

CASE 8800: (Continued and Readvertised)

Application of B & E, Inc. for amendment to Division Order No. R-7031, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7031 (1) authorizing an increase of the discharge into Laguna Cuatro; and, (2) for the authorization to dispose of associated waste hydrocarbons and other related solids obtained in conjunction with the drilling and production of oil and gas into unlined pits at said disposal site.

CASE 8810: Application of Bliss Petroleum, Inc. for an exception to the special rules and regulations for the Dean Permo-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations of the Dean Permo-Pennsylvanian Pool, as promulgated by Division Order No. R-892, authorizing a 40-acre non-standard oil spacing and proration unit comprising the SW/4 NW/4 of Section 35, Township 15 South, Range 36 East, to be dedicated to a well to be located at a standard oil well location thereon.

CASE 8773: (Continued from January 9, 1986, Examiner Hearing)

Application of Bliss Petroleum, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its existing J. W. Grizzell "A" Well No. 1 located 1034 feet from the South line and 2635 feet from the West line of Section 5, Township 22 South, Range 37 East, San Andres formation, the SW/4 of said Section 5 to be dedicated to said well.

CASE 8811: Application of TXO Production Corp. 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 Bone Spring formation underlying the SW/4 SW/4 of Section 24, Township 18 South, Range 32 East, forming a standard 40-acre oil spacing and proration 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 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 8784: (Continued from January 9, 1986, Examiner Hearing)

Application of TXO Production Corp. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface through the base of the Queen formation underlying the NW/4 NE/4 of Section 14, Township 18 South, Range 38 East, forming a standard 40-acre spacing and proration 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 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 8812: *Continued and Readvertised*  
Application of Sun Exploration and Production Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 2080 feet from the North line and ~~750~~ feet from the East line of Section 24, Township 18 South, Range 33 East, Morrow formation, the N/2 of said Section 24 to be dedicated to the well.

CASE 8806: (Continued and Readvertised) (This case will be continued to February 5, 1986, Examiner Hearing)

Application of Coquina Oil Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cisco formation in the perforated interval from approximately 7870 feet to 8196 feet in its Pan Canadian Well No. 1 located 1980 feet from the North and West lines (Unit F) of Section 34, Township 19 South, Range 25 East.

CASE 8813: Application of Nearburg Producing Company for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 2460 feet from the South line and 660 feet from the East line of Section 12, Township 17 South, Range 37 East, South Humble City-Strawn or Humble City-Strawn Pool, the N/2 SE/4 of said Section 12 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit which is standard for spacing for both pools.

Dockets Nos. 4-86 and 5-86 are tentatively set for February 5 and February 19, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 22, 1986

8:15 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 8808: Application of Burk Royalty Co. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Lucky Lake Queen Unit Agreement comprising 880.00 acres, more or less, of Federal and State land in Township 15 South, Range 29 East.
- CASE 8635: (Continued from November 6, 1985, Examiner Hearing) (This case will be dismissed)  
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 8782: (Continued from January 9, 1986, Examiner Hearing)  
Application of H & S Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cisco formation in the open-hole interval from 7950 feet to 8220 feet in the Read & Stevens Scoggins Draw Unit Well No. 1-Y located 766 feet from the South line and 2086 feet from the East line (Unit 0) of Section 31, Township 18 South, Range 27 East.
- CASE 8135: (Continued and Readvertised)  
Application of Veryl F. Moore for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of two certain replacement wells in the Pictured Cliffs formation of Northwest New Mexico as provided in Section 62-7-5, NMSA, 1978. To be considered will be the granting of the exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.
- CASE 8809: Application of Harvey E. Yates 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 base of the Delaware formation underlying the SE/4 of Section 13, Township 18 South, Range 31 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-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 8788: (Continued from December 18, 1985, Examiner Hearing)  
Application of Jerome P. McHugh 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 E/2 of Section 12, Township 25 North, Range 2 West, to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, 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 8819: Application of The Petroleum Corporation of Delaware for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 3500 feet to 5600 feet underlying the SE/4 SW/4 of Section 12, Township 26 South, Range 29 East, forming a standard 40-acre oil spacing and proration unit, to be dedicated to a well located at a standard oil 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 8820: Application of Santa Fe Energy Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Strawn, Atoka, and Morrow formations underlying the W/2 of Section 24, Township 22 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit, 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 8821: Application of Earle M. Craig, Jr. Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1250 feet from the South line and 660 feet from the East line of Section 25, Township 26 South, Range 30 East, Undesignated Ross Draw-Wolfcamp Gas Pool, the S/2 of said Section 25 to be dedicated to the well.

CASE 8806: (Continued from January 22, 1986, Examiner Hearing)

Application of Coquina Oil Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cisco formation in the perforated interval from approximately 7870 feet to 8196 feet in its Pan Canadian Well No. 1 located 1980 feet from the North and West lines (Unit F) of Section 34, Township 19 South, Range 25 East.

CASE 8812: (Continued and Readvertised)

Application of Sun Exploration and Production Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 2080 feet from the North line and 600 feet from the East line of Section 24, Township 18 South, Range 33 East, Morrow formation, the N/2 of said Section 24 to be dedicated to the well.

CASE 8805: (Continued from January 9, 1986, Examiner Hearing)

Application of Gary-Williams Oil Producer for a pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Rio Puerco-Mancos Oil Pool by the reinjection of natural gas into the perforated interval from approximately 3691 feet to 4127 feet in its San Isidro "13" Well No. 11 located 1980 feet from the South and West lines of Section 13, Township 20 North, Range 3 West.

CASE 8822: Application of Amoco Production Company for pool creation and special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Gallup production comprising all of Sections 25, 26, 35 and 36 in Township 26 North, Range 3 West, and the promulgation of special rules therefor including a provision for 160-acre spacing and designated well locations.

CASE 8789: (Continued from January 9, 1986, Examiner Hearing)

Application of Geo Engineering, Inc. for a unit agreement and for authorization for a unit plan of development to more efficiently recover primary reserves and for the purpose of secondary recovery, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit area for the Mesaverde formation encompassing 1580 acres, more or less, of State and fee lands underlying either all or portions of Sections 20, 21, 22, 27, 28, 29 and 30, Township 20 North, Range 9 West. Applicant further seeks an order authorizing a plan of development within said unit area to include:

- 1) an exception to Division General Rule 104.F., to provide for oil wells to be located not nearer than 165 feet to the unit boundary nor nearer than 10 feet to any quarter-quarter section or subdivision inner boundary;
- 2) an exception to Division General Rule 104.C.I., allowing the operator to develop the unit area with more than four wells on each 40-acre tract; and,

Dockets Nos. 6-86 and 7-86 are tentatively set for February 19 and March 5, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 5, 1986

8:15--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 8816: Application of C & C Operating 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 formation in the perforated interval from approximately 4942 feet to 4986 feet in its Lea "OR" State Well No. 3 located 660 feet from the South and East lines of Section 12, Township 18 South, Range 36 East, Arkansas Junction-San Andres Pool.
- CASE 8817: Application of Pollution Control, 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 Abo, Wolfcamp, and Devonian formations in the perforated intervals from approximately 5000 feet to 12,164 feet in the L & B Oil Company Inc. State "AJ" Well No. 1 located 2310 feet from the North and East lines (Unit G) of Section 33, Township 18 South, Range 36 East.
- CASE 8818: Application of Yates Petroleum Corporation for a pressure maintenance project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Avalon-Delaware Pool by the injection of water into the perforated interval from approximately 2595 feet to 3685 feet in its Stonewall "YE" State Well No. 1 located 1650 feet from the South line and 1980 feet from the East line (Unit J) of Section 30, Township 20 South, Range 28 East.
- CASE 8775: (Continued from January 9, 1986, Examiner Hearing)
- Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the SW/4 of Section 23, Township 5 South, Range 25 East, Undesignated Pecos Slope Abo Gas Pool, 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 8809: (Continued and Readvertised)
- Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Delaware formation underlying four standard 40-acre oil spacing and proration units being the NW/4 SE/4, NE/4 SE/4, SW/4 SE/4 and SE/4 SE/4 of Section 13, Township 18 South, Range 31 East, each 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 each of said wells and the allocation of the costs 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 8784: (Continued from January 22, 1986, Examiner Hearing)
- Application of TXO Production Corp. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface through the base of the Queen formation underlying the NW/4 NE/4 of Section 14, Township 18 South, Range 38 East, forming a standard 40-acre spacing and proration 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 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 8810: (Continued from January 22, 1986, Examiner Hearing)
- Application of Bliss Petroleum, Inc. for an exception to the special rules and regulations for the Dean Permo-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations of the Dean Permo-Pennsylvanian Pool, as promulgated by Division Order No. R-892, authorizing a 40-acre non-standard oil spacing and proration unit comprising the SW/4 NW/4 of Section 35, Township 15 South, Range 36 East, to be dedicated to a well to be located at a standard oil well location thereon.

