

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1974

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:

CASE 5000: (Continued from the June 20, 1973, Regular Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Aztec Totah Unit Wells Nos. 17 and 18, located in Unit E of Section 20, and Unit H of Section 19, respectively, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5006: (Continued from the June 20, 1973, Regular Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Southeast Cha Cha Unit Well No. 1 located in Unit M of Section 32, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5128: Application of Gulf Oil Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28 and the NW/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its J. N. Carson Wells Nos. 4 and 9 located in Units O and K, respectively, of Section 28.

CASE 5129: Application of Dorchester Exploration Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Wilson-Pennsylvanian Pool underlying the E/2 of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location in Unit I of said Section 13. 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 charge for risk involved in drilling said well.

CASE 5130: Application of Mesa Petroleum Company for the amendment of Order No. R-4658, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4658, which order promulgated special

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pool rules for the North Shoe Bar-Strawn Pool, Lea County, New Mexico. Applicant seeks the amendment of said rules to provide for a special gas-oil ratio limitation of 4000 to one.

CASE 5131: Application of Jake Hamon 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 through the perforated interval from 12,935 feet to 12,946 feet and the open-hole interval from 12,960 feet to 13,023 feet in his Getty State L-736 Well No. 1 located in Unit D of Section 32, Township 16 South, Range 36 East, East Shoe Bar-Devonian Pool, Lea County, New Mexico.

CASE 5132: Application of American Quasar Petroleum Company of New Mexico for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the White City Unit Area comprising 5,120 acres, more or less, of Federal, State and fee lands in Township 25 South, Ranges 25 and 26 East, Eddy County, New Mexico.

CASE 5133: Application of Atlantic Richfield Company for four non-standard gas proration units and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following 320-acre non-standard gas proration units in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico:

The N/2 of Section 34 to be dedicated to its Curran Jones Wells Nos. 1 and 10 located in Units A and C, respectively, of Section 34;

McDonald State Lease:

The N/2 of Section 14 to be dedicated to Wells Nos. 11 and 25 both located in Unit D of Section 14;

The E/2 of Section 26 to be dedicated to Wells Nos. 22, 9, and 8 located in Units A, G, and P, respectively, of Section 26;

The W/2 of Section 24 to be dedicated to Wells Nos. 26 and 12 located in Units D and M, respectively, of Section 24.

CASE 5134: Application of Atlantic Richfield Company for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of four wells to a standard 640-acre unit comprising all of Section 15, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, said wells being applicant's McDonald State WN Wells Nos. 23, 14, 15, and 13, located in Units C, G, L, and P, respectively, of Section 15.

CASE 5135: Application of Atlantic Richfield Company for the amendment of Order No. R-4549, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 1 of the Special Rules for the Empire-Abo Pressure Maintenance Project as promulgated by Order No. R-4549 to expand the project area as defined therein to include the

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SW/4 SE/4 of Section 27 and the S/2 SE/4 of Section 34, both in Township 17 South, Range 28 East, and the NW/4 NE/4 and the SE/4 SW/4 of Section 6, Township 18 South, Range 28 East, Empire-Abo Pool, Eddy County, New Mexico.

Applicant further seeks the amendment of Rules 3 and 4 of said special rules to provide that effective January 1, 1974, the maximum allowable for the project area be 33,000 barrels per day rather than 30,000 as presently provided.

CASE 5136: Application of Coastal States Gas Producing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox oil well location of its McGuffin Well No. 2 at a point 1980 feet from the North line and 660 feet from the West line of Section 29, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, Lea County, New Mexico.

CASE 5137: Application of Skelly Oil Company for two unorthodox locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill two producing wells at two unorthodox locations, one 2630 feet from the North line and 1330 feet from the West line and the other 1330 feet from the South line and 10 feet from the West line, both in Section 22, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 5138: Application of Skelly Oil Company for a waterflood project and four dual completions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Seven Rivers formation, Fren Pool, through six injection wells in its Skelly Unit Area in Sections 21, 22 and 28, Township 17 South, Range 31 East, Eddy County, New Mexico, three of which wells would be dually completed for injection into the Seven Rivers formation and the existing Grayburg-Jackson waterflood project. Applicant further seeks authority to dually complete its Skelly Unit Well No. 76 located in Unit 0 of said Section 21 as a dual completion to produce from the Fren Seven Rivers Pool and the Grayburg-Jackson Pool through parallel strings of tubing.

CASE 5139: Application of Skelly Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formation through three wells on its Lea "C" Lease in Section 11, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 5141: Application of David Fasken for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter an existing well, the unorthodox surface location of which is 660 feet from the South and West lines of Section 7, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico,

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and to directionally drill said well in such a manner as to bottom the well in the Morrow formation at a point 915 feet from the South line and 660 feet from the West line of said Section 7.

CASE 5142: Application of Amoco Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Black River-Pennsylvanian Gas Pool, Eddy County, New Mexico, including a provision for 320-acre drilling and proration units. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Pennsylvanian gas pools rather than the present 160-acre spacing.

CASE 5140: (This case will be continued to January 16, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for compulsory pooling, Vada-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the NW/4 of Section 24, Township 9 South, Range 33 East, Lea County, New Mexico, to be dedicated to the King Resources Sheridan Well No. 1-A located in Unit C of said Section 24; Also to be considered is designation of the applicant as operator of the NW/4 of said Section 24 and the well located thereon, provision for allocation of actual operating costs and charges for supervision, and allocation of costs for reworking said well including a 200% charge attributable to any non-consenting working interest owner's pro rata share of said workover costs, for the risk involved in said workover.

CASE 4956: (Reopened) (This case will be continued to January 16, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for a determination of well costs, Lea County, New Mexico. Applicant, as operator of the Sheridan Well No. 1 located in Unit M of Section 13, Township 9 South, Range 33 East, Lea County, New Mexico, to which well is dedicated the SW/4 of said Section 13, all mineral interests in the Vada-Pennsylvanian Pool thereunder having been pooled by Commission Order No. R-4560, seeks the determination of reasonable well costs attributable to applicant and to King Resources, including, but not limited to, the costs of reworking and placing said Sheridan Well No. 1 back on production and attorneys fees in connection therewith. Applicant further seeks an order assessing, as a charge for the risk involved in the reworking of the well, 120% of the pro rata share of the reasonable well costs attributable to the working interest of King Resources.