

Dockets Nos. 7-88 and 8-88 are tentatively set for March 2 and March 16, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 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 9308:

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 23, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the S/2 of said Section 23 to be dedicated to the well. Said location is approximately 4.5 miles east-northeast from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9309:

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the North line and 1980 feet from the East line of Section 34, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the N/2 of said Section 34 to be dedicated to the well. Said location is approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9310:

Application of Sun Exploration and Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to either the base of the Morrow formation or to a depth of 13,700 feet, whichever is deeper, underlying the N/2 of Section 26, Township 18 South, Range 33 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools with this vertical extent being developed on 320-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. Said location is approximately 6 miles west of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 9295: (Continued from February 3, 1988, Examiner Hearing.)

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 8371: (Continued and Readvertised)

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, Eddy County, New Mexico, 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: (Continued and Readvertised)

Application of Virginia P. Uhdén, Helen Orbesen, and Carroll O. Holmberg to vacate Division Order Nos. R-7588 and R-7588-A, and/or for the formation of six 160-acre gas proration units, San Juan County, New Mexico. Applicants, in the above-styled cause, seek an order vacating the 320-acre spacing provisions of Order Nos. R-7588 and R-7588-A as to applicants from February 1, 1984 through the date notice of 320-acre spacing was provided to applicants, and/or the formation of six 160-acre gas spacing and proration units for said pool in the W/2 of Section 33 and all of Section 28, Township 32 North, Range 10 West. This area encompasses Cedar Hill, New Mexico.

CASE 9305: (Continued from February 3, 1988, Examiner Hearing.)

Application of New Mexico and Arizona Land Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the NW/4 of Section 25, Township 25 North, Range 3 West, forming a standard 160-acre oil 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 risk involved in drilling said well. Said unit is approximately 5 miles northwest of Lindrith, New Mexico.

*upon application of Virginia P. Uhdén, Helen Orbesen, and Carroll O. Holmberg, this case will be heard pursuant to the provisions of Rule 101.*

CASE 9306: (Continued from February 3, 1988, Examiner Hearing)

Application of New Mexico and Arizona Land Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the SW/4 of Section 25, Township 25 North, Range 3 West, forming a standard 160-acre oil 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 risk involved in drilling said well. Said unit is approximately 5 miles northwest of Lindrith, New Mexico.

CASE 9311:

Application of Texaco Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of special pool rules for the Monument-Abo Pool in Townships 19 and 20 South, Ranges 36 and 37 East, establishing a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil. Said pool is within an area located approximately 2.25 miles west-southwest of Monument, New Mexico.

CASE 9294: (Continued and Readvertised)

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

CASE 9312:

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 to be drilled 1000 feet from the South and West lines (Unit M) of irregular Section 19, Township 16 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool, Lot 4 of said Section 19 to be dedicated to said well forming a non-standard 50.35-acre oil spacing and proration unit for said pool. Said location is approximately 4.25 miles southeast of Lovington, New Mexico.

CASE 9313:

Application of Nearburg Producing Company for a non-standard oil proration unit and 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 1300 feet from the South line and 400 feet from the West line (Unit M) of irregular Section 7, Township 17 South, Range 38 East, Undesignated South Humble City-Strawn Pool, Lots 3 and 4 of said Section 7 to be dedicated to the well forming a non-standard 75.59-acre oil spacing and proration unit for said pool. Said location is approximately 3.5 miles north-northeast of Humble City, New Mexico.

CASE 9314:

Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to re-enter and deepen the Santa Fe Exploration Company Gulf Com. Well No. 1 located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 14, Township 20 South, Range 25 East, to test the Morrow formation. Said well is located approximately 5.5 miles west by south of Seven Rivers, New Mexico.

CASE 9315:

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting the vertical limits, and extending certain pools in Chaves and Lea Counties, New Mexico:

(a) Create a new pool in Chaves County, New Mexico, classified as an oil pool for Devonian production and designated as the Graham Springs-Devonian Pool. The discovery well is the Bell, Foy & Middlebrook, Ltd. Culp Ranch Well No. 1 located in Unit C of Section 11, Township 12 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 30 EAST, NMPM  
Section 11: NW/4

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Lane-Abo Pool. The discovery well is the Bright & Company State K Well No. 2 located in Unit A of Section 2, Township 10 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM  
Section 2: NE/4

(c) Contract the vertical limits of the East Lovington-Pennsylvanian Pool to include only the Cisco and Canyon formations and to redesignate said pool as the East Lovington-Upper Pennsylvanian Pool.

(d) Extend the Casey-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM  
Section 26: S/2

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

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM  
Section 33: SW/4

(f) Extend the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM  
Section 10: NE/4

(g) Extend the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 13: SE/4  
Section 23: NW/4

(h) Extend the Monument-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 8: SE/4

(i) Extend the Shipp-Strawn Pool in Lea County, New Mexico to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM  
Section 32: SE/4  
Section 33: SW/4

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM  
Section 5: N/2

(j) Extend the South Shoe Bar-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM  
Section 15: S/2

(k) Extend the West Tonto-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 7: NW/4

\*\*\*\*\*  
Docket No. 6-88

DOCKET: COMMISSION HEARING - THURSDAY - FEBRUARY 18, 1988

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

CASE 7980: (Reopened)

In the matter of Case 7980 being reopened by the Oil Conservation Commission on its own motion for the amendment of Rule 2(a) of Order No. R-7407-E, Rio Arriba County, New Mexico. The Commission seeks to clarify the language in Rule 2(a) of the Temporary Special Rules and Regulations for the Gavilan-Mancos Oil Pool as promulgated by Division Order No. R-7407, as amended.

CASE 9316:

In the matter of the hearing called by the Oil Conservation Division on its own motion to reconsider the agreement reached by the Potash-Oil and Gas Study Committee on November 23, 1987, to revise, amend, and recodify Order No. R-111, as amended, to consider the following:

1. Changing the area covered by the order to coincide with the Known Potash Leasing Area (KPLA) as determined by the Bureau of Land Management;

2. Expanding and contracting said area by the pool nomenclature procedure rather than by further amendments to Order No. R-111;
3. Changing casing-cementing requirements of Order No. R-111-A;
4. Adopting directional drilling procedures;
5. Revising notice requirements for proposed drilling wells;
6. Revising notice requirements of mining operations and proposed mining operations; and
7. Adopting and including any other provisions which may be advisable.

The aforementioned KPLA consists presently of all or parts of:

Township 18 South, Range 30 East  
Township 19 South, Ranges 29 through 34 East  
Township 20 South, Ranges 29 through 34 East  
Township 21 South, Ranges 29 through 34 East  
Township 22 South, Ranges 28 through 34 East  
Township 23 South, Ranges 28 through 31 East  
Township 24 South, Ranges 29 through 31 East  
Township 25 South, Range 31 East

all in Eddy and Lea Counties, New Mexico. Said area extends approximately 50 miles east of Carlsbad, New Mexico and South of Maljamar, New Mexico for approximately 50 miles.

CASE 9111: (Continued and Readvertised)

Application of Benson-Montin-Greer Drilling Corporation for the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area as promulgated by Division Order No. R-3401, as amended, to include certain lands in Townships 24, 25, and 26 North, Range 1 West. The center of this area is located approximately 25 miles north of Cuba, New Mexico.

CASE 9073: (De Novo) (Continued and Readvertised)

Application of Mallon Oil Company for the reinstatement of oil production allowables and an exception to the provisions of Division General Rule 502 for certain wells located in the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order reinstating the oil allowables which should have been assigned to the following described wells, all in Township 25 North, Range 2 West, Gavilan-Mancos Oil Pool, for the months of January, February, March and April, 1986. Applicant further seeks an exemption to the provisions of Division General Rule 502 which limit the period of time an operator is given to make up any over-production of oil and casinghead gas:

Howard Federal "1" Well No. 8 located in Unit H of Section 1;  
Howard Federal "1" Well No. 11 located in Unit K of Section 1;  
Fisher Federal "2" Well No. 1 located in Unit A of Section 2;  
Ribeyowids Federal "2" Well No. 16 located in Unit P of Section 2; and,  
Johnson Federal "12" Well No. 5 located in Unit E of Section 12.

The aforementioned wells are located in an area approximately 9 miles north by east of Lindrith, New Mexico. Upon application of Mallon Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8863: (De Novo)

In the matter of Case 8863 being reopened upon application of Alana Oil and Gas Corporation to vacate or modify Division Order No. R-8210 entered in said Case 8863, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8210:

Samantha Well No. 1 located 1580' FSL - 1202' FWL (Unit L),  
Samantha Well No. 2 located 1985' FSL - 2290' FWL (Unit K),  
Samantha Well No. 3 located 1105' FSL - 2490' FWL (Unit N),

all in Section 26, Township 28 North, Range 1 East; and

Alana Well No. 1 located 511' FSL - 2144' FWL (Unit N) of Section 11, Township 27 North, Range 1 East.

All of the above-described locations are projections of the U.S. Geological Survey into the unsurveyed Tierra Amarilla Land Grant. These wells are all located in an area approximately 2 to 3 miles west of the southern end of the El Vado Reservoir.

Upon application of Suntex Energy Corporation and Alana Oil and Gas Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8864: (De Novo)

In the matter of Case 8864 being reopened upon the application of Suntex Energy Corporation to vacate or modify Division Order No. R-8223 entered in said Case 8864, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplate the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8223:

Suntex Well No. 1 located 1824' FNL - 570' FWL (Unit E) of Section 26,  
Suntex Well No. 2 located 660' FSL - 365' FEL (Unit P) of Section 22,  
Suntex Well No. 3 located 1858' FNL - 1800' FWL (Unit F) of Section 14,  
Suntex Well No. 4 located 935' FNL - 1650' FWL (Unit C) of Section 23,  
Suntex Well No. 5 located 2004' FSL - 2310' FWL (Unit K) of Section 11, and  
Suntex Well No. 6 located 1980' FSL - 660' FWL (Unit L) of Section 23,

all in Township 28 North, Range 1 East, as projected into the unsurveyed Tierra Amarilla Land Grant and are located in an area approximately 2 to 3 miles west of the northern end of the El Vado Reservoir.

Upon application of Suntex Energy Corporation and Alana Oil and Gas Corporation, this application will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9074: (De Novo)

In the matter of Case 9074 being reopened upon application of Suntex Energy Corporation to vacate or modify Division Order No. R-8404 entered in said Case 9074, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplate the following wells formerly operated by Texas Rose Petroleum, Inc. which were ordered plugged pursuant to the provisions of said Order No. R-8404:

Well No. 1 located 1824' FSL - 1778' FEL (Unit J) of Section 14,  
Well No. 2 located 618' FSL - 2418' FWL (Unit N) of Section 14,  
Well No. 3 located 967' FSL - 2148' FWL (Unit N) of Section 11,  
Well No. 7 located 990' FSL - 2310' FEL (Unit O) of Section 14, and  
Well No. 8 located 2310' FS and WL (Unit K) of Section 14,

all on the El Poso Ranch Lease in Township 28 North, Range 1 East, as projected into the unsurveyed Tierra Amarilla Land Grant and are located in an area approximately 2 to 3 miles west of the northern end of the El Vado Reservoir.

Upon application of Suntex Energy Corporation and Alana Oil and Gas Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.