

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 9, 1972

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 4785: Application of Gulf Oil Corporation for rededication of acreage and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of a 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 28 and an 80-acre non-standard proration unit comprising the W/2 NE/4 of Section 28; Township 21 South, Range 37 East, Blinebry Gas Pool, Lea County, New Mexico, to form a 120-acre non-standard proration unit. Applicant also seeks permission to produce the allowable assigned to said 120-acre unit from its Eunice King Wells Nos. 5 and 9 located, respectively, in Units F and G of said Section 28 in any proportion.
- CASE 4786: Application of Highland Production 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 Delaware formation in the open-hole interval from 4378 feet to 4418 feet in its Russell Federal Well No. 6 located in Unit K of Section 20, Township 26 South, Range 32 East, East Mason-Delaware Pool, Lea County, New Mexico.
- CASE 4787: Application of Superior Oil Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a gas well to test the Morrow and other formations at an unorthodox location 660 feet from the North line and 990 feet from the West line of Section 5, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, with the N/2 of said Section 5 to be dedicated to the well.
- CASE 4788: Application of Murphy H. Baxter for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing well approximately in the center of the SW/4 of Section 18, Township 17 South, Range 33 East, Maljamar (Grayburg-San Andres) Pool, Lea County, New Mexico. Said well to be within the area of a waterflood project approved by Order No. R-2156.
- CASE 4789: Application of Humble Oil & Refining Company for special pool rules, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Many Gates-Abo Pool, Chaves County, New Mexico, including provisions for 80-acre spacing units and wells to be located in the approximate center of the NE/4 or SW/4 of each quarter section.
- CASE 4790: Application of The Petroleum Corporation for special pool rules and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules

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for the Dublin-Ellenburger Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing units. Applicant further seeks approval of a 480-acre non-standard unit in said pool comprising the S/2, S/2 of NE/4 and E/2 NW/4 of Section 12, Township 26 South, Range 37 East, to be dedicated to its Tenneco Federal Well No. 1 located in Unit N of said Section 12.

CASE 4791: Application of Monsanto Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Burton Flat Deep Unit Area comprising 5,808 acres, more or less, of Federal, State, and Fee lands in Township 20 South, Range 28 East, and Township 21 South, Range 27 East, Eddy County, New Mexico.

CASE 4792: Application of David Fasken for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Walker Draw Unit Area comprising 7,040 acres, more or less, of Federal, State, and Fee lands in Sections 8, 9, 10, 15, 16, 17, 20, 21, 22, 28, and 29, Township 23 South, Range 23 East, Eddy County, New Mexico.

CASE 4793: Application of Tenneco Oil Company for a pressure maintenance project and unorthodox locations, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the South Hospah-Lower Sand Pool by the injection of water and gas into the Lower Hospah formation through three wells located at orthodox and unorthodox locations in Section 12, Township 17 North, Range 9 West, McKinley County, New Mexico.

Applicant further seeks a procedure whereby additional injection wells and expansion of the project area may be approved without the necessity of notice and hearing.

CASE 4794: Application of Green & Michaelson Producing Company for compulsory pooling, 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 Devonian formation underlying the N/2 of Section 2, Township 19 South, Range 23 East, Eddy County, New Mexico, to be dedicated to a wildcat Devonian well to be drilled at a standard location in the NE/4 of said Section 2.

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.

CASE 4760: (Readvertised)

Application of Anadarko Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to institute a waterflood project by the injection of water into the

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Grayburg and Queen formations through its R. E. Cole Well No. 3 located in the SW/4 SW/4 of Section 16 and its E. W. Walden Well No. 6 located in the SE/4 SW/4 of Section 15, Township 22 South, Range 37 East, Penrose Skelly Pool, Lea County, New Mexico.

Applicant further seeks establishment of a procedure whereby the conversion of additional wells to injection may be approved without notice and hearing. In the absence of objection, an order will issue based upon evidence received in this case on July 12, 1972.

CASE 4795: (THIS CASE WILL BE CONTINUED TO AUGUST 16, 1972, AND WILL BE HEARD BY A QUORUM OF THE COMMISSION.)

Application of Michael P. Grace II and Corinne Grace for pool contraction and creation of two new gas pools, Eddy County, New Mexico. Applicants, in the above-styled cause, seek the contraction of the horizontal limits of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico by the deletion therefrom of the following:

TOWNSHIP 22 SOUTH, RANGE 26 EAST
Section 25: S/2

TOWNSHIP 23 SOUTH, RANGE 26 EAST
Section 2: All
Section 11: All

Applicants further seek the creation of two new pools for the production of gas from the Strawn and Morrow formations with the horizontal limits of each pool to comprise the following:

TOWNSHIP 22 SOUTH, RANGE 26 EAST
Section 24: All
Section 25: All
Section 35: All
Section 36: W/2

TOWNSHIP 23 SOUTH, RANGE 26 EAST
Section 2: All
Section 11: All

CASE 4796: (THIS CASE WILL BE CONTINUED TO AUGUST 16, 1972, AND WILL BE HEARD BY A QUORUM OF THE COMMISSION.)

Application of Michael P. Grace II and Corinne Grace for capacity allowable, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an exception to the General Rules and Regulations governing the prorated gas pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, to produce their City of Carlsbad "COM"

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Well No. 1 located in Unit 0 of Section 25, Township 22 South, Range 26 East, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico, at full capacity.

CASE 4797: Application of Michael P. Grace II and Corinne Grace for a dual completion, Eddy County, New Mexico. Applicants, in the above-styled cause, seek approval for the dual completion of their Humble-Grace Well No. 1 located 990 feet from the South line and 660 feet from the East line of Section 2, Township 23 South, Range 26 East, Eddy County, New Mexico, in such a manner as to produce gas from the Strawn and Morrow formations. Said well being presently designated as a South Carlsbad-Morrow gas well.