

CASE 11542: (Continued from August 22, 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 11590: (Continued from August 22, 1996, Examiner Hearing.)

Application of Burlington Resources Oil & Gas Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying the W/2 of Section 23, Township 32 North, Range 7 West, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to Burlington Resources Oil & Gas Company's Allison Unit Com Well No. 146 which is to be drilled at an unorthodox well location approved by Division Order No. R-10616. 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 a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles southwest of the intersection of the Rio Arriba County and San Juan County lines of the State of New Mexico with the southern border of the State of Colorado.

CASE 11549: (Continued from August 22, 1996, Examiner Hearing.)

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.

CASE 11604: (Continued from August 22, 1996, Examiner Hearing.)

Application of Sunco Trucking Water Disposal Company for a show cause hearing as to why it should not be fined for violations of Oil Conservation Division Rule 711, San Juan County, New Mexico. Applicant seeks a hearing to show cause to the Oil Conservation Division why applicant should not be fined \$5,000.00 for violations of the conditions of its Rule 711 permit.

CASE 11608: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating, contracting, and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the North Los Medanos-Strawn Gas Pool. The discovery well is the Mitchell Energy Corporation Apache "24" Federal Well No. 1 located in Unit P of Section 24, Township 22 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM

Section 24: S/2

- (b) CONTRACT the Indian Basin-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, by the deletion therefrom of the following described area:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 33: N/2

- (c) EXTEND the Indian Basin-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 33: N/2

- (d) EXTEND the Cass Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM

Section 14: SE/4

Section 23: E/2

- (e) EXTEND the East Catclaw Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 8: N/2

- (f) EXTEND the Cedar Canyon-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 22: N/2

- (g) EXTEND the Corral Draw-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 21: NW/4

Section 22: NW/4

- (h) EXTEND the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 10: NE/4

- (i) EXTEND the Fren-Paddock Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 16: SE/4

- (j) EXTEND the Happy Valley-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM

Section 6: S/2

CASE 11601: **Application of Burlington Resources Oil & Gas Company for the establishment of a downhole commingling reference case pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, San Juan County, New Mexico.** Applicant, in accordance with Division Rule 303.E, seeks to establish a downhole commingling reference case to provide for (1) marginal economic criteria, (2) pressure criteria, (3) allocation formulas, and (4) modification of notification rules, on an area-wide basis for authorization for downhole commingling of Dakota, Mesaverde and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the San Juan 32-9 Unit located in Township 31 North, Range 9 West; Township 31 North, Range 10 West; Township 32 North, Range 9 West; and Township 32 North, Range 10 West, said production being portions of the Basin-Dakota Gas Pool, the Blanco-Mesaverde Gas Pool and the Blanco-Pictured Cliffs Gas Pool. The center of said area is located approximately 4 miles east of Cedar Hills, New Mexico.

CASE 11590: (Continued from August 8, 1996, Examiner Hearing.)

Application of Burlington Resources Oil & Gas Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying the W/2 of Section 23, Township 32 North, Range 7 West, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to Burlington Resources Oil & Gas Company's Allison Unit Com Well No. 146 which is to be drilled at an unorthodox well location approved by Division Order No. R-10616. 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 a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles southwest of the intersection of the Rio Arriba County and San Juan County lines of the State of New Mexico with the southern border of the State of Colorado.

CASE 11574: (Continued from August 8, 1996, Examiner Hearing.)

Application of Texaco Exploration & Production, Inc. for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Jalmat Gas Pool for its E. E. Blinbry "A" Federal Com NCT-1 Well No. 4 to be drilled 1870 feet from the South line and 990 feet from the West line (Unit L) of Section 31, Township 23 South, Range 37 East. Jalmat gas production from said well is to be simultaneously dedicated with the E.E. Blinbry "A" Federal (NCT-1) Well No. 2 located in Unit "I" of said Section 31 and the E.E. Blinbry "B" Federal NCT-1 Well No. 3, located at a previously approved unorthodox gas well location [approved by Division Administrative Order NSL-2984(SD)] 1980 feet from the South and West lines (Unit K) of said Section 31 to the existing 355.96-acre non-standard gas spacing and proration unit comprising Lots 3 and 4, E/2 SW/4, N/2 SE/4, and SE/4 SE/4 of said Section 31 and the S/2 SW/4 of Section 32, Township 23 South, Range 37 East (approved by Division Order No. R-2474). Said unit is located approximately 10 miles north of Jal, New Mexico.

CASE 11602: **Application of Bass Enterprises Production Company for approval of the expansion of the Atoka Participating Area in the James Ranch Unit, Eddy County, New Mexico.** Applicant seeks approval of the third expansion of the participating area for the Atoka formation in the James Ranch Unit Area including 1,683.13 acres, more or less, located in portions of Sections 35 and 36 of Township 22 South, Range 30 East, and portions of Sections 5, 6, 8, and 17 of Township 23 South, Range 31 East. Said unit is located approximately 15 miles east of Carlsbad, New Mexico.

CASE 11603: **Application of Bass Enterprises Production Company for approval of the expansion of the Atoka Participating Area in the James Ranch Unit, Eddy County, New Mexico.** Applicant seeks approval of the fourth expansion of the participating area for the Atoka formation in the James Ranch Unit Area including 238.54 acres, more or less, located in portions of Section 12, Township 22 South, Range 30 East, and portions of Section 7, Township 22 South, Range 31 East. Said unit is located approximately 15 miles east of Carlsbad, New Mexico.

CASE 11575: (Continued from July 25, 1996, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from a depth of 4,000 feet to the base of the Morrow formation in all formations developed on 320-acre spacing under the W/2 of Section 34; in all formations developed on 160-acre spacing under the SW/4 of Section 34; in all formations developed on 80-acre spacing under the W/2 SW/4 of Section 34 and in all formations developed on 40-acre spacing under the NW/4 SW/4 of Section 34, Township 17 South, Range 28 East. Said unit is to be dedicated to its Artesia "34" State Com Well No. 1 to be drilled at a standard location 1650 feet from the South line and 990 feet from the West line of said Section 34. Also to be considered will be the costs 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 said well. Said area is located approximately 13 miles east by north of Atoka, New Mexico.

CASE 11604: Application of Sunco Trucking Water Disposal Company for a show cause hearing as to why it should not be fined for violations of Oil Conservation Division Rule 711, San Juan County, New Mexico. Applicant seeks a hearing to show cause to the Oil Conservation Division why applicant should not be fined \$5,000.00 for violations of the conditions of its Rule 711 permit.

CASE 11516: (Reopened - Continued from July 25, 1996, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit H & W Enterprises, operator, American Employers' Insurance Company, surety, and all interested parties to appear and show cause why the Mobil State Well No. 1, located 2310 feet from the North line and 990 feet from the East line (Unit H) of Section 16, Township 17 South, Range 31 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division approved plugging program. Further, an order is being sought authorizing the Division to plug said well and order the forfeiture of the plugging bond in affect for said well.