

**CASE 11322:** (Continued from July 27, 1995, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation to amend Division Order No. R-9079, to extend the horizontal limits of the existing high angle/horizontal directional drilling pilot project area, and to adopt additional special operating rules therefor, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9079 by extending the project area approved therein to include the N/2 NW/4, SE/4 NW/4, NE/4 SW/4, and S/2 SW/4 of Section 15 and the SE/4 NE/4 and NE/4 SE/4 of Section 16, of Township 19 North, Range 5 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said Cooperative 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 22 miles northwest of San Luis, New Mexico.

**CASE 11356:** Application of Pogo Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Tomahawk Unit Agreement for an area comprising 1,650.13 acres, more or less, of Federal and State lands in Townships 21 and 22 South, Ranges 32 and 33 East. Said unit area is centered approximately 27 miles west of Eunice, New Mexico.

**CASE 11332:** (Continued from July 13, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation to Rescind Division Order No. R-10372, Eddy County, New Mexico. Applicant, in the above styled cause, seeks to rescind Division Order No. R-10372 dated May 24, 1995, which order authorized Yates Petroleum Corporation to drill its Aspden "AOH" Federal Com Well No. 2 at an unorthodox oil well location 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 29, Township 19 South, Range 25 East, NMPM, North Dagger Draw-Upper Pennsylvanian Pool, subject to certain requirements relating to the formation of non-standard proration units. This well is located approximately 8 miles west of Lakewood, New Mexico. IN THE ABSENCE OF OBJECTION THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

**CASE 11345:** (Continued from July 27, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Robina Draw Unit Agreement for an area comprising 1920.00 acres, more or less, of Federal and State lands in Sections 15, 16, 21 and 22 of Township 23 South, Range 24 East, which is located approximately 10.5 miles northwest of White City, New Mexico.

**CASE 11346:** (Continued from July 27, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle North Dagger Draw-Upper Pennsylvanian Pool oil production with gas from the Dagger Draw-Wolfcamp Gas Pool within the wellbore of its Huisache "AHI" State Com Well No. 1, located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 2, Township 20 South, Range 24 East, which is located approximately 7.5 miles west of Seven Rivers, New Mexico.

**CASE 11357:** Application of Yates Petroleum Corporation for directional drilling and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to directionally drill its Aspden "AOH" Federal Com Well No. 2 from an unorthodox surface oil well location 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 29, Township 19 South, Range 25 East, to a bottomhole location within the SE/4 SW/4 of said Section 29 considered to be standard in the North Dagger Draw-Upper Pennsylvanian Pool. Said well is to be included within the existing standard 160-acre oil spacing and proration unit comprising the SW/4 of said Section 29 and its production is to be simultaneously dedicated with the existing Boyd "X" State Com Well No. 4 located in Unit "K", the Boyd "X" State Com Well No. 2 in Unit "L", and the Aspden "AOH" Federal Com Well No. 1 in Unit "M". Said unit is located approximately 8 miles west of Lakewood, New Mexico.

**CASE 11264:** (Continued from July 27, 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 11339:** (Continued from July 27, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for directional drilling and an unorthodox bottomhole location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Zinnia Federal Unit Well No. 1 from a unorthodox surface location 1980 feet from the North line and 910 feet from the West line (Unit E) of Section 27, Township 20 South, Range 29 East, to an unorthodox bottomhole gas well location within 50 feet of a point 1980 from the North line and 2405 feet from the East line (Unit G of Section 27, to test the Strawn and Morrow formations, Undesignated East Burton Flat-Strawn Gas Pool and Wildcat Morrow. The N/2 of Section 27 is to be dedicated to this well forming a standard 320-acre gas spacing and proration unit for both formations. Said well is located approximately 11 miles northeast of Carlsbad, New Mexico.

**CASE 11283:** (Continued from July 13, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for an amendment to Division Order No. R-9976-A authorizing a location change of a certain unorthodox infill gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9976-A, which order authorized the applicant to infill drill the Pecos Slope-Abo (unprorated) Gas Pool within a portion of Townships 5, 6, and 7 South, Ranges 25 and 26 East, by changing the location approved by said order of its Catterson "SS" Federal Well No. 7, which has already been drilled, to reflect its current position 2310 feet from the South line and 660 feet from the East line (Unit I) of Section 33, Township 7 South, Range 26 East. Said well is located approximately 14 miles west of Elkins, New Mexico.

**CASE 11358:** Application of Nearburg Exploration Company/Nearburg Producing Company to terminate injection operations into two certain disposal wells by rescinding Division Administrative Order SWD-336 and Division Order No. R-7637, Eddy County, New Mexico. Applicant, in the above-styled cause, as operator of the Ross Ranch "22" well No. 2 (API No. 30-015-27458), located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 22, Township 19 South, Range 25 East, North Dagger Draw-Upper Pennsylvanian Pool, seeks an order from the Division rescinding: (1) Administrative Order SWD-336, dated March 3, 1988, which order permitted Yates Petroleum Corporation to utilize its Osage Well No. 1 (API No. 30-015-20890), located 1980 feet from the North and East lines (Unit G) of Section 21, Township 19 South, Range 25 East, as a salt water disposal well into the Canyon formation; and, (2) Order No. R-7637, dated August 23, 1984, which order authorized Anadarko Petroleum Corporation to dispose of produced salt water into the Cisco/Canyon formations through its Dagger Draw SWD Well No. 1, (API No. 30-015-25003), located 1495 feet from the North line and 225 feet from the West line (Unit E) of said Section 22. The 160 acres comprising the NW/4 of said Section 22, in which the Ross Ranch "22" Well No. 2 is therein dedicated, is located approximately 4 miles southwest by west of Seven Rivers, New Mexico.

**CASE 11359:** Application of Damar Energy 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 Delaware formation, underlying the SE/4 SE/4 (Unit P) of Section 22, Township 23 South, Range 28 East, 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 East Loving-Brushy Canyon 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 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 2 miles east of Loving, New Mexico.