

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 21, 1995

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 29-95 and 30-95 are tentatively set for October 5, 1995 and October 19, 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 11328: (Continued from September 7, 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 11321: (Reopened and Readvertised)

Application of D & J Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location in the Southwest Gladiola-Devonian Pool to be drilled 642 feet from the South line and 2434 feet from the East line (Unit O) of Section 27, Township 12 South, Range 37 East. The W/2 SE/4 of said Section 27 is to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 7.5 miles east by south of Tatum, New Mexico.

CASE 11382: Application of H. L. Brown, Jr. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit agreement for its proposed "North Carlsbad Unit Area" containing 2560.00 acres, more or less, of Federal, State, and fee lands comprising all of Sections 27, 28, 33 and 34, Township 24 South, Range 23 East. Said unit area is located approximately 13 miles west of White City, New Mexico.

CASE 11040: (Reopened - Continued from September 7, 1995, Examiner Hearing.)

In the matter of Case No. 11040 being reopened pursuant to the provisions of Division Order No. R-5353-O, which order created the Burton Flat-Bone Spring Associated Pool in Eddy County, New Mexico and promulgated special pool rules therefor. Operators in the subject pool may appear and show cause why the temporary special rules and regulations for the Pool should not be rescinded and the pool reclassified accordingly, or in the alternative, to have said pool consolidated with other surrounding Bone Spring Pools.

CASE 11378: (Continued from September 7, 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 11383: Application of Santa Fe Resources, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit agreement for its proposed "Kemosabe Unit Area" containing 1112.64 acres, more or less, of State lands comprising all of Section 18, Township 18 South, Range 34 East and the NE/4 and W/2 equivalent of Section 18, Township 18 South, Range 35 East. Said unit area is located approximately 4 miles south of Buckeye, New Mexico.

CASE 11384: Application of Santa Fe Energy Resources, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location in the Mesa Verde -Bone Spring Pool to be drilled 660 feet from the North line and 2540 feet from the East line (Unit B) of Section 6, Township 24 South, Range 32 East. Lot 2 (NW/4 NE/4 equivalent) of said Section 6 is to be dedicated to said well forming a standard 40.08-acre oil spacing and proration unit for said pool. Said unit is located approximately one mile northeast of State Highway No. 128 at the Lea/Eddy County line.

CASE 11375: (Readvertised)

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 11335: (Continued from September 7, 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 11385: Application of Texaco Exploration and Production Inc. for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its Dow "B-28" Federal Well No. 1 at an unorthodox location 1028 feet from the South line and 1227 feet from the East line (Unit P) of Section 28, Township 17 South, Range 31 East, to test for oil in the deeper Siluro-Devonian formation and for gas in the Undesignated East Cedar Lake-Morrow Gas Pool. The SE/4 SE/4 of said Section 28 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit and the S/2 of said Section 28 to form a standard 320-acre gas spacing and proration unit. Said well location is approximately one mile south of the junction of U. S. Highway 62/180 and New Mexico State Highway 529.

CASE 11386: Application of Amerada Hess Corporation for an unorthodox gas well location and a non-standard gas spacing and proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its North Bell Lake Federal Well No. 3 at an unorthodox gas well location 1930 feet from the North line and 660 feet from the East line (Unit H) of Section 6, Township 23 South, Range 34 East, to test the Undesignated North Bell Lake-Ellenburger Gas Pool. All of said irregular Section 6 is to be dedicated to said well to form a non-standard 628.62-acre gas spacing and proration unit for said pool. Said unit is located approximately 21.5 miles west-southwest of Eunice, New Mexico.

CASE 11387: Application of Medallion Production Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its U. S. A. "20" Well No. 1 at an unorthodox gas well location 990 feet from the South line and 1100 feet from the East line (Unit P) of Section 20, Township 15 South, Range 28 East, to test the Undesignated Buffalo Valley-Pennsylvanian Gas Pool. The S/2 of said Section 20 is to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 12.5 miles east of Lake Arthur, New Mexico.

CASE 11388: Application of Exxon Corporation for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to establish a non-standard 120-acre gas spacing and proration unit ("GPU") for Blinebry Oil and Gas Pool production comprising the S/2 SW/4 and SW/4 SE/4 of Section 2, Township 22 South, Range 37 East. Said unit is to be dedicated to the existing New Mexico "S" State Well No. 22, located at an unorthodox gas well location for the proposed GPU 800 feet from the South line and 660 feet from the West line (Unit M) of said Section 2. The formation of the proposed 120-acre GPU is to replace the existing 80-acre non-standard GPU comprising the S/2 SW/4 of said Section 2, approved by Division Administrative Order NSP-1734(L), dated August 7, 1995. Said unit is located approximately 1.5 miles southeast of Eunice, New Mexico.