

DOCKET: COMMISSION HEARING - WEDNESDAY - JUNE 12, 1991

**9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
(The Land Commissioner's designee for this hearing will be Jami Bailey)**

CASE 9931: (De Novo) (Continued from May 9, 1991, Commission Hearing.)

Application of Arco Oil & Gas Company for pressure maintenance expansion and an unorthodox gas injection well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Empire-Abo Unit Pressure Maintenance Project, authorized by Division Order No. R-4549, as amended, by converting its Empire-Abo Unit "J" Well No. 10, located 2310 feet from the North and West lines (Unit F) of Section 3 and Empire Abo Unit "J" Well No. 13, located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 2, both in Township 18 South, Range 27 East, Empire-Abo Pool, Empire-Abo Unit Area, from producing oil wells to gas injection wells. Applicant further seeks an exception to Rule 7A of the Special Rules and Regulations for the Empire-Abo Unit Pressure Maintenance Project, as promulgated by said Order No. R-4549, as amended, for the "J" Well No. 13 which is located at an unorthodox gas injection well location. Both wells are located in an area approximately 4.25 miles south-southeast of Riverside, New Mexico. Upon application of Arco Oil & Gas Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10251: (De Novo) (Continued from May 9, 1991, Commission Hearing.)

Application of Kaiser-Francis Oil Company for a pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of gas from the Delaware formation comprising the SE/4 of Section 8, Township 21 South, Range 26 East. Said area is located approximately 7 miles northwest of Carlsbad, New Mexico. Upon application of Kaiser-Francis Oil Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10266: (De Novo)

Application of Fina Oil and Chemical Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below a depth of 10,907 feet underlying the E/2 of Section 28, Township 16 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/o pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the South Kemnitz Atoka-Morrow Gas Pool. Said unit is 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 7 miles northwest by north of Buckeye, New Mexico. Upon application of Marathon Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10226: (De Novo)

Application of Bird Creek Resources for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the East Loving-Delaware Pool including a provision for a limiting gas-to-l ratio of 5000 cubic feet of gas per barrel of oil. Said pool is located in Township 23 South, Range 28 East, being approximately 2 miles east of Loving, New Mexico. Upon application of Bird Creek Resources, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9955: (De Novo)

Application of Sunco Trucking Water Disposal for a permit to construct and operate a commercial wastewater evaporation pond, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization, pursuant to Division General Rule 711, to construct a synthetically double lined wastewater evaporation pool equipped with proper leak detection for the purpose of commercially disposing of nonhazardous wastewater associated with the completion and production operations of oil and gas wells. Said pond is to be located in the SW/4 NW/4 (Unit E) of Section 2, Township 29 North, Range 12 West, which is approximately 2.75 miles south by east of Flora Vista, New Mexico. Upon application of Harold W. Horner and Doris J. Horner, this case will be heard De Novo pursuant to the provisions of Rule 1220.

Dockets Nos. 18-91 and 19-91 are tentatively set for June 27, 1991 and July 11, 1991. Applications for hearing must be filed at least 25 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 13, 1991

**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, or Jim Morrow, Alternate Examiners:

CASE 10320: Application of McKay Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the April State Unit Agreement for an area comprising 22,298.45 acres, more or less, of State and Fee lands in portions of Townships 3 and 4, South, Range 20 East, which is located approximately 10 miles west-northwest of Mesa, New Mexico.

CASE 10321: Application of McKay Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Charolette State Unit Agreement for an area comprising 12,655.25 acres, more or less, of State lands in portions of Township 5 South, Range 20 East, which is located approximately 13 miles southwest of Mesa, New Mexico.

CASE 10280: (Continued from May 30, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 9789: (Reopened)

In the matter of Case 9789 being reopened pursuant to the provisions of Division Order No. R-9085, which order promulgated special rules and regulations for the Badland Hills-Mancos Oil Pool in Rio Arriba County, New Mexico, including provisions for 640-acre spacing and proration units and designated well location requirements. Operators in said pool may appear and show cause why the Badland Hills-Mancos Oil Pool should not be abolished and/or the special rules and regulations promulgated herein should not be rescinded.

CASE 10310: (Continued from May 30, 1991, Examiner Hearing.)

Application of Amoco Production Company for surface commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks exceptions to Division (General) Rules 303.A. and 309.A. for the surface commingling of North Loving-Morrow Gas Pool production from its Brantley Gas Com Well No. 1 located in Unit K of Section 22, Township 23 South, Range 28 East with East Loving-Delaware Pool production from wells on its Brantley and McClary Leases and its Jasso Unit, all in the S/2 of said Section 22, which is located approximately 1 mile east of Loving, New Mexico.

CASE 10322: Application of Nearburg Producing Company for compulsory pooling, Chaves 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 SE/4 NE/4 (Unit H) of Section 24, Township 8 South, Range 33 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing which presently includes but is not necessarily limited to the Undesignated West Milnesand-Pennsylvanian Pool, said unit 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 located approximately 2.5 miles north of the point common to Lea, Roosevelt, and Chaves Counties.

CASE 10369: (Continued from August 8, 1991, Examiner Hearing.)

Application of ARCO Oil & Gas Company for an order concerning its Empire-Abo Pressure Maintenance Project and the OXY USA, Inc. Citgo Empire-Abo Pressure Maintenance Project and to amend Division Order No. R-4808, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order from the Division determining the appropriate procedure to be applied by OXY U.S.A., Inc. in its Citgo Empire-Abo Unit to make up its current overproduction and to assure its full compliance with all Division Orders approving this Unit and operations therein, and the amendment of Division Order No. R-4808 to assure that future production from the Citgo Empire-Abo Unit is limited to a rate equal to the reservoir voidage occurring in the Empire-Abo Unit. Said unit areas are located in an area 9 to 16 miles west by south of Loco Hills, New Mexico.

CASE 10376: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order extending certain existing pools in McKinley, Rio Arriba, Sandoval, and San Juan Counties, New Mexico:

- (a) EXTEND the Bisti Lower-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 18: NE/4

- (b) EXTEND the South Bisti-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 9 WEST, NMPM
Section 9: N/2
Section 10: W/2 NW/4

- (c) EXTEND the Blanco-Pictured Cliffs Pool in San Juan and Rio Arriba Counties, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 8: E/2
Section 9: S/2
Section 10: SW/4
Section 16: All
Section 17: E/2
Section 21: W/2

- (d) EXTEND the West Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Section 7: W/2
Section 18: All

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM
Section 10: E/2
Section 11: E/2
Section 12: All
Section 13: All

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
Section 16: SW/4
Section 17: SE/4
Section 18: All
Section 20: NE/4
Section 21: All
Section 26: All
Section 27: All
Section 34: All
Section 35: All

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 13: All

- (e) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba, San Juan and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM

Section 21: SW/4 NE/4, NW/4, NE/4, and SE/4 NE/4

- (f) EXTEND the Ojo Encino-Entrada Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 20 NORTH, RANGE 5 WEST

Section 21: SE/4 SW/4

- (g) EXTEND the Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 9 WEST

Section 13: SE/4

- (h) EXTEND the North Pinon-Fruitland Sand Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 12 WEST

Section 30: NE/4

DOCKET NO. 24-91

DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 29, 1991

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

(The Land Commissioner's designee for this hearing will be Gary Carlson)

CASE 10377: The Oil Conservation Division is calling a hearing on its own motion to accept nominations and other evidence and information to assist in determining October 1991 through March 1992 gas allowables for the prorated gas pools in New Mexico. Fourteen of the prorated gas pools are in Lea, Eddy, and Chaves Counties in Southeast New Mexico and four pools are in San Juan, Rio Arriba, and Sandoval Counties in Northwest New Mexico. Amendments to the Gas Proration Rules approved by Commission Order No. R-8170-H in December 1990 provide for allowables to be established for 6-month allocation periods beginning in April and October of each year. Information concerning preliminary allowable estimates for the October-March period is being distributed with OCD Memorandum dated August 5, 1991.

CASE 10226: (De Novo - Continued from June 12, 1991, Commission Hearing.)

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