

CASE 11311: (Continued from September 21, 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 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 11328: (Continued from September 21, 1995, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation for a high angle/horizontal directional drilling pilot project and for the promulgation of special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Media-Entrada Oil Pool within its proposed Media Entrada Secondary (Federal) Unit comprising portions of Sections 14, 15, 22, and 23, Township 19 North, Range 3 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said Unit Area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area. Said area is located approximately 14 miles southwest of Cuba, New Mexico.

CASE 11400: IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT. 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 Lea County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Atoka production and designated as the Dean-Atoka Pool. The discovery well is the Lynx Petroleum Consultants, Inc. Dean State Well No. 1 located in Unit C of Section 35, Township 15 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM

Section 35: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Draper Mill-Bone Spring Pool. The discovery well is the Enron Oil & Gas Company Ochoa Federal Well No. 1 located in Unit G of Section 15, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 15: NE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the North Hardy-San Andres Pool. The discovery well is the Conoco Inc. Hardy 36 State Well No. 7 located in Unit E of Section 36, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 36: NW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the West Knowles-Devonian Pool. The discovery well is the AnSon Gas Corporation Mary 33 Well No. 1 located in Unit F of Section 33, Township 16 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM

Section 33: NW/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Morton-Morrow Gas Pool. The discovery well is the Great Western Drilling Company Glenn Cleveland Well No. 1 located in Unit O of Section 7, Township 15 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 7: E/2

CASE 11335: (Continued from September 21, 1995, Examiner Hearing.)

Application of Naumann Oil & Gas, 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 the E/2 of Section 34, Township 18 South, Range 29 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 which presently includes but is not necessarily limited to the North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to the Empire "34" Federal Well No. 1 which is an existing well located at a standard gas well location 1980 feet from the North line and 1980 feet from the East line (Unit G) of Section 34 and which is to be re-entered and deepened in an attempt to complete in the Morrow formation. Also to be considered will be the costs of re-entering, deepening and completing said well and the allocation of those costs 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 re-entering, deepening and completing said well. Said unit is located approximately 9 miles southwest of Loco Hills, New Mexico.

CASE 11398: **Application of Pogo Producing Company for pool expansion, pool abolishment, downhole commingling, and for the establishment of special poolwide downhole commingling rules and administrative procedures, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks to abolish the South Red Tank-Delaware Pool comprising portions of Sections 25 and 36, Township 22 South, Range 32 East. The applicant further seeks to expand the West Red Tank-Delaware Pool, which currently comprises all or portions of Sections 14, 22, 23, 26, 27, 28, 34, and 35, Township 22 South, Range 32 East, by including the acreage previously contained within said South Red-Tank Delaware Pool. Applicant further seeks approval to downhole commingle West Red Tank-Delaware and Red Tank-Bone Spring Pool production within six existing wells it operates in this area. The applicant further seeks to establish special poolwide rules and administrative procedures governing the downhole commingling of Delaware and Bone Spring production, said rules to include a provision for a commingled allowable equal to the depth bracket allowable for the upper pool. The subject acreage is centered approximately 9.5 miles northeast of the intersection of State Highway 128 and the Eddy/Lea County line.

CASE 11275: (Continued from August 24, 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 11399: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Diamond Back Petroleum Inc. and all other interested parties to appear and show cause why the following two wells located in Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug any or all of said wells, 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, if any, covering said wells:

Margie Kay Well No. 1, located 1980 feet from the North line and 1980 feet from the West line (Unit F) of Section 7, Township 17 South, Range 28 East.

Martha Well No. 1, located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 7, Township 17 South, Range 28 East.

CASE 11310: (Continued from September 21, 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 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 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.