

Dockets Nos. 4-88 and 5-88 are tentatively set for February 3 and February 17, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 20, 1988

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 9300: Application of Texaco Producing, 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 to be drilled 1350 feet from the South line and 2410 feet from the East line (Unit J) of Section 32, Township 16 South, Range 37 East, to test the Strawn Formation. This location is within one mile of the West Casey Strawn Pool (80-acre spacing), Shipp-Strawn Pool (80-acre spacing), and East Lovington Pennsylvanian Pool (40-acre spacing). The applicant proposes to dedicate the W/2 SE/4 of said Section 32 to this well if the Strawn formation is dedicated to a pool developed on 80-acre spacing, otherwise the NW/4 SE/4 of said Section 32 is to be dedicated to the well forming a standard 40-acre oil spacing unit. Said location is approximately 5.5 miles southeast of Lovington, New Mexico.

CASE 9293: Application of Nearburg Producing Company for an Unorthodox Oil Well Location and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1150 feet from the South line and 1400 feet from the West line of Section 19, Township 16 South, Range 37 East, Northeast Lovington Pennsylvanian Pool, Lot 4 and the SE/4 SW/4 of said Section 19 to be dedicated to said well forming a non-standard 90.35-acre oil spacing and proration unit for said pool which is developed on 80-acre spacing. Said location is approximately 4.25 miles southeast of Lovington, New Mexico.

CASE 9294: (This case will be continued to February 3, 1988.)

Application of Nearburg Producing Company for an unorthodox gas well location and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 7, Township 19 South, Range 26 East, Undesignated Four Mile Draw-Morrow Gas Pool, Lots 1 and 2, the E/2 NW/4, and the NE/4 of said Section 7 to be dedicated to said well forming a non-standard 318.85 acre gas spacing and proration unit. Said location is approximately 11 miles south of Artesia, New Mexico.

CASE 9285: (Continued from January 6, 1988, Examiner Hearing.)

Application of Bettis Brothers, Inc. 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 North line and 860 feet from the East line (Unit A) of Section 8, Township 25 South, Range 29 East, to test the Delaware, Wolfcamp, Strawn, Atoka and Morrow formations, the N/2 of said Section 8 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately 8 miles southeast of Malaga, New Mexico.

CASE 9295: (This case will be continued to February 3, 1988.)

Application of Hixon Development Company for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Special Rules and Regulations for the Gavilan-Mancos Oil Pool as promulgated by Division Order No. R-7407, as amended, to form a non-standard 320-acre oil spacing and proration unit comprising the E/2 of Section 26, Township 26 North, Range 2 West, to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 4.5 miles east-northeast of the Ojito Post Office.

CASE 9296: Application of Sun Exploration and Production Company for compulsory pooling and a non-standard oil proration unit, 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 Strawn formation underlying Lots 13 and 14 of Section 6, Township 16 South, Range 37 East, to form a non-standard 91.68-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing. Said unit is 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. Said unit is approximately 3 miles East of Lovington, New Mexico.

CASE 9297: Application of Penroc Oil 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 East Vacuum-Wolfcamp Pool in the perforated interval from approximately 9883 feet to 9927 feet in its State "AF" Well No. 3 located 1980 feet from the South line and 990 feet from the West line (Unit L) of Section 8, Township 18 South, Range 35 East, NMPM. This well is approximately 3 miles southeast of Buckeye, New Mexico.

CASE 9287: (Continued from January 6, 1988, Examiner Hearing.)

Application of Penroc Oil 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 Vacuum Grayburg-San Andres Pool in the perforated interval from approximately 4790 feet to 5086 feet in its George McGonagill Well No. 1 located 330 feet from the North line and 990 feet from the East line (Unit A) of Section 2, Township 18 South, Range 35 East. Said well is approximately 6 miles southeast of Buckeye, New Mexico.

CASE 9146: (Reopened)

Application of Marathon Oil Company for the amendment of Division Order No. R-8282, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-8282, as amended, which order compulsorily pooled all mineral interests from the surface to the base of the Siluro-Devonian formation underlying the SE/4 SE/4 of Section 14, Township 16 South, Range 38 East. Applicant now seeks an amendment to said order to include a provision pooling all mineral interests in the Siluro-Devonian formation underlying the S/2 SE/4 of said Section 14 to form an 80-acre spacing unit in the event of the approval of its pending pool creation request in Case No. 9145. (This unit is located approximately 3 miles south of the Old Hobbs Army Air Corps Auxiliary Airfield No. 1 on State Highway No. 132).

CASE 9288: (Continued from January 6, 1988, Examiner Hearing.)

Application of Primary Fuels, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the top of the Wolfcamp formation underlying the N/2 of Section 19, Township 22 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within this vertical extent, 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. Said unit is approximately 5 miles Southwest of Carlsbad, New Mexico.

CASE 8371: (Reopened)

In the matter of Case No. 8371 being reopened pursuant to the provisions of Division Order No. R-7783, which promulgated temporary special rules and regulations for the Burton Flat-Upper Strawn Pool including a provision for 160-acre spacing units. Operators in the subject pool may appear and show cause why the Burton Flat-Upper Strawn Pool should not be developed on 40-acre proration units.

CASE 9129: (Readvertised)

Application of Virginia P. Uhden, Helen Orbesen, and Carroll O. Holmberg, for eight non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal Pool as promulgated by Division Order No. R-7588, as amended, to form eight 160-acre non-standard gas spacing and proration units in Sections 28 and 33, Township 32 North, Range 10 West. This area encompasses Cedar Hill, New Mexico.

CASE 9299: 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 in the Undesignated West Puerto Chiquito-Mancos Oil Pool underlying all of Section 2, Township 23 North, Range 1 West, forming a standard 640-acre spacing and proration unit for said pool, 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 the risk involved in drilling said well. Said unit is approximately 5 miles north of Regina, New Mexico.

CASE 9123: (Continued from December 16, 1987, Examiner Hearing.)

Application of Curtis J. Little for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the SE/4 of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1-E, located 1850 feet from the South line and 800 feet from the East line (Unit I) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit.

CASE 9124: (Continued from December 16, 1987, Examiner Hearing)

Application of Rocanville Corporation for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the NE/4 of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1, located 1100 feet from the North line and 990 feet from the East line (Unit A) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit.

CASE 9298: 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 and Eddy Counties, New Mexico:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Alacran Hills-Wolfcamp Gas Pool. The discovery well is the BHP Petroleum Co., Inc. Cerf Federal Com Well No. 1 located in Unit C of Section 10, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 10: N/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Ingle Wells-Bone Spring Pool. The discovery well is the Santa Fe Energy Partners L.P. Triple S 33 Federal Well No. 1 located in Unit G of Section 33, Township 23 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM  
Section 33: NE/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Poker Lake-Delaware Pool. The discovery well is the Bass Enterprises Production Company Poker Lake Unit Well No. 68 located in Unit B of Section 20, Township 24 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM  
Section 20: NE/4

- (d) EXTEND the Artesia Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 25: SW/4

- (e) EXTEND the East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 1: S/2

- (f) EXTEND the Foor Ranch Pre-Permian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM  
Section 11: E/2

- (g) EXTEND the South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM  
Section 2: NW/4  
Section 6: SW/4

TOWNSHIP 8 SOUTH, RANGE 25 EAST, NMPM  
Section 32: E/2

- (h) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 21 EAST, NMPM  
Section 35: SW/4

(i)EXTEND the North Shugart-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 7: E/2  
Section 8: N/2

(j)EXTEND the Shugart Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM  
Section 2: N/2

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Docket No. 3-88

DOCKET: COMMISSION HEARING - THURSDAY - JANUARY 21, 1988

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,  
SANTA FE, NEW MEXICO

CASE 9220: (De Novo)

Application of Basin Disposal, 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 Mesaverde formation in a perforated interval to be determined after drilling and running logs in its proposed disposal well to be located 2207 feet from the North line and 1870 feet from the West line (Unit F) of Section 3, Township 29 North, Range 11 West. Said well is approximately 2.5 miles North of Bloomfield, New Mexico. Upon application of various landowners this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9095: (De Novo) (Continued from November 19, 1987, Commission Hearing.)

Application of Curtis J. Little for the promulgation of special pool rules for the Ojito Gallup-Dakota Oil Pool or, in the alternative, to abolish the Ojito Gallup-Dakota Oil Pool and to concomitantly expand the West Lindrith Gallup-Dakota Oil Pool, Rio Arriba and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks to establish special rules and regulations for the Ojito Gallup-Dakota Oil Pool including a provision for 160-acre spacing. IN THE ALTERNATIVE, the applicant seeks to abolish said Ojito Gallup-Dakota Oil Pool and to concomitantly expand the horizontal limits of the West Lindrith Gallup-Dakota Oil Pool to include the horizontal extent of the abolished pool plus the E/2 NE/4 of Section 21, Township 25 North, Range 3 West, Rio Arriba County, New Mexico. Upon application of Curtis J. Little, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9225: (Continued from November 19, 1987, Commission Hearing.)

Application of Mesa Grande, Ltd. for an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying a certain 640-acre tract of land in Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying all of Section 20, Township 25 North, Range 2 West, to form a standard 640-acre oil spacing and proration unit in said pool. Said unit is to be dedicated to the Sun Exploration and Production Company Loddy Well No. 1 located 1750 feet from the North and West lines (Unit F) of said Section 20 which is presently completed in and producing from the Gavilan-Mancos Oil Pool and dedicated to a previously approved 320-acre non-standard oil spacing and proration unit (see Rule 2(a) as promulgated by Division Order No. R-7407-E) underlying the W/2 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. Applicant further requests that Sun Exploration and Production Company remain as operator of the well and that the effective date of any order issued in this case be retroactive to June 8, 1987. Said well is located approximately 5.5 miles north-northwest of Lindrith, New Mexico.

CASE 9236: (Continued from November 19, 1987, Commission Hearing.)

Application of Mesa Grande Resources, Inc. for compulsory pooling and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying all of Irregular Section 1, Township 24 North, Range 2 West, forming a non-standard 650.22-acre oil spacing and proration unit to be dedicated

to the existing Federal Invader Well No. 1 located at a standard location 1040 feet from the North line and 850 feet from the West line (Unit D) of said Section 1. 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 the applicant as operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 3.5 miles northeast of Lindrith, New Mexico.