

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 15, 1995

8:15 A.M. - 2040 South Pacheo

Santa Fe, New Mexico

Dockets Nos 19-95 and 20-95 are tentatively set for June 29, 1995 and July 13, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. Please note, the Examiner Hearing scheduled for June 29, 1995 will be held in Hobbs, New Mexico - actual location not yet determined. The following cases will be heard by an Examiner:

CASE 11301: Application of Elk Oil Company for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, as operator of the South Lone Wolf Unit (approved by Division Order No. R-9683), comprising portions of Sections 19, 20, 29, 30, 31, and 32, Township 13 South, Range 29 east, now seeks approval to drill its South Lone Wolf Unit Well No. 2 at an unorthodox oil well location that is considered to be at a more structurally advantageous position within the Undesignated Southwest Lone Wolf-Devonian Pool 600 feet from the South line and 1200 feet from the West line (Unit M) of said Section 29. The SW/4 SW/4 of said Section 29 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for said pool. Said Unit Area is located approximately 16 miles east by north of Hagerman, New Mexico. **IN THE ABSENCE OF OBJECTION THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CASE 11292: (Continued from June 1, 1995, Examiner Hearing.)

Application of Robert L. Bayless for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the NW/4 of Section 18, Township 24 North, Range 6 West, thereby forming a standard 160-acre spacing and proration unit for the Ballard-Pictured Cliffs 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 a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles northwest of Counselor, New Mexico.

CASE 11302: Application of Meridian Oil Inc. for downhole commingling, unorthodox gas well locations and two non-standard gas proration units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Wildcat Gallup Pool and Blanco-Mesaverde Gas Pool production within its existing Carson Well No. 2 located at an unorthodox gas well location for both producing intervals 1470 feet from the South line and 810 feet from the West line (Unit K) of Irregular Section 7, Township 30 North, Range 4 West. A 109.29-acre non-standard gas spacing and proration unit comprising Lots 3 and 4 and the E/2 SW/4 (SW/4 equivalent) and a 218.30-acre non-standard gas spacing and proration unit comprising Lots 1, 2, 3 and 4 and the E/2 W/2 (W/2 equivalent) of said Irregular Section 7 are to be established and dedicated to the Carson Well No. 2 in the Gallup and Mesaverde formations, respectively. Said well is located approximately 18 miles southwest of Dulce, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CASE 11266: (Continued from June 1, 1995, Examiner Hearing.)

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 Morrow formation, underlying the following described acreage in Section 32, Township 17 South, Range 27 East, and in the following manner: the N/2 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 Jennings Spring-Wolfcamp Gas Pool, Undesignated Logan Draw-Cisco/Canyon Gas Pool, Undesignated Red Lake-Pennsylvanian Gas Pool, Undesignated West Logan Draw-Morrow Gas Pool, and Undesignated Logan Draw-Morrow Gas Pool; the NE/4 to form 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; and the NW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Red Lake Queen-Grayburg-San Andres Pool, Undesignated Empire-Abo Pool, and Undesignated Chalk Bluff-Wolfcamp Pool. Said units are to be dedicated to a single well to be drilled and completed at a standard location in Unit "B" of said Section 32. 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 well location is approximately 2.5 miles south of Riverside, New Mexico.

CASE 11303: Application of Santa Fe Energy Resources Inc. for Compulsory Pooling and a non-standard gas proration unit, 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 Atoka formation underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 7, Township 23 South, Range 29 East, thereby forming a non-standard 308.83-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 Laguna Salado-Atoka Gas Pool and the Undesignated South Culebra Bluff-Atoka Gas Pool. Said unit is to be dedicated to the proposed H. F. "7" Fed. Com. Well No. 1 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 operator of the well, and a charge for the risk involved in drilling said well. Said unit is located approximately 5 miles Northeast of Loving, New Mexico.

CASE 11304: Application of Devon Energy Corporation (Nevada) for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its Avalon 8 "A" Federal Com. Well No. 1 at an unorthodox gas well location 710 feet from the North line and 660 feet from the East line (Unit A) of Section 8, Township 21 South, Range 26 East, to test the Morrow formation, Avalon-Morrow Gas Pool. The E/2 of said Section 8 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately seven miles Northwest of Carlsbad, New Mexico.

CASE 11305: Application of Devon Energy Corporation (Nevada) for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules and regulations for the East Catclaw Draw-Delaware Pool, which comprises all or parts of Sections 9 and 16, Township 21 South, Range 26 East, including the assignment of a special depth bracket oil allowable of 150 barrels of oil per day pursuant to Division General Rule No. 505(D). Said pool is located approximately 6 miles northwest of Carlsbad, New Mexico.

CASE 11291: (Readvertised)

Application of Enron Oil & Gas Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Diamond "7" Federal Well No. 5 at an unorthodox oil well location 160 feet from the North line and 2540 feet from the East line (Unit B) of Section 7, Township 25 South, Range 34 East, Red Hills-Bone Spring Pool. The N/2 NE/4 of Section 7 is to be dedicated to the subject well forming a standard 80-acre oil spacing and proration unit. Said unit is located approximately 16 miles west of Jal, New Mexico.

CASE 11287: (Continued from June 1, 1995, Examiner Hearing.)

Application of Nearburg Exploration Company for compulsory pooling, directional drilling, and an unorthodox bottomhole oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the N/2 NW/4 of Section 13, Township 17 South, Range 37 East, to form a standard 80-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 South Humble City-Strawn Pool. Said unit is to be dedicated to its Shriner "13" Well No. 1 to be directionally drilled from a surface location 600 feet from the North line and 830 feet from the West line (Unit D) of said Section 13, to an unorthodox bottomhole oil well location within 50 feet of a point 330 feet from the North line and 2130 feet from the West line (Unit C) of said Section 13. 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 the applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles west of Knowles, New Mexico.

CASE 11306: Application of Marbob Energy Corporation for directional drilling and an unorthodox bottomhole oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its plugged and abandoned Leaping Lizard Federal Well No. 1 located 421 feet from the North line and 2381 feet from the West line (Unit C) of Section 4, Township 14 South, Range 29 East, wherein the applicant proposes to kick-off from the vertical and directionally drill the subject well in a northeasterly direction to an unorthodox bottomhole location in the Undesignated South Lone Wolf-Devonian Pool within 50 feet of a point 300 feet from the North line and 2610 feet from the West line of Section 4. The NE/4 NW/4 of Section 4 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Said well is located approximately seventeen miles east of Hagerman, New Mexico.

CASE 11307: Application of Marbob Energy Corporation for directional drilling and an unorthodox bottomhole oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its temporarily abandoned Marathon Federal Well No. 2 located 1650 feet from the North line and 1980 feet from the West line (Unit F) of Section 33, Township 13 South, Range 29 East, wherein the applicant proposes to kick-off from the vertical and directionally drill the subject well in a northwesterly direction to an unorthodox bottomhole location in the South Lone Wolf-Devonian Pool within 50 feet of a point 1353 feet from the North line and 1914 feet from the West line of Section 33. The SE/4 NW/4 of Section 33 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Said well is located approximately seventeen miles northeast of Hagerman, New Mexico.