

Dockets Nos. 35-85 and 36-85 are tentatively set for November 21 and December 4, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 6, 1985

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

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

CASE 8741: (This case will be continued to November 21, 1985.)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Rapid Company, Inc., American Employers' Insurance Co. and all other interested parties to appear and show cause why the following wells in Lea County should not be plugged and abandoned in accordance with a Division-approved plugging program:

Punch No. 1	Unit J	Sec. 11, T-12-S, R-34-E
Ranger Lake No. 1	Unit N	Sec. 11, T-12-S, R-34-E
Ranger Lake No. 3	Unit N	Sec. 11, T-12-S, R-34-E
Texas Pacific AH State No. 1	Unit F	Sec. 14, T-12-S, R-34-E
Ranger Lake SWD No. 1	Unit H	Sec. 15, T-12-S, R-34-E

CASE 8673: (Continued from October 9, 1985, Examiner Hearing)

Application of Chevron USA Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Trooper Unit Area comprising 2,880 acres, more or less, of State lands in Township 11 South, Range 35 East.

CASE 8712: (Continued from October 23, 1985, Examiner Hearing)

Application of Kimbell Oil Company of Texas for HARDSHIP GAS WELL CLASSIFICATION, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Salazar Well No. 4-E located 1630 feet from the North line and 1460 feet from the West line (Unit F) of Section 34, Township 25 North, Range 6 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8742: Application of Reeves Drilling & Petroleum Corporation for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Gallup Sandstone formation in the open-hole interval from approximately 2465 feet to 2615 feet in the Malco Copple Well No. 2 located 360 feet from the North line and 1650 feet from the West line of Section 5, Township 30 North, Range 15 West, Verde-Gallup Oil Pool.

CASE 8743: Application of H. L. Brown, Jr. for salt water disposal, Roosevelt 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 4030 feet to 4535 feet in its Saunders "A" Well No. 1 located 1650 feet from the North and West lines of Section 5, Township 8 South, Range 37 East, Bluit-San Andres Gas Pool.

CASE 8635: (Continued from September 11, 1985, Examiner Hearing)

Application of Energy Reserves Group, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Fusselman formation in the perforated interval from 8150 feet to 8220 feet in its McClellan Well No. 1 located 2000 feet from the South line and 1900 feet from the West line of Section 10, Township 6 South, Range 33 East.

CASE 8731: (Continued and Readvertised)

Application of Amerada Hess Corporation for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the Wolfcamp through Atoka formations underlying the N/2 SE/4 of Section 10, Township 16 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox location 1700 feet from the South line and 2300 feet from the East line of said Section 10. 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 8744: Application of Union Texas Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval for the downhole commingling of Otero-Gallup and Basin-Dakota production in the wellbore of all existing wells and all wells subsequently to be drilled in the Jicarilla "L" and "N" Leases in Townships 24 and 25 North, Range 5 West.

CASE 8745: Application of Benson-Montin-Greer Drilling Corporation for authority to conduct a long term Reservoir Pressure Study, Mancos Formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to conduct a long term reservoir pressure study among certain Mancos formation wells that are located in Section 6, Township 25 North, Range 1 West and Sections 1 and 2 of Township 25 North, Range 2 West, including the granting of a special temporary allowable, accumulation of underproduction and exceptions for Division Rules 503, 505, and 306.

CASE 8746: (This case will be continued to December 18, 1985.)

Application of Jack J. Grynberg for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 25, Township 18 South, Range 26 East, to form a standard 320-acre gas spacing and proration unit 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 8735: (Continued from October 23, 1985, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of Section 2, Township 19 South, Range 28 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 8736: (Continued from October 23, 1985, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Dakota formation underlying the N/2 of Section 13, Township 25 North, Range 2 West, Basin-Dakota 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 8737: (Continued from October 23, 1985, Examiner Hearing)

Application of Southland Royalty 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 top of the Wolfcamp formation underlying the SW/4 of Section 30, Township 15 South, Range 28 East, and all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of said Section 30, 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 8689: (Continued from October 23, 1985, Examiner Hearing)

Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying a previously approved 120-acre non-standard proration unit comprising the N/2 NW/4 and SW/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to its Justis Christmas Gas Com Well No. 1 located 2225 feet from the North line and 790 feet from the West line of said Section 20. 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 8739: (Continued from October 23, 1985, Examiner Hearing)

Application of Chama Petroleum Company to rescind Division Order No. R-7637, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to rescind Division Order No. R-7637 which authorized the disposal of produced water into the "C" and "D" zones of the Cisco Canyon formation through the Dagger Draw Salt Water Disposal Well located 1495 feet from the North line and 225 feet from the West line of Section 22, Township 19 South, Range 25 East, Undesignated North Dagger Draw-Upper Pennsylvanian Pool, in which Anadarko Production Company is the operator.

Dockets Nos. 23-85 and 24-85 are tentatively set for July 17 and 31, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - TUESDAY - JULY 2, 1985

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 Michael E. Stogner, Alternate Examiner:

CASE 7955: (This case will be dismissed.)

Application of Bliss Petroleum, Inc. for the rescission of Order No. R-2789, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-2789, which approved the South Penrose Skelly Unit.

CASE 8593: (Continued from June 5, 1985, Examiner Hearing)

Application of Corinne B. Grace for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Carlsbad Grace Well No. 1 located 1980 feet from the South line and 660 feet from the East line of Section 36, Township 22 South, Range 26 East, South Carlsbad-Strawn Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8615: (Continued from June 5, 1985, Examiner Hearing)

Application of Corinne B. Grace for HARDSHIP GAS WELL CLASSIFICATION, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Poco Loco Well No. 1 located 1980 feet from the South and West lines of Section 8, Township 15 South, Range 30 East, Double "L"-Queen Associated Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8635: Application of Energy Reserves Group, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Fusselman formation in the perforated interval from 8150 feet to 8220 feet in its McClellan Well No. 1 located 2000 feet from the South line and 1900 feet from the West line of Section 10, Township 6 South, Range 33 East.

CASE 8609: (Continued from June 19, 1985, Examiner Hearing)

Application of Hondo Drilling Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Union Texas State Com Well No. 1 located 660 feet from the South line and 1980 feet from the West line of Section 17, Township 19 South, Range 29 East, Turkey Track-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8610: (Continued from June 19, 1985, Examiner Hearing)

Application of Hondo Drilling Company for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Alscott Federal Well No. 1 located 1650 feet from the North line and 1980 feet from the East line (Unit G) of Section 31, Township 18 South, Range 29 East, North Turkey Track-Cisco Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8611: (Continued from June 19, 1985, Examiner Hearing)

Application of Hondo Drilling Company for five HARDSHIP GAS WELL CLASSIFICATIONS, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that each of the following described wells in Township 18 South, Range 29 East, North Turkey Track-Morrow Gas Pool, are hardship gas wells which should be granted priority access to pipeline takes in order to avoid waste:

Alscott Federal Well No. 2  
660' FSL - 1980' FEL (Unit O)  
Section 30

Alscott Federal Well No. 3  
660' FSL - 1980' FEL (Unit O)  
Section 31

Trigg Jennings Com Well No. 1  
660' FSL - 1980' FWL (Unit N)  
Section 28

Wright Federal Com Well No. 1  
660' FSL - 1980' FWL (Unit N)  
Section 29

Wright Federal Com Well No. 2  
1980' FNL - 1980' FEL (Unit G)  
Section 29

Examiner Hearing - Tuesday - July 2, 1985

CASE 8627: (Continued from June 19, 1985, Examiner Hearing)

Application of TXO Production Corp. for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the base of the Strawn formation underlying the SW/4 SW/4 of Section 36, Township 24 South, Range 26 East, to form a standard 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard oil well location 660 feet from the South and West lines of said Section 36. Applicant further seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of said Section 36, to form a standard 320-acre gas spacing and proration unit, also to be dedicated to the above-described well which is an unorthodox gas well location for the W/2, 320-acre gas spacing and proration unit. 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 8621: (Continued from June 5, 1985, Examiner Hearing)

Application of Kaiser-Francis Oil Company for HARDSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Federal "30" Well No. 2 located 2310 feet from the South line and 1980 feet from the West line of Section 30, Township 19 South, Range 33 East, Gem-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8636: Application of Benson-Montin-Greer Drilling Corp. for compulsory pooling and an unorthodox well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Mancos formation underlying all of Section 29, Township 25 North, Range 1 West, which is a standard 640-acre oil proration and spacing unit in the West Puerto Chiquito-Mancos Oil Pool only, to be dedicated to a well to be drilled at an unorthodox oil well location 393 feet from the North line and 2367 feet from the East line of said Section 29. 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 8637: Application of Southland Royalty Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Mancos formation to the base of the Dakota formation underlying the N/2 of Section 25, Township 25 North, Range 2 West, 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 8620: (Continued from June 5, 1985, Examiner Hearing)

Application of Mesa Petroleum Co. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Scharb-Bone Spring Pool in Lea County, New Mexico, including a gas-oil ratio limitation of 14,000 cubic feet of gas per barrel of oil.

CASE 8606: (Continued from June 19, 1985, Examiner Hearing)

Application of Doyle Hartman for simultaneous dedication and 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 Jalmat Gas Pool underlying the NW/4 of Section 8, Township 24 South, Range 37 East, forming a previously approved 160-acre non-standard spacing and proration unit in the Jalmat Gas Pool, to be simultaneously dedicated to his existing E. E. Jack Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 8 and his proposed E. E. Jack Well No. 5 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 8638: Application of Doyle Hartman for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Jalmat Gas Pool underlying the SE/4 of Section 36, Township 23 South, Range 36 East, forming a 160-acre non-standard gas proration unit 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.

Dockets Nos. 26-85 and 27-85 are tentatively set for August 28 and September 11, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 14, 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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for September, 1985, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for September, 1985, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8672: Application of Armstrong Energy for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Blue Lagoon Unit Area comprising 1600 acres, more or less, of State lands in Township 11 South, Range 34 East.

CASE 8673: Application of Chevron USA Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Trooper Unit Area comprising 2,880 acres, more or less, of State lands in Township 11 South, Range 35 East.

CASE 8562: (Continued from July 17, 1985, Examiner Hearing)

Application of Mar Oil & Gas Corp. Inc. for a unit agreement, Torrance County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Berkshire Unit Area comprising 27,840 acres, more or less, of State, Federal, and Fee lands in Townships 6 and 7 North, Ranges 9 and 10 East.

CASE 8650: (Readvertised)

Application of Amerada Hess Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the N/2 SW/4 of Section 9, 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 8674: Application of Jack Plemons for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to a depth of 3500 feet underlying the NW/4 NW/4 of Section 27, Township 17 South, Range 29 East, to be dedicated to its Continental "27" State Well No. 6 located 990 feet from the North line and 330 feet from the West line of said Section 27. 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 8635: (Continued from July 2, 1985, Examiner Hearing)

Application of Energy Reserves Group, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Fusselman formation in the perforated interval from 8150 feet to 8220 feet in its McClellan Well No. 1 located 2000 feet from the South line and 1900 feet from the West line of Section 10, Township 6 South, Range 33 East.

CASE 8669: (Readvertised)

Application of Doyle Hartman for an unorthodox gas well location, simultaneous dedication, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its Olsen-Blinbry Well No. 2 to be located at an unorthodox gas well location 660 feet from the South line and 500 feet from the West line (Unit M) of Section 29, Township 23 South, Range 37 East, Jalmar Gas Pool, is necessary to effectively and efficiently drain that portion of the previously approved 160-acre non-standard proration unit consisting of the SW/4 of said Section 29 which cannot be so drained by the existing Olsen-Blinbry Well No. 1 located 1650 feet from the South line and 990 feet from the West line (Unit L) of said Section 29. Applicant further seeks approval for the simultaneous dedication of said 160-acre unit to both of the above-described wells.

CASE 7619: (Reopened)

In the matter of Case 7619 being reopened on the motion of the Oil Conservation Division and pursuant to the provisions of Order No. R-7034 which order promulgated temporary special rules and regulations for the Counselors-Gallup Oil Pool in Rio Arriba County, including a provision for 160-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on less than 160-acre spacing with a depth bracket allowable in accordance with statewide rules.

CASE 8153: (Reopened)

In the matter of Case 8153 being reopened on the motion of the Oil Conservation Division and pursuant to the provisions of Order No. R-7034-A which order extended the vertical limits of the Counselors-Gallup Oil Pool to include the Dakota formation, redesignated said pool as the Counselors Gallup-Dakota Oil Pool, and made applicable the temporary special rules and regulations established under Division Order No. R-7034 to the Counselors Gallup-Dakota Oil Pool. Operators in said pool may appear and show cause why the pool should not be developed on less than 160-acre spacing with a depth bracket allowable in accordance with statewide rules.

CASE 8675: Application of Mesa Petroleum Co. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Northeast Eidsen-Mississippian Pool including a provision for a gas-oil ratio limitation of 4000 cubic feet of gas per barrel of oil.

CASE 8676: Application of Southland Royalty Company for pool creation, special pool rules, and the contraction of the horizontal limits of the Scharb-Wolfcamp Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Scharb-Wolfcamp Pool by the deletion therefrom of the SW/4 of Section 33, Township 18 South, Range 35 East, the N/2 and SW/4 of Section 4 and the E/2 of Section 5, Township 19 South, Range 35 East. Applicant further seeks the creation of a new oil pool for Wolfcamp production comprising Sections 28, 29, 32, and 33, Township 18 South, Range 35 East, and Sections 4 and 5, Township 19 South, Range 35 East, and the promulgation of special pool rules therefor including a provision for 80-acre well spacing and proration units.

CASE 8677: Application of Texaco Producing 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 San Andres formation in the perforated and open-hole interval from approximately 3913 feet to 5120 feet in its Skelly Penrose "A" Unit Well No. 62 located 2200 feet from the South and West lines of Section 3, Township 23 South, Range 37 East.

CASE 8678: Application of Wilton Scott to vacate and void Division Order No. R-7983, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to vacate and void Division Order No. R-7983 which promulgated temporary special pool rules and regulations for the Northeast Caudill-Wolfcamp Pool including a provision for 80-acre spacing.

CASE 8679: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider an order contracting and extending certain pools in Chaves County, New Mexico:

(a) CONTRACT the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, by the deletion of the following described area:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 36: All

(b) EXTEND the Diamond Mound Atoka-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 36: All

CASE 8680: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider an order creating, contracting, and extending certain pools in McKinley, Rio Arriba, San Juan, and Sandoval Counties:

(a) CREATE a new pool in McKinley County, New Mexico, classified as an oil pool for Mesaverde production and designated as the Papers Wash-Mesaverde Oil Pool. The discovery well is the James L. Ludwick Federal 8 Well No. 4 located in Unit M of Section 8, Township 19 North, Range 5 West, NMPM. Said pool would comprise:

TOWNSHIP 19 NORTH, RANGE 5 WEST, NMPM  
Section 7: S/2 N/2 and SE/4  
Section 8: SW/4 SW/4  
Section 17: NW/4 and NW/4 SW/4  
Section 18: NE/4 and NE/4 SE/4

(b) CONTRACT the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, by the deletion of the following described area:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM  
Section 14: S/2 SW/4

(c) EXTEND the BS Mesa-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM  
Section 8: SE/4

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM  
Section 1: All  
Section 2: SE/4

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM  
Section 35: SE/4

Dockets Nos. 29-85 and 30-85 are tentatively set for September 25 and October 9, 1985. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 11, 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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1985, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for October, 1985, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8673: (Continued from August 14, 1985, Examiner Hearing)

Application of Chevron USA Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Trooper Unit Area comprising 2,880 acres, more or less, of State lands in Township 11 South, Range 35 East.

CASE 8692: Application of Parabo, 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 San Andres formation in the perforated interval from 4500 feet to 5050 feet in a well to be located 50 feet from the North line and 1892.47 feet from the East line of Section 32, Township 21 South, Range 38 East.

CASE 8693: Application of Parabo, 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 San Andres formation in the perforated interval from 4500 feet to 5050 feet in a well to be located 50 feet from the North line and 796.07 feet from the East line of Section 32, Township 21 South, Range 38 East.

CASE 8694: Application of Amerind Oil 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 1650 feet from the North line and 1350 feet from the East line of Section 35, Township 14 South, Range 34 East, High Plains-Permo Pennsylvanian Pool, the NE/4 of said Section 35 to be dedicated to the well.

CASE 8684: (Continued and Readvertised)

Application of David Fasken for pool extensions and contractions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Burton Flat-Morrow Gas Pool by the deletion therefrom of all of Section 35, Township 20 South, Range 27 East, and Lots 1 through 16 of Section 1, Township 21 South, Range 26 East, and the concomitant extension of the Avalon-Morrow Gas Pool.

CASE 8635: (Continued from August 14, 1985, Examiner Hearing)

Application of Energy Reserves Group, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Fusselman formation in the perforated interval from 8150 feet to 8220 feet in its McClellan Well No. 1 located 2000 feet from the South line and 1900 feet from the West line of Section 10, Township 6 South, Range 33 East.

CASE 8695: Application of Benson-Montin-Greer Drilling Corp. for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1850 feet from the North line and 870 feet from the West line of Section 6, Township 25 North, Range 1 West, West Puerto Chiquito-Mancos Oil Pool, all of said Section 6 to be dedicated to the well.

CASE 8696: Application of Pennzoil Company for pool creation, special pool rules, assignment of a discovery allowable, and the contraction of the East Lovington-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the East Lovington-Pennsylvanian Pool by either contracting the horizontal or vertical limits underlying the NW/4 NW/4 of Section 4, Township 17 South, Range 37 East, and the creation of a new oil pool for Strawn production comprising all of said Section 4, the promulgation of special pool rules therefor including a provision for 80-acre well spacing and proration units, and the assignment of a discovery allowable to its Viersen Well No. 1 located 2130 feet from the South line and 660 feet from the East line of said Section 4.

CASE 8697: Application of Pennzoil 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 1300 feet from the South line and 1650 feet from the East line of Section 4, Township 17 South, Range 37 East, Strawn formation, the dedicated acreage for the well to be either 40 or 80 acres depending upon the outcome of Division Case No. 8696.

- CASE 8698: Application of TXO Production Corp. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 4825 feet below the surface to the base of the Bone Spring formation at 8800 feet underlying the NE/4 NW/4 of Section 26, Township 18 South, Range 32 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 8699: Application of TXO Production Corp. for amendment of Division Order No. R-7817, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7817, as amended, which subsequently approved an unorthodox gas well location 660 feet from the South and East lines of Section 2, Township 22 South, Range 27 East, to rededicate the E/2 of said Section 2 to the subject well, to compulsorily pool all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying said E/2, and to approve a non-standard proration unit comprising the SE/4 of said Section 4 if Wolfcamp production is established.
- CASE 8700: Application of Jerome P. McHugh for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Basin-Dakota Pool with the exception of the Blanco-Mesaverde Pool underlying the NE/4 of Section 29, Township 31 North, Range 13 West, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing, to be dedicated to a well to be drilled at a standard gas well location thereon. Applicant further seeks an order pooling all mineral interests in the Blanco-Mesaverde and Basin-Dakota Pools underlying the N/2 of said Section 29 forming a standard 320-acre gas spacing and proration unit for both pools to be dedicated to the aforementioned well also 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 8676: (Continued and Readvertised)
- Application of Southland Royalty Company for pool creation, special pool rules, and the contraction of the vertical limits of the Scharb-Wolfcamp Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Scharb-Wolfcamp Pool underlying the SW/4 of Section 33, Township 18 South, Range 35 East, the N/2 and SW/4 of Section 4 and the E/2 of Section 5, Township 19 South, Range 35 East. Applicant further seeks the creation of a new oil pool for Lower Wolfcamp production comprising Sections 28, 29, 32, and 33, Township 18 South, Range 35 East, and Sections 4 and 5, Township 19 South, Range 35 East, and the promulgation of special pool rules therefor including a provision for 80-acre well spacing and proration units.
- CASE 8701: Application of Wayne Newkumet for amendment of Division Order No. R-2874, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 4 of the Special Rules and Regulations for the High Plains-Permo Pennsylvanian Pool as promulgated by Order No. R-2874, as amended, to require that each well be located no nearer than 660 feet to the outer boundary of the proration unit nor nearer than 330 feet to any governmental quarter-quarter section line.
- CASE 8702: Application of M & W of Lovington, Inc. for amendment to Division Order No. R-3616, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-3616 to authorize the disposal of produced salt water into all formations below a packer set at 4100 feet in its previously approved O'Neill State Well No. 1 in Unit L of Section 16, Township 8 South, Range 36 East, South Prairie-Cisco Pool.
- CASE 8703: Application of Chama Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Glorieta Yeso formation underlying the NW/4 SE/4 of Section 4, Township 19 South, Range 26 East, to be dedicated to its Bogart Well No. 1 located 1980 feet from the South and East lines of said Section 4. 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 8689: (Continued from August 28, 1985, Examiner Hearing)
- Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying a previously approved 120-acre non-standard proration unit comprising the N/2 NW/4 and SW/4 NW/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to its Justis Christmas Gas Com Well No. 1 located 2225 feet from the North line and 790 feet from the West line of said Section 20. 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.



Dockets Nos. 4-86 and 5-86 are tentatively set for February 5 and February 19, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 22, 1986

8:15 a.m. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner, or David R. Catanach, Alternate Examiner:

CASE 8808: Application of Burk Royalty Co. for a unit agreement, Chaves County, New Mexico.  
Applicant, in the above-styled cause, seeks approval of the South Lucky Lake Queen Unit Agreement comprising 880.00 acres, more or less, of Federal and State land in Township 15 South, Range 29 East.

CASE 8635: (Continued from November 6, 1985, Examiner Hearing) (This case will be dismissed)

Application of Energy Reserves Group, Inc. for salt water disposal, Roosevelt County, New Mexico.  
Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Fusselman formation in the perforated interval from 8150 feet to 8220 feet in its McClellan Well No. 1 located 2000 feet from the South line and 1900 feet from the West line of Section 10, Township 6 South, Range 33 East.

CASE 8782: (Continued from January 9, 1986, Examiner Hearing)

Application of H & S Oil Company for salt water disposal, Eddy County, New Mexico.  
Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cisco formation in the open-hole interval from 7950 feet to 8220 feet in the Read & Stevens Scoggins Draw Unit Well No. 1-Y located 766 feet from the South line and 2086 feet from the East line (Unit 0) of Section 31, Township 18 South, Range 27 East.

CASE 3135: (Continued and Readvertised)

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 two certain replacement 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 the 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 3809: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico.  
Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the SE/4 of Section 13, Township 18 South, Range 31 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing, to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8788: (Continued from December 18, 1985, Examiner Hearing)

Application of Jerome P. McHugh for compulsory pooling, Rio Arriba County, New Mexico.  
Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Dakota formation underlying the E/2 of Section 12, Township 25 North, Range 2 West, to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, to be dedicated to a well to be drilled at a standard 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 3800: (Continued and Readvertised)

Application of B & E, Inc. for amendment to Division Order No. R-7031, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7031 (1) authorizing an increase of the discharge into Laguna Cuatro; and, (2) for the authorization to dispose of associated waste hydrocarbons and other related solids obtained in conjunction with the drilling and production of oil and gas into unlined pits at said disposal site.

CASE 3810: Application of Bliss Petroleum, Inc. for an exception to the special rules and regulations for the Dean Permo-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations of the Dean Permo-Pennsylvanian Pool, as promulgated by Division Order No. R-892, authorizing a 40-acre non-standard oil spacing and proration unit comprising the SW/4 NW/4 of Section 35, Township 15 South, Range 36 East, to be dedicated to a well to be located at a standard oil well location thereon.CASE 3773: (Continued from January 9, 1986, Examiner Hearing)

Application of Bliss Petroleum, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its existing J. W. Grizzell "A" Well No. 1 located 1034 feet from the South line and 2635 feet from the West line of Section 5, Township 22 South, Range 37 East, San Andres formation, the SW/4 of said Section 5 to be dedicated to said well.

CASE 3811: Application of TXO Production 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 Bone Spring formation underlying the SW/4 SW/4 of Section 24, Township 18 South, Range 32 East, forming a standard 40-acre oil spacing and proration 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.CASE 3784: (Continued from January 9, 1986, Examiner Hearing)

Application of TXO Production Corp. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface through the base of the Queen formation underlying the NW/4 NE/4 of Section 14, Township 18 South, Range 38 East, forming a standard 40-acre spacing and proration 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.

CASE 3812: Application of Sun Exploration and Production Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 2080 feet from the North line and 750 feet from the East line of Section 24, Township 18 South, Range 33 East, Morrow formation, the N/2 of said Section 24 to be dedicated to the well.CASE 3806: (Continued and Readvertised) (This case will be continued to February 5, 1986, Examiner Hearing)

Application of Coquina Oil 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 Cisco formation in the perforated interval from approximately 7870 feet to 8196 feet in its Pan Canadian Well No. 1 located 1980 feet from the North and West lines (Unit F) of Section 34, Township 19 South, Range 25 East.

CASE 3813: Application of Nearburg Producing Company for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 2460 feet from the South line and 660 feet from the East line of Section 12, Township 17 South, Range 37 East, South Humble City-Strawn or Humble City-Strawn Pool, the N/2 SE/4 of said Section 12 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit which is standard for spacing for both pools.