

Dockets Nos. 16-87 and 17-87 are tentatively set for May 20, 1987 and June 3, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY MAY 6, 1987

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 9120: (Continued from April 22, 1987, Examiner Hearing)

In the matter called by the Oil Conservation Division on its own motion to permit Viking Petroleum, Inc. and all other interested parties to appear and show cause why the Viking Petroleum, Inc. Grynberg State Well No. 1 located 330 feet from the North and East lines (Unit A) of Section 12, Township 11 South, Range 27 East, Chaves County, should not be plugged and abandoned in accordance with the Division-approved plugging program.

Case 9125: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Eden Valley State and Federal Unit Area comprising 15,669.66 acres, more or less, of State, Federal, and Fee lands in Townships 6, 7, and 8 South, Range 24 East.

Case 9126: Application of I & W, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Undesignated Empire-Wolfcamp (abandoned) Pool in the perforated interval from approximately 7518 feet to 7832 feet and in the open-hole interval from 7832 feet to 7961 feet in the Frostman Oil Corporation Walter Solt State Well No. 1 located 2240 feet from the South line and 400 feet from the West line (Unit L) of Section 5, Township 18 South, Range 28 East.

Case 9127: Application of McKay Oil Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for a well to be drilled 660 feet from the North line and 330 feet from the West line (Unit D) of Section 23, Township 6 South, Range 22 East, West Pecos Slope Abo Pool, the NW/4 of said Section 23 to be dedicated to the well.

Case 9128: Application of Mobil Producing Texas and New Mexico, 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 for its Amoco State Well No. 2 located 1830 feet from the South line and 510 feet from the West line (Unit L) of Section 6, Township 17 South, Range 36 East, Undesignated South Shoe Bar - Devonian Pool, the N/2 SW/4 of said Section 6 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool.

Case 9107: (Continued from April 8, 1987, Examiner Hearing)

Application of Mesa Grande Resource's Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos and Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the E/2 of Section 5, Township 25 North, Range 2 West, forming a standard 320-acre oil spacing and proration unit in both pools 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 8963: (Continued from April 8, 1987, Examiner Hearing)

Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the W/2 of Section 16, Township 25 North, Range 2 West, 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 9129: Application of Virginia P. Uhden, Helen Orbesen, and Carroll O. Holmberg to void and vacate Division Order Nos. R-7588 and R-7588-A, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order vacating Division Order Nos. R-7588 and R-7588-A, which orders promulgated Special Rules and

Regulations for the Cedar Hill-Fruitland Basal Coal Pool, including a provision for 320-acre spacing and designated well locations.

Case 9130: Application of Apache Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location to be drilled 660 feet from the North and East lines of Section 27, Township 22 South, Range 34 East, to test the Morrow formation, the N/2 of said Section 27 to be dedicated to the well.

Case 9131: Application of Apache Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location to be drilled 1980 feet from the South line and 990 feet from the East line of Section 22, Township 22 South, Range 34 East, to test the Morrow formation, the S/2 of said Section 22 to be dedicated to the well.

Case 9132: Application of Marathon Oil 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 the base of the Pennsylvanian formation underlying the N/2 of Section 17, Township 17 South, Range 35 East, forming a 320-acre proration unit for all formations and/or pools developed on 320-acre spacing, to be dedicated to a well to be drilled 1980 feet from the North and West lines of said Section 17. Also to be considered will be the costs incurred in the drilling and completion of the well and the allocation of the costs 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 9133: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, and extending certain pools in Lea County, 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 Gem-Bone Spring Pool. The discovery well is the Manzano Oil Corporation Federal 31-G Well No. 1 located in Unit H of Section 31, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 31: NE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the North Knowles-Devonian Pool. The discovery well is the Marathon Oil Company Bensch Well No. 1 located in Unit P of Section 14, Township 16 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 38 East, NMPM
Section 14: SE/4

- (c) CONTRACT the Vacuum-Abo Reef Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 36: SE/4 NW/4

- (d) EXTEND the South Double A-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 36: N/2 NW/4 and SE/4 NW/4

- (e) EXTEND the North Air Strip-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 14: SE/4

- (f) EXTEND the Alston Ranch-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 25: NW/4 and E/2 SW/4

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 34: SW/4

- (h) EXTEND the Lower Double A-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 16: SE/4

- (i) EXTEND the House Yates-Seven Rivers Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 1: NE/4

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
Section 6: NW/4

(j) EXTEND the Lazy J-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 28: SW/4

This paragraph to be dismissed:

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 32: NW/4

(l) EXTEND the North Sammal-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 7: SE/4
Section 8: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 1: NE/4 and SW/4

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

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 3: NE/4

(o) EXTEND the West Teas Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 9: N/2 SW/4

(p) EXTEND the Vacuum Grayburg-San Andres Pool in Lea County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 35: NE/4

DOCKET: EXAMINER HEARING - WEDNESDAY MAY 13, 1987

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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for June, 1987, from fourteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for June, 1987, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

Dockets Nos. 18-87 and 19-87 are tentatively set for June 3 and 17, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 20, 1987

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 9120: (Continued from May 6, 1987, Examiner Hearing)

In the matter called by the Oil Conservation Division on its own motion to permit Viking Petroleum, Inc. and all other interested parties to appear and show cause why the Viking Petroleum, Inc. Grynberg State Well No. 1 located 330 feet from the North and East lines (Unit A) of Section 12, Township 11 South, Range 27 East, Chaves County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 9135: Application of Yates Petroleum Corporation for approval of a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Panther Hill State and Federal Unit Area comprising 10,706.23 acres, more or less, of State, Federal and Fee lands in Township 8 South, Ranges 23 and 24 East.

CASE 9125: (Continued from May 6, 1987, Examiner Hearing)

Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Eden Valley State and Federal Unit Area comprising 15,669.66 acres, more or less, of State, Federal, and Fee lands in Townships 6, 7, and 8 South, Range 24 East.

CASE 9128: (Continued and Readvertised)

Application of Mobil Producing Texas and New Mexico, 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 for its Amoco State Well No. 2 located 1830 feet from the South line and 510 feet from the West line (Unit L) of Section 6, Township 17 South, Range 36 East, Undesignated South Shoe Bar-Devonian Pool, the N/2 SW/4 of said Section 6 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool.

CASE 9136: Application of Amerind Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Shipp-Strawn Pool underlying the E/2 SE/4 of Section 33, Township 16 South, Range 37 East, to form a standard 80-acre oil 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 costs incurred in the drilling and completion of the well and the allocation of the costs 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 9126: (Continued from May 6, 1987, Examiner Hearing)

Application of I & W, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Undesignated Empire-Wolfcamp (abandoned) Pool in the perforated interval from approximately 7518 feet to 7832 feet and in the open-hole interval from 7832 feet to 7961 feet in the Frostman Oil Corporation Walter Solt State Well No. 1 located 2240 feet from the South line and 400 feet from the West line (Unit L) of Section 5, Township 18 South, Range 28 East.

CASE 9137: Application of Anadarko Petroleum Corporation for amendment of the special rules and regulations of the Foster-San Andres Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the amendment of the Special Rules and Regulations of the Foster-San Andres Pool to increase the gas-oil ratio limitation to 10,000 cubic feet of gas to one barrel of oil, retroactive to September 1, 1986.

CASE 9123: (Continued from April 22, 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 April 22, 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 17 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 9138: Application of Danson Oil Corporation for the extension of the proposed West Lusk-Delaware Pool and an exception to General Rule 505, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the proposed West Lusk-Delaware Pool to be considered at the June 3, 1987 examiner hearing to include portions of Section 29, Township 19 South, Range 32 East. Applicant further seeks that its Southern California Federal Well No. 1 located 1980 feet from the North line and 660 feet from the East line of said Section 29 be included in said pool and for an exception to General Rule 505 for said well.

CASE 9133: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, and extending certain pools in Lea County, 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 Gem-Bone Spring Pool. The discovery well is the Manzano Oil Corporation Federal 31-G Well No. 1 located in Unit H of Section 31, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 31: NE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the North Knowles-Devonian Pool. The discovery well is the Marathon Oil Company Benson Well No. 1 located in Unit P of Section 14, Township 16 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 14: SE/4

- (c) CONTRACT the Vacuum-Abo Reef Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 36: SE/4 NW/4

- (d) EXTEND the South Double A-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 36: N/2 NW/4 and SE/4 NW/4

- (e) EXTEND the North Air Strip-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 14: SE/4

- (f) EXTEND the Alston Ranch-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 25: NW/4 and E/2 SW/4

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 34: SW/4

- (h) EXTEND the Lower Double A-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 16: SE/4

(i) EXTEND the House Yates-Seven Rivers Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMFM
Section 1: NE/4

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMFM
Section 6: NW/4

(j) EXTEND the Lazy J-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMFM
Section 28: SW/4

This paragraph is to be dismissed.

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMFM
Section 32: NW/4

(l) EXTEND the North Sarmal-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMFM
Section 7: SE/4
Section 8: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMFM
Section 1: NE/4 and SW/4

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

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMFM
Section 3: NE/4

(o) EXTEND the West Teas Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMFM
Section 9: N/2 SW/4

(p) EXTEND the Vacuum Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMFM
Section 35: NE/4

Docket No. 17-87

DOCKET: COMMISSION HEARING - THURSDAY - MAY 21, 1987

OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

Notice is hereby given of the Commission's intention to adopt an open meetings resolution at this hearing. The Commission will meet the first and third Thursday of every month to hear cases, adopt orders, and consider and promulgate rules beginning on May 7, 1987 and extending throughout 1987. In addition, meetings may be held on other days as determined by the Commission. Notice of such meetings will be published and given pursuant to state law. Copies of this resolution may be obtained by writing the Commission at P. O. Box 2088, Santa Fe, New Mexico 87504-2088.

CASE 9134: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 1207(a)7 regarding notice to royalty interest owners.

CASE 9073: (De Novo)

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 overproduction 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.

Upon application of Mallon Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9951: (Continued and Readvertised)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division by Division Order No. R-8124, dated January 16, 1986, issued in Case 8745, authorized the applicant to conduct a long-term reservoir pressure test in the Mancos formation using certain wells in Rio Arriba County and further authorized the shut-in of certain wells and provided six months after completion of the test during which certain accumulated underproductions can be made up. Applicant, in the above-styled cause, now seeks the amendment of said Order No. R-8124 to provide for twelve months after completion of the reservoir pressure test during which to make up the accumulated underproduction of certain wells resulting from the test. Applicant further requests that all other provisions in said Order No. R-8124 remain in full force and effect.

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.