

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 1, 1995

8:15 A.M. - 2040 South Pachee
Santa Fe, New Mexico

DOCKET NO. 16-95

Dockets Nos 18-95 and 19-95 are tentatively set for June 15, 1995 and June 29, 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 11275: (Continued from May 4, 1995, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Sage Oil Company and all other interested parties to appear and show cause why the Gulf State Well No. 1, located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 30, Township 10 South, Range 27 East, Chaves County, New Mexico (which is approximately 1/4 mile south of U. S. Highway No. 380 at mile marker No. 172), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have said well properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

CASE 11287: 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 11288: Application of Dalen Resources Oil & Gas Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well 760 feet from the South line and 330 feet from the East line (Unit P) of Section 2, Township 25 South, Range 26 East, and utilize said well to dispose of produced salt water into the Bell Canyon member of the Delaware formation through the perforated interval from approximately 2,304 feet to 2,428 feet. This unit is approximately 6.5 miles east of Whites City, New Mexico.

CASE 11289: Application of Burro Pipeline Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its G. S. Well No. 1 located 2086 feet from the North line and 1874 feet from the East line (Unit G) of Section 8, Township 11 South, Range 33 East, to a disposal well with injection of produced salt water into the North Bagley Permo-Pennsylvanian Pool, through the perforated interval from approximately 9,100 feet to 10,354 feet. Said well is located approximately 4.5 miles southeast of Caprock, New Mexico.

CASE 11290: Application of Collins & Ware, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its T. D. Pope Well No. 32 at an unorthodox oil well location 102 feet from the North line and 1430 feet from the East line (Unit B) of Section 35, Township 14 South, Range 37 East, Denton-Devonian Pool. The NW/4 NE/4 of Section 35 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 3 miles southeast of Prairieview, New Mexico.

CASE 11270: (Continued from May 18, 1995, 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 Morrow formation underlying Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 3, Township 19 South, Range 28 East, thereby forming a 320.90-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 Millman-Wolfcamp Gas Pool, Undesignated Millman-Atoka Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and Undesignated Millman-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 3 miles east-southeast of the old Illinois Oil Camp.

CASE 11281: (Continued from May 18, 1995, 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 SE/4 NW/4 (Unit F) of Section 4, Township 24 South, Range 29 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 5 miles east-northeast of Malaga, New Mexico.

CASE 11291: **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 660 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 18 miles west of Jal, New Mexico.

CASE 11292: **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 11285: (Continued from May 18, 1995, Examiner Hearing.)

Application of Conoco, Inc. for approval to amend a previously approved waterflood project, for modifying its injection pattern, for infill drilling, for twelve unorthodox oil well locations and for certain administrative procedures, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to convert its Warren-Blinebry Tubb Waterflood Project from an 80-acre to a 40-acre five spot injection pattern including the drilling of the first twelve "infill" producing wells at unorthodox well locations within said project. Applicant further seeks an administrative procedure for drilling additional infill producing wells at unorthodox well locations and the conversion of producers to injection wells within the Warren-Blinebry Tubb Unit for production from and injection into the Warren Blinebry-Tubb Oil and Gas Pool, all within portions or all of Sections 20 through 22, 26 through 29, and 33 through 35, all in Township 20 South, Range 38 East. Said project is located approximately 5.5 miles south-southwest of Nadine, New Mexico.

CASE 11293: **Application of Conoco Inc. for downhole commingling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle production from the North Justis-Abo Pool with its previously approved downhole commingled production from the Justis-Blinebry Pool and the Justis Tubb-Drinkard Pool (Administrative Order DHC-886) within the wellbore of its State A-2 Well No. 4 located 2130 feet from the South line and 1980 feet from the East line (Unit J) of Section 2, Township 25 South, Range 37 East. Said well is dedicated to a standard 40-acre spacing and proration unit consisting of the NW/4 SE/4 of said Section 2. Applicant further seeks an exception to Rule 303 (F), thereby continuing to utilize a gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil and a resulting casinghead gas allowable of 642 MCF gas per day. Said well is located is approximately 5 miles northeast of Jal, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CASE 11262: (Continued from May 4, 1995, Examiner Hearing.)

Application of Texaco Exploration and Production, Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the South Sand Dunes-Bone Spring Pool including a provision for a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil. Said pool currently comprises portions of Sections 29, 30, 31, and 32, of Township 23 South, Range 32 East, and is located on the Lea/Eddy County line approximately 2 miles north of State Highway No. 128.