

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

8 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 15 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.

CASE 37-7: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, redesignating, and extending vertical and horizontal limits of 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 Bone Spring production and designated as the Apache Ridge-Bone Spring Pool. The discovery well is the Pennzoil Company Mescalero Federal Well No. 1 located in Unit P of Section 30, Township 19 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 30: SE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn production and designated as the North Grama Ridge-Strawn Gas Pool. The discovery well is the Pogo Producing Company State L-922 Well No. 2 located in Unit J of Section 28, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 28: S/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Johnson Ranch-Wolfcamp Gas Pool. The discovery well is the Mesa Petroleum Co. Jackson Unit Well No. 1 located in Unit G of Section 22, Township 24 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 22: E/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Kemnitz-Upper Wolfcamp Pool. The discovery well is the Yates Petroleum Corporation Hot Toddy ABQ State Well No. 1 located in Unit G of Section 18, Township 16 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 18: NE/4

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the South Pitchfork Ranch-Atoka Gas Pool. The discovery well is the Stone Petroleum Corporation Javalina Basin Unit Well No. 1 located in Unit G of Section 17, Township 25 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 17: N/2

(f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Seven Rivers production and designated as the South Pearl-Seven Rivers Gas Pool. The discovery well is the Western Equipment Company Lea K State Well No. 1 located in Unit L of Section 36, Township 19 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 36: SW/4

(g) CONTRACT the Pearl-Seven Rivers Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 36: SW/4

(h) EXTEND the vertical limits of the Austin-Wolfcamp Pool in Lea County, New Mexico, to include the Cisco, Canyon, and Strawn formations and redesignate said pool as the Austin-Permo Upper Pennsylvanian Pool. Further, extend the horizontal limits of said Austin-Permo Upper Pennsylvanian Pool to include therein:

TOWNSHIP 14 SOUTH, RANGE 35 EAST, NMPM
Section 24: NE/4

(i) EXTEND the lower vertical limits of the Bagley-Lower Pennsylvanian Gas Pool from 5700 feet subsea elevation to the top of the Atoka marker at 10,144 feet as found on the log of Petrus Operating Company State Well No. 1 located in Unit I of Section 34, Township 11 South, Range 33 East, NMPM.

- (j) EXTEND the West Antelope Ridge-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 21: NE/4
Section 22: W/2

- (k) EXTEND the Cary-Montoya Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 33: W/2

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 4: NW/4

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

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 7: SW/4

- (m) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 17: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 26: S/2
Section 27: SE/4

- (o) EXTEND the Mescalero Escarpe-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 11: SE/4

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

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 25: SE/4

- (q) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico:

TOWNSHIP 6 SOUTH, RANGE 34 EAST, NMPM
Section 8: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 27: NW/4
Section 28: NE/4

- (s) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 2: Lots 1, 2, 7, 8, 9, 10,
15, and 16

- (t) EXTEND the Weir-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 16: W/2 NE/4

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 13, 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 David R. Caranach, Alternate Examiner:

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



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

50 YEARS



1935 - 1985

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MEMORANDUM

TO: ALL CORRESPONDENTS WITH THE
OIL CONSERVATION DIVISION

FROM: PRENTISS CHILDS
BUREAU CHIEF, ADMINISTRATION

SUBJECT: CHANGE in SANTA FE ZIP CODE

Please use the following zip code number when addressing mail
to the OIL CONSERVATION DIVISION in Santa Fe: 87504-2088.

Thank you.

October 21, 1985

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