

Dockets Nos. 4-87 and 5-87 are tentatively set for February 4 and February 18, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 21, 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 9058: (Continued from January 7, 1987, Examiner Hearing)

Application of Yates Petroleum 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 Atoka formation underlying either the NW/4 NE/4 of Section 14, Township 17 South, Range 37 East, to form a standard 40-acre oil spacing and proration unit within said vertical limits or the N/2 NE/4 of said Section 14 to form an 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits which are developed on 80-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 9064: 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 to be drilled 1350 feet from the North line and 2130 feet from the East line (Unit G) of Section 3, Township 17 South, Range 37 East, Shipp-Strawn Pool, the S/2 NE/4 of said Section 3 to be dedicated to the well.

CASE 9053: (Continued from January 7, 1987, Examiner Hearing)

Application of Mewbourne Oil 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 Queen and Penrose formations in the perforated interval from approximately 3875 feet to 3906 feet and 4128 feet to 4152 feet, respectively, in its Federal "E" Well No. 9 located 1980 feet from the North line and 330 feet from the East line (Unit H) of Section 28, Township 18 South, Range 32 East, Querecho Plains-Queen Associated Pool.

CASE 9065: Application of Phillips Petroleum Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard oil proration unit comprising the N/2 NW/4 and the SW/4 NW/4 of Section 2, Township 19 South, Range 32 East, East Lusk-Bone Spring Pool, to be dedicated to its State 1-02 Well No 1 located at a standard oil well location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 2.

CASE 9066: 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 9067: Application of Pennzoil Company to amend the unorthodox location authorized by Division Order No. R-8366, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8366, dated December 18, 1986, and move its proposed well location, to avoid a pipeline, to a point 150 feet from the South line and 2080 feet from the East line of Section 4, Township 17 South, Range 37 East, Shipp-Strawn Pool. The proposed amendment should have no effect on the provisions issued in said Order No. R-8366 and shall therefore be approved in the absence of objection.

CASE 9068: Application of Sage Energy 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 West Tres Papalotes-Pennsylvanian Pool in the perforated interval from approximately 10,401 feet to 10,410 feet in its New Mexico State Well No. 1 located 560 feet from the North and East lines (Unit A) of Section 31, Township 14 South, Range 34 East.

CASE 9069: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Chaves and Eddy Counties, New Mexico:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Dayton-Wolfcamp Gas Pool. The discovery well is the Marathon Oil Co. Ralph Nix Well No. 1, located in Unit J of Section 29, Township 18 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 29: S/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Getty-Bone Spring Pool. The discovery well is the TXO Production Corp. Williamson Federal Well No. 5, located in Unit B of Section 15, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 15: NE/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the South Parkway-Wolfcamp Pool. The discovery well is the Conoco Inc. Tuesday A Federal Well No. 1, located in Unit E of Section 3, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 3: NW/4

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow Production and designated as the North Sand Dunes-Morrow Gas Pool. The discovery well is the Union Oil Co. of California Barclay State Well No. 1 located in Unit I of Section 2, Township 23 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 2: E/2

- (e) ABOLISH the Cave Grayburg-San Andres Pool in Eddy County, New Mexico, and place the abolished acreage in the Grayburg-Jackson Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico.

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 28: All

- (g) EXTEND the North Cemetery-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 15: W/2
Section 22: W/2
Section 27: W/2

- (h) EXTEND the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 19: NE/4

- (i) EXTEND the Diablo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 27: SW/4 NW/4, E/2 NW/4, and SW/4

- (j) EXTEND the Empire-Atoka Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 26: All

- (k) EXTEND the Happy Valley-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 27: All

- (l) EXTEND the North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 7: N/2

- (m) EXTEND the Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 32: All

- (n) EXTEND the Otis-Morrow Gas Pool in Eddy County New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 24: W/2

- (o) EXTEND the East Ross Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 25: S/2
Section 26: SE/4

- (p) EXTEND the Shugart-Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 26: NW/4

- (q) EXTEND the East Shugart-Delaware Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 13: SE/4
Section 24: SE/4

Dockets Nos. 6-87 and 7-87 are tentatively set for February 18 and March 4, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 4, 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 Michael E. Stogner, Examiner, or David R. Catanach, Alternate Examiner:

CASE 9057: (Continued and Readvertised)

Application of New Mexico Petroleum Company to amend Division Order No. R-3960 and to transfer ownership of its oil treating plant approved by said Order, Lea County, New Mexico. Division Order No. R-3960, dated May 12, 1970, authorized New Mexico Petroleum Company to install and operate an oil treating plant at a site located in the SE/4 of Section 25, Township 11 South, Range 33 East. Applicant, in the above-styled cause, seeks to amend said Order to reflect the proper location of said plant site in the SW/4 SE/4 of Section 7, Township 11 South, Range 37 East. Applicant further seeks to transfer ownership of New Mexico Petroleum Company from Michael D. Caudill and Roland Caudill to Jess Keeth pursuant to Division General Rule 312.

CASE 9060: (Continued from January 7, 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 9061: (Reopened and Readvertised)

Application of ARCO Oil and Gas Company for an unorthodox oil well location and simultaneous dedication, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Chacon Federal Well No. 102 to be drilled 900 feet from the North line and 990 feet from the East line of Section 19, Township 24 North, Range 3 West, West Lindrith Gallup-Dakota Oil Pool, and the simultaneous dedication of the previously approved non-standard oil proration unit (Administrative Order NSP-1367) consisting of the NE/4 and Lots 1 and 2 of said Section 19 comprising 191.55 acres, more or less, to this well and to the existing Chacon Federal Wells Nos. 101 (located 700 feet from the North line and 800 feet from the East line of said Section 19) and 8 (located 1825 feet from the North line and 1850 feet from the East line of said Section 19).

CASE 9070: 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 9058: (Continued from January 21, 1987, Examiner Hearing)

Application of Yates Petroleum 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 Atoka formation underlying either the NW/4 NE/4 of Section 14, Township 17 South, Range 37 East, to form a standard 40-acre oil spacing and proration unit within said vertical limits or the N/2 NE/4 of said Section 14 to form an 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits which are developed on 80-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 9071: 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 9068: (Continued from January 21, 1987, Examiner Hearing)

Application of Sage Energy 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 West Tres Papalotes-Pennsylvanian Pool in the perforated interval from approximately 10,401 feet to 10,410 feet in its New Mexico State Well No. 1 located 560 feet from the North and East lines (Unit A) of Section 31, Township 14 South, Range 34 East.

CASE 9072: Application of Mobil Producing Texas and New Mexico, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the North Vacuum-Abo Pool by the injection of water into the perforated interval from approximately 8714 feet to 8762 feet in its State "N" Well No. 2 located 735 feet from the North line and 840 feet from the West line (Unit D) of Section 10, Township 17 South, Range 34 East.

CASE 9073: 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.

Docket No. 5-87

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 11, 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 Michael E. Stogner, Examiner, or David R. Catanach, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1987, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1987, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date FEBRUARY 4, 1987 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
Chad Dickerson	YPC	Artesia
David Ranning	YPC	Artesia
Robert F. Searge	YPC	Artesia
Terry E. Durham	consultant for Gates P.C.	Artesia
Ken Beardsley	YPC	Artesia, NM
W. D. Kellahin	Kellahin & Kellahin	Santa Fe
W.E. Hermance	MOBIL	Midland
Paul Hulen	Bryant	Santa Fe
Jay H. Hardy	Sage Energy Co.	Midland
Scott Hall	Campbell + Clark	SF
Ray Pearce	Mortgauer & Andrews P.A.	SF
John W. Shomaker	J.W. Shomaker, Inc. (for J. Etcheverry)	Albany

