

Dockets Nos. 23-86 and 24-86 are tentatively set for August 6 and August 20, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY, JULY 23, 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 8941: (Readvertised)

Application of BCO, Inc. for a unit agreement, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Alamito (State) Unit Area comprising 640 acres, more or less, of State lands all in Section 32, Township 23 North, Range 7 West.

CASE 8912: (Continued from June 25, 1986 Examiner Hearing)

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 4300 feet to 4950 feet in its Royalty Holding Well No. 4, located 660 feet from the North and East Lines of Section 25, Township 21 South, Range 37 East.

CASE 3942: Application of BTA Oil Producers 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 5,082 feet to 5,120 feet in its Buckeye 8601 JV-P Well No. 1-SWD (Calatex Exploration, Inc. New Mexico State Well No. 1) located 2310 feet from the North line and 990 feet from the West line (Unit E) of Section 29, Township 17 South, Range 36 East.

CASE 8936: (Continued from July 9, 1986, Examiner Hearing)

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 from the surface to the base of the Morrow formation, underlying either the SW/4 NW/4 of Section 33, Township 23 South, Range 31 East, to form a standard 40-acre oil spacing and proration unit within said vertical limits or the W/2 of said Section 33 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, both aforementioned units 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 8820: (Reopened) (Continued from July 9, 1986, Examiner Hearing)

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 8943: Application of WR Oil and Gas Company for a Water/Steam Injection Pilot Project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot injection project by the injection of steam and water into the Miguel Creek-Gallup Oil Pool in 14 wells located in Sections 20, 21, 28, 29, Township 16 North, Range 6 West. Applicant further seeks authorization to inject under pressure in said project in excess of the OCD guidelines standard of 0.2 psi per foot of depth.

CASE 8939: (Continued from July 9, 1986, Examiner Hearing)

Application of Yates Petroleum 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 Queen formation in the perforated interval from approximately 3750 feet to 3790 feet in the Sinclair Oil and Gas Company State 197 Well No. 3

located 1980 feet from the North line and 1762.5 feet from the West line (Unit F) of Section 6, Township 17 South, Range 34 East.

CASE 8940: (Continued from July 9, 1986, Examiner Hearing)

Application of Yates Petroleum 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 Queen formation in the perforated interval from approximately 3770 feet to 3810 feet in the H. L. Brown, Jr. State "B" Well No. 2 located 990 feet from the South line and 330 feet from the West line (Unit M) of Section 6, Township 17 South, Range 34 East.

CASE 8944: Application of Tenneco Oil Company for retroactive allowable, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that the work performed on its Fields "LS" Well No. 2A located 1500 feet from the South line and 850 feet from the East line (Unit I) of Section 25, Township 32 North, Range 11 West, Blanco-Mesaverde Pool, be designated as a "workover" pursuant to the Division Rules and Regulations regarding gas prorationing in northwest New Mexico, so that the increased allowable assigned to the subject well's proration unit (the S/2 of said Section 25) would be made effective as of November 1, 1985.

CASE 8945: Application of Jerome P. McHugh and Associates 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, said 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 8946: Application of Jerome P. McHugh and Associates for an amendment to the special rules and regulations of the Gavilan-Mancos Oil Pool, promulgated by Division Order No. R-7407, to establish temporary special production allowable limitations and gas-oil ratio limitations for said pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-7407, dated December 20, 1983, to include therein a special temporary production allowable of 200 barrels of oil per day for a standard 320-acre spacing and proration unit and a special temporary gas-oil ratio limitation factor of 1,000 cubic feet of gas per barrel of oil produced.

CASE 8874: (Continued from June 25, 1986, Examiner Hearing)

Application of Union Texas Petroleum Corporation for Pool Reclassification, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of the Crosby-Devonian Gas Pool as an associated pool and the promulgation of special pool rules therefor.

CASE 8947: Application of Yates Petroleum Corporation for Hardship Gas Well Classification, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Box Canyon Unit Well No. 2 located 2080 feet from the North line and 1980 feet from the West line (Unit F) of Section 13, Township 21 South, Range 21 East, Little Box Canyon-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8948: Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup and Dakota formations underlying the S/2 of Section 26, Township 25 North, Range 2 West, Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools, 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 8937: (Continued from July 9, 1986, Examiner Hearing)

Application of Mobil Producing Texas and New Mexico, Inc. for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its proposed Federal CCC Well No. 2 to be drilled 2970 feet from the South line and 2410 feet from the East line of Section 4, Township 16 South, Range 31 East, Undesignated North Square Lake Grayburg-San Andres Pool, Lot 15 of said Section 4 to be dedicated to the well forming a standard 40-acre oil spacing and proration unit.

- CASE 8949: Application of Mobil Producing Texas and New Mexico, Inc. for pool creation, special pool rules, discovery allowable, and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Devonian production comprising either the N/2 NE/4 or the E/2 NE/4 of Section 1, Township 17 South, Range 35 East, and the promulgation of temporary special pool rules therefor including a provision for 80-acre spacing and designated locations. Applicant further seeks the assignment of an oil discovery allowable as allowed by General Rule 509 to the discovery well for said pool being the applicant's Lovington Deep State Well No. 1 located at an unorthodox oil well location for the proposed special pool rules 823 feet from the North line and 581 feet from the East line of said Section 1.
- CASE 8950: Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-3401, Rio Arriba County, New Mexico. The New Mexico Oil Conservation Commission by Division Order No. R-3401, dated April 11, 1968, issued in Case No. 3743, established Special Rules and Regulations for the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project, including a special gas-oil ratio of 2000 to 1 for the West Puerto Chiquito-Mancos Oil Pool. Applicant, in the above-styled cause, now seeks amendment of said Order No. R-3401 to provide for a special gas-oil ratio of 1000 to 1 and the establishment of a production limitation factor of 400 bbls. of oil per day for each 640-acre spacing unit in the pool.
- CASE 8951: Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division by Division Order R-8124, dated January 16, 1986, issued in Case 8745, authorized the applicant to conduct a long-term reservoir pressure test in the Mancos formation using certain wells in Rio Arriba County and further authorized the shut-in of certain wells and provided six months after completion of the test during which certain accumulated underproduction can be made up. Applicant, in the above-styled cause, now seeks the amendment of said Order No. R-8124 to provide for twelve months after completion of the reservoir pressure test during which to make up the accumulated underproduction of certain wells resulting from the test. Applicant further requests that all other provisions in said Order No. R-8124 remain in full force and effect.
- CASE 8952: Application of Benson-Montin-Greer Drilling Corporation for statutory unitization, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of continued pressure maintenance operations, all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying the Canada Ojitos Unit Area, which encompasses 69,567.235 acres, more or less, being all or portions of the following lands in Rio Arriba County, New Mexico:
- Sections 6 through 8 and 17 through 20, Township 24 North, Range 1 East;
 - Sections 1 through 15 and 23 through 24, Township 24 North, Range 1 West;
 - Sections 5 through 8, 17 through 20 and 29 through 31, Township 25 North, Range 1 East;
 - Sections 1 through 36, Township 25 North, Range 1 West;
 - Sections 19 and 20 and 29 through 32, Township 26 North, Range 1 East;
 - Sections 1 through 36, Township 26 North, Range 1 West.
- Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable and equitable allocation of production and costs of production, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.
- CASE 8932: (Continued from July 9, 1986, Examiner Hearing)
- Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells no nearer than 165 feet to the lease boundary or nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menafee member of the Mesaverde formation in the NW/4 of Section 32, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.
- CASE 8933: (Continued from July 9, 1986, Examiner Hearing)
- Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells no nearer than 165 feet to the lease boundary or nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menafee member of the Mesaverde formation in the NE/4 of Section 30, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 8953: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order contracting and extending certain pools in Rio Arriba, Sandoval, and San Juan Counties, New Mexico:

- (a) 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 23: NW/4

- (b) EXTEND the Angels Peak-Gallup Associated Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM
Section 28: NE/4 and N/2 NW/4

- (c) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 7: SW/4
Section 18: NW/4
Section 26: NW/4
Section 27: N/2 NW/4

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 21: SE/4
Section 22: SW/4

- (d) EXTEND the South Bisti-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 10 WEST, NMPM
Section 4: S/2 and NW/4
Section 9: N/2
Section 10: NW/4

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM
Section 36: E/2 E/2

- (e) EXTEND the Blanco-Fruitland Gas Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM
Section 4: NE/4
Section 9: NE/4
Section 10: NW/4
Section 27: NW/4
Section 28: N/2
Section 29: NE/4

TOWNSHIP 31 NORTH, RANGE 8 WEST, NMPM
Section 28: SE/4
Section 33: E/2

- (f) EXTEND the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 26: E/2

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM
Section 15: W/2
Section 16: All
Section 21: N/2
Section 22: N/2

- (g) EXTEND the South Blanco-Pictured Cliffs Gas Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM
Section 7: SW/4
Section 26: NW/4
Section 27: N/2

- (h) EXTEND the Counselors Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM

Section 5: N/2.

Section 6: E/2

Section 17: NW/4

- (i) EXTEND the South Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM

Section 1: SW/4

Section 17: E/2

Section 20: NE/4

- (j) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM

Section 9: NE/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM

Section 25: W/2

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 23: NW/4

- (k) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba and Sandoval Counties, New Mexico to include therein:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM

Section 6: W/2 W/2

Section 7: W/2 NW/4, N/2 SE/4

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM

Section 1: NE/4 NE/4

Section 24: E/2, S/2 SW/4, NE/4 SW/4

Section 25: N/2

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM

Section 21: N/2, SE/4

Section 28: NE/4

- (l) EXTEND the Otero-Chacra Oil Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Section 21: NE/4

Section 22: W/2

Section 24: SE/4

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Section 21: SW/4

Section 28: NW/4

- (m) EXTEND the Rusty-Chacra Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 21 NORTH, RANGE 6 WEST, NMPM

Section 1: W/2

Section 12: E/2

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM

Section 28: NW/4

- (n) EXTEND the WAW Fruitland-Pictured Cliffs Gas Pool in San Juan County, New Mexico to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 10: S/2

Dockets Nos. 27-86 and 28-86 are tentatively set for September 3 and September 17, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 20, 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 8968: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit John Caranta d/b/a Cardel Oil Company, Fidelity and Deposit Co., and all other interested parties to appear and show cause why the Caranta Well No. 1 located 1980 feet from the South and East lines (Unit J) of Section 23, Township 32 North, Range 1 West, Rio Arriba County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 8969: Application of Marathon Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Park Deep Unit Area comprising 3,840 acres, more or less, of State and Federal lands in Township 11 South, Range 27 East.

CASE 8970: Application of Yates Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of temporary special pool rules for the Sammal-Queen Pool establishing a limiting gas-oil ratio of 5,000 cubic feet of gas per barrel of oil.

CASE 8939: (Continued from August 6, 1986, Examiner Hearing)

Application of Yates Petroleum 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 Queen formation in the perforated interval from approximately 3750 feet to 3790 feet in the Sinclair Oil and Gas Company State 197 Well No. 3 located 1980 feet from the North line and 1762.5 feet from the West line (Unit F) of Section 6, Township 17 South, Range 34 East.

CASE 8940: (Continued from August 6, 1986, Examiner Hearing)

Application of Yates Petroleum 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 Queen formation in the perforated interval from approximately 3770 feet to 3810 feet in the H. L. Brown, Jr. State "B" Well No. 2 located 990 feet from the South line and 330 feet from the West line (Unit M) of Section 6, Township 17 South, Range 34 East.

CASE 8971: Application of Cinco, Ltd. for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of Section 36, Township 30 North, Range 7 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard gas well location in said Section 36. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for Prorated Gas Pools in New Mexico as promulgated by Division Order No. R-8170 authorizing a full 320-acre acreage factor to be assigned to said non-standard gas proration unit.

CASE 8972: Application of The Estate of Edward Gerber and Iris Gerber Damson for a non-standard gas proration unit and an exception to Rule 5(a)2(2) of Division Order No. R-8170, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SW/4 of Section 36, Township 30 North, Range 7 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard gas well location in said Section 36. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for Prorated Gas Pools in New Mexico as promulgated by Division Order No. R-8170 authorizing a full 320-acre acreage factor to be assigned to said non-standard gas proration unit.

CASE 8973: Application of Mobil Producing Texas and New Mexico, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water (at a rate not to exceed 3300 barrels of water per day) into the Delaware formation in the perforated interval from approximately 3849 feet to 4022 feet in its Government "D" Well No. 4 located 1554 feet from the North line and 1980 feet from the East line (Unit G) of Section 1, Township 21 South, Range 27 East.

CASE 8963: (Readvertised)

Application of Mesa Grande Resources, Inc. for compulsory pooling and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the W/2 of Section 16, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at an unorthodox oil well location 1035 feet from the South line and 1125 feet from the West line of said Section 16. 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 8961: (Readvertised)

Application of Mesa Grande Resources, Inc. for a non-standard oil proration unit, and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 186.36-acre non-standard oil spacing and proration unit comprising Lots 1, 2, 3, and 4 of Section 18, Township 25 North, Range 2 West, Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools, to be dedicated to a well to be drilled at an unorthodox oil well location 1920 feet from the North line and 720 feet from the East line of said Section 18.

CASE 8962: (Readvertised)

Application of Mesa Grande Resources, Inc. for a non-standard oil proration unit and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 185.84-acre non-standard oil spacing and proration unit comprising Lots 1, 2, 3 and 4 of Section 7, Township 25 North, Range 2 West, Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools, to be dedicated to a well to be drilled at an unorthodox oil well location 1700 feet from the North line and 600 feet from the East line of said Section 7.

CASE 8974: Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells to be no nearer than 165 feet to the lease boundary nor nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NE/4 and the W/2 of Section 28, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

(Reopened)
CASE 8932: ~~(Continued from July 23, 1986, Examiner Hearing)~~

Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells no nearer than 165 feet to the lease boundary or nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NW/4 of Section 32, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 8933: (Continued from July 23, 1986, Examiner Hearing)

Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells no nearer than 165 feet to the lease boundary or nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NE/4 of Section 30, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 8975: Application of North American Royalties, Inc. for the amendment of Division Order No. R-8192, Lea County, New Mexico. Division Order No. R-8192 issued in Case No. 8844, on March 31, 1986, compulsorily pooled all mineral interests in any and all formations and/or pools developed on 320-acre spacing from the surface to the base of the Morrow formation underlying the S/2 of Section 11, Township 16 South, Range 36 East, forming a standard 320-acre unit, named Manzano Oil Corporation the operator of the proposed unit, and provided for the operator to commence the drilling of a well at a standard location in the NW/4 SE/4 (Unit J) of said Section 11 on or before July 1, 1986. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-8192 designating North American Royalties, Inc. the operator of the subject well and unit. In the absence of objection, this case will be approved pursuant to Division Rules and Regulations.

CASE 8976: Application of Chaverro Operating 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 Vacuum Grayburg-San Andres Pool

in the open-hole interval from approximately 4790 feet to 6400 feet in the ARCO Oil and Gas Co. Atlantic "B" State Well No. 2 located 990 feet from the North line and 2310 feet from the East line (Unit B) of Section 30, Township 17 South, Range 36 East.

- CASE 8977: Application of Foran Oil Company or, in the alternative, Estorial Producing Corporation, 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 Strawn formation in the Northeast Lovington-Pennsylvanian Pool underlying the N/2 SE/4 of Section 1, Township 16 South, Range 36 East, to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing, said 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 8978: Application of Foran Oil Company or, in the alternative, Estorial Producing Corporation 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 Strawn formation in the Northeast Lovington-Pennsylvanian Pool underlying the S/2 SW/4 of Section 6, Township 16 South, Range 37 East, to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing, said 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 8979: Application of Tenneco Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Pool underlying the E/2 of Section 10, Township 29 North, Range 13 West, to be dedicated to a well to be completed at a standard bottom-hole 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 8980: Application of Tenneco Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Pool underlying the W/2 of Section 10, Township 29 North, Range 13 West, to be dedicated to a well to be completed at a standard bottom-hole 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 8981: 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 a gas pool for Wolfcamp production and designated as the South Culebra Bluff-Wolfcamp Gas Pool. The discovery well is the HNG Oil Co. Fate 34 Well No. 1, located in Unit N of Section 34, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 34: W/2
 - (b) EXTEND the East Brushy Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 9: SE/4
Section 10: SW/4
 - (c) EXTEND the High Lonesome-Queen Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 19: SW/4
 - (d) EXTEND the Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 13: E/2
 - (e) EXTEND the Outpost-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 25: W/2

- (f) EXTEND the Phantom Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM

Section 18: S/2

Section 19: N/2

Dockets Nos. 33-86 and 34-86 are tentatively set for November 5 and November 19, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

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

CASE 9005: Application of Diamond Shamrock Exploration 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 and East lines of Section 34, Township 22 South, Range 34 East, Antelope Ridge-Atoka Gas Pool, the S/2 of said Section 34 to be dedicated to the well.

CASE 9000: (Continued from October 8, 1986, Examiner Hearing)

Application of Lynx Petroleum Company for a non-standard oil proration unit and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above styled cause, seeks approval of a 40-acre non-standard oil spacing and proration unit comprising the NE/4 SE/4 (Unit I) of Section 20, Township 17 South, Range 35 East, North Vacuum-Abo Pool, to be dedicated to a well to be drilled at an unorthodox oil well location 1980 feet from the South line and 660 feet from the East line.

CASE 9006: Application of Jerome P. McHugh & Associates 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 S/2 of Section 4, 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, said 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 9007: Application of Sun Exploration and Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formations underlying the N/2 of Section 24, Township 18 South, Range 33 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, said unit to be dedicated to a well to be drilled at a previously approved unorthodox gas well location (Division Order R-8157), 2080 feet from the North line and 600 feet from the East line of said Section 24. 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 8849: (Continued from September 3, 1986, Examiner Hearing)

Application of Southland Royalty Company for NGPA Wellhead Price Ceiling Category Determinations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination by the Division that the following four wells in Township 19 South, Range 35 East, Scharb-Bone Spring Pool, meet the NGPA well category criteria for New Onshore Reservoir under Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission:

- 1) Smith "5" Well No. 2 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5;
- 2) Smith "5" Well No. 4 located 2149 feet from the South line and 700 feet from the East line (Unit I) of Section 5;
- 3) Scharb "8" Well No. 2 located 660 feet from the North line and 2180 feet from the East line (Unit B) of Section 8; and,
- 4) Scharb "9" Well No. 4 located 766 feet from the North line and 2086 feet from the West line (Unit C) of Section 9.

CASE 8932: (Reopened)

Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells no nearer than 165 feet to the lease boundary nor nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NW/4 of Section 32, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 8933: (Reopened)

Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells no nearer than 165 feet to the lease boundary or nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NE/4 of Section 30, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 8974: (Reopened)

Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells to be no nearer than 165 feet to the lease boundary nor nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NE/4 and the W/2 of Section 28, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 9008: 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 Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production and designated as the Quail-Grayburg Pool. The discovery well is the Fred G. Yates Inc. Reddy-Gulf State Well No. 3 located in Unit E of Section 18, Township 19 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 18: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Tatum-Morrow Gas Pool. The discovery well is the John L. Cox State 26 Well No. 1 located in Unit N of Section 26, Township 12 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 36 EAST, NMPM
Section 26: S/2

- (c) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for Montoya production and designated as the Tule-Montoya Gas Pool. The discovery well is the Marshall Pipe and Supply Company Wendell Best Well No. 1 located in Unit J of Section 27, Township 2 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 2 SOUTH, RANGE 29 EAST, NMPM
Section 27: S/2

- (d) EXTEND the Buffalo-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 6: NE/4

- (e) EXTEND the South Corbin-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 21: E/2
Section 22: NW/4

- (f) EXTEND the Central Corbin-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 4: S/2 NE/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 21: NE/4
Section 22: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 36: NE/4

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 31: NW/4

- (i) EXTEND the Kennitz-Lower Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 33: NE/4
Section 34: NW/4

- (j) EXTEND the South Kennitz-Upper Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 33: E/2
Section 34: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 35: SE/4

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 2: NE/4

- (l) EXTEND the East Lusk-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 2: NW/4
Section 3: E/2

- (m) EXTEND the Midway-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 13: NW/4

- (n) EXTEND the Querecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 22: SE/4

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

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 9: NW/4

- (p) EXTEND the Teas-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 14: S/2
Section 23: NE/4

Docket No. 32-86

DOCKET: COMMISSION HEARING - THURSDAY - OCTOBER 23, 1986
OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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- CASE 9009: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 0.1 to define fresh water in a manner consistent with the designation of the State Engineer.
- CASE 9010: In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of a new Rule 118. The Division seeks the adoption of said rule to provide for the regulation of hydrogen sulfide gas in such a manner as to avoid endangering human life.
- CASE 9011: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 402. The Division seeks to eliminate the need for filing Form C-125 with Division district offices.
- CASE 9012: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 701.D. The Division seeks to amend said rule to eliminate the requirement for a hearing when a disposal well is to be located within 2 miles of oil or gas production in the same formation.
- CASE 9013: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 704. The Division seeks the amendment of said rule to provide for the conducting of step-rate tests, requests for injection pressure limit increases, and notice to the Division.
- CASE 9014: In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of a new Rule 1207(a)1.(ii). The Division seeks the adoption of said rule to provide for approval of unopposed compulsory pooling applications without oral testimony and based on information submitted with the application.
- CASE 9015: In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of new Rules 315, 413, and 903 to establish a gas priority production schedule. The Division seeks adoption of a hierarchy of classes of gas production in times of severely restricted demand for gas from New Mexico wells. Also to be considered will be the application of such rules to purchasers with marketing affiliates.
- CASE 9016: In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of a new Rule 414 to regulate sales of gas by separate owners in a well. The Division seeks the adoption of a rule to prohibit such sales in the absence of agreements or conditions which protect the correlative rights of all the owners in any affected well.
- CASE 9017: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 902. The Division seeks the amendment of said rule to provide for notice by purchasers to producers when such purchasers are unable to take gas in accordance with the provisions of such rule.
- CASE 9018: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Order No. R-8170. The Division seeks the amendment of Rule 10(a), 11(a), and 11(b) of the General Rules for the Prorated Gas Pools of New Mexico to provide for two-year balancing periods and for a twelve times overproduced limit for the prorated gas pools of northwest New Mexico.
- CASE 8960: (De Novo) (Continued from September 18, 1986, Commission Hearing)
- Application of Marathon Oil 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 Siluro-Devonian formation underlying the SE/4 SE/4 of Section 14, Township 16 South, Range 38 East, to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing, said 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. Upon application of Marathon Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8854: (De Novo) (Continued from September 18, 1986, Commission Hearing)

Application of the Oil Conservation Division on its own motion for exceptions to the Special Rules for the Gavilan-Greenhorn-Graneros-Dakota and Gavilan Mancos Oil Pools as promulgated by Division Order Nos. R-7745 and R-7407, respectively, Rio Arriba County, New Mexico. The OCD seeks exceptions to the spacing and one well per proration unit limitation provisions of the Special Rules and Regulations governing the Gavilan-Greenhorn-Graneros-Dakota and Gavilan-Mancos Oil Pools as promulgated by Division Orders Nos. R-7745 and R-7407, authorizing the establishment of seven non-standard oil spacing and proration units for both pools in Township 25 North, Range 2 West, as described below:

- 1) Lots 3 and 4, S/2 NW/4, SW/4 of Section 5 and all of Section 6 consisting of 505.20 acres, more or less;
- 2) All of Section 7 and the W/2 of Section 8 consisting of 505.84 acres, more or less;
- 3) W/2 of Section 17 and all of Section 18 consisting of 506.36 acres, more or less;
- 4) All of Section 19 and the W/2 of Section 20 consisting of 506.76 acres, more or less;
- 5) N/2 of Section 29 and Lots 1 and 2 of Section 30 consisting of 413.59 acres, more or less;
- 6) S/2 of Section 29 and Lots 3 and 4 of Section 30 consisting of 413.73 acres, more or less, and
- 7) All of Section 31 and the W/2 of Section 32 consisting of 507.88 acres, more or less.

Said units would allow for the orderly development of both pools within the irregular sections along the western side of the subject township resulting from survey corrections in the United States Land Survey. The OCD proposes to allow two wells to be completed in both pools in each of the above-described units. Upon application of Mesa Grande Resources, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8995: (Continued from September 18, 1986, Commission Hearing)

Application of Mesa Grande Resources, Inc. for a non-standard oil proration unit and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 185.84-acre non-standard oil spacing and proration unit comprising Lots 1, 2, 3, and 4 of Section 7, Township 25 North, Range 2 West, Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools, to be dedicated to a well to be drilled at an unorthodox oil well location 1700 feet from the North line and 600 feet from the East line of said Section 7.

CASE 8996: (Continued from September 18, 1986, Commission Hearing)

Application of Mesa Grande Resources, Inc. for a non-standard oil proration unit and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 186.36-acre non-standard oil spacing and proration unit comprising Lots 1, 2, 3, and 4 of Section 18, Township 25 North, Range 2 West, Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools to be dedicated to a well to be drilled at an unorthodox oil well location 1920 feet from the North line and 720 feet from the East line of said Section 18.

CASE 8951: (Continued from September 18, 1986 Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division by Division Order No. R-8124, dated January 16, 1986, issued in Case 8745, authorized the applicant to conduct a long-term reservoir pressure test in the Mancos formation using certain wells in Rio Arriba County and further authorized the shut-in of certain wells and provided six months after completion of the test during which certain accumulated underproductions can be made up. Applicant, in the above-styled cause, now seeks the amendment of said Order No. R-8124 to provide for twelve months after completion of the reservoir pressure test during which to make up the accumulated underproduction of certain wells resulting from test. Applicant further requests that all other provisions in said Order No. R-8124 remain in full force and effect.

CASE 9019: Application of Benson-Montin-Greer Drilling Corporation for compulsory pooling and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Niobrara member of the Mancos formation in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 19, Township 25 North, Range 1 West, to be dedicated to a well to be drilled at an unorthodox oil well location 1,340 feet from the North line and 1,903 feet from the West line of said

Section 19. 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 8952: (Continued from September 18, 1986, Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for statutory unitization, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of continued pressure maintenance operations, all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying the Canada Ojitos Unit Area, which encompasses 69,567.235 acres, more or less, being all or portions of the following lands in Rio Arriba County, New Mexico:

Sections 6 through 8 and 17 through 20, Township 24 North, Range 1 East;
Sections 1 through 15 and 23 through 24, Township 24 North, Range 1 West;
Sections 5 through 8, 17 through 20 and 29 through 31, Township 25 North, Range 1 East;
Sections 1 through 36, Township 25 North, Range 1 West;
Sections 19 and 20 and 29 through 32, Township 26 North, Range 1 East;
Sections 1 through 36, Township 26 North, Range 1 West.

Among the matters to be considered at the hearing will be the necessity of unit operations, the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable and equitable allocation of production and costs of production, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.