

CASE 11382: Application of Nearburg Exploration Company for compulsory pooling, directional drilling, a non-standard oil proration unit, and an unorthodox bottomhole oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to re-enter its plugged and abandoned Stillings "7D" Federal Well No. 1, located 660 feet from the North line and 773 feet from the West line (Lot 1/Unit D) of Section 7, Township 17 South, Range 38 East, and recompleting said well in either the Undesignated South Humble City-Strawn or Undesignated Shipp-Strawn Pool by directionally drilling in such a manner as to bottom said well in the Strawn formation within a target area that is 100 feet of a point 330 feet from the North line and 2310 feet from the West line (Unit C) of said Section 7, which is considered to be an unorthodox oil well location for both pools. The applicant further seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying Lot 1 and the NE/4 NW/4 (N/2 NW/4 equivalent) of said Section 7 to form a non-standard 77.78-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently includes only the Strawn interval. Said unit is to be dedicated to said Stillings "7D" Federal Well No. 1. Also to be considered will be the value of the existing wellbore, the cost of re-entering, directional drilling, and recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and unit and a charge for risk involved in re-entering and recompleting said well. Said unit is located approximately 4.25 miles north-northeast of Humble City, New Mexico.

CASE 11372: (Readvertised)

Application of AnSon Gas Corporation for compulsory pooling, directional drilling, and an unorthodox bottomhole oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to recomplete its existing Mary "33" Well No. 1, located at a standard surface oil well location 2040 feet from the North line and 2310 feet from the West line (Unit F) of Section 33, Township 16 South, Range 38 East, by kicking-off from the vertical wellbore and directionally drill in such a manner as to bottom said well in the Devonian formation within a standard 40-acre oil spacing and proration unit comprising the NE/4 NW/4 (Unit C) of said Section 33 at an unorthodox oil well location that is no nearer to the southern boundary of said 40-acre tract than 26 feet nor nearer to the eastern boundary of said 40-acre tract than 103 feet (this being a point that is 1294' FNL - 2537' FWL of said Section 33). The applicant further seeks an order pooling all mineral interests within the Devonian formation underlying said 40-acre tract in said Section 33. Said unit is to be dedicated to the aforementioned Mary "33" Well No. 1. Also to be considered will be the cost of directional drilling and recompleting 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 unit and a charge for risk involved in directional drilling and recompleting said well. Said unit is located approximately 3 miles north-northeast of Knowles, New Mexico.

CASE 11370: (Continued from August 24, 1995, 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 from the base of the Bone Spring formation to the base of the Morrow formation, underlying the N/2 of Section 36, Township 17 South, Range 30 East, to form 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 which presently includes but is not necessarily limited to the Undesignated Loco Hills-Atoka Gas Pool and the Cedar Lake-Morrow Gas Pool. 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 unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles east-southeast of Loco Hills, New Mexico.

CASE 11264: (Continued from September 7, 1995, 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 from the surface to the base of the Canyon formation underlying the NE/4 of Section 24, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Fairchild "24" Well No. 2 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 24. 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 unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles west-northwest of Lakewood, New Mexico.

CASE 11310: (Reopened and Readvertised)

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 from the surface to the base of the Canyon formation underlying the SE/4 of Section 16, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent which presently includes but is not necessarily limited to the North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location in the SW/4 SE/4 (Unit O) of said Section 16. 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 unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 7 miles northwest of Lakewood, New Mexico.

CASE 11311: (Reopened).

Application of Nearburg Exploration 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 Canyon formation underlying the SE/4 of Section 16, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled at a standard 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 Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles northwest of Lakewood, New Mexico.

CASE 11368: (Readvertised)

Application of Plains Petroleum Company for a pressure maintenance project, special project allowable, a qualification for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a cooperative pressure maintenance project on portions of its E. C. Hill "B" Federal and Baylus Cade Federal leases underlying the SE/4 of Section 34 and the SW/4 of Section 35, both in Township 23 South, Range 37 East, by the injection of water into the McKee formation of the Teague (Simpson) Pool through the following two wells to be converted to water injection wells: the Baylus Cade Well No. 5, located 985 feet from the South line and 1650 feet from the West line (Unit O) of said Section 35 and the E. C. Hill "B" Federal Well No. 13 located on the surface 947 feet from the South line and 1361 feet from the East line (Unit O) of said Section 34. Also to be considered is a special project allowable, pursuant to Division General Rule 104.F(2), that is equal to the pool's depth bracket allowable times the total number of wells in the project and the ability to produce said project allowable from any of the producing wells in any proportion. The applicant further seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying that portion of said waterflood project encompassing the planned pattern change, for the recovered oil tax rate under the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). This area is located approximately 12 miles south of Eunice, New Mexico.

CASE NOS. 10869 and 10881: Reopened and Continued from June 29, 1995, Examiner Hearing.)

In the matter of Case Nos. 10869 and 10881 being reopened in accordance with provisions of Division Order No. R-10050, which amended the special pool rules and regulations for the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, providing for a limiting gas-oil ratio of 7,000:1 cubic feet of gas per barrel of oil. Operators in the subject pool may appear and present evidence and testimony regarding the continuation or the adjustment of the 7,000:1 gas-oil ratio limitation within the South Dagger Draw-Upper Pennsylvanian Associated Pool.

CASE 11390: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating and extending certain pools in Rio Arriba, Sandoval, and San Juan Counties, New Mexico.

- (a) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production and designated as the Escavado-Pictured Cliffs Pool. The discovery well is the Dugan Production Corporation Hendrix Well No. 2 located in Unit B of Section 7, Township 22 North, Range 8 West, NMPM. Said pool would comprise:

TOWNSHIP 22 NORTH, RANGE 8 WEST, NMPM
Section 7: NE/4

- (b) EXTEND the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM