

Dockets Nos. 6-86 and 7-86 are tentatively set for February 19 and March 5, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 5, 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 David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

- CASE 8816: Application of C & C Operating Corporation 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 4942 feet to 4986 feet in its Lea "OR" State Well No. 3 located 660 feet from the South and East lines of Section 12, Township 18 South, Range 36 East, Arkansas Junction-San Andres Pool.
- CASE 8817: Application of Pollution Control, 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 Abo, Wolfcamp, and Devonian formations in the perforated intervals from approximately 5000 feet to 12,164 feet in the L & B Oil Company Inc. State "AJ" Well No. 1 located 2310 feet from the North and East lines (Unit G) of Section 33, Township 18 South, Range 36 East.
- CASE 8818: Application of Yates Petroleum Corporation for a pressure maintenance project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Avalon-Delaware Pool by the injection of water into the perforated interval from approximately 2595 feet to 3685 feet in its Stonewall "YE" State Well No. 1 located 1650 feet from the South line and 1980 feet from the East line (Unit J) of Section 30, Township 20 South, Range 28 East.
- CASE 8775: (Continued from January 9, 1986, Examiner Hearing)
- Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the SW/4 of Section 23, Township 5 South, Range 25 East, Undesignated Pecos Slope Abo Gas Pool, 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 8809: (Continued and Readvertised)
- 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 in the Delaware formation underlying four standard 40-acre oil spacing and proration units being the NW/4 SE/4, NE/4 SE/4, SW/4 SE/4 and SE/4 SE/4 of Section 13, Township 18 South, Range 31 East, each 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 each of said wells and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.
- CASE 8784: (Continued from January 22, 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 8810: (Continued from January 22, 1986, Examiner Hearing)
- 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 8819: Application of The Petroleum Corporation of Delaware for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 3500 feet to 5600 feet underlying the SE/4 SW/4 of Section 12, Township 26 South, Range 29 East, forming a standard 40-acre oil spacing and proration unit, to be dedicated to a well located 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 8820: Application of Santa Fe Energy Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Strawn, Atoka, and Morrow formations underlying the W/2 of Section 24, Township 22 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit, 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 8821: Application of Earle M. Craig, Jr. Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1250 feet from the South line and 660 feet from the East line of Section 25, Township 26 South, Range 30 East, Undesignated Ross Draw-Wolfcamp Gas Pool, the S/2 of said Section 25 to be dedicated to the well.

CASE 8806: (Continued from January 22, 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 8812: (Continued and Readvertised)

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 600 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 8805: (Continued from January 9, 1986, Examiner Hearing)

Application of Gary-Williams Oil Producer for a pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Rio Puerco-Mancos Oil Pool by the reinjection of natural gas into the perforated interval from approximately 3691 feet to 4127 feet in its San Isidro "13" Well No. 11 located 1980 feet from the South and West lines of Section 13, Township 20 North, Range 3 West.

CASE 8822: Application of Amoco Production Company for pool creation and special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Gallup production comprising all of Sections 25, 26, 35 and 36 in Township 26 North, Range 3 West, and the promulgation of special rules therefor including a provision for 160-acre spacing and designated well locations.

CASE 8789: (Continued from January 9, 1986, Examiner Hearing)

Application of Geo Engineering, Inc. for a unit agreement and for authorization for a unit plan of development to more efficiently recover primary reserves and for the purpose of secondary recovery, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit area for the Mesaverde formation encompassing 1580 acres, more or less, of State and fee lands underlying either all or portions of Sections 20, 21, 22, 27, 28, 29 and 30, Township 20 North, Range 9 West. Applicant further seeks an order authorizing a plan of development within said unit area to include:

- 1) an exception to Division General Rule 104.F., to provide for oil wells to be located not nearer than 165 feet to the unit boundary nor nearer than 10 feet to any quarter-quarter section or subdivision inner boundary;
- 2) an exception to Division General Rule 104.C.I., allowing the operator to develop the unit area with more than four wells on each 40-acre tract; and,

- 3) the adoption and promulgation of special rules and procedures providing for an administrative procedure to initiate waterflood projects within the unit area.

CASE 8823: Application of Nearburg Producing 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 660 feet from the South line and 760 feet from the East line of Section 23, Township 20 South, Range 34 East, Pennsylvanian formation, the S/2 of said Section 23 to be dedicated to the well.

CASE 8813: (Continued and Readvertised)

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 spacing and proration unit which is standard for spacing for both pools.

CASE 8689: (Continued from January 22, 1986, 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.

CASE 8824: 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 and Chaves Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the West Corbin-San Andres Pool. The discovery well is the Southland Royalty Company West Corbin Federal Well No. 7 located in Unit C of Section 7, Township 18 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 7: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the South Flying M-Abo Pool. The discovery well is the Manzano Oil Corporation Clemmons Sunburst Federal Well No. 1 located in Unit K of Section 13, Township 9 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM

Section 13: SW/4

Section 23: NE/4

Section 24: NW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the Grama Ridge-Upper Pennsylvanian Gas Pool. The discovery well is the Pogo Producing Company State L-922 Well No. 2 located in Unit J of Section 28, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 East, NMPM

Section 28: S/2

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Glorieta production and designated as the West Nadine-Glorieta Pool. The discovery well is the Crown Central Petroleum Corporation Fred Turner Well No. 1 located in Section 6, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 6: SE/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Northeast Salado Draw-Wolfcamp Pool. The discovery well is the Sohio Petroleum Company Northeast Salado Draw (Deep) Unit Well No. 1 located in Unit E of Section 6, Township 26 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM

Section 6: NW/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool and designated as the Scharb-Queen Gas Pool. The discovery well is the Western Oil Producers Fee KJ Well No. 1 located in Unit N of Section 3, Township 19 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 3: SW/4

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

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM

Section 32: NE/4

Section 33: W/2 NW/4 and Lots 1 and 2

- (h) EXTEND the Caudill-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM

Section 20: SE/4

Section 29: N/2 and SW/4

- (i) EXTEND the Draper Mill-Wolfcamp Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 15: E/2 and NW/4

Section 16: NE/4

- (j) EXTEND the EK Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 1: NW/4

- (k) EXTEND the Eunice Monument Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 32: SW/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 5: Lots 9, 10, 11, 12, 13, 14,
15, and 16

Section 6: Lots 9, 10, 11, 12, 13, 14,
15, and 16

- (l) EXTEND the Hare-Simpson Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 3: Lots 1, 2, 7, and 8

- (m) EXTEND the High Plains-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 35: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 38 EAST, NMPM

Section 24: W/2

- (o) EXTEND the Little Lucky Lake-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM

Section 29: N/2

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

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 5: SW/4

Section 6: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 14: W/2

NOTICE OF INTENT TO APPROVE

The New Mexico Oil Conservation Division has received the Administrative Application of Jack A. Cole for Hardship Gas Well Classification for the Hugh Wash Federal Well No. 1 located 1850 feet from the South line and 1520 feet from the East line (Unit J) of Section 25, Township 27 North, Range 13 West, NMPM, San Juan County, New Mexico. Pursuant to Division General Rule 410, Processing of Applications for Hardship Gas Wells, the Division shall approve the above-described Administrative Application of Jack A. Cole and grant the Hugh Wash Federal Well No. 1 priority access to pipeline takes in order to avoid waste on February 25, 1986, unless the Division has received by that date a written objection from an affected party to this proceeding.

Written protest shall be sent to:

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Attention: David R. Catanach

Docket No. 5-86

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 12, 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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1986, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1986, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.