

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 5, 1995

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 31-95 and 32-95 are tentatively set for October 19, 1995 and November 2, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11378: (Continued from September 21, 1995, Examiner Hearing.)

Application of Tamarack Petroleum Company, Inc. for lease commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 309.A to permit commingling of Saunders-Permo Pennsylvanian Pool production from its Lion State, Lion "A" State, and Saunders State leases in Sections 9 and 16, Township 14 South, Range 33 East, being in an area located approximately 20 miles south-southeast of Caprock, New Mexico.

CASE 11392: **Application of Phillips Petroleum Company for an unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill its Grayburg Deep Unit Well No. 11 at an unorthodox gas well location 416 feet from the South line and 2625 feet from the East line (Unit O) of Section 23, Township 17 South, Range 29 East, to test the Pennsylvanian formation, Undesignated Anderson-Pennsylvanian Gas Pool, Undesignated North Grayburg-Atoka Gas Pool, Undesignated Grayburg-Morrow Gas Pool. The S/2 of Section 23 is to be dedicated to the proposed well forming a standard 320-acre gas spacing and proration unit for the Pennsylvanian formation. Said unit is located approximately 3 miles southwest of Loco Hills, New Mexico.**CASE 11360:** (Readvertised)

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 33, Township 17 South, Range 27 East, and in the following manner: the W/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 Red Lake-Pennsylvanian Gas Pool, Undesignated Logan Draw-Cisco/Canyon Gas Pool, Undesignated Scoggin Draw-Atoka Gas Pool, Undesignated Logan Draw-Morrow Gas Pool, Undesignated West Logan Draw-Morrow Gas Pool, and Undesignated Scoggin Draw-Morrow Gas Pool; and, the NW/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. Said units are to be dedicated to a single well to be drilled and completed 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 Nearburg Producing Company as the operator of the well, and a charge for risk involved in drilling said well. Said well location is approximately 3 miles south of Riverside, New Mexico.

CASE 11393: **Application of Nearburg Producing Company for an unorthodox gas well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authorization to drill its Minis Federal Com Well No. 1 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit T) of Irregular Section 1, Township 21 South, Range 32 East, to test the Morrow formation, Undesignated Hat Mesa-Morrow Gas Pool. The southernmost 320 acres of Section 1 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 6 miles southeast from the intersection of Federal Aid Secondary Highway FAS 1217 and U.S. Highway 180-62, New Mexico.**CASE 11394:** **Application of Harvey E. Yates Company for a unit agreement, Otero County, New Mexico.** Applicant, in the above-styled cause, seeks approval of a unit agreement for its proposed Bennett Ranch Federal Unit Area" containing 10,517.57 acres, more or less, of Federal and State lands comprising all or portions of Sections 2, 3, 10-15, 22-27, 35 and 36, Township 26 South, Range 12 East, and all or portions of Sections 18, 19, 30, and 31, Township 26 South, Range 13 East. Said unit area is located approximately 32 miles east-northeast of the intersection of U.S. Highway 54 with the Texas-New Mexico state line.**CASE 11339:** (Continued from September 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 11395: **Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval of a unit agreement for its proposed Ed Powell Unit Area" containing 5,207.08 acres, more or less, of Federal and State lands comprising all or portions of Sections 7, 8, 17, 18-21, and 28-33, Township 26 South, Range 38 East. Said unit area is centered approximately 8 miles southeast of Jal, New Mexico.

CASE 11370 (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 Morrow formation underlying the N/2 of Section 36, Township 17 South, Range 30 East, in the following described manner: the N/2 forming a standard 320-acre 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 Cedar Lake-Morrow Gas Pool; the NW/4 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; the E/2 NW/4 forming a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent; and the NE/4 NW/4 forming a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit(s) are to be dedicated to the proposed Cedro "APG" State Com Well No. 1 to be drilled at a standard location 660 feet from the North line and 2230 feet from the West line (Unit C) of said Section 36. 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 risk involved in drilling said well. Said units are located approximately 4 miles east-southeast of Loco Hills, New Mexico.

CASE 11359: (Continued from September 7, 1995, Examiner Hearing.)

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.

CASE 11396: Application of Arch Petroleum Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to drill its C. E. Lamunyon Well No. 57 at an unorthodox oil well location 20 feet from the North line and 1340 feet from the West line (Unit C) of Section 27, Township 23 South, Range 37 East, Lea County, New Mexico, to test the Ellenburger formation, Teague-Ellenburger Pool. The NE/4 NW/4 of Section 27 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 11 miles south of Eunice, New Mexico.

CASE 11375: (Continued from September 21, 1995, Examiner Hearing.)

Application of Enron Oil & Gas Company to amend Division Order No. R-10109, promulgating special rules and regulations for the Red Hills-Bone Spring Pool, and for the assignment of a special depth bracket oil allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-10109, which promulgated "*Special Rules and Regulations for the Red Hills-Bone Spring Pool*", comprising all or portions of Sections 1, 12, and 13, Township 25 South, Range 33 East and Sections 6, 7, 8, 16, and 17, Township 25 South, Range 34 East, changing the well location requirements contained in Rules 2 and 4 so as to permit a well in each quarter-quarter section or lot of a standard 80-acre spacing and proration unit and to enlarge the "standard location window" so that wells can be no closer than 330 feet from a quarter-quarter section line. Applicant further seeks the assignment of a special poolwide depth bracket oil allowable, pursuant to Division General Rule 505(d), of 660 barrels of oil per day per 80-acre unit. Said pool is located approximately 18.5 miles west by north of Jal, New Mexico.

CASE 11397: Application of Enron Oil & Gas 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 S/2 of Section 12, Township 18 South, Range 29 East, in the following described manner: the S/2 forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent; the SW/4 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; the E/2 SW/4 forming a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent; and the SE/4 SW/4 forming a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit(s) are to be dedicated to the Sand Tank "12" Federal Com Well No. 1 located at a standard location 990 feet from the South line and 2145 feet from the West line (Unit N) of said Section 12. 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 risk involved in drilling said well. Said area is located approximately 10 miles southwest of Maljamar, New Mexico.