

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 8, 1996

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 6-96 and 7-96 are tentatively set for February 22, 1996 and March 7, 1996. 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 11458: Application of Oxy USA Inc. for unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its Oxy 33 Federal Well No. 1 at an unorthodox gas well location 510 feet from the South line and 660 feet from the East line (Unit P) of Section 33, Township 19 South, Range 28 East. The S/2 of Section 33 is to be dedicated to this well forming a standard 320-acre gas spacing and proration unit for any and all production from the top of the Wolfcamp formation to be base of the Morrow formation. Applicant further requests approval of the unorthodox well location as to all prospective pools or formations including but not limited to the North Burton Flat-Wolfcamp Gas Pool, the Winchester-Morrow Gas Pool, the Winchester-Strawn Gas Pool, and the Angell Ranch Atoka-Morrow Gas Pool. Said well is located approximately 9 miles east of Lakewood, New Mexico.

CASE 11453: (Continued from January 25, 1996, Examiner Hearing.)

Application of Oxy USA Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its Government S Well No. 9 at an unorthodox gas well location 660 feet from the North line and 660 feet from the East line (Unit A) of Section 3, Township 20 South, Range 28 East. The N/2 of Section 3 is to be dedicated to this well forming a standard 320-acre gas spacing and proration unit for any and all production from the top of the Wolfcamp formation to the base of the Morrow formation. Applicant further requests approval of the unorthodox well location as to all prospective pools or formations including but not limited to the North Burton Flat-Wolfcamp Gas Pool, the Winchester-Morrow Gas Pool, the Winchester-Strawn Gas Pool, the Winchester-Atoka Gas Pool and the Burton Flat-Morrow Gas Pool. Said well is located approximately 10 miles east

CASE 11454: (Continued from January 25, 1996, Examiner Hearing.)

Application of Oxy USA Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its Oxy 4 Federal Well No. 1 at an unorthodox gas well location 1980 feet from the North line and 2130 feet from the West line (Unit F) of Section 4, Township 20 South, Range 28 East. The W/2 of Section 4 is to be dedicated to this well forming a standard 320-acre gas spacing and proration unit for any and all production from the top of the Wolfcamp formation to the base of the Morrow formation. Applicant further requests approval of the unorthodox well location as to all prospective pools or formations including but not limited to the North Burton Flat-Wolfcamp Gas Pool, the Winchester-Morrow Gas Pool, and the Burton Flat-Morrow Gas Pool. Said well is located approximately 9 miles east of Lakewood, New Mexico.

CASE 11459: Application of Conoco, Inc. to Amend Division Administrative Order DHC-1170, Lea County, New Mexico. Applicant seeks to amend the original allowable set forth in Division Order DHC-1170 which approved the commingling of production from the Blinberry Oil and Gas Pool and the Warren-Tubb Gas Pool in its Warren Unit Well No. 95, located 660 feet from the South and East lines (Unit P) of Section 28, Township 20 South, Range 38 East. Said well is located approximately 7 miles north of Eunice, New Mexico.

CASE 11435: (Readvertised)

Application of Shell Western E&P Inc. to Amend Division Administrative Order DHC-1149, Lea County, New Mexico. Applicant seeks to amend Division Order DHC-1149 to allow commingled oil production from the Vacuum-Wolfcamp and Vacuum-Middle Pennsylvanian Pools not to exceed 300 barrels/day, and to allow water production not to exceed 300 barrels/day, from the State "A" Well No. 10, located in Unit A of Section 31, Township 17 South, Range 35 East. Said well is located approximately 1 mile southeast of Buckeye, New Mexico.

CASE 11460: Application of Santa Fe Energy Resources, Inc. for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Tom Cat Unit Agreement for an area comprising 2,560 acres, more or less, of federal, state, and fee lands consisting of all or parts of Sections 15-17 and 20-22, Township 23 South, Range 32 East. Said unit area is centered approximately 5 miles northeast of the intersection of State Highway 128 with the Eddy/Lea County line.

CASE 11461: Application of Santa Fe Energy Resources, Inc. for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the following described acreage in Section 29, Township 22 South, Range 34 East, and in the following manner: All of Section 29 to form a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, including the Undesignated North Bell Lake-Devonian Gas Pool; and the E/2 of Section 29 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, including the Undesignated Antelope Ridge-Atoka Gas Pool. Said units are to be dedicated to the applicant's Shamrock "29" Fed Com. Well No. 1 to be drilled at an orthodox gas well location 1330 feet from the North and East lines (Unit G) of the Section. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said units are located approximately 16 miles southwest of Eunice, New Mexico.

CASE 11456: (Continued from January 25, 1996, Examiner Hearing.)

Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the NE/4 NE/4 of Section 18, Township 23 South, Range 32 East, forming 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. Said unit is to be dedicated to the applicant's Tomcat 18 Fed. Well No. 1 to be drilled at an orthodox oil well location. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said unit is located approximately 4 miles north of the intersection of Highway FAS 1271 and the border between Lea and Eddy Counties.

CASE 11462: Application of Exxon Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant seeks to establish a non-standard 240-acre gas spacing and proration unit for Blinberry Oil and Gas Pool production comprising the E/2 W/2, SW/4 SW/4, and NW4 SW/4 of Section 2, Township 22 South, Range 37 East. Said unit is to be dedicated to the existing New Mexico "S" Well Nos. 14, 38, 28, 27, 21, and 42, located in Unit letters C, E, F, K, L, and N, respectively. Said proration unit is located two miles southeast of Eunice, New Mexico.

CASE 11169: (Continued from January 25, 1996, Examiner Hearing.)

In the matter of Case No. 11169 being reopened pursuant to the provisions of Division Order No. R-10327, which order promulgated temporary special rules and regulations for the North Hardy Tubb-Drinkard Pool in Lea County, New Mexico. Operators in the subject pool may appear and present evidence and testimony as to the nature of the reservoir with regards to making these rules permanent.

CASE 11463: Application of Robert L. Bayless for downhole commingling, San Juan County, New Mexico. Applicant, seeks approval to downhole commingle production from Fulcher Kutz-Pictured Cliffs and Aztec Fruitland Sand Pools within the wellbore of its Horn Canyon Well No. 1 located 1190 feet from the North line and 1055 feet from the West line (Unit D) of Section 15, Township 28 North, Range 11 West. Said well is located approximately 4 miles south of Bloomfield, New Mexico.

CASE 11464: Application of Penwell Energy, Inc. for pool creation, special pool rules and a discovery allowable, Eddy County, New Mexico. Applicant seeks the creation of a new pool for the production of oil from the Bone Spring formation comprising the W/2 NE/4 of Section 7, Township 22 South, Range 26 East, the assignment of a discovery allowable, and the promulgation of special pool rules therefor including provisions for 80-acre oil spacing units and designated well location requirements. Said area is located approximately 15 miles south of Loving, New Mexico.

CASE 11465: Application of Cobra Oil & Gas Corporation for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Lewis Unit Agreement for an area comprising 80 acres of State lands in portions of Sections 3 and 4, Township 10 South, Range 36 East. Said unit area is located approximately 15 miles north-northeast of Tatum, New Mexico.

CASE 11466: Application of Cobra Oil & Gas Corporation for unorthodox oil well location, Lea County, New Mexico. Applicant seeks approval to drill its State 3 Com Well No. 1 at an unorthodox location 675 feet from the South line and 114 feet from the West line (Unit M) of Section 3, Township 10 South, Range 36 East. The SW/4 SW/4 of said Section 3 is to be dedicated to the well. Applicant further requests approval of the unorthodox location as to all prospective pools or formations including but not limited to the Devonian formation. Said well is located approximately 15 miles north-northeast of Tatum, New Mexico.