

Dockets Nos. 35-85 and 36-85 are tentatively set for November 21 and December 4, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 6, 1985

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

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

CASE 8741: (This case will be continued to November 21, 1985.)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Rapid Company, Inc., American Employers' Insurance Co. and all other interested parties to appear and show cause why the following wells in Lea County should not be plugged and abandoned in accordance with a Division-approved plugging program:

Punch No. 1	Unit J	Sec. 11, T-12-S, R-34-E
Ranger Lake No. 1	Unit N	Sec. 11, T-12-S, R-34-E
Ranger Lake No. 3	Unit N	Sec. 11, T-12-S, R-34-E
Texas Pacific AH State No. 1	Unit F	Sec. 14, T-12-S, R-34-E
Ranger Lake SWD No. 1	Unit H	Sec. 15, T-12-S, R-34-E

CASE 8673: (Continued from October 9, 1985, Examiner Hearing)

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 8712: (Continued from October 23, 1985, Examiner Hearing)

Application of Kimbell Oil Company of Texas for HARDSHIP GAS WELL CLASSIFICATION, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Salazar Well No. 4-E located 1630 feet from the North line and 1460 feet from the West line (Unit F) of Section 34, Township 25 North, Range 6 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8742: Application of Reeves Drilling & Petroleum Corporation 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 Sandstone formation in the open-hole interval from approximately 2465 feet to 2615 feet in the Malco Copple Well No. 2 located 360 feet from the North line and 1650 feet from the West line of Section 5, Township 30 North, Range 15 West, Verde-Gallup Oil Pool.

CASE 8743: Application of H. L. Brown, Jr. for salt water disposal, Roosevelt 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 4030 feet to 4535 feet in its Saunders "A" Well No. 1 located 1650 feet from the North and West lines of Section 5, Township 8 South, Range 37 East, Bluit-San Andres Gas Pool.

CASE 8635: (Continued from September 11, 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 8731: (Continued and Readvertised)

Application of Amerada Hess Corporation for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the Wolfcamp through Atoka formations underlying the N/2 SE/4 of Section 10, Township 16 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox location 1700 feet from the South line and 2300 feet from the East line of said Section 10. 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 8744: Application of Union Texas Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval for the downhole commingling of Otero-Gallup and Basin-Dakota production in the wellbore of all existing wells and all wells subsequently to be drilled in the Jicarilla "L" and "N" Leases in Townships 24 and 25 North, Range 5 West.

CASE 8745: Application of Benson-Montin-Greer Drilling Corporation for authority to conduct a long term Reservoir Pressure Study, Mancos Formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to conduct a long term reservoir pressure study among certain Mancos Formation wells that are located in Section 6, Township 25 North, Range 1 West and Sections 1 and 2 of Township 25 North, Range 2 West, including the granting of a special temporary allowable, accumulation of underproduction and exceptions for Division Rules 503, 505, and 306.

CASE 8746: (This case will be continued to December 18, 1985.)

Application of Jack J. Grynberg 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 base of the Morrow formation underlying the S/2 of Section 25, Township 18 South, Range 26 East, to form a standard 320-acre gas 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 8735: (Continued from October 23, 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 top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of Section 2, Township 19 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8736: (Continued from October 23, 1985, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Dakota formation underlying the N/2 of Section 13, Township 25 North, Range 2 West, Basin-Dakota 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 8737: (Continued from October 23, 1985, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Chaves 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 SW/4 of Section 30, Township 15 South, Range 28 East, and all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of said Section 30, 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 8689: (Continued from October 23, 1985, Examiner Hearing)

Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying a previously approved 120-acre non-standard proration unit comprising the N/2 NW/4 and SW/4 NW/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to its Justis Christmas Gas Com Well No. 1 located 2225 feet from the North line and 790 feet from the West line of said Section 20. 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 8739: (Continued from October 23, 1985, Examiner Hearing)

Application of Chama Petroleum Company to rescind Division Order No. R-7637, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to rescind Division Order No. R-7637 which authorized the disposal of produced water into the "C" and "D" zones of the Cisco Canyon formation through the Dagger Draw Salt Water Disposal Well located 1495 feet from the North line and 225 feet from the West line of Section 22, Township 19 South, Range 25 East, Undesignated North Dagger Draw-Upper Pennsylvanian Pool, in which Anadarko Production Company is the operator.

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 21, 1985

3 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 David R. Catanach, Alternate Examiner:

CASE 8741: (Continued from November 6, 1985, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Rapid Company, Inc., American Employers' Insurance Co. and all other interested parties to appear and show cause why the following wells in Lea County should not be plugged and abandoned in accordance with a Division-approved plugging program:

Punch No. 1	Unit J	Sec. 11, T-12S, R-34E
Ranger Lake No. 1	Unit N	Sec. 11, T-12S, R-34E
Ranger Lake No. 3	Unit N	Sec. 11, T-12S, R-34E
Texas Pacific AH State No. 1	Unit F	Sec. 14, T-12S, R-34E
Ranger Lake SWD No. 1	Unit H	Sec. 15, T-12S, R-34E

CASE 8673: (Continued from November 6, 1985, Examiner Hearing)

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 8748: (Called at the October 21, 1985 Hearing)

Application of Sun Exploration and Production Company for a non-standard gas proration unit, compulsory pooling and dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the SE/4 of Section 25 and the NE/4 NE/4 of Section 36, both in Township 24 South, Range 36 East, forming a 200-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool. Applicant further seeks an order pooling all mineral interests in the Langlie-Mattix Pool underlying the NW/4 SE/4 of said Section 25 to form a standard 40-acre oil spacing and proration unit, both aforementioned units to be dedicated to a well to be drilled at a standard location 1980 feet from the South and East lines of said Section 25 and dually completed (conventional) in such a manner as to produce oil from the Langlie-Mattix Pool and gas from the Jalmat Gas Pool through parallel strings of tubing. 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 8722: (Continued and Readvertised)

Application of Doyle Hartman for a non-standard gas proration unit, compulsory pooling, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the SE/4 of Section 25 and the NE/4 NE/4 of Section 36, both in Township 24 South, Range 36 East, forming a 200-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool to be dedicated to a well to be drilled at an unorthodox gas well location 1500 feet from the South line and 1200 feet from the East line of said Section 25. 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 8730: (Continued and Readvertised)

Application of Ray Westall for dual completion and salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete the Texas Crude Oil Co. Tennessee Federal Well No. 1 located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 21, Township 19 South, Range 31 East, North Hackberry Yates-Seven Rivers Pool, in such a manner as to produce oil from the Yates formation and to dispose of produced salt water into the Seven Rivers formation in the perforated and open hole interval from approximately 2420 feet to 2581 feet through parallel strings of tubing.

Dockets Nos. 37-35 and 38-85 are tentatively set for December 4 and December 18, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - NOVEMBER 19, 1985

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

CASE 8749: Application of the Oil Conservation Commission on its own motion to rescind Order No. R-1670, as amended, to recodify and amend the General Rules and Regulations for the Prorated Gas Pools contained therein and to amend the special gas prorating rules for the Atoka-Pennsylvanian, Blinberry, Buffalo Valley-Pennsylvanian, Burton Flat-Morrow, Burton Flat-Strawn, South Carlsbad-Morrow, Crosby-Devonian, Eumont, Indian Basin-Morrow, Indian Basin-Upper Pennsylvanian, Jalmat, Justis-Glorieta, Monument-McKee-Ellenburger, and Tubb Gas Pools of Lea, Eddy and Chaves Counties and the special gas prorating rules for the Basin-Dakota, Blanco-Mesaverde, South Blanco-Pictured Cliffs, and Tapacito-Pictured Cliffs Gas Pools of San Juan, Sandoval, and Rio Arriba Counties.

CASE 8614: (De Novo)

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 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.

Upon application of Yates Petroleum Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8640: (De Novo)

Application of Caulkins Oil Company for compulsory pooling, downhole commingling, and dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota and Blanco-Mesaverde Pools underlying the N/2 of Section 20, Township 26 North, Range 6 West, forming a standard 320-acre gas spacing and proration unit in both zones, and in the Pictured Cliffs and Chacra formations underlying the NE/4 of said Section 20, forming a standard 160-acre gas spacing and proration unit in both of these zones, to be dedicated to a well to be drilled at a standard location thereon. Applicant further seeks approval to dually complete said well in such a manner that Blanco-Mesaverde and Basin-Dakota production would be commingled separately and the aforesaid intervals dually completed with commingled Pictured Cliffs and Chacra production and both commingled zones produced through parallel strings of tubing. 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.

Upon application of Meridian Oil Inc. and El Paso Natural Gas Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8463: (Continued from October 17, 1985, Commission Hearing)

Application of David Fasken for termination of prorating in the Burton Flat-Morrow Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order terminating prorating in the Burton Flat-Morrow Gas Pool located in portions of Townships 20 and 21 South, Ranges 26, 27, and 28 East, and to also cancel all cumulative overproduction and underproduction within said pool.

Upon application of David Fasken this case will be heard De Novo pursuant to the provisions of Rule 1220.