

**DOCKET: EXAMINER HEARING - THURSDAY - JUNE 13, 1996**

**8:15 A.M. - 2040 S. Pacheco  
Santa Fe, New Mexico**

Dockets Nos 18-96 and 19-96 are tentatively set for June 27, 1996 and July 11, 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 11544:** Application of SDX 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 Drinkard formation underlying Lot 7 of Irregular Section 4, Township 21 South, Range 37, East forming a standard 40.4-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 limited to the North Eunice Blinberry-Tubb-Drinkard Pool. Said unit is to be dedicated to its Exxon Fee Well No. 1 to be drilled and completed at a standard well location in Lot 7 of said Section 4. 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 risk involved in drilling said well. Said unit is located approximately 6 miles north of Eunice, New Mexico.

**CASE 11542:** (Continued from May 30, 1996, Examiner Hearing.)

Application of Meridian Oil Inc. for compulsory pooling and an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks an order pooling certain mineral interests in the Blanco Mesaverde Pool underlying Lots 1, 2, 7, 8, 9, 10, 15 and 16 (the E/2 equivalent) of Section 23, Township 31 North, Range 9 West, forming a 313.63-acre gas spacing and proration unit. Said unit is to be dedicated to Meridian Oil Inc.'s proposed Seymour Well No. 7A which is an "Infill Blanco-Mesaverde Well" to be drilled at an unorthodox gas well location 1615 feet from the South line and 2200 feet from the East line of said Section 23 to test for production from the Mesaverde formation. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling and completing, the allocation of those costs and income therefrom as well as actual operating costs and charges for supervision, a charge for risk involved in drilling and completing said well and the designation of applicant as the operator of the well. Said well is located approximately 9 miles southeast of Cedar Hills, New Mexico.

**CASE 11545:** Application of Penwell Energy, Inc., for a unit agreement, Eddy County, New Mexico. Applicant seeks approval of the Wagon Wheel Exploratory Unit Agreement for an area comprising 5,040.00 acres of Federal and Fee lands in all or portions of Sections 10, 11, 14, 15, 21, 22, 23, 26, 27, 28, 33 and 34 of Township 22, South, Range 22 East, which is located approximately 20 miles West of Carlsbad, New Mexico.

**CASE 11538:** (Continued from May 30, 1996, Examiner Hearing.)

Application of Yates Petroleum Corporation for surface commingling, Eddy and Lea Counties, New Mexico. Applicant seeks an exception to Division General Rule Nos. 303.A and 309.A. to permit surface commingling of Delaware and Morrow gas production from approximately forty-one wells located within the Livingston Ridge Area, located in Townships 21 and 22 South, Ranges 31 and 32 East. Applicant further seeks authority to allocate gas production to individual wells utilizing gas allocation meters and/or central delivery point meters located upstream of a central GPM gas sales meter located in the SW/4 NW/4 of Section 6, Township 22 South, Range 32 East. Said area is located approximately 8 miles south of the intersection on Highways 176 and 180, New Mexico.

**CASE 11539:** (Continued from May 30, 1996, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant seeks approval to drill its Mimosa AHS Federal Well No. 3 at an unorthodox location 660 feet from the South line and 330 feet from the East line of Section 4, Township 20 South, Range 24 East. The S/2 of said Section 4 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 Upper Pennsylvanian (Canyon) and Morrow formations. Said unit is located approximately 14 miles south-southeast of Hope, New Mexico.

**CASE 11521:** (Continued from May 2, 1996, Examiner Hearing.)

Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 4, Township 18 South, Range 28 East, 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 Illinois Camp-Morrow Gas Pool. Said unit is to be dedicated to its Hummer State "4" Com Well No. 1 to be drilled and completed at a standard well location in Unit B of said Section 4. 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 14 miles east-southeast of Artesia, New Mexico.

**CASE 11546:** **Application of Nearburg Producing Company, L.L.C., for an unorthodox well location, Lea County, New Mexico.** Applicant seeks authorization to drill a well to the Strawn formation, Shipp-Strawn Pool, at an unorthodox well location 2310 feet from the South line and 660 feet from the East line of Section 36, Township 16 South, Range 37 East. The N/2 SE/4 of said Section 36 is to be dedicated to said well forming a standard 80-acre spacing and proration unit. Said unit is located approximately 8 miles east of Lovington, New Mexico.

**CASE 11547:** **Application of Nearburg Exploration Company, L.L.C., for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, in all formations developed on 320-acre spacing, underlying the E/2 of Section 11, Township 17 South, Range 25 East. Said unit is to be dedicated to the Eagle Creek 11 Com Well No. 1 to be drilled at a location 1980 feet from the South and East lines of said Section 11. 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 unit is located approximately 2 miles west of Artesia, New Mexico.

**CASE 11534:** (Continued from May 30, 1996, Examiner Hearing.)

**Application of Enron Oil & Gas Company for an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks authorization to drill its Greenback State Well No. 2 at an unorthodox oil well location 1980 feet from the North line and 1330 feet from the West line (Unit F) of Section 17, Township 24 South, Range 38 East, to be dedicated to a standard 40-acre oil spacing and proration unit consisting of the SE/4 NW/4 of said Section 17 in the East Fowler-Ellenburger Pool. Said unit is located approximately 6 miles northeast of Jal, New Mexico.

**CASE 11533:** (Continued from May 16, 1996, Examiner Hearing.)

**Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 for all formations developed on 320-acre spacing, the NW/4 for all formations developed on 160-acre spacing, the S/2 NW/4 for all formations developed on 80-acre spacing, and the SW/4 NW/4 for all formations developed on 40-acre spacing, all in Section 4, Township 18 South, Range 28 East. Applicant proposes to dedicate this pooled unit to a well to be drilled at an unorthodox gas well location 1650 feet from the North line and 990 feet from the West line (Unit E) of said Section 4 to test any and all formations from the surface to the base of the Morrow formation, Illinois Camp-Morrow Gas Pool. 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 14 miles east-southeast of Artesia, New Mexico.

**CASE 11548:** **Application of Mewbourne Oil Company for an unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks approval to drill its proposed State "B" Com Well No. 4 at an unorthodox gas well location 1650 feet from the North line and 660 feet from the West line (Unit E) of Section 33, Township 19 South, Range 25 East, to test the Cemetery-Morrow Gas Pool. The N/2 of said Section 33 is to be dedicated to the well, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 4 miles northwest of Seven Rivers, New Mexico.

**CASE 11549:** **Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 23, Township 19 South, Range 28 East, and in the following manner: the S/2 of Section 23 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated South Millman-Atoka Gas Pool, the Undesignated Winchester-Morrow Gas Pool, the Undesignated North Winchester-Morrow Gas Pool, the Undesignated Winchester -Upper Pennsylvanian Gas Pool, the Undesignated Winchester-Strawn Gas Pool, and the Undesignated North Winchester-Wolfcamp Pool; the SW/4 of Section 23 to form a standard 160-acre gas spacing and proration unit for any and all pools and/or formations developed on 160-acre spacing within said vertical extent, including the Undesignated Winchester-Wolfcamp Gas Pool; and the SE/4 SW/4 of Section 23 to form a standard 40-acre oil spacing and proration unit for any and all pools and/or formations developed on 40-acre spacing within said vertical extent, including the Undesignated Outpost-Delaware Pool, the Undesignated East Millman-Queen-Grayburg-San Andres Pool, the Undesignated Scanlon Draw-Queen Pool, and the Undesignated Winchester-Bone Spring Pool. Said units are to be dedicated to Applicant's Ten Bears "23" St. Well No. 1, to be drilled at an orthodox well location 990 feet from the South line and 1980 feet from the West line (Unit N) of the section. 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 unit is located approximately 6 miles southeast of Illinois Camp