

Docket Nos. 36-84 and 37-84 are tentatively set for September 19 and October 3, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 5, 1984

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

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

CASE 8290: (Continued from August 15, 1984, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Jack L. Cayias, J. R. Abraham and all other interested parties to appear and show cause why the Charles M. Well No. 1 located 1850 feet from the South line and 790 feet from the West line of Section 1, Township 25 North, Range 3 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8319: Application of Amerind Oil Co. for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 NW/4 of Section 28, Township 16 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool, 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 8320: Application of Amerind Oil Co. for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 NW/4 of Section 28, Township 16 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool, 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 8321: Application of Exxon Corporation for an unorthodox oil well location, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 2500 feet from the North line and 1350 feet from the East line of Section 18, Township 23 South, Range 33 East, Cruz-Delaware Field, the SW/4 NE/4 of said Section 18 to be dedicated to the well.

CASE 8322: Application of Exxon Corporation for an unorthodox oil well location, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1350 feet from the South line and 2500 feet from the West line of Section 18, Township 23 South, Range 33 East, Cruz-Delaware Field, the NE/4 SW/4 of said Section 18 to be dedicated to the well.

CASE 8217: (Continued from August 15, 1984, Examiner Hearing)

Application of Curtis J. Little for HARDSHIP GAS WELL CLASSIFICATION, San Juan County, New Mexico.

Applicant, in the above-styled cause, seeks a determination that its Federal Com Well No. 2E located in Unit N of Section 11, Township 28 North, Range 13 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8249: (Continued and Readvertised)

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 through the perforated interval from 8,901 feet to 9,062 feet in its Dayton Townsite Well No. 1 located in Section 21, Township 18 South, Range 26 East. In the absence of objection, this application will be approved based upon the prior record.

CASE 8304: (Continued and Readvertised)

Application of Yates Petroleum Corporation for a non-standard proration unit or in the alternative, compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 120-acre proration unit comprising the NE/4 NE/4 and S/2 NE/4 of Section 36, Township 20 South, Range 27 East, Bone Spring formation, or in the alternative, applicant seeks an order pooling all mineral interests from the surface through the Bone Spring formation underlying the NE/4 of said Section 36. 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 8323:

Application of Blanco Engineering, 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 Atoka Penn formation in the perforated interval from 9,094 feet to 9,116 feet in its Pan American Flint Gas Com Well No. 1 located in Section 22, Township 18 South, Range 26 East.

CASE 8324:

Application of Yates Petroleum Corporation for a Carbon Dioxide Injection Pilot Project and unorthodox locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a carbon dioxide injection pilot project by the injection of carbon dioxide and water into the Grayburg formation in two wells proposed to be drilled in the West Loco Hills Unit at unorthodox locations as follows:

- (a) West Loco Hills Unit G4S Tract 13-12, located 1980 feet from the North line and 10 feet from the East line; and
- (b) West Loco Hills Unit G4S Tract 6-5, located 1475 feet from the South line and 10 feet from the East line

both in Section 12, Township 18 South, Range 29 East.

CASE 8308: (Continued from August 22, 1984, Examiner Hearing)

Application of Dugan Production Corp. for amendment of Division Order R-7258, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-7258 to revise only the oil allocation factor to reflect 90% of the commingled oil stream being allocated to the Mancos zone and 10% of the commingled oil stream allocated to the Dakota zone.

CASE 8309: (Continued from August 22, 1984, Examiner Hearing)

Application of Dugan Production Corp. for amendment of Division Order R-7367, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-7367 to revise only the oil allocation factor to reflect 92% of the commingled oil stream being allocated to the Mancos zone and 8% of the commingled oil stream allocated to the Dakota zone.

CASE 8310: (Continued from August 22, 1984, Examiner Hearing)

Application of Dugan Production Corp. for amendment of Division Order R-7365, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-7365 to revise only the oil allocation factor to reflect 97% of the commingled oil stream being allocated to the Mancos zone and 3% of the commingled oil stream allocated to the Dakota zone.

CASE 8325: Application of Marbob Energy Corporation for two unorthodox locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of two unorthodox locations one well which is to be located 1350 feet from the North line and 330 feet from the East line and another to be located 100 feet from the North line and 330 feet from the East line of Section 22, Township 17 South, Range 29 East, Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool, the SE/4 NE/4 and the NE/4 NE/4, respectively, or said Section 22 are to be dedicated to the wells.

CASE 8326: Application of Marbob Energy Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 1170 feet from the South line and 2310 feet from the East line of Section 22, Township 17 South, Range 28 East, Red Lake Queen-Grayburg-San Andres Pool.

- CASE 8327: Application of Marbob Energy Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 1295 feet from the South line and 1650 feet from the East line of Section 22, Township 17 South, Range 28 East, Red Lake Queen-Grayburg-San Andres Pool.
- CASE 8328: Application of Dinero Operating Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 660 feet from the South and East lines of Section 16, Township 22 South, Range 28 East, the S/2 of said Section 16 to be dedicated to the well.
- CASE 8329: Application of Kimbark Oil & Gas Company for an unorthodox location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard proration spacing and proration unit comprising the SE/4 of Section 27, Township 12 South, Range 37 East, South Gladiola Mississippian Pool, for a well to be drilled at an unorthodox location 2000 feet from the South line and 1980 feet from the East line of said Section 27.
- CASE 8330: Application of Chama Petroleum Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 1980 feet from the North line and 660 feet from the East line of Section 5, Township 19 South, Range 26 East, to test the Pennsylvanian and Wolfcamp formations, the N2/ of said Section 5 to be dedicated to the well.
- CASE 8226: (Continued from August 8, 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 8331: Application of Amoco Production Company for an extension of the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Gavilan-Mancos Oil Pool to include Sections 10, 11, 12, 13, 14, 23 and 24 in Township 24 North, Range 2 West.
- CASE 8332: Application of Tenneco Oil Exploration and Production for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from 4956 feet to 4970 feet in its Jennings Federal Well No. 1 located in Unit C of Section 14, Township 24 South, Range 32 East.
- CASE 3333: Application of Sun Exploration and Production Co. for amendment to Division Order R-7313-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-7313-A to include the Seven Rivers formation in its salt water disposal authorization for its Jennings "B" Federal Well No. 2 located in Section 15, Township 19 South, Range 32 East.
- CASE 8334: Application of Sun Exploration and Production Company for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 2561 feet from the South line and 1610 feet from the East line of Section 27, Township 9 South, Range 36 East, the SE/4 of said Section 27 to be dedicated to the well.
- CASE 8335: Application of Hilliard Oil Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the South line and 460 feet from the West line of Section 26, Township 15 South, Range 30 East, Cedar Point-Strawn Gas Pool, the W/2 SW/4 of said Section 26 to be dedicated to the well.
- CASE 8336: Application of Kaiser-Francis Oil Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Pure Gold "A" Federal Well No. 1 located in Unit A of Section 21, Township 23 South, Range 31 East, West Sand Dunes-Morrow Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8337: Application of Schalk Development Co. for HARDSHIP GAS WELL CLASSIFICATION, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Schalk 62 Well No. 1 located in Unit P of Section 33, Township 32 North, Range 5 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8338: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Lea, Chaves and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Northeast Vacuum-Wolfcamp Pool. The discovery well is the Southern Union Exploration Company Kathy Folk Well No. 1 located in Unit H of Section 32, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 32: NE/4

- (b) EXTEND the Northwest Austin-Mississippian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 35 EAST, NMPM
Section 26: N/2

- (c) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

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

- (d) EXTEND the Caprock-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPM
Section 3: N/2

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 27: N/2

- (f) EXTEND the Double X Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 27: SW/4

- (g) EXTEND the East Grama Ridge-Strawn Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 1: E/2 and NW/4
Section 2: N/2

- (h) EXTEND the North Lusk-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 32: SE/4

- (i) EXTEND the Oil Center Glorieta Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 2: SW/4 and Lots 11, 12, 13, and 14

- (j) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 32 EAST, NMPM
Section 36: SW/4

- (k) EXTEND the Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM

Section 31: E/2

- (l) EXTEND the South Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM

Section 8: S/2

Section 16: NW/4 and E/2

- (m) EXTEND the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 29: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 9: SE/4

- (o) EXTEND the Siete-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM

Section 19: NE/4

Section 20: NW/4

- (p) EXTEND the Tubb Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM

Section 20: SE/4

Section 21: W/2

CASE 8339: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Eddy County, New Mexico:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Benson-Bone Spring Pool. The discovery well is Great Western Drilling Company, Mabel Hale Federal No. 2 located in Unit C of Section 11, Township 19 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM

Section 11: NW/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the N. E. Fenton-Bone Spring Pool. The discovery well is Ammex Production, Inc., Big Eddy Well No. 103 located in Unit N of Section 10, Township 21 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 10: SW/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Four Mile Draw-Atoka Gas Pool. The discovery well is Robert Enfield, Walters Well No. 1 located in Unit B of Section 7, Township 19 South, Range 27 East. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM

Section 7: N/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the East Indian Draw-Delaware Pool. The discovery well is Perry R. Bass, Bass 10 Federal Well No. 1 located in Unit J of Section 10, Township 22 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM

Section 10: SE/4

- (e) EXTEND the Antelope Sink-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM

Section 13: S/2

- (f) EXTEND the West Atoka-Upper Penn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM

Section 14: W/2

- (g) EXTEND the Northeast Avalon-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 25: E/2

- (h) EXTEND the East Avalon-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 28: NE/4

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM

Section 1: Lots 1, 2, 7-16, and S/2

- (i) EXTEND the Avalon-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 25: SE/4

Section 36: NE/4

- (j) EXTEND The Brushy-Draw Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM

Section 23: W/2

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM

Section 18: All

Section 19: N/2

- (l) EXTEND the South Carlsbad-Strawn Gas Pool in Eddy county, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 28: All

Section 29: S/2

- (m) EXTEND the Cemetery Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 34: S/2

Section 35: S/2

- (n) EXTEND the Fenton-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 16: N/2

- (o) EXTEND the Happy Valley-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM

Section 19: S/2

Section 30: N/2

- (p) EXTEND the Hay Hollow-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NMPM

Section 13: SW/4

- (q) EXTEND the High Lonesome-Queen Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM

Section 10: SE/4

- (r) EXTEND the West Indian-Flats Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 28: W/2

- (s) EXTEND the Shugart-Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 35: SE/4 and S/2 NE/4

- (t) EXTEND the Square Lake-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 21: NE/4

- (u) EXTEND the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 23: N/2

Docket No. 35-84

DOCKET: COMMISSION HEARING - WEDNESDAY - SEPTEMBER 12, 1984

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 8340: Application of Tenneco Oil 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 Catclaw Draw Field of Southeast 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 8104: (Continued from May 15, 1984, Commission Hearing)

Application of Tenneco Oil 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 and the Catclaw Draw Field of Southeast 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 8103: (Continued from May 15, 1984, Commission Hearing)

Application of DEPCO, 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 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 No. R-5436 will be granted.

CASE 8107: (Continued from May 15, 1984, Commission Hearing)

Application of Energy Reserves Group 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 8108: (Continued from May 15, 1984, Commission Hearing)

Application of Southern Union Exploration 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 8110: (Continued from May 15, 1984, Commission Hearing)

Application of Union Texas Petroleum Corporation 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 8132: (Continued from July 17, 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 application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted. The Commission will consider applications for exemption for those wells which were not considered at the hearing of this case heard on July 17, 1984.

CASE 8109: (Continued from July 17, 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 OCD Order R-5436 will be granted.

CASE 8111: (Continued from July 17, 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. The Commission will consider applications for exemption for those wells which were not considered at the hearing of this case heard on July 17, 1984.

CASE 8265: (Continued from July 17, 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 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. The Commission will consider applications for exemption for those wells which were not considered at the hearing of this case heard on July 17, 1984.

CASE 8134: (Continued from July 17, 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. The Commission will consider applications for exemption for those wells which were not considered at the hearing of this case heard on July 17, 1984.

CASE 8135: (Continued from July 17, 1984, Commission Hearing)

Application of Verly 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 8267: (Continued from July 17, 1984 Commission Hearing)

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.

Dockets Nos. 34-84 and 35-84 are tentatively set for September 5 and September 19, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 22, 1984

8 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 Richard L. Stamets or Gilbert P. Quintana, Alternate Examiners:

CASE 8241: (Continued and Readvertised)

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

CASE 8302:

Application of Alpha Twenty-One Production Co. 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 NW/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 8273: (Continued and Readvertised)

Application of Blanks Energy Corporation for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 450 feet from the South line and 1850 feet from the East line of Section 16, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the W/2 SE/4 of said Section 16 is to be dedicated to the well. In the absence of objection, this application will be approved based upon the prior record.

CASE 8303:

Application of Yates Petroleum Corporation for an exception to Rule 2(B) of Division Order R-1670-I, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(B) of Division Order R-1670-I to permit applicant to complete its well at an unorthodox oil well location 990 feet from the North line and 1650 feet from the West line of Section 21, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, the N/2 NW/4 of said Section 21 to be dedicated to the well.

CASE 8304:

Application of Yates Petroleum Corporation for a non-standard proration unit or in the alternative, compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 120-acre proration unit comprising the NE/4 NE/4 and S/2 NE/4 of Section 30, Township 20 South, Range 27 East, Delaware formation, or in the alternative, applicant seeks an order pooling all mineral interests from the surface through the Delaware formation underlying the NW/4 NE/4 of said Section 30. 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 8305:

Application of Yates Petroleum Corporation for new pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Permo Upper Pennsylvanian Oil Pool comprised of the SW/4 of Section 11, Township 7 South, Range 33 East, for its Smith "ZJ" Well No. 1 located 660 feet from the South and West lines of said Section 11, and the promulgation of temporary special pool rules therefor including a provision for 160-acre well spacing and proration units and well location requirements.

CASE 8291: (Continued from August 8, 1984, Examiner Hearing)

Application of I & W Transportation, 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 Kemnitz-Lower Wolfcamp Pool in the perforated interval from 10,694 feet to 11,348 feet in its Sombbrero "MS" State Well No. 2 located in Unit C of Section 27, Township 16 South, Range 33 East.

CASE 8306:

Application of Red Mountain Associates for an unorthodox location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 660 feet from the North line and 2635 feet from the East line of Section 28, Township 20 North, Range 9 West, Chaco Wash-Mesaverde Oil Pool.

CASE 8307:

Application of Petroleum Energy Inc. for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location to test the Mississippian formation located 660 feet from the South line and 1980 feet from the West line of Section 28, Township 27 North, Range 18 West, the SW/4 of said Section 28 to be dedicated to the well.

CASE 8308:

Application of Dugan Production Corp. for amendment of Division Order R-7258, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-7258 to revise only the oil allocation factor to reflect 90% of the commingled oil stream being allocated to the Mancos zone and 10% of the commingled oil stream allocated to the Dakota zone.

CASE 8309:

Application of Dugan Production Corp. for amendment to Division Order R-7367, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7367 to revise only the oil allocation factor to reflect 92% of the commingled oil stream being allocated to the Mancos zone and 8% of the commingled oil stream allocated to the Dakota zone.

CASE 8310:

Application of Dugan Production Corp. for the amendment of Division Order R-7365, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7365 to revise only the oil allocation factor to reflect 97% of the commingled oil stream being allocated to the Mancos zone and 3% of the commingled oil stream allocated to the Dakota zone.

CASE 8311:

Application of Sun Exploration and Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 2700 feet from the North line and 1610 feet from the East line of Section 27, Township 9 South, Range 36 East, Crossroads-Devonian Pool, the SW/4 NE/4 of said Section 27 to be dedicated to the well.

CASE 8312:

Application of Gulf Oil Exploration and Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the perforated interval from 3350 feet to 3900 feet (Seven Rivers and Queen formations) in its William A. Ramsay and J. F. Janda (NCT-F) Leases located in Section 4, Township 22 South, Range 36 East.

CASE 8313:

Application of Bass Enterprises Production Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 14, Township 24 South, Range 33 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 8314:

Application of Cities Service Oil & Gas Corp. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line of Section 21, Township 21 South, Range 27 East, Burton Flats-Morrow Gas Pool, the N/2 of said Section 21 to be dedicated to the well.

CASE 8256: (Reopened)

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, Pictured Cliffs, and Chacra 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. In the absence of objection, this application will be approved based upon the prior record.

CASE 8315:

Application of Getty Oil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval to downhole commingle all Grayburg-Jackson Pool and Fren-Seven Rivers production underlying its Skelly Unit located in Township 17 South, Range 31 East.

CASE 8316:

Application of Southland Royalty Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 14, Township 24 South, Range 33 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 8317:

Application of Doyle Hartman for directional drilling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a Jalmat oil well from an unorthodox surface location 1450 feet from the North line and 120 feet from the West line of Section 20, Township 25 South, Range 37 East, to be bottomed at a standard Jalmat oil location in the NE/4 NE/4 of Section 19, Township 25 South, Range 37 East.

CASE 8318:

Application of Llano, Inc. for special well testing requirements, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order requiring testing of the Morrow formation at Llano's option by use of a Repeat Formation Tester in the L & B Oil Company's State Com. #2 Well located 1980 feet from the South line and 1980 feet from the West line of Section 11, Township 22 South, Range 34 East.

Docket No. 33-84

DOCKET: COMMISSION HEARING - THURSDAY-AUGUST 23, 1984

9 A.M. - OIL CONSERVATION COMMISSION - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases were continued from August 1, 1984, Commission Hearing

CASE 8287: Application of Bass Enterprises Production Co. for the amendment of Division Order No. R-111-A, Eddy and Lea Counties, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-111-A, as amended, by the inclusion of an Article whereby the Director of the Oil Conservation Division shall have the authority to grant approval, without notice and hearing, for the directional drilling of wells from orthodox and unorthodox surface locations outside the Potash-Oil Area to orthodox and unorthodox bottomhole locations beneath the Potash-Oil Area provided that the Salado formation is not penetrated therein.

CASE 8288: Application of Bass Enterprises Production Co. for the approval of drilling islands and special rules for the Potash-Oil Area, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of 18 specified drilling islands for the drilling of shallow and deep wells (above or below the base of the Strawn formation) and for special rules to be applied therein including approval of vertical and directional drilling; orthodox and unorthodox surface and bottomhole locations; and special drilling, casing and cementing requirements all within or in the vicinity of the Potash-Oil Area as defined in Division Order R-111-A, as amended.