

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 10, 1994
 8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
 SANTA FE, NEW MEXICO

Dockets Nos. 34-94 and 35-94 are tentatively set for December 1, 1994 and December 15, 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 11131: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Donald Sharratt, and all other interested parties to appear and show cause why the Baker "C" Well No. 1 (API No. 30-02510469) located 660 feet from the North and East lines (Unit A) of Section 26, Township 22 South, Range 37 East, Lea County, New Mexico (which is approximately 5 miles south southeast of Eunice, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program. Additionally, the Division seeks an order directing the operator to pay the costs of such plugging and if failing to do so, ordering a forfeiture of the plugging bond covering this well and authorizing the Director of the Division to make demand upon Norwest Bank New Mexico, formerly the United New Mexico Bank at Lea County, Hobbs, New Mexico to pay to the Division so much of the funds of the certificate of deposit given as collateral for said bond as is necessary to compensate the costs of plugging said well.

CASE 11080: (Continued from October 27, 1994, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling and an unorthodox gas well location, 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 following described areas in Section 20, Township 23 South, Range 29 East, and in the following manner: The S/2 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, including the Laguna Salado-Atoka Gas Pool; and the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent. Said unit is to be dedicated to its Harroun Trust 20 Fed. Com Well No. 1, to be drilled at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line of said Section 20. 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 said well. Said unit is located approximately 5 miles east of Loving, New Mexico.

CASE 11132: Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle gas production from the Blanco-Mesaverde Pool (W/2 equivalent dedication), Chacra formation (SW/4 equivalent dedication) and South Blanco-Pictured Cliffs Pool (SW/4 equivalent dedication) within the wellbore of its Navajo Indian "B" Well No. 3 located 1180 feet from the South line and 1450 feet from the West line (Unit N) of Section 19, Township 27 North, Range 8 West. Said well is located approximately 12 miles northeast of the Huerfano Training Post, New Mexico. In the absence of objection, this application will be taken under advisement.

CASE 11107: (Continued from October 27, 1994, Examiner Hearing.)

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 10280: (Reopened)

In the matter of Case No. 10280 being reopened pursuant to the provisions of Division Orders Nos. R-9594 and R-9594-A, which orders promulgated temporary special rules and regulations for the Milnesand-Abo Pool in Lea and Roosevelt Counties, New Mexico, including a provision for 80-acre spacing. Operators in the subject pool may appear and show cause why said special pool rules should not be rescinded and why the Milnesand-Abo Pool should not be developed on other than 40-acre spacing and proration units.

CASE 10804: (Reopened)

In the matter of Case No. 10804 being reopened pursuant to the provisions of Division Order No. R-10010, which order promulgated temporary special rules and regulations for the Happy Valley-Delaware Pool in Eddy County, New Mexico, including provisions for a limiting gas/oil ratio of 10,000 cubic feet of gas per barrel of oil and a special depth bracket allowable of 160 barrels of oil per day. Operators in said Happy Valley-Delaware Pool may appear and present evidence and show cause why said special rules and regulations should remain in effect.

CASE 10530: (Reopened - Continued from October 13, 1994, Examiner Hearing.)

In the matter of Case No. 15030 being reopened pursuant to the provisions of Order Nos. R-9722 and R-9722-A, which promulgated special rules and regulations for the West Lovington-Strawn Pool including a provision for 80-acre spacing. Operators in the subject pool should be prepared to appear and show cause why the temporary special rules and regulations for the West Lovington-Strawn Pool should not be rescinded and said pool not be developed on 40-acre spacing units.

CASE 11124: (Continued from October 27, 1994, Examiner Hearing.)

Application of Conoco Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated North Dagger Draw-Upper Pennsylvanian Pool underlying the NW/4 of Section 32, Township 19 South, Range 25 East, forming a standard 160-acre oil spacing and proration unit for said pool, 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 costs 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 the risk involved in drilling and completing said well. Said unit is located approximately 10 1/2 miles west of Lakewood, New Mexico.

CASE 11133: Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (158.47-acre dedication comprising Lots 11, 12, and 13 and the NW/4 SW/4, being the SW/4 equivalent) with gas from the Basin-Fruitland Coal (Gas) Pool (314.89-acre dedication comprising Lots 3, 4, 5, 6, 11, 12, and 13 and the NW/4 SW/4, being the W/2 equivalent) within the wellbore of its existing Murphy "B" Well No. 1 located at a standard gas well location for both intervals 1050 feet from the South line and 1600 feet from the West line (Lot 13/Unit N) of Section 25, Township 30 North, Range 11 West. Said well is located approximately 3 miles southeast of Aztec, New Mexico. In the absence of objection, this application will be taken under advisement.

CASE 11134: 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 conventional Aztec-Pictured Cliffs Pool gas production (157.77-acre dedication comprising Lots 6, 11, and 12 and the NE/4 SE/4, being the SE/4 equivalent) with gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Payne Well No. 2 located 1180 feet from the South line and 1750 feet from the East line (Lot 11/Unit O) of Section 35, Township 30 North, Range 11 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 316.83-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising Lots 9 through 13, the SE/4 SW/4, and the W/2 SE/4 (S/2 equivalent) of said Section 35. Said well is located approximately 4 miles southeast of Aztec, New Mexico.

CASE 11135: Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (159.75-acre dedication comprising Lot 5, the N/2 NE/4, and the SE/4 NE/4, being the NE/4 equivalent) with gas from the Basin-Fruitland Coal (Gas) Pool (319.43-acre dedication comprising Lots 1 through 5, the N/2 NE/4, and the SE/4 NE/4, being the N/2 equivalent) within the wellbore of its existing Wood Well No. 2 located at a standard gas well location for both intervals 1650 feet from the North line and 1800 feet from the East line (Lot 5/Unit G) of Section 35, Township 30 North, Range 11 West. Said well is located approximately 4 miles southeast of Aztec, New Mexico. In the absence of objection, this application will be taken under advisement.

CASE 11136: Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (156.28-acre dedication comprising Lots 1, 2, 7, and 8, being the NE/4 equivalent) with gas from the Basin-Fruitland Coal (Gas) Pool (313.36-acre dedication comprising Lots 1, 2, 7, 8, 9, 10, 14, and 15, being the E/2 equivalent) within the wellbore of its existing Albright "A" Well No. 1 located at a standard gas well location for both intervals 990 feet from the North and East lines (Lot 1/Unit A) of Section 25, Township 30 North, Range 11 West. Said well is located approximately 3 miles southeast of Aztec, New Mexico. In the absence of objection, this application will be taken under advisement.

CASE 11137: 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 conventional Aztec-Pictured Cliffs Pool gas production (160-acre, SE/4 dedication) with coal gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Garrett Com Well No. 1 located 1650 feet from the South and East lines (Unit J) of Section 12, Township 29 North, Range 11 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising the E/2 of said Section 12. Said well is located approximately 2 miles northeast of Bloomfield, New Mexico.