

Dockets Nos. 7-87 and 8-87 are tentatively set for March 4, and March 18, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 18, 1987
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 9074: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Texas Rose Petroleum, Inc., The Travelers Indemnity Company and all other interested parties to appear and show cause why the following five wells, all on the El Poso Ranch Lease and located in Township 28 North, Range 1 East, Rio Arriba County, New Mexico, as projected into the unsurveyed Tierra Amarilla Land Grant, should not be plugged and abandoned in accordance with a Division-approved plugging program:

Well No. 1 located 1824 feet from the South line and 1778 feet from the East line (Unit J) of Section 14;

Well No. 2 located 618 feet from the South line and 2418 feet from the West line (Unit N) of Section 14;

Well No. 3 located 967 feet from the South line and 2148 feet from the West line (Unit N) of Section 11;

Well No. 7 located 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 14; and,

Well No. 8 located 2310 feet from the South and West lines (Unit K) of Section 14.

CASE 9075: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Texas Rose Petroleum, Inc., the Travelers Indemnity Company and all other interested parties to appear and show cause why the Quinlan Ranch Well No. 1 located at a point S44° 25'.05"E, a distance of 9040 feet from the Mile Corner No. 202 + 5.10 feet on the boundary line between Colorado and New Mexico (the NW/4 NE/4 [Unit B] of projected Section 29, Township 32 North, Range 3 East), Tierra Amarilla Land Grant, Rio Arriba County, New Mexico, should not be re-plugged and abandoned in accordance with a Division-approved plugging program.

CASE 9076: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Moonrise State Unit Area comprising 1600.00 acres, more or less, of State lands in Township 18 South, Range 36 East.

CASE 9077: 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 South Double A-Abo Pool in the open-hole interval from approximately 9,300 feet to 9,580 feet in its Buckeye -B-, 8601 JV-P Well No. 2, located 1980 feet from the North and East Lines (Unit G) of Section 36, Township 17 South, Range 35 East.

CASE 9078: Application of BTA Oil Producers to contract the horizontal limits of the West Osudo-Wolfcamp Pool and the concomitant creation of a new gas pool with special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the West Osudo-Wolfcamp Pool by the deletion therefrom of the NE/4 of Section 23, Township 20 South, Range 35 East, and the concomitant creation of a new gas pool for Wolfcamp production comprising the aforementioned area. Applicant further seeks the promulgation of temporary special pool rules therefor including a provision for 160-acre spacing.

CASE 9070: (Continued from February 4, 1987, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco Canyon formation underlying the SE/4 of Section 19, Township 19 South, Range 25 East, to form a standard 160-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 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 9066: (Continued from January 21, 1987, Examiner Hearing)

Application of Kendall and Associates, Inc. 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 Farmington formation in the perforated interval from approximately 700 feet to 755 feet in its Hare Well No. 1 located 1980 feet from the North line and 1650 feet from the East line (Unit G) of Section 23, Township 29 North, Range 11 West, Bloomfield-Farmington Oil Pool.

CASE 9079: Application of Conoco, Inc. for hardship gas well classification, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Levers Federal Well No. 1 located 1594 feet from the North line and 660 feet from the West line (Unit E) of Section 2, Township 21 South, Range 25 East, Springs-Upper Pennsylvanian Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.CASE 9080: Application of Conoco Inc. for hardship gas well classification, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Federal 34 Well No. 1 located 960 feet from the South line and 1980 feet from the West line (Unit N) of Section 34, Township 20 South, Range 26 East, Springs-Upper Pennsylvanian Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.CASE 9081: Application of Conoco, Inc. for hardship gas well classification, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Federal 34 Well No. 2 located 2310 feet from the North line and 1290 feet from the East line (Unit H) of Section 34, Township 20 South, Range 26 East, Spring-Upper Pennsylvanian Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.CASE 9071: (Continued from February 4, 1987, Examiner Hearing)

Application of Foran Oil Company 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 S/2 NW/4 of Section 8, Township 16 South, Range 37 East, to form a standard 80-acre oil 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 9082: Application of Manana Gas, Inc. for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its proposed Cook Well No. 1-E to be drilled 235 feet from the North line and 368 feet from the West line (Unit D) of Section 22, Township 29 North, Range 11 West, Basin-Dakota Pool, the W/2 of said Section 22 to be dedicated to the well.CASE 9083: Application of HNG Oil Company for a non-standard oil proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard oil proration unit comprising the NE/4 SE/4 and the SE/4 NE/4 of Section 34, Township 23 South, Range 28 East, Undesignated South Culebra Bluff-Bone Spring Pool, to be dedicated to its Pardue 34 Com Well No. 1 located at a standard oil well location 2310 feet from the North line and 660 feet from the East line (Unit H) of said Section 34.CASE 9060: (Continued from February 4, 1987, Examiner Hearing)

Application of ARCO Oil and Gas 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 Atoka formation underlying the W/2 of Section 23, Township 17 South, Range 35 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 9084: Application of ARCO Oil and Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Justis-Blaine and Justis-Montoya Pools in the wellbore of its State Y Well No. 3 located 330 feet from the North line and 1650 feet from the East line of Section 25, Township 25 South, Range 37 East.CASE 9048: (Continued from January 7, 1987, Examiner Hearing)

Application of Benson-Montin-Greer Drilling Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West

Puerto Chiquito-Mancos Oil Pool underlying all of Section 20, Township 25 North, Range 1 West, to form a standard 640-acre 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 9085: Application of Mallon Oil Company to amend the Special Rules and Regulations for the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area as promulgated by Division Order No. R-3401, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order amending the Special Rules and Regulations for the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area as promulgated by Division Order No. R-3401, as amended, to reflect that the gas injection credit not be applied to any wells located within the "Buffer Zone" established by the Special Rules for the West Puerto Chiquito-Mancos Oil Pool as promulgated by Division Order No. R-6469-B, as amended.

CASE 9073: (Continued from February 4, 1987, Examiner Hearing)

Application of Mallon Oil Company for the reinstatement of oil production allowables and an exception to the provisions of Division General Rule 502 for certain wells located in the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order reinstating the oil allowables which should have been assigned to the following described wells, all in Township 25 North, Range 2 West, Gavilan-Mancos Oil Pool, for the months of January, February, March, and April, 1986. Applicant further seeks an exemption to the provisions of Division General Rule 502 which limit the period of time an operator is given to make up any overproduction of oil and casinghead gas:

Howard Federal "1" Well No. 8 located in
Unit H of Section 1;

Howard Federal "1" Well No. 11 located in
Unit K of Section 1;

Fisher Federal "2" Well No. 1 located in
Unit A of Section 2;

Ribeyowids Federal "2" Well No. 16 located
in Unit P of Section 2; and,

Johnson Federal "12" Well No. 5 located in
Unit E of Section 12.