



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 2, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

American Exploration Company
2100 Republic Bank Center
Houston, Texas 77002

Gentlemen:

In accordance with the provisions of Division Order No. R-639-C-1 entered on January 25, 1988, the Oil Conservation Division is reopening Case No. 8874 in order to allow operators in the Crosby-Devonian Associated Pool in Lea County, New Mexico, to appear and show cause why said pool should not be reclassified as a gas pool to be governed by the rules set forth by Division Orders Nos. R-639, as amended, and R-8170, as amended.

This case will be heard before an examiner on January 10, 1990, in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico, at 8:15 a.m. A copy of the docket for this hearing is enclosed.

Sincerely,

Florene Davidson

Florene Davidson
OC Staff Specialist

enc.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CAPPETHERS
GOVERNOR

January 2, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Chevron USA, Inc.
P. O. Box 670
Hobbs, New Mexico 88240

Gentlemen:

In accordance with the provisions of Division Order No. R-639-C-1 entered on January 25, 1988, the Oil Conservation Division is reopening Case No. 8874 in order to allow operators in the Crosby-Devonian Associated Pool in Lea County, New Mexico, to appear and show cause why said pool should not be reclassified as a gas pool to be governed by the rules set forth by Division Orders Nos. R-639, as amended, and R-8170, as amended.

This case will be heard before an examiner on January 10, 1990, in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico, at 8:15 a.m. A copy of the docket for this hearing is enclosed.

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Florene Davidson

Florene Davidson
OC Staff Specialist

enc.



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

September 28, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

American Exploration Company
4500 Republic Bank Center
Houston, Texas 77002

Gentlemen:

In accordance with the provisions of Division Order No. R-639-C entered on October 9, 1986, the Oil Conservation Division is reopening Case No. 8874 in order to give all operators in the Crosby-Devonian Associated Pool in Lea County, New Mexico, the opportunity to appear and show cause why said pool should not be reclassified as a gas pool to be governed by the rules set forth by Division Orders Nos. R-639, as amended, and R-8170.

This case will be heard before an examiner on October 7, 1987, in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico, at 8:15 a.m. A copy of the docket for this hearing is enclosed.

Sincerely,

Florene Davidson
OC Staff Specialist

enc.

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS

RECEIVED

JUN 17 1986

OIL CONSERVATION DIVISION

GUADALUPE PLACE
SUITE I - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 19, 1986

Mr. R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Case 8874: Application of Union Texas Petroleum
Corporation for Pool Reclassification, Lea County,
New Mexico.

Dear Mr. Stamets:

Union Texas Petroleum Corporation respectfully requests that
the above-referenced case scheduled for hearing before the
Division on June 25, 1986, be continued to the Examiner hearings
scheduled for July 23, 1986.

Your attention to this request is appreciated.

Very truly yours,


J. Scott Hall

JSH/cv

cc: Mr. Rick Loudon
Union Texas Petroleum Corp.

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 29, 1986

RECEIVED

APR 29 1986

OIL CONSERVATION DIVISION

R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Case 8874: Application of Union Texas Petroleum
Corporation for Pool Reclassification, Lea County,
New Mexico.

Dear Mr. Stamets:

On behalf of Union Texas Petroleum Corporation, we hereby request that the above-referenced case which is scheduled for hearing before a Division Examiner on April 30, 1986, be continued to the Examiner hearings scheduled for May 28, 1986.

Your attention to this request is appreciated.

Very truly yours,



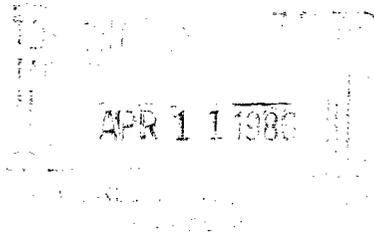
William F. Carr

WFC/cv

cc: Mr. Rick Loudon
Union Texas Petroleum Corp.



Union Texas Petroleum



DC 4-11-86

Western Region

4000 N. Big Spring
Midland, Texas 79705
Telephone (915) 684-0600

April 8, 1986

Ms. Florene Davidson
N.M. Oil Conservation Commission
P.O. Box 2088
Sante Fe, N.M. 87501

RE: Case 8874
Docket No. 13-86

Ms. Davidson:

We are unable to properly prepare for our case 8874 set for April 16, 1986. We request to be re-scheduled for April 30, 1986, Docket No. 14-86 in order to meet the requirements for our case.

Best regards,

Dennis H. Cowan
Manager Regulatory &
Environmental Services

Dockets Nos. 14-86 and 15-86 are tentatively set for April 30 and May 14, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 16, 1986
8:15 a.m. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

COPY

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

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for May, 1986, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for May, 1986, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8871: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Veno Energy and other interested parties to appear and show cause why their authority under Order No. R-7596 to operate an oil treating plant located in the NW/4 NE/4 of Section 23, Township 16 South, Range 35 East, Lea County, New Mexico, should not be cancelled and why the site of such plant should not be reclaimed.

CASE 8872: Application of HNG Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Queen Lake Unit Agreement comprising 1917.2 acres, more or less, of Federal, State, and Fee lands in Section 36, Township 24 South, Range 28 East and Sections 31 and 32, Township 24 South, Range 29 East.

CASE 8873: Application of Exxon Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Delaware and Bone Spring formations underlying the NW/4 SW/4 of Section 27, Township 22 South, Range 26 East, forming a 40-acre standard oil spacing and proration unit in both zones. Applicant further seeks an order pooling all mineral interests in the Canyon, Strawn, Atoka, and Morrow formations underlying the W/2 of said Section 27, to form a standard 320-acre gas 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 line and 660 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 8874: Application of Union Texas Petroleum Corporation for Pool Reclassification, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of the Crosby-Devonian Gas Pool as an associated pool and the promulgation of special pool rules therefor.

CASE 8848: (Continued from March 5, 1986, Examiner Hearing)

Application of Amoco Production Company for NGPA Wellhead Price Ceiling Category Determinations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination by the Division that the following three wells in Township 19 South, Range 35 East, Scharb-Bone Springs Pool, meet the NGPA well category criteria for New Onshore Reservoir under Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission:

- 1) Elkan Well No. 3 located 1980 feet from the South and East lines (Unit J) of Section 9;
- 2) Elkan Well No. 4 located 519 feet from the South line and 2121 feet from the West line (Unit N) of Section 9; and,
- 3) State "MX" Well No. 1 located 660 feet from the North line and 710 feet from the West line (Unit D) of Section 15.

CASE 8875: Application of Arco Oil & Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Blinebry, Drinkard, and Wantz-Abo Pools in the wellbore of its S. J. Sarkeys Well No. 3 located 2310 feet from the South line and 330 feet from the East line (Unit I) of Section 23, Township 21 South, Range 37 East.

CASE 8870: (Continued from April 2, 1986, Examiner Hearing)

Application of Nearburg Producing 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 and Canyon formations in the perforated interval from approximately 7772 feet to 7850 feet in the Coquina Oil Corporation Aikman State Well No. 1 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 27, Township 19 South, Range 25 East.

Memo

From

MICHAEL STOGNER

Petroleum Engineer

To

CASE NO. _____

Application of Union Texas Petroleum Corporation For Pool Reclassification, Lea County, New Mexico.

Applicant, in the above-styled case, seeks the reclassification of the Crosby - Devonian Gas Pool as an associated pool and the promulgation of special pool rules therefor.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

TONY ANAYA
 GOVERNOR

March 21, 1986

POST OFFICE BOX 1550
 HOBBS, NEW MEXICO 88240
 (505) 393-5181

Case #

RECEIVED
 HOBBS DISTRICT OFFICE
 MARCH 22 1986

OIL CONSERVATION DIVISION
 P. O. BOX 2038
 SANTA FE, NEW MEXICO 87501

Case 8879

RE: Proposed:
 MC _____
 DHC _____
 NSL _____
 NSP _____
 SWD _____
 WFX _____
 PMX _____

Reclassification of pool _____ X
 Crosby Devonian Gas to an Associated Pool

Gentlemen:

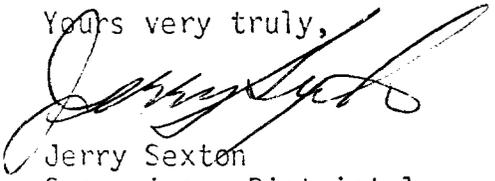
I have examined the application for the:

Union Texas Petroleum Company
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

It appears to us that Union Texas has reasonable cause to ask for this.

See Paul's Kautz comments which are attached.

Yours very truly,

 Jerry Sexton
 Supervisor, District 1

/mc

*Note
 Will Be R-5353
 amendment*



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

TONY ANAYA
GOVERNOR

March 6, 1986

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

MEMO TO: Mr. Jerry Sexton
FROM: Paul Kautz
SUBJECT: Crosby Devonian Gas Pool

Case 8874

The Crosby Devonian Gas pool according to Roswell Geological Society Book is a waterdrive-gas expansion reservoir.

The Gulf, G.W. Shahan D #2 is approximately 200 feet higher on the structure than the Union of Texas, Gregory Fed El Paso #1 well. The gas/oil ratio has been declining in the Union of Texas well

1965	---	23000/1
1972	---	7500/1
1984	---	6400/1

The GOR has declined and will probably continue to decline. Both wells are producing from the same zone in the Devonian. The gas production has caused the GOR to decrease in the lower parts of the structure. I have no objection to reclassifying this pool to an associated pool.



Union Texas Petroleum

Western Region

4000 N. Big Spring
Midland, Texas 79705
Telephone (915) 684-0600

REGISTRATION
DIVISION
SANTA FE

March 17, 1986

Mr. Richard L. Stamets
N.M. Oil Conservation Commission
P. O. Box 2088
Santa Fe, N.M. 87501

COPY

Case 8879

Re: Gregory El Paso Federal No. 1
Crosby Devonian Field
Lea County, New Mexico

Dear Mr. Stamets:

Union Texas Petroleum respectfully request the above captioned well be reclassified from a gas well to an oil well and the pool established as an associated pool, based on the attached C-116 with a current GOR of 9630/1. This request is in accordance with the general rules of Order 5353. El Paso has currently shut in this well due to market demand. We feel the subject well produces too much oil to be shut in for gas market demand. Also attached is form C-102 assigning 40 acres for oil.

If there are questions concerning this request, please call Mr. Ken White at 915-684-1648.

Very truly yours,

UNION TEXAS PETROLEUM CORPORATION

Dennis H. Cowan
Manager Regulatory and
Environmental Services

DHC/gad
Attachments

CROSBY-DEVONIAN GAS POOL

Lea County, New Mexico

Order No. R-1670, Adopting Special Rules and Regulations, in Addition to the General Rules and Regulations for South-eastern New Mexico, for the Crosby-Devonian Gas Pool, Lea County, New Mexico, May 20, 1960.

(Order No. R-1670 Supersedes Order No. R-639, Creating and Adopting Rules for the Crosby-Devonian Gas Pool, Lea County, New Mexico, May 27, 1955, Superseded by Order No. R-639-A, December 28, 1956, as Amended by Order No. R-639-B, January 16, 1957.)

(The Crosby-Devonian Gas Pool was created May 27, 1955, and gas prorationing was instituted April 1, 1957.)

A. WELL LOCATION AND SPACING REQUIREMENTS

RULE 5(A). A standard gas proration unit in the Crosby-Devonian Gas Pool shall be 160 acres. (Note. The General Rules regarding administrative approval of non-standard units do not apply to the Crosby-Devonian Gas Pool.)

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A). The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

RULE 8(B). Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104, Form C-110 and Form C-128 or the approval of a non-standard proration unit or filing of an affidavit of communitization, whichever date is the later.

RULE 8(C). The allowable revision for a well after workover or recompletion shall become effective:

(a) On the date of reconnection after workover, such date to be determined from Form C-104 as filed by the operators, or

(b) A date 15 days prior to the approval of Form C-104 by the Commission's office, (Box 2045, Hobbs, New Mexico); (Form C-104 shall specify the exact nature of the workover or remedial work; if the nature of the work cannot be explained on Form C-104, in that event, Form C-103 shall be also filed in accordance with Rule 1106 of the Commission's Statewide Rules and Regulations.) whichever date is later.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25. The vertical limits of the Crosby-Devonian Gas Pool shall include all the formations that can reasonably be considered to be of Devonian age.

RULE 26. Gas-liquid ratio tests shall be taken in accordance with the provisions of Rule 301 of the Commission Rules and Regulations as scheduled by the Commission.

RULE 27. The casing program for the field shall include three strings of casing set in accordance with the following plan:

(A) The surface string shall be new or reconditioned pipe with a mill test of not less than two thousand (2,000) pounds per square inch and shall be set and cemented at a depth of approximately five hundred (500) feet, such depth being sufficient to protect the fresh water bearing sands of the Santa Rose formation.

Cementing shall be by the pump-and-plug method, and sufficient cement shall be used to fill the annular space back of the pipe to the surface of the ground or the bottom of the cellar. Cement shall stand a minimum of sixteen (16) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating pressure tests. Before drilling the plug, this string shall be tested by the application of at least one thousand (1,000) pounds per square inch and, if at the end of thirty (30) minutes the pressure shows a drop of one hundred fifty (150) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken, the pipe shall again be tested in the same manner.

(B) The intermediate string shall consist of new or reconditioned pipe that has been tested to two thousand (2,000) pounds per square inch and shall be set at approximately thirty-six hundred (3,600) feet. Cementing shall be by the pump-and-plug method, and sufficient cement shall be used to fill the calculated annular space back of the pipe to a point one hundred (100) feet above the top of the Salado formation. The cement shall stand a minimum of twenty-four (24) hours under pressure and a total of thirty (30) hours before drilling plug or initiating tests. Casing shall be tested by the application of at least twelve hundred (1,200) pounds per square inch pump pressure. If, at the end of thirty (30) minutes the pump pressure shows a drop of one hundred (100) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken, the pipe shall again be tested in the same manner.

(C) The producing or oil string shall be new or reconditioned casing that has been tested to four thousand (4,000) pounds per square inch and shall be set at a depth not less than the top of the Devonian formation. Cementing shall be with a minimum of three hundred fifty (350) sacks of cement applied by the pump-and-plug method and shall stand a minimum of twenty-four (24) hours under pressure and a total of forty-eight (48) hours before drilling the plug or initiating tests. After cementing, the casing shall be tested by pump pressure of at least thirty (30) minutes. If, at the end of 30 minutes the pressure shows a drop of one hundred (100) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken, the pipe shall again be tested in the same manner.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

CROSBY-DEVONIAN GAS POOL

Lea County, New Mexico

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RULE 8(C). The allowable revision for a well after workover or recompletion shall become effective:

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(b) A date 15 days prior to the approval of Form C-104 by the Commission's office, (Box 2045, Hobbs, New Mexico); (Form C-104 shall specify the exact nature of the workover or remedial work; if the nature of the work cannot be explained on Form C-104, in that event, Form C-103 shall be also filed in accordance with Rule 1106 of the Commission's Statewide Rules and Regulations.) whichever date is later.

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(General Pool Rules also apply unless in conflict with these Special Pool Rules)