

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF MURPHY H. BAXTER
FOR APPROVAL OF NORTH EK QUEEN
UNIT AGREEMENT EMBRACING 978.44
ACRES IN TOWNSHIPS 17 AND 18
SOUTH, RANGES 33 AND 34 EAST,
LEA COUNTY FOR THE PURPOSE OF
UNITIZING THE QUEEN SAND FORMATION.

Case 4390

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Murphy H. Baxter, acting by and through the undersigned attorneys, and files herewith three copies of the Unit Agreement for the Development and Operation of the North EK Queen Unit Area, Lea County, New Mexico, and requests that said unit agreement be approved, and in support thereof respectfully shows:

1. That the proposed unit area embraces the following described land, to-wit:

Township 17 South, Range 33 East
Section 36 - $S\frac{1}{2}SE\frac{1}{4}$, $NW\frac{1}{4}SE\frac{1}{4}$

Township 18 South, Range 33 East
Section 1 - Lots 1, 2, $S\frac{1}{2}NE\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$

Township 18 South, Range 34 East
Section 6 - Lots, 4, 5, 6, 7, $SE\frac{1}{4}NW\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$
 $W\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$
Section 7 - Lot 1, $E\frac{1}{2}NW\frac{1}{4}$, $NE\frac{1}{4}$
containing 978.44 acres, more or less

That all of the above described lands are lands of the State of New Mexico and substantially all of the lands embraced within the unit area are proved productive of oil and gas from the Queen Sand formation.

2. That Murphy H. Baxter is designated as the unit operator in the proposed unit agreement and the Queen Sand formation which is being unitized occurs between the logged depths measured from the Kelly

DOCKET MAILED

Done 7/26/70

bushing of 4121 feet and 4210 feet in the Cities Service Oil Company Cockburn "B" State No. 2 well located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 1, Township 18 South, Range 33 East, Lea County, New Mexico.

3. That the Commissioner of Public Lands has heretofore informally approved the unit area and the proposed unit agreement form and the form is substantially the same as unit agreements which have previously been approved by the Commissioner of Public Lands and the Oil Conservation Commission for the purpose of secondary recovery operations.

4. That the principal objective in forming the unit is to inaugurate a waterflood project for the purpose of secondary recovery from the Queen Sand formation.

5. That in the opinion of applicant the unit agreement is in the interests of conservation and the prevention of waste in that additional oil will be recovered in appreciable quantities which would not otherwise be recovered and that said unit agreement is for the best interests of the State of New Mexico and will tend to protect correlative rights.

6. That applicant requests that this matter be set down for hearing at the examiner's hearing to be held on August 5, 1970.

Respectfully submitted,

MURPHY H. BAXTER

By Clarence E. Hinkle
Member of the Firm of
HINKLE, BONDURANT, COX & EATON
Box 10
Roswell, New Mexico 88201
Attorneys for Applicant

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 5, 1970

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4385: (Continued from the July 15, 1970 Examiner Hearing)

Application of King Resources Company for a unit agreement, Otero County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Brokeoff Mountain Unit Area comprising 37,747 acres, more or less, of Federal, State and Fee lands in Townships 24, 25, and 26 South, Ranges 19 and 20 East, Otero County, New Mexico.

CASE 4388: Application of Humble Oil & Refining Company for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Florence B. Lusk, DeSmet Federal, and Hesse Federal leases located in Sections 6 and 7 of Township 15 South, Range 30 East, Double L Queen Pool, Chaves County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells on said leases in unlined surface pits located in the vicinity of said wells.

CASE 4389: Application of Coastal States Gas Producing 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 Upper Pennsylvanian formation through the perforated interval from 9789 to 9924 feet in its State "27" Well No. 2 located in Unit F of Section 27, Township 14 South, Range 32 East, Tulk-Pennsylvanian Pool, Lea County, New Mexico.

CASE 4390: Application of Murphy H. Baxter for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North E-K Queen Unit Area comprising 978 acres, more or less, of State lands in Township 17 South, Range 33 East, and Township 18 South, Ranges 33 and 34 East, E-K Yates-Seven Rivers-Queen Pool, Lea County, New Mexico.

- CASE 4391: Application of Murphy H. Baxter for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its North E-K Queen Unit Area by the injection of water into the Queen formation through 4 wells located in Units A, D, F, and G of Section 7, Township 18 South, Range 34 East, E-K Yates-Seven Rivers-Queen Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.
- CASE 4392: Application of Southwestern Natural Gas, Inc. for the assignment of back allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of back allowable to its Mershon Gas Comm Well No. 1 located in Unit A of Section 21, Township 22 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, for the period from the date of completion of said well on September 22, 1969, to the date of connection of said well on June 4, 1970.
- CASE 4393: Application of Mobil Oil 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 Devonian formation in the open-hole interval from 12,240 feet to 12,463 feet in its Santa Fe Pacific Well No. 3 located in Unit M of Section 26, Township 9 South, Range 36 East, Crossroads-Devonian Pool, Lea County, New Mexico.
- CASE 4394: Application of Phillips Petroleum Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Plata Deep Unit Area comprising 5,600 acres, more or less, of Federal and State lands in Sections 8, 9, 10, 11, 14, 15, 16, 22 and 23 of Township 20 South, Range 32 East, Lea County, New Mexico.
- CASE 4395: Application of Consolidated Oil & Gas, 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 formation in the perforated interval from 8915 to 8926 feet in its Shipp Well No. 1-17 located in Unit H of Section 17, Township 17 South, Range 37 East, Midway Abo Pool, Lea County, New Mexico.

CASE 4396: Application of Klabzuba, Munson and Seaman for a dual completion and salt water disposal, Chaves County, New Mexico. Applicants, in the above-styled cause, seek authority to dually complete its (Varel) Avalanche Journal Well No. 1 located in Unit N of Section 18, Township 10 South, Range 28 East, Chaves County, New Mexico, in such a manner as to produce gas from the San Andres formation in the perforated interval from 2186 to 2204 feet of the Race Track (San Andres) Pool through the casing-tubing annulus and dispose of produced salt water through tubing into the San Andres formation of said pool in the perforated interval from 2262 to 2289 feet.

CASE 4397: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Rio Trust and all other interested persons to appear and show cause why the following Rio Trust wildcat wells located in Section 2, Township 1 North, Range 2 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Little Chama Valley Co. Well No. 1
located 660 feet from the North line
and 1380 feet from the West line;

Sargent Well No. 1 located 925 feet
from the West line and 1445 feet from
the South line.

CASE 4267: (Reopened)

In the matter of Case No. 4267 being reopened by the Oil Conservation Commission on its own motion to permit Edward M. Kriss and all other interested parties to appear and show cause why the Edward M. Kriss Little Chama Valley Company Well No. 1, a wildcat well, located 545 feet from the North line and 1530 feet from the West line of Section 2, Township 1 North, Range 2 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4398: Application of Michael P. Grace and Corinne Grace for compulsory pooling and unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2

(Case 4398 continued)

and the S/2 of Section 2, Township 23 South, Range 26 East, Eddy County, New Mexico, to form two 320-acre proration units for the production of gas from any or all zones of the Pennsylvanian formation. Said N/2 and S/2 to be dedicated to wells to be drilled respectively, at unorthodox locations 2500 feet from the North line and 330 feet from the East line of said Section 2 and 990 feet from the South line and 660 feet from the East line of said Section 2.

Also to be considered will be the costs of drilling said wells, a charge for the risk involved, provisions for the allocation of actual operating costs, and the establishment of charges for supervision of said wells.

CASE 4354: (Continued from the July 1, 1970, Examiner Hearing)

Application of Michael P. Grace and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 11, Township 23 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, said acreage to be dedicated to a well to be drilled in either the NE/4 NW/4 or the NW/4 NE/4 of said Section 11. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.