

DOCKET: COMMISSION HEARING - THURSDAY - APRIL 21, 1988

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

CASE 9337: (Continued from March 30, 1988, Examiner Hearing)

Application of Mobil Producing Texas & New Mexico, 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 South Vacuum-Devonian Pool in the open hole interval from approximately 11,950 feet to 13,708 feet in its State Section "27" Well No. 2 located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 27, Township 18 South, Range 35 East. Said well is approximately 2 miles south-southeast of the junction of New Mexico State Highways Nos. 8 and 529.

CASE 9355: Application of Jack J. Grynberg to amend Commission Order No. R-6873, as amended, for simultaneous dedication and for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Commission Order No. R-6873, as amended, to: (1) allow for the drilling of a second well in the Foor Ranch-PrePermian Gas Pool to be drilled at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 18, Township 9 South, Range 27 East, on an established 320-acre, more or less, gas spacing and proration unit comprising the W/2 of said Section 18, which is presently dedicated to the Harvey E. Yates Company Seymour State Com Well No. 1 located at a standard gas well location in the SW/4 NW/4 (Unit E) of said Section 18; (2) declare the applicant to be the operator of the second well or, in the alternative, to be named the operator of said unit; and (3) establish a risk factor and overhead charges for the new well. Said unit is located approximately 8.75 miles south-southwest of Campbell's Switch.

Dockets Nos. 11-88 and 12-88 are tentatively set for April 13 and April 27, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 30, 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 Michael E. Stogner, Examiner, or David R. Catanach, Alternate Examiner:

CASE 9351: Application of TXO Production Corporation for an amendment to Division Order No. R-8570, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8570, dated December 22, 1987, which order authorized the applicant to pool all mineral interests in the Shipp-Strawn Pool underlying Lot 1 and the SE/4 NE/4 of Section 4, Township 17 South, Range 37 East, thereby forming a standard 80.95-acre oil spacing and proration unit to be dedicated to the existing Mesa Petroleum Company Hightower Well No. 1 to be re-entered, directionally drilled, and deepened to a standard subsurface location in said unit, by including a provision in the Order to allow the drilling of a new well at a standard location in said unit if re-entry into the Hightower Well No. 1 is found to be impractical. Said acreage is located approximately 8 miles southeast of Lovington, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVERTISEMENT.**

CASE 9318: (Continued from March 16, 1988, Examiner Hearing)

Application of Yates Drilling Company for a secondary recovery project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a secondary recovery project by the injection of water into the Queen formation in its proposed Cactus Queen Unit Area (Division Case No. 9319) underlying portions of Sections 26, 27, 34, and 35, Township 12 South, Range 31 East, Southeast Chaves Queen Gas Area Associated Pool, (which is an area that straddles State Highway No. 172 between Milepost Nos. 26.5 and 27.5).

CASE 9319: (Continued from March 16, 1988, Examiner Hearing)

Application of Yates Drilling Company for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the Southeast Chaves Queen Gas Area Associated Pool underlying 560 acres, more or less, of State, Federal, and Fee lands in portions of Sections 26, 27, 34, and 35, Township 12 South, Range 31 East. Said area straddles State Highway No. 172 between Milepost Nos. 26.5 and 27.5. Said unit is to be designated the Cactus Queen Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of the credits and charges to be made among the various owners in the unit area for their investment in well and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 9295: (Continued from March 16, 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 9306: (Reopened)

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 9335: 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 33, Township 19 South, Range 34 East, forming a standard 320-acre gas 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 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. The southeast corner of said unit is located on U.S. Highway 62/180 at N.M. Milepost No. 79.

CASE 9326: (Continued from March 16, 1988, Examiner Hearing)

Application of Sun Exploration and Production Company 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 Oil Pool underlying all of Section 26, Township 26 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 Wildfire Well No. 1 located 900 feet from the South line and 1650 feet from the West line (Unit N) of said Section 26 which is presently completed in and producing from the Gavilan-Mancos Oil Pool. Also to be considered will be the method for cost allocation and participation 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 the case be retroactive to June 8, 1987. Said well is located approximately 4.5 miles east-northeast of the Ojito Post Office.

CASE 9336: Application of Barbara Fasken for compulsory pooling and a non-standard gas proration unit, 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 13,950 feet, whichever is deeper, underlying Lots 1 through 4 and the E/2 W/2 of Section 31, Township 19 South, Range 34 East, forming a non-standard 324.16-acre gas spacing and proration unit for any and all formations and/or pools within 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 unit is located approximately one mile North of N.M. Milepost 76 of U.S. Highway 62/180.

CASE 8949: (Reopened)

In the matter of Case 8949 being reopened pursuant to the provisions of Division Order No. R-8279, which order, in part, promulgated temporary special rules and regulations for the South Shoe Bar-Devonian Pool in Lea County, New Mexico, including a provision for 80-acre spacing units. Operators in the subject pool may appear and show cause why the South Shoe Bar-Devonian Pool should not be developed on 40-acre spacing units. Said pool is located approximately 6 miles Southwest by South of Lovington, New Mexico.

CASE 9337: Application of Mobil Producing Texas & New Mexico, 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 South Vacuum-Devonian Pool in the open hole interval from approximately 11,950 feet to 13,708 feet in its State Section "27" Well No. 2 located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 27, Township 18 South, Range 35 East. Said well is approximately 2 miles south-southeast of junction of New Mexico State Highways Nos. 8 and 529.

CASE 9338: Application of ARCO Oil and Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Basin-Dakota Pool with oil production from the Undesignated Kutz-Gallup Oil Pool in the wellbore of its Schlosser "WN" Federal Well No. 2R, located 1835 feet from the South line and 1720 feet from the West line (Unit K) of Section 3, Township 27 North, Range 11 West. Said well is located approximately 7.5 miles south of Bloomfield, New Mexico.

CASE 9339: Application of ARCO Oil and Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Basin-Dakota Pool with oil production from the Kutz-Gallup Oil Pool in the wellbore of its Schlosser "WN" Federal Well No. 1R, located 1850 feet from the North line and 790 feet from the West line (Unit E) of Section 10, Township 27 North, Range 11 West. Said well is located approximately 8.5 miles south of Bloomfield, New Mexico.