

- (e) EXTEND the South Blanco-Pictured Cliffs Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Section 34: NE/4

- (f) EXTEND the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico extended to include therein:

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 1: NW/4

Section 2: N/2

Section 3: NE/4

- (g) EXTEND the West Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, extended to include therein:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 16: N/2 and SE/4

Section 17: NE/4

Section 36: SE/4

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 12: SE/4

DOCKET NO. 27-94

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 22, 1994

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The Land Commissioner's designee for this hearing will be Jami Bailey

CASE 11102: The Oil Conservation Division is calling a hearing on its own motion to consider proposed October, 1994 - March, 1995 gas allowables for the prorated gas pools in New Mexico. Allowable assignment factors are being distributed with an OCD Memorandum dated September 2, 1994. If requests for changes are not received at the September 22 hearing, these factors will be used to assign allowables for the October - March period.

CASE 11019: (De Novo)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to drill a well at an unorthodox gas well location 330 feet from the South line and 950 feet from the West line (Lot 4-Unit M) of Irregular Section 7, Township 22 South, Range 31 East, to test the Undesignated Cabin Lake-Morrow Gas Pool. Lots 3 and 4, the E/2 SW/4 and the SE/4 (S/2 equivalent) of said Section 7 are to be dedicated to said well to form a 319.81-acre gas spacing and proration unit. Said unit is located approximately 19 miles northeast by east of Malaga, New Mexico. Upon application of Bass Enterprises Production Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11014: (De Novo)

Application of Phillips Petroleum Company for a non-standard oil proration unit, an unorthodox oil well location, a high angle/horizontal directional drilling pilot project, special operating rules therefor, a special project oil allowable and production testing period, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the formation of a non-standard 120-acre oil spacing and proration unit in the Cherry Canyon member of the Cabin Lake-Delaware Pool comprising the SE/4 SW/4 and the S/2 SE/4 of Section 11, Township 22 South, Range 30 East, for the purpose of initiating a high angle/horizontal directional drilling pilot project. The applicant proposes to commence drilling vertically at an unorthodox surface oil well location 1060 feet from the South line and 10 feet from the East line (Unit P) of said Section 11, kick-off at a depth of approximately 5100 feet in a west-southwesterly direction, build angle to approximately 90 degrees, and continue to drill horizontally in the Cherry Canyon formation for approximately 2200 feet. Further, the applicant seeks the adoption of special operating provisions for said pilot project including the designation of a prescribed area limiting the horizontal extent of said wellbore to a target window no closer than 330 feet to the outer boundary of said proration unit, the assignment of an acreage factor of 3.0 to the proposed 120-acre unit, or three times the number of 40-acre tracts connected to form the project area, and an exception to Division General Rule 502 to establish a 12-month test period and an extended time to make up any accrued over production from said test period. Said project area is located approximately 4 miles east of International Minerals & Chemical Inc.'s potash mine and mill. Upon application of Phillips Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.