

Docket Nos. 27-84 and 28-84 are tentatively set for July 25 and August 8, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 11, 1984

8:00 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Michael E. Stogner, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for August, 1984, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for August, 1984, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8240: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the rescission of Order No. R-2788. The Division seeks to rescind this order which allows special salt water disposal procedures in Townships 6 and 7 South, Range 26 East.

CASE 8241: Application of Sanders Oil & Gas Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Pecos River Unit comprising 1600 acres, more or less, of Federal and Fee lands in Township 10 South, Range 25 East.

CASE 8242: Application of Petrus Operating Company, Inc. for an unorthodox oil well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard spacing and proration unit comprising the NE/4 SE/4 of Section 34, Township 11 South, Range 33 East, Bagley-Siluro Devonian Pool, for a well to be drilled at an unorthodox location in the quarter-quarter section.

CASE 8243: Application of Robert E. Chandler Corp. 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 Drinkard formation underlying the NW/4 NW/4 of Section 12, Township 20 South, Range 38 East, 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 8244: Application of Tenneco Oil Company for discovery allowable and creation of a new oil pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Queen oil pool for its State J. L. 36 Well No. 1 located 660 feet from the South line and 1980 feet from the East line of Section 36, Township 18 South, Range 29 East. In addition, applicant seeks the assignment of a discovery allowable for this well.

CASE 8245: Application of Tenneco Oil Exploration and Production for HARSHIP GAS WELL CLASSIFICATION, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Dawson Federal Well No. 1 located in Unit D of Section 26, Township 27 North, Range 8 West, Blanco Mesaverde Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8204: (Continued from June 20, 1984, Examiner Hearing)

Application of Costa Resources, Inc. for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow well location 1600 feet from the South line and 660 feet from the East line of Section 2, Township 18 South, Range 28 East, the S/2 of said Section 2 to be dedicated to the well.

CASE 8246: Application of Trans Pecos Resources, Inc. for authority to inject produced gas for an enhanced oil recovery pilot project, Guadalupe County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject produced gas for an Enhanced Oil Recovery Pilot Project into the Pennsylvanian formation in the perforated interval from 6165 feet to 6203 feet in its Latigo Ranch Block "A" Well No. 1 located 1980 feet from the North and East lines of Section 1, Township 9 North, Range 23 East.

- CASE 8247: Application of Charles B. Gillespie, Jr. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Townsend Wolfcamp (Permo-Upper Penn) formation in the perforated interval from 10546 feet to 10598 feet in its State D Well No. 3 located 3000 feet from the South line and 330 feet from the West line of Section 1, Township 16 South, Range 35 East.
- CASE 8248: Application of Consolidated Oil & Gas Inc. for amendment of Division Order No. R-6943-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6943-A, as amended, which authorized the Midway State Well No. 1, located 330 feet from the South and East lines of Section 8, Township 17 South, Range 37 East, to dispose of produced salt water into the Glorieta formation and provided in part that 4 Midway Abo producing wells, all within a 1/2 mile radius of the SWD well, were not adequately cemented through the injection interval. Consolidated now requests that the stipulation to have these four wells properly cemented be amended to provide for close monitoring of these well bores.
- CASE 8249: Application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Morrow formation in the perforated intervals from 8,901 to 8,914 feet, 8,978 to 8,992 feet and 9,045 to 9,062 feet in its Dayton Townsite Well No. 1 located 1,980 feet from the North and East lines of Section 21, Township 18 South, Range 26 East.
- CASE 8250: Application of Alpha Twenty-One 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 the base of the Grayburg formation underlying the NE/4 SE/4 of Section 32, Township 18 South, Range 37 East, 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 8251: Application of Alpha Twenty-One 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 the base of the Grayburg formation underlying the SE/4 SE/4 of Section 32, Township 18 South, Range 37 East, 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 8215: (Continued from June 6, 1984, Examiner Hearing)
- Application of Alpha Twenty-One Production Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its BRC Madera Well No. 1 located in Unit B of Section 29, Township 22 South, Range 27 East, South Carlsbad-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8252: Application of Alpha Twenty-One Production Company for HARDSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its El Paso Smith Well No. 1 located in Unit N of Section 21, Township 24 South, Range 37 East, Jalmat Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8253: Application of Alpha Twenty-One Production Company for HARDSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Justis "BC" Federal Com Well No. 2 located in Unit H of Section 11, Township 25 South, Range 37 East, Justis-Glorieta Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8254: Application of Alpha Twenty-One Production Company for HARDSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Lansford Well No. 1 located in Unit N of Section 21, Township 21 South, Range 37 East, Hare-San Andres Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8255: Application of Arco Oil and Gas Company for amendment of Division Order No. R-7395, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7395 to delete requirement No. 5 regarding conducting annual tracer surveys on all injection wells and providing notice of the dates and the results of such surveys to the New Mexico Oil Conservation Division's Aztec District Office.
- CASE 8256: Application of Getty Oil Company for surface commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Gallup, Dakota and Pictured Cliffs production from several wells on its Jicarilla B and C Leases, portions of which are in; Sections 5 and 6, Township 24 North, Range 5 West, and Sections 21, 22, 27, 28, 31, 32, 33, 34, in Township 25 North, Range 5 West.

- CASE 8257: Application of Getty Oil Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the NW/4 of Section 20, Township 6 South, Range 26 East, 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 8212: (Continued from June 6, 1984, Examiner Hearing)
- Application of W. A. Moncrief, Jr. for a HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Jurnegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, Mosley Canyon-Strawn Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8214: (Continued from June 6, 1984, Examiner Hearing)
- Application of W. A. Moncrief, Jr. for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Baldrige Federal Well No. 2 located in Unit B of Section 14, Township 24 South, Range 24 East, Baldrige Canyon-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8226: (Continued from June 20, 1984, Examiner Hearing)
- Application of Doyle Hartman for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its South Empire State Com Well No. 1 located in Unit M of Section 24, Township 17 South, Range 28 East, South Empire-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8227: (Continued from June 20, 1984, Examiner Hearing)
- Application of Doyle Hartman for HARDSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Gulf-Greer Well No. 1 located in Unit L of Section 21, Township 22 South, Range 36 East, Jalmat Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8228: (Continued from June 20, 1984, Examiner Hearing)
- Application of Doyle Hartman for HARDSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Langlie "A" State Well No. 3 located in Unit I of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8229: (Continued from June 20, 1984, Examiner Hearing)
- Application of Doyle Hartman for HARDSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Bates-BB&S Well No. 1 located in Unit E of Section 29, Township 25 South, Range 37 East, Jalmat Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8258: Application of The Ronadero Company, Inc. for downhole commingling and dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Devonian and Pennsylvanian production in the wellbore of a well located 1,650 feet from the North line and 1980 feet from the West line of Section 23, Township 12 South, Range 32 East, the SE/4 NW/4 of said Section 23 to be dedicated to the well. In addition, applicant seeks authorization of future dual completion of these zones.
- CASE 8259: Application of Robert N. Enfield for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1,200 feet from the South line and 330 feet from the East line of Section 18, Township 21 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, all of said Section 18 to be dedicated to the well.

CASE 8264: Application of Shell Western E & P, Inc. for directional drilling and unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the directional drilling of three wells in the North Hobbs (Grayburg San Andres) Unit at unorthodox surface locations to unorthodox bottom hole locations. Applicant proposes to drill a well from a location 1163 feet from the South line and 2014 feet from the West line of Section 28, Township 18 South, Range 38 East, to a bottom hole location within 100 feet of a point 1100 feet from the South line and 2400 feet from the West line of that Section.

Applicant proposes to drill a well from a surface location 110 feet from the North line and 1830 feet from the East line of Section 33, Township 18 South, Range 38 East to a bottom hole location 10 feet from the North line and 1330 feet from the East line of that Section.

Applicant proposes to drill a well from a surface location 500 feet from the North line and 1448 feet from the East line of Section 30, Township 18 South, Range 38 East, to a bottom hole location 20 feet from the North line and 1268 feet from the East line.

CASE 8260: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider:
The assignment of a discovery allowable of 29,200 barrels to the East Avalon-Bone Spring Pool in Eddy County.

Docket No. 26-84

DOCKET: COMMISSION HEARING - TUESDAY - JULY 17, 1984
OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 8132: (Continued from May 15, 1984, Commission Hearing)

Application of Amoco Production Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of the wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such applications for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8109: (Continued from May 15, 1984, Commission Hearing)

Application of Amoco Production Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in Order R-5436 will be granted.

CASE 8111: (Continued from May 15, 1984, Commission Hearing)

Application of Southland Royalty Company for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8265: Application of Southland Royalty Co. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8134: (Continued from May 15, 1984, Commission Hearing)

Application of Ladd Petroleum Corp. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota Pool of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8135: (Continued from May 15, 1984 Commission Hearing)

Application of Veryl F. Moore for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Pictured Cliffs formation of Northwest New Mexico as provided in Section 62-7-5, NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8266: Application of Sun Exploration and Production for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota Pool as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.CASE 8133: (Continued from May 15, 1984, Commission Hearing)

Application of Gulf Oil Exploration for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8105: (Continued from May 15, 1984, Commission Hearing)

Application of Conoco Inc. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8267: Application of Caulkins Oil Co. for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota, Blanco-Mesaverde and Pictured Cliffs Pools as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.