

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 29, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 29-94 and 30-94 are tentatively set for October 13, 1994 and October 27, 1994. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11103: Application of Mobil Exploration & Producing U.S. Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle oil production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools within the wellbore of its existing North Vacuum Abo Unit/Bridges State Well No. 104 (API No. 30-025-21362), located 520 feet from the North line and 2120 feet from the West line (Unit B) of Section 25, Township 17 South, Range 34 East, which is located approximately one-half mile northwest of Buckeye, New Mexico.

CASE 10976: (Continued from September 1, 1994, Examiner Hearing.)

Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 32, Township 17 South, Range 31 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 1.5 miles southwest of the junction of U.S. Highway 82 and State Road 529.

CASE 11104: Application of Mack Energy Corporation for assignment of a special depth bracket oil allowable for the East Gem-Yates Pool, or in the alternative, for a temporary testing oil allowable for a certain well in said pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to assess a higher depth bracket oil allowable, pursuant to Division General Rules 505(D) and (F), for the East Gem-Yates Pool that presently comprises the S/2 of Section 26, Township 19 South, Range 33 East, than its current 160 barrel per day limit. IN THE ALTERNATIVE, applicant seeks an exception to General Rule 504(A) for a temporary oil testing allowable for its Bate Federal Well No. 1, located in Unit "N" of said Section 26. Said well is located approximately 17.5 miles south southeast of Maljamar, New Mexico.

CASE 11039: (Continued from August 4, 1994, Examiner Hearing.)

Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Aztec-Pictured Cliffs Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its existing Fifield Well No. 2, located 1650 feet from the South line and 1090 feet from the East line (Unit I) Section 5, Township 29 North, Range 11 West. Said well is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a 305.92-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool comprising Lots 1 and 2, the S/2 NE/4 and SE/4 (E/2 equivalent) of said Section 5. Said well is located approximately 3.5 miles north northwest of Bloomfield, New Mexico.

CASE 11105: Application of Union Oil Company of California d/b/a UNOCAL for an infill gas well and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization, pursuant to the provisions of Division Memoranda dated July 27, 1988 and August 3, 1990, to continuously and concurrently produce gas from the Red Hills Wolfcamp Gas Pool from both its Red Hills Unit Well No. 2, located at a previously approved unorthodox gas well location (Division Order No. R-3073) 990 feet from the North line and 1650 feet from the East line (Unit B) of Section 5, Township 26 South, Range 33 East, and its Red Hills Unit Well No. 3, located at a standard gas well location 1980 feet from the South line and 2180 feet from the West line (Unit K) of said Section 5 and for the simultaneous dedication of said wells to a standard 640-acre gas spacing and proration unit comprising all of said Section 5. Said unit is located approximately 28 miles west of the El Paso Natural Gas Company Jal Plant No. 1.

CASE 11106: Application of Richardson Operating Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Fruitland Coal (Gas) Pool production with Pictured Cliffs gas production from either the Undesignated West Kutz-Pictured Cliffs Pool or the Undesignated Fulcher Kutz-Pictured Cliffs Pool within the wellbore of its proposed Ropco Federal "12" Well No. 2 to be drilled at a standard gas well location for all three pools in the SE/4 NE/4 (Unit H) of Section 12, Township 29 North, Range 13 West, which is located approximately four miles east of the Four Corners Regional Airport in Farmington, New Mexico.

CASE 11107: **Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation, underlying the NE/4 NW/4 (Unit C) of Section 30, Township 23 South, Range 30 East, forming a standard 40-acre oil spacing and proration unit. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 10 miles east by south of Loving, New Mexico.

CASE 11108: **Application of Arco Permian, A Unit of Atlantic Richfield, to rescind Division Order No. R-4808-A and for the adoption of special rules and regulations for the Riverwolf Unit (the former Citgo Empire-Abo Unit) including special allowable provisions, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks rescission of Division Order No. R-4808-A, which order provided for development of the Riverwolf Unit, formerly the Citgo Empire-Abo Unit, under statewide rules and seeks adoption of special allowable limits which will permit production rates at levels constituent with withdrawals from the offsetting Empire-Abo Unit. This unit is located approximately 8 miles east of Artesia, New Mexico.

CASE 11109: **Application of Arco Permian, A Unit of Atlantic Richfield, for amendment of the special rules and regulations for the Empire-Abo Pressure Maintenance Project to permit partial gas sales, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks the amendment of the special rules and regulations for the Empire-Abo Pressure Maintenance Project Area, as promulgated by Division Order Nos. R-4549 through R-4549-G, to permit partial gas sales of project gas and to amend the reporting requirements for project operations to accommodate these sales. This unit is located 6 to 12 miles east of Artesia, New Mexico.

CASE 11093: (Continued from September 15, 1994, Examiner Hearing.)

Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Armenta-Gallup Pool oil production within the wellbore of its Sullivan Gas Com "C" Well No. 1, located 940 feet from the South line and 1450 feet from the West line (Unit N) of Section 28, Township 29 North, Range 10 West, which is located approximately 5.5 miles south by east of Bloomfield, New Mexico.

CASE 11094: (Continued from September 15, 1994, Examiner Hearing.)

Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its Gooch Well No. 2-E, located 1100 feet from the North line and 1800 feet from the West line (Unit C) of Section 29, Township 28 North, Range 8 West, which is located approximately 9 miles southeast by east of Blanco, New Mexico.

CASE 11095: (Continued from September 15, 1994, Examiner Hearing.)

Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its Bolack Well No. 2-E, located 1520 feet from the South line and 1650 feet from the East line (Unit J) of Section 19, Township 28 North, Range 8 West, which is located approximately 8 miles southeast by east of Blanco, New Mexico.

CASE 11096: (Continued from September 15, 1994, Examiner Hearing.)

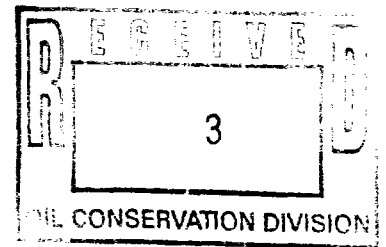
Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Flora Vista-Gallup Pool gas production within the wellbore of its L. C. Kelly Well No. 3-E, located 1710 feet from the North line and 880 feet from the East line (Lot 12/Unit H) of Section 4, Township 30 North, Range 12 West, which is located approximately 3.5 miles north northwest of Flora Vista, New Mexico.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11105

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA d/b/a UNOCAL
FOR AN INFILL GAS WELL AND
SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.



PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Union Oil Company of California
d/b/a UNOCAL
1004 N. Big Spring, Suite 300
Midland, TX 79702
attn: Mike Nixon
(915) 685-6885
name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq. _____
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____
(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

ATTORNEY

name, address, phone and
contact person

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Union Oil Company of California, d/b/a UNOCAL, applicant in the above-captioned cause, seeks authorization, pursuant to the provisions of Division Memoranda dated July 27, 1988 and August 3, 1990, to continuously and concurrently produce gas from the Red Hills Wolfcamp Gas Pool from both its Red Hills Unit Well No. 2, located at a previously approved unorthodox gas well location (Division Order No. R-3073) 990 feet from the North line and 1650 feet from the East line (Unit B) of Section 5, Township 26 South, Range 33 East, and its Red Hills Unit Well No. 3, located at a standard gas well location 1980 feet from the South line and 2180 feet from the West line (Unit K) of said Section 5 and for the simultaneous dedication of said wells to a standard 640-acre gas spacing and proration unit comprising all of said Section 5.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

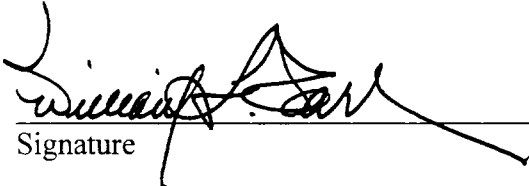
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Rick Teague, Geologist	15 Min.	Approximately 4
Scott Gutberlet, Petroleum Engineer	10 Min.	Approximately 1

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)



Signature