

Dockets Nos. 5-85 and 6-85 are tentatively set for February 13 and February 27, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 30, 1985

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 Gilbert P. Quintana, Alternate Examiner:

- CASE 8457: 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 Strawn formation underlying the W/2 NE/4 of Section 28, Township 16 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 8458: 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 Strawn formation underlying the E/2 NE/4 of Section 28, Township 16 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 8459: Application of John Yuronka for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to 7400 feet underlying Lot 13 (Unit M) of Section 6, Township 21 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 8460: Application of John Yuronka for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to 7400 feet underlying Lot 12 (Unit L) of Section 6, Township 21 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 8461: 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 NE/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 8462: Application of Alpha Twenty-One Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 3700 feet to 4000 feet in the existing Sun Exploration and Production Company Gregory "A" Well No. 3 located 660 feet from the North and West lines (Unit D) of Section 33, Township 25 South, Range 37 East.
- CASE 8463: Application of David Fasken for termination of prorationing in the Burton Flat-Morrow Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order terminating prorationing in the Burton Flat-Morrow Gas Pool located in portions of Townships 20 and 21 South, Ranges 26, 27, and 28 East, and to also cancel all cumulative over-production and under-production within said pool.

CASE 8464: Application of Mobil Producing Texas & New Mexico, Inc. for infill findings, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that infill drilling of all proration units in the North Vacuum Abo Pool located in portions of Townships 16 and 17 South, Ranges 34 and 35 East, is necessary to effectively and efficiently drain these proration units.

CASE 8465: Application of Bison Petroleum Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1980 feet from the North line and 1200 feet from the West line of Section 34, Township 13 South, Range 30 East, NMPM, Southeast Chaves Queen Gas Area Associated Pool, the SW/4 NW/4 (Unit E) of said Section 34 to be dedicated to the well.

CASE 8466: Application of El Paso Natural Gas Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox infill gas well location 1180 feet from the North line and 2440 feet from the East line of Section 9, Township 32 North, Range 7 West, NMPM, Blanco Mesaverde Pool, the previously approved 376.88-acre non-standard proration unit comprising the SE/4, E/2 SW/4 and Lots 1, 2, and 3 of said Section 9 and Lots 3 and 4 and the NW/4 SW/4 of Section 10, Township 32 North, Range 7 West, to be dedicated to the well.

CASE 8467: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat Gas Pool and Langlie Mattix Pool production in the wellbore of its C. D. Woolworth Well No. 7 located 1980 feet from the South and East lines (Unit J) of Section 30, Township 24 South, Range 37 East.

CASE 8440: (Continued from January 16, 1985, Examiner Hearing)

Application of Conoco Inc. to amend Administrative Division Order DHC-417, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Administrative Division Order DHC-417 to allow its State H-35 Well No. 9 located in Unit H of Section 35, Township 17 South, Range 34 East, to produce approximately 120 more barrels of water per day than presently allowed.

CASE 8448: (Continued from January 16, 1985, Examiner Hearing)

Gary-Williams Oil Producer, Inc. for pool extension, amendment of Division Order No. R-7471 and for twelve non-standard oil proration units, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Rio Puerco-Mancos Oil Pool to include Sections 3, 4, 5, 8, 9, 10, 15, and 17 of Township 20 North, Range 2 West, Sections 19 through 22 and 27 through 34 of Township 21 North, Range 2 West, Sections 21 through 28 of Township 20 North, Range 3 West, and Sections 25, 26, 35 and 36 of Township 21 North, Range 3 West and the amendment of the SPECIAL RULES AND REGULATIONS FOR THE RIO PUERCO-MANCOS OIL POOL, as promulgated in Division Order No. R-7471, to further restrict the well location requirements. Applicant further seeks approval of twelve non-standard oil proration and spacing units, all within the above-described pool extension area and necessitated by irregularities in section sizes and shapes, each comprised of various contiguous lots and/or tracts in Sections 3, 4, and 5 of Township 20 North, Range 2 West and Sections 19, 30 and 31 of Township 21 North, Range 2 West.

CASE 8450: (Continued from January 16, 1985, Examiner Hearing)

Application of Robert E. Chandler Corporation for compulsory pooling and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blinebry formation underlying a non-standard oil proration unit, consisting of approximately 25.9 acres, comprising Lot 4 of Section 29, Township 18 South, Range 39 East, NMPM, East Hobbs-Blinebry 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 8468: Application of Damson Oil Corporation for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA, for the Getty Oil Company (Texaco Inc.) operated Mexico Federal "K" Well No. 1-E located 1190 feet from the South line and 2020 feet from the West line of Section 8, Township 28 North, Range 10 West, NMPM, Basin Dakota Pool, San Juan County, New Mexico, in which Damson Oil Corporation owns an interest, as provided in Section 62-7-5, NMSA, 1978. To be considered will be the granting of said exemption from the date of the filing of the application. In the absence of objection, any such application for exemption which meets the criteria set forth in Division Order No. R-5436 will be granted.

- CASE 8469: Application of Damson Oil Corporation for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA, for the Mesa Petroleum Company operated McLeod Well No. 2-E located 1530 feet from the North line and 930 feet from the West line of Section 34, Township 28 North, Range 10 West, NMPM, Basin-Dakota Pool, San Juan County, in which Damson Oil Corporation owns an interest, as provided in Section 62-7-5, NMSA, 1978. To be considered will be the granting of said exemption from the date of the filing of the application. In the absence of objection, any such application for exemption which meets the criteria set forth in Division Order No. R-5436 will be granted.
- CASE 8470: Application of Amoco Production Company for amendment to Division Order No. R-7518, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7518 to include the Wolfcamp formation as an injection interval to dispose of produced salt water in its State "FU" Well No. 3 located 1700 feet from the North line and 660 feet from the West line of Section 25, Township 18 South, Range 34 East, NMPM, Airstrip-Wolfcamp Pool.
- CASE 8471: Application of Amoco Production Company for NGPA Wellhead Price Ceiling Category Determination, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the determination that its Wood Gas Com "A" Well No. 1 located in the NW/4 NE/4 of Section 4, Township 31 North, Range 10 West, NMPM, Cedar Hill Fruitland Basal Coal Gas Pool, meets the NGPA well category criteria for Section 107, High Cost Occluded Gas Produced from Coal Seams, under Section 107 of the Natural Gas Policy Act of 1978.
- CASE 8472: Application of Inexco Oil Company for compulsory pooling and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formation from the surface to the top of the Strawn formation underlying the NW/4 SE/4 of Section 13, Township 17 South, Range 37 East, to form a standard 40-acre oil proration unit to be dedicated to a well to be drilled at a standard oil well location 1980 feet from the South and East lines of said Section 13. Applicant further seeks an order pooling all mineral interests in the Strawn formation underlying the NE/4 SW/4 and NW/4 SE/4 of said Section 13, to form a non-standard 80-acre oil proration unit also to be dedicated to the above-described well. 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 8473: Application of MTS Ltd. Partnership for compulsory pooling, a non-standard gas proration unit, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Wolfcamp formation underlying the NE/4 of Section 3, Township 16 South, Range 35 East, to form a standard 160-acre gas proration unit to be dedicated to a well to be drilled at an unorthodox gas well location 3806 feet from the North line and 2193 feet from the East line of said Section 3. Applicant further seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying Lots 1, 2, 7, and 8, and the NE/4 of said Section 3 to form a non-standard 338.59-acre gas proration unit also to be dedicated to the above-described well. 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 8474: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, redesignating and extending certain pools in Chaves, Lea, and Roosevelt Counties, New Mexico:
- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Permo Pennsylvanian production and designated as the Eight Mile Draw-Permo Pennsylvanian Pool. The discovery well is the Yates Petroleum Corporation Lonestar AAI State Well No. 1 located in Unit K of Section 19, Township 11 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM

Section 19: SW/4
 - (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Atoka production and designated as the Kemnitz-Atoka Pool. The discovery well is the OGR Operating Company, Inc. Kemnitz 17 State Well No. 1 located in Unit H of Section 17, Township 16 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 17: NE/4
 - (c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Chester production and designated as the East Shoe Bar-Chester Gas Pool. The discovery well is the Maralo, Inc. State K-33 Com Well No. 3 located in Unit O of Section 30, Township 16 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 30: SE/4

- (d) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Canyon production and designated as the West Tucker Ranch-Canyon Pool. The discovery well is the Wallace Oil and Gas, Inc. Tucker Well No. 2 located in Unit P of Section 5, Township 7 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM

Section 5: SE/4

- (e) CONTRACT the vertical limits of the McDonald-Pennsylvanian Pool in Lea County, New Mexico, to include only the Cisco, Canyon, and Strawn formations, and redesignate said pool as the McDonald-Upper Pennsylvanian Pool.
- (f) REDESIGNATE the East New Hope-Pennsylvanian Gas Pool in Lea County, New Mexico, as the East New Hope-Wolfcamp Gas Pool, because the producing formation was incorrectly classified when said pool was created.
- (g) EXTEND the North Anderson Ranch-Cisco Canyon Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM

Section 33: SW/4

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM

Section 1: NW/4

- (h) EXTEND the South Brunson-Abo Pool in Lea County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM

Section 32: SE/4

Section 33: SW/4

- (i) EXTEND the Southeast Chaves-Queen Gas Area Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 31 EAST, NMPM

Section 35: NW/4

- (j) EXTEND the North Chaveroo-Permo Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM

Section 14: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM

Section 8: SW/4

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

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 11: S/2

- (m) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 28: NW/4

- (n) EXTEND the McDonald-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 36 EAST, NMPM

Section 33: NW/4 and S/2

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

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 7: E/2 SE/4

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 33: NE/4

Section 34: N/2

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 36: N/2 and SE/4