

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 11, 1973

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for August, 1973, from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for August, 1973.

CASE 4749: (Reopened) (Continued from the June 6, 1973, Examiner Hearing)

In the matter of Case No. 4749 being reopened pursuant to the provisions of Order No. R-4338, which order established special rules and regulations for the Humble City-Strawn Pool, Lea County, New Mexico, including a provision for 80-acre proration units. All interested parties may appear and show cause why said pool should be developed on other than 40-acre units.

CASE 5019: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 14, Township 20 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled in an undesignated Morrow gas pool at a standard location in Unit K of said Section 14. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5020: Application of Belco Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the South Salt Lake-Morrow Gas Pool, including a provision for 320-acre drilling and proration units. In the absence of objection, this pool will be placed on 320-acre spacing rather than the present 160-acre spacing.

CASE 5021: Application of Mobil Oil Corporation for an unorthodox oil well location and special pool allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed New Mexico "B" Well No. 9 at an unorthodox location 940 feet from the North line and 1510 feet from the East line of Section 27, Township 10 South, Range 32 East, Mescalero-Devonian Pool,

(Case 5021 continued from page 1)

Lea County, New Mexico. Applicant further seeks the assignment of a special depth bracket allowable for said pool of 604 barrels of oil per day.

CASE 5022: Application of Skelly Oil Company for an exception to Rule 104, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Rule 104, authority to produce its Mexico "L" Wells Nos. 1 and 23 located less than 330 feet from each other in Unit A of Section 5, Township 25 South, Range 38 East, and its Mexico "J" Wells Nos. 2 and 23 located less than 330 feet from each other in Unit O in Section 32, Township 24 South, Range 38 East, and its Mexico "J" Wells Nos. 4 and 17 located less than 330 feet from each other in Unit N of said Section 32, all in the Dollarhide-Fusselman Pool, Lea County, New Mexico, each 40-acre unit being limited to one top unit allowable.

CASE 5023: Application of Skelly Oil Company for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Upper and Lower San Andres formations through perforations in the intervals from 4207 feet to 4418 feet and from 4676 to 4849 feet in its Hobbs "T" Well No. 11 located in Unit P of Section 33, Township 7 South, Range 33 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.

CASE 5024: Application of Midwest Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cottonwood Spring Unit Area comprising 3838 acres, more or less, of federal and fee lands in Township 25 South, Range 26 East, Eddy County, New Mexico.

CASE 5025: Application of The Superior Oil Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Upper Seven Rivers gas and Lower Seven Rivers oil in the wellbore of its State "12" Well No. 1 located in Unit L of Section 12, Township 21 South, Range 35 East, Eumont Pool, Lea County, New Mexico. Said well was authorized as a gas-oil dual completion in the Eumont Pool by Commission Order DC-142.

CASE 5026: Application of The Superior Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow, Atoka, Strawn and Canyon formations underlying the N/2 of Section 7, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a 150 percent charge for risk involved in drilling said well.

CASE 5027: Application of Dalport Oil Corporation for the amendment of Order No. R-4553, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4553 to provide that the well to be drilled on the proration unit pooled by said order shall be located in Unit G of Section 17, Township 12 South, Range 31 East, Chaves County, New Mexico, rather than Unit J of said Section 17. In the absence of objection, Order No. R-4553 will be amended as above.

CASE 5015: (Continued and Readvertised)

Application of Michael P. Grace II and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests down to and including the Pennsylvanian formation underlying Section 16, Township 24 South, Range 26 East, adjacent to the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to form a standard 640-acre unit for said pool, to be dedicated to a well to be drilled at an orthodox location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5010: (Continued from the June 27, 1973, 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 down to and including the Pennsylvanian formation underlying the N/2 of Section 18, Township 18 South, Range 26 East adjacent to the West Atoka Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the North line and 660 feet from the West line of said Section 18, the unorthodox location of which was previously approved by Commission Order No. R-4508. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5012: (Continued from the June 27, 1973, Examiner Hearing)

Application of Gandy Construction for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 of Section 11, or the SW/4 of Section 12, Township 10 South, Range 35 East, Lea County, New Mexico.