4

- (j) EXTEND the Cline Drinkard-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM

Section 12: NW/4

- (k) EXTEND the Cuerno Largo-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM

Section 36: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM

Section 12: NE/4

- (m) EXTEND the Eumont-Yates-Seven Rivers-Queen Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPMSection 13: E/2
Section 24: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 10: E/2

- (o) EXTEND the Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 10: E/2

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

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 2: SW/4

- (q) EXTEND the South Knowles-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 38 EAST, NMPM

Section 24: SW/4

- (r) EXTEND the Maljamar-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 2: NW/4

- (s) EXTEND the West Pitchfork Ranch-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 24: E/2

Section 25: NE/4

- (t) EXTEND the Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 36: E/2

- (u) EXTEND the Saunders Permo-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM

Section 13: SW/4

- (v) EXTEND the Skaggs-Abo Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 12: S/2 SE/4

- (w) EXTEND the Tatum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 36 EAST, NMPM

Section 32: SW/4

- (x) EXTEND the Townsend-Permo Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 5: Lots 5, 6, 11, 12, 13, and 14

- (y) EXTEND the Tubb Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 13: SW/4

- (z) EXTEND the West Tucker Ranch-Canyon Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM

Section 8: NE/4

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.

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 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 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.

CASE 8568: 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 Wolfcamp production comprising the SE/4 SE/4 of Section 32, Township 18 South, Range 35 East, and the assignment of a discovery allowable in the amount of 55,620 barrels for its Peoples State 32 Well No. 1.

CASE 8556: (Continued from April 10, 1985, Examiner Hearing)

Application of Southland Royalty Company for 320-acre spacing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks 320-acre spacing for the Duffield-Pennsylvanian Gas Pool located in the SW/4 of Section 21, Township 16 South, Range 27 East, which was created prior to June 1, 1964, and therefore is not automatically eligible for 320-acre spacing. In the absence of evidence to the contrary, 320-acre spacing will be established for the subject pool.

CASE 8557: (Continued from April 10, 1985, Examiner Hearing)

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 surface to the top of the Wolfcamp formation underlying the NW/4 of Section 21, Township 16 South, Range 27 East, to form a standard 160-acre spacing and proration unit for any and all formations and/or pools dedicated on 160-acre spacing, to be dedicated to a well to be drilled at a standard location thereon. Applicant further seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Pennsylvanian formation (Duffield-Pennsylvanian Gas Pool inclusive) underlying the W/2 of said Section 21 to form a standard 320-acre gas spacing and proration unit within said vertical limits also to be dedicated to the above-mentioned well at a standard gas well location for a 320-acre gas spacing and proration unit. IN THE ALTERNATIVE, applicant seeks an order pooling all mineral interests from the surface to the top of the Wolfcamp formation and all mineral interests in the Duffield-Pennsylvanian Gas Pool underlying the NW/4 of said Section 21 to form a standard 160-acre spacing and proration unit for any and all formations and/or pools dedicated on 160-acre spacing, to be dedicated to a well to be drilled at a standard location thereon. Applicant further seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of said Section 21 to form a standard 320-acre gas spacing and proration unit in said formation also to be dedicated to the above-mentioned well at a standard gas well location for a 320-acre gas spacing and proration unit. Also to be considered, in either case, 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 8569: Application of Inexco Oil Company for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the South Humble City Strawn Pool underlying the NE/4 NE/4 of Section 14, Township 17 South, Range 37 East, to be dedicated to a well to be drilled at a standard oil well location 900 feet from the North line and 810 feet from the East line of said Section 14. Applicant further seeks an order pooling all mineral interests in the South Humble City Strawn Pool underlying the E/2 NE/4 of said Section 14 to form a standard 80-acre oil spacing and proration unit within said Pool also to be dedicated to the above-described well which is located at an unorthodox oil well location for said Pool. 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 8570: Application of Doyle Hartman for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 160-acre gas proration unit comprising the NE/4 of Section 35, Township 22 South, Range 36 East, Jalmat Gas Pool.

CASE 8558: (Continued from April 10, 1985, Examiner Hearing)

Application of HNG Oil 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 W/2 of Section 18, Township 24 South, Range 29 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 8545: (Continued from April 10, 1985, Examiner Hearing)

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 8571: Application of Mabee Petroleum Corporation for amendment to Administrative Order DHC-36, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Administrative Order DHC-36 to include production from the Drinkard Pool to be downhole commingled with production from the Blinebry Pool and the Tubb Oil and Gas Pool in the wellbore of its Belcher "A" Well No. 1 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 7, Township 22 South, Range 38 East.

CASE 8572: Application of Pennzoil 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 Pennsylvanian formation underlying the S/2 of Section 30, Township 19 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools dedicated on 320-acre spacing, 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 8581: Application of Pennzoil 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 Pennsylvanian formation underlying the W/2 of Section 36, Township 16 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools dedicated on 320-acre spacing, 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 8573: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Blanco Mesaverde and Basin Dakota Gas Pools in the wellbores of the following eight wells:

STATE "A" Well No. 113-E
1110' FSL - 950' FEL
Unit P, Section 2

Breech "B" Well No. 172-E
890' FSL - 990' FWL
Unit M, Section 7

Breech "D" Well No. 685-E
858' FSL - 927' FEL
Unit P, Section 11

Breech "C" Well No. 689
1850' FSL - 790' FWL
Unit L, Section 12

Breech "C" Well No. 689-M
920' FSL - 1100' FEL
Unit P, Section 12

Breech "C" Well No. 248
1140' FNL - 900' FEL
Unit A, Section 13

Breech "A" Well No. 229-M
1120' FNL-890' FEL
Unit A, Section 17

Breech "D" Well No. 341-M
1850' FNL - 1800' FWL
Unit F, Section 21

All in Township 26 North, Range 6 West.

CASE 8574:

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Otero Chacra, Blanco Mesaverde, and Basin Dakota Gas Pools in the wellbores of the following seven wells:

Breech "E" Well No. 68-E
1980' FSL - 660' FWL
Unit L, Section 4

Breech "E" Well No. 583-M
1925' FSL - 720' FWL
Unit L, Section 5

Breech "A" Well No. 175-E
660' FNL - 1980' FEL
Unit B, Section 8

Breech "A" Well No. 204-M
1980' FSL-660' FWL
Unit L, Section 9

Breech "A" Well No. 136-E
660' FSL - 1980' FEL
Unit O, Section 10

Breech "C" Well No. 248-E
960' FNL-850'FWL
Unit D, Section 13

Sanchez Well No. 4
990' FN and WL
Unit D, Section 25

All in Township 26 North, Range 6 West.

CASE 8575: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the South Blanco Pictured Cliffs, Otero Chacra, Blanco Mesaverde, and Basin Dakota Gas Pools in the wellbores of its State "B" Well No. 233 located 1145 feet from the North line and 980 feet from the West line (Unit D) of Section 16, and its Sanchez Well No. 1 located 560 feet from the North line and 660 feet from the West line (Unit D) of Section 24, both in Township 26 North, Range 6 West.

CASE 8533: (Continued from March 27, 1985, Examiner Hearing)

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 8576: Application of Northwest Pipeline Corporation for HARDSHIP GAS WELL CLASSIFICATION, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its San Juan 29-5 Unit Well No. 89 located 2300 feet from the South line and 1830 feet from the West line (Unit K) of Section 34, Township 29 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 8577: Application of Northwest Pipeline Corporation for HARDSHIP GAS WELL CLASSIFICATION, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its San Juan 29-5 Unit Well No. 91 located 1140 feet from the North line and 1840 feet from the East line (Unit B) of Section 35, Township 29 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 8578: Application of Northwest Pipeline Corporation for HARDSHIP GAS WELL CLASSIFICATION, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its San Juan 29-5 Unit Well No. 88 located 2450 feet from the North line and 1850 feet from the East line (Unit G) of Section 34, Township 29 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 8579: Application of Northwest Pipeline Corporation for HARDSHIP GAS WELL CLASSIFICATION, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its San Juan 29-5 Unit Well No. 90 located 1180 feet from the South line and 1750 feet from the West line (Unit N) of Section 35, Township 29 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 8583: Application of Dugan Production Corporation 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 400 feet from the South and West lines (Unit M) of Section 22, Township 27 North, Range 13 West, NMPM, Gallegos-Gallup Associated Pool, the S/2 SW/4 of said Section 22 to be dedicated to the well.
- CASE 8584: Application of Maralo, Inc. for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Maralo Jalmat Yates Unit Waterflood Project by converting to injection its Maralo Jalmat Yates Unit Well Nos. 1 and 2 located in Unit I and J, respectively, of Section 12, Township 25 South, Range 36 East.
- CASE 8585: Application of Union Oil Company of California for an exception to Division Order No. R-2212, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Special Rules and Regulations for the North Anderson Ranch Wolfcamp Pool as promulgated by Division Order No. R-2212, to authorize an unorthodox oil well location for its Brown State Unit Well No. 1 located 660 feet from the North line and 1980 feet from the East line of Section 28, Township 15 South, Range 32 East, the W/2 NE/4 of said Section 28 to be dedicated to said well.
- CASE 8580: Application of Texaco Producing, Inc. 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 S/2 of Section 18, Township 24 South, Range 29 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.